

RISK-BASED SPS MANAGEMENT

DA TERMS

(TRADE ENABLING RISK MANAGEMENT SYSTEM) AND ITS IMPACT ON THE GLOBAL TRADE OF AGRICULTURAL COMMODITIES

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22nd PINOY PORK CHALLENGE

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Background

DA entered into a Cooperation Agreement with International Finance Corporation (ICF) – World Bank Group on Improving Philippine agribusiness competitiveness through SPS and Risk Management in Quarantine and Inspections

GOALS:

Improve DA systems and processes in the issuance of SPS import clearance and international certificates, risk management and compliance with WTO SPS rules

Strengthen trade facilitation through DA Trade Enabling Risk Management System (TERMS)



WTO Agreements Relevant to Agricultural and Fisheries Trade

- Agriculture (AoA)
- **Sanitary and Phytosanitary Measures (SPS)**
- Technical Barriers to Trade (TBT)
- Trade Related Aspects of Intellectual Property Rights (TRIPS)
- Trade-Related Investment Measures (TRIMs)
- Anti-dumping (Article VI of GATT 1994)
- Customs valuation (Article VII of GATT 1994)
- Pre-shipment Inspection
- Rules of Origin
- Import Licensing
- Subsidies and Countervailing Measures
- Safeguards



Key Provisions of the SPS Agreement

1. Non-discrimination
2. Scientific justification
 - harmonization
 - risk assessment
 - consistency
 - least trade-restrictiveness
3. Equivalence
4. Regionalization
5. Transparency
6. Technical assistance/special treatment
7. Control, inspection and approval procedures (Annex C)
8. Consultations and dispute settlement



Issues with the current Philippine SPS system

- Some high SPS risk activities and goods were being poorly managed or not managed at all
 - Example: the potential entry of high risk products brought in by passengers at airports or insects in/on sea containers and machinery
- Some low SPS risk goods were being excessively managed raising costs unnecessarily
 - Example: frozen vegetable product
- Current interventions at the border mismatched with potential risk rating (thus, mismatch of risk to resources)
 - Example: refrigerated products are inspected twice but dried products like animal feeds and fertilizers may or may not be inspected at all (depending on whether they are flagged by BOC).



4 Key Activities of DA TERMS Project

1. Risk Assessment
2. Risk Management
3. Risk Communication
4. Targeted border inspection system at MICP and South Harbor



1. RISK ASSESSMENT

Assessment of SPS and food safety risks facing the DA quarantine system and how well the DA is currently managing those risks

- Risk Assessment of 3 top pests and diseases: avian influenza, fruit fly, and shrimp disease

Focus on potential pest and disease pathways rather than just on the product itself as carriers of pests or diseases

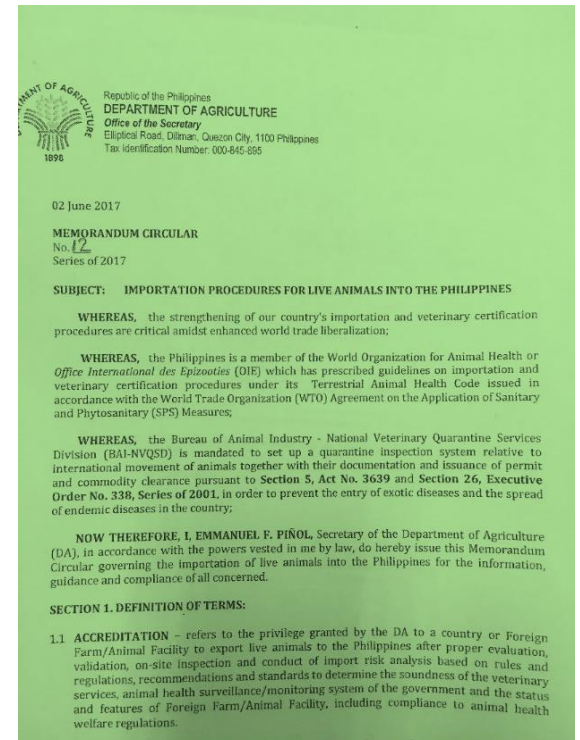
Objectives:

1. To assess how these pests/diseases could enter the Philippines and how risk management practices is currently undertaken
2. To improve the information collection processes of DA in the assessment of SPS and food safety risks



How Risk Assessment is Conducted (importing country perspective)

- Importation Procedures for Live Animals
- Harmonized Checklist for Import Risk Analysis



Harmonized Checklist for Import Risk Analysis



PART 1. HAZARD IDENTIFICATION
Nature of the Hazard (Infectious/ Non-infectious/Pest)
<ul style="list-style-type: none"> ○ Description of the pest/infectious/Non-infectious agent ○ Description of the adverse consequences/impact that would result from importation of said commodity which may potentially carry the pest/infectious/Non-infectious agent, when and how does it cause said adverse effect ○ Prevalence of the pests/non-infectious/infectious agent in the country of origin ○ Probability of the pest/infectious/Non-infectious Agent surviving agriculture or commercial practices in country of origin – pest management/SPS measures ○ Status of the pest/infectious/Non-infectious agent in the country of origin(is it under official control?) ○ Presence in the Philippines (is it under official control?) ○ Hosts for the pest/infectious/Non-infectious agent ○ How long can the pest/infectious/Non-infectious agent (Survivability outside the host) ○ Mode of Transmission (Direct/Indirect) ○ Does the survival and/or occurrence of the infectious/non-infectious agent/pest follows a temporal (seasonal) pattern? ○ Geographical Distribution
PART II. RISK ASSESSMENT
1. What are the pathways and likelihood of possible entry?
<ul style="list-style-type: none"> ○ Consider man-made / human assisted pathways (e.g. Air passengers with host/ commodity) ○ Consider forms of transport, commodities, or associated products (e.g. packaging materials, shipping containers and rail cars) ○ Consider natural spread as a mechanism of entry (terrestrial dispersal, wind or water, competent insect vectors, natural breeding) ○ Are there reported illegal pathways?
2. What are the chances that the pest/infectious/ non-infectious agent could establish and spread in the Philippines?
<ul style="list-style-type: none"> ○ presence of suitable hosts or habitat (e.g. environmental/climatic conditions) ○ Proximity of entry, transit and destination points to suitable hosts or habitats ○ Nature and Intended use of commodity ○ Time of the year at which import occurs ○ Dispersal mechanisms ○ Volume and Frequency of importation ○ Does the exporting facility in the source country address the risk posed by the commodity to be imported? ○ Does the transport facility address the risk posed by the commodity to be imported? ○ Does the importing facility in the country address the risk posed by the commodity to be imported?

PART III. RISK MANAGEMENT

1. What is/are the existing official trade in products related to the pest/infectious/non-infectious agent from that/those countries/areas now? What control measures are in place and how well can these be enforced across all ports in the Philippines (including the ones not staff with officers)

2. What pathways are not being managed well now, if any.? What gaps are there in the system? How are the illegal pathways being addressed?

3. What are the recommendations for understanding and managing these risks better?

- Risk management measures (pre entry conditions, conditions upon arrival, and post entry conditions)

4. What are the risk mitigating procedures that the importer intends to put in place?

5. What are the known, effective ways of destroying/disposal/controlling the pests/infectious/non-infectious agent/commodities?

6. Are there existing emergency response measures, including identification of responsible authorities, in case the introduction shows unforeseen negative impacts?

7. What environmental health monitoring system will be established to detect and manage accidental releases and would it meet the statutory requirements under Philippine' law?

PART IV. RISK COMMUNICATION

1. Are there communication pathways in place in case of accidental releases in the environment?

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Capacity Building on Risk Analysis

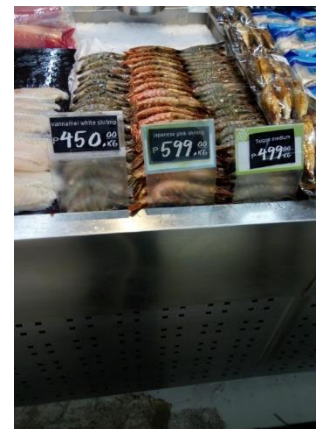


2. RISK MANAGEMENT

Responsible for Risk Profiling and Targeting and SPS Rule Setting

Objectives:

1. To develop commodity and importer profiles to guide inspection at the border, with focus on importer and source/exporter/supplier compliance;
2. To develop risk profiles of commodities, importers and traders (overall sector and trade risk profiles);
3. To share information with BOC and other concerned govt agencies to assist in anti-smuggling efforts;
4. To evaluate efficiency and compliance of the border management system



3. RISK COMMUNICATION

Raising SPS awareness at NAIA 1, 2 & 3

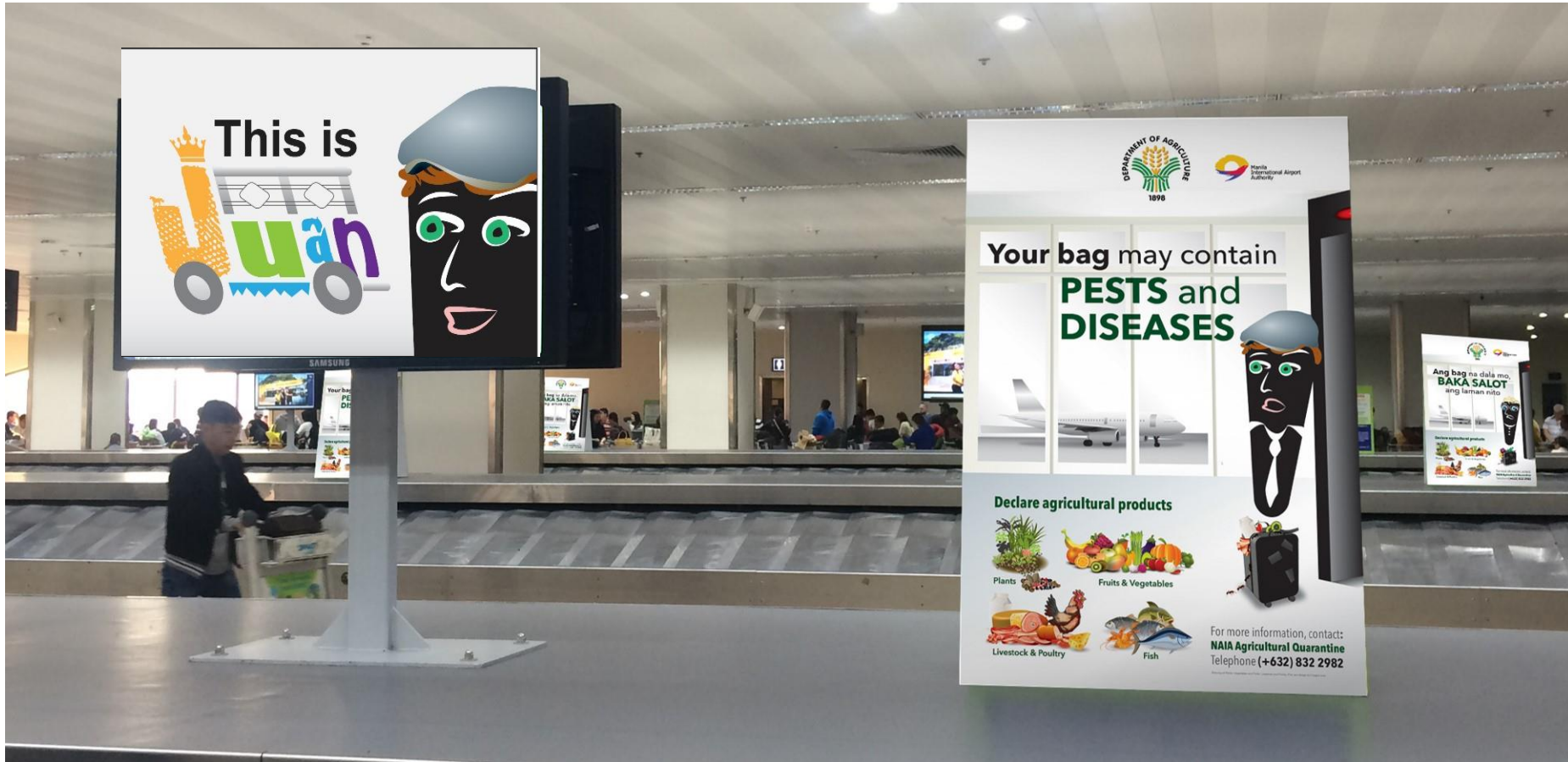
- FIVE APPROACHES

- Placing of triangular standees at carousel areas
- Playing of infomercials on TV screens provided at arrival areas
- Placing of quarantine bins in strategic places at arrival areas
- Installation of video led display system on ceiling beams at immigration/customs areas
- Straight announcement (*Airlines-flight attendants, Airport Information, Arrivals*)



3. RISK COMMUNICATION

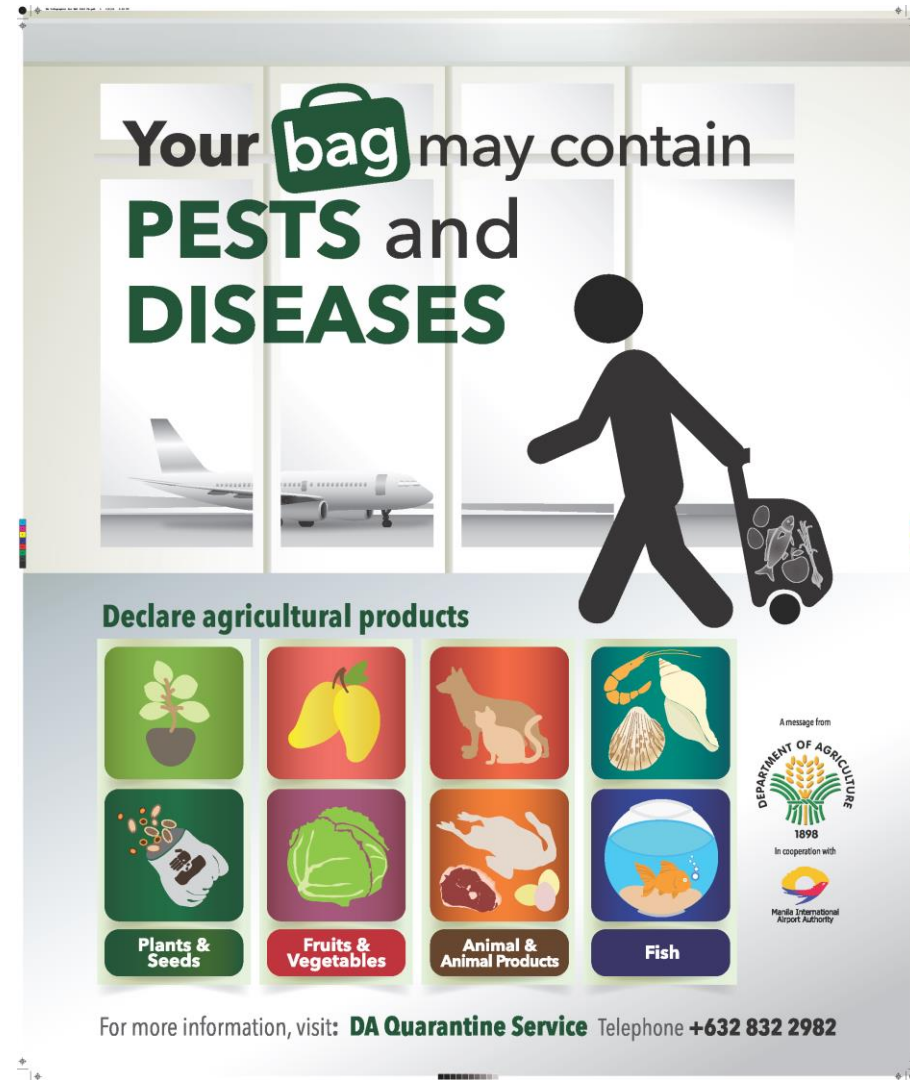
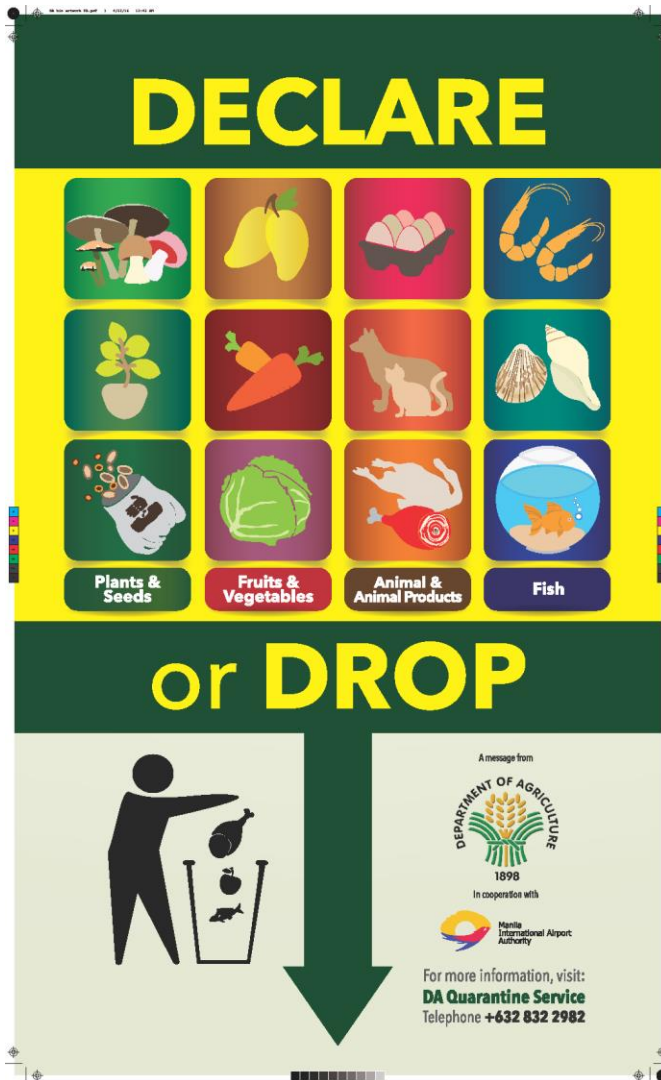
Raising SPS awareness at NAIA



Infomercial shall be uploaded to tv screens and placement standee posters across NAIA 1, 2 & 3

3. RISK COMMUNICATION

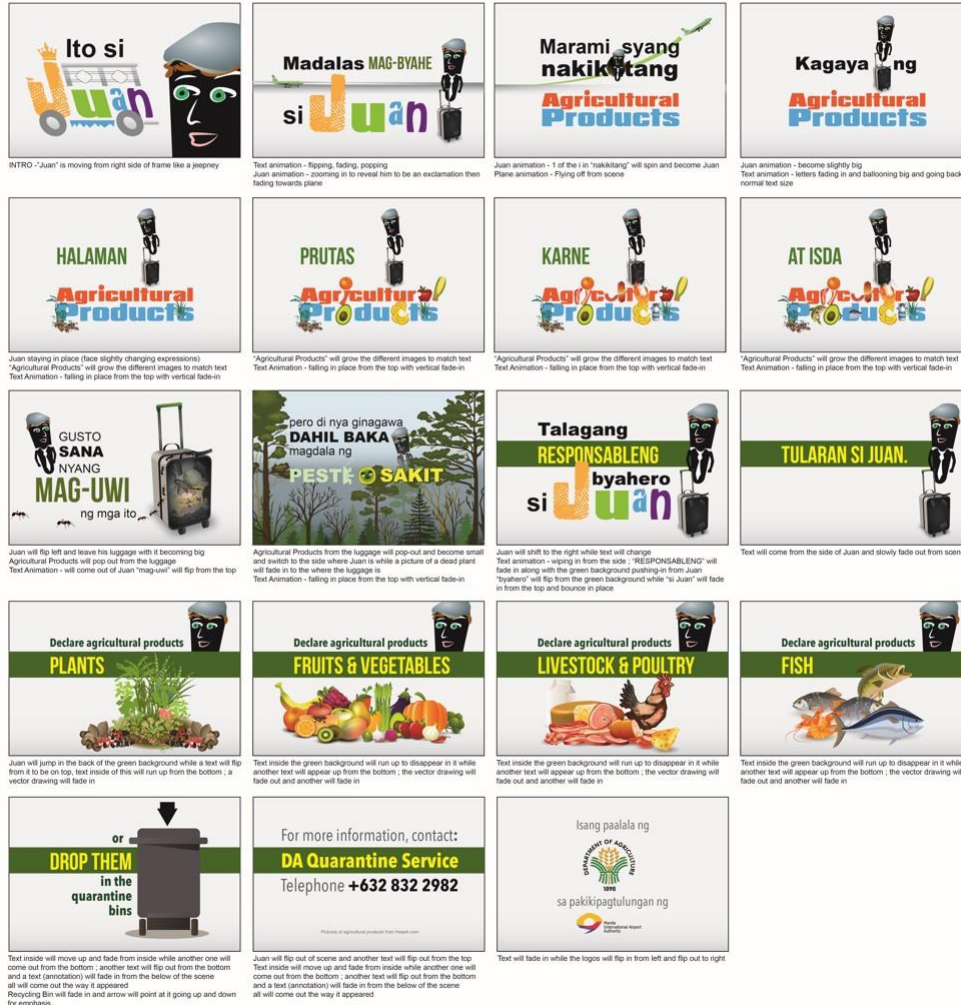
Raising SPS awareness at NAIA



3. RISK COMMUNICATION

Raising SPS awareness at NAIA

LOOP ANIMATION



Storyboard of the infomercial to be played on TV screens at NAIA 1, 2 & 3 Arrival Areas.

Available in English and Filipino.

3. RISK COMMUNICATION

Raising SPS awareness at NAIA



Quarantine bins to be placed strategically across arrival areas in NAIA 1,2 & 3

Proposed placement of the Video LED Digital System (NAIA 2)



3. RISK COMMUNICATION

Raising SPS awareness at NAIA

STRAIGHT ANNOUNCEMENT

Airlines (FA), Airport Information, Arrivals

ANNOUNCEMENT TO ALL INTERNATIONAL TRAVELLERS

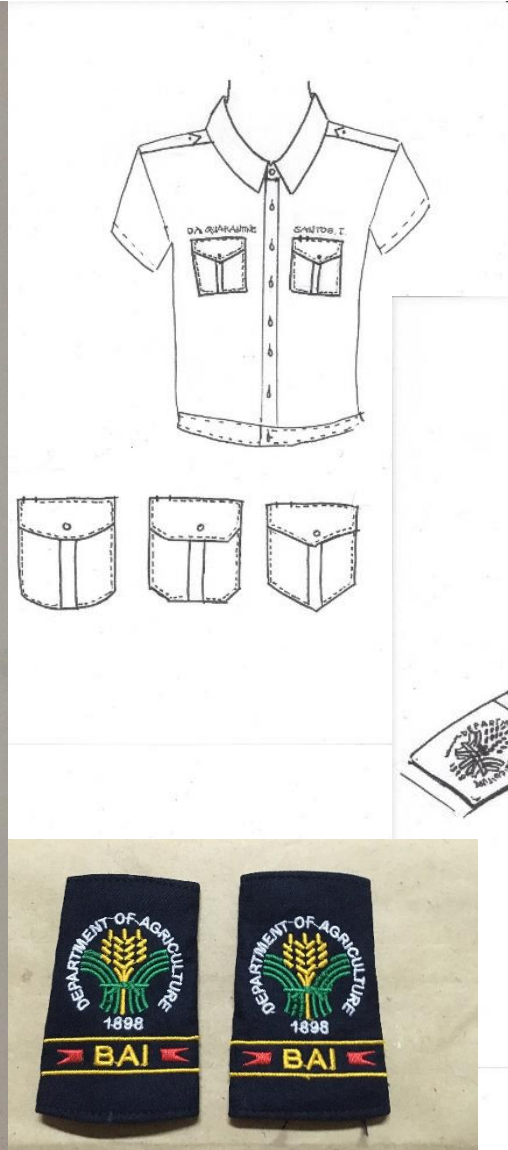
BRINGING IN OF AGRI-FISHERY PRODUCTS AND BY PRODUCTS WITHOUT PERMIT FROM THE DEPARTMENT OF AGRICULTURE IS STRICTLY PROHIBITED. THESE INCLUDE PLANTS, SEEDS, FRUITS, ANIMALS, MEAT, EGGS, FISHES, SEAFOOD, CORALS AND OTHERS THAT MAY HARBOR PESTS OR DISEASES.

DECLARE YOUR AGRI-FISHERY PRODUCTS AND BY PRODUCTS AT THE AGRICULTURAL QUARANTINE OFFICE UPON ARRIVAL OR DROP THEM AT DESIGNATED QUARANTINE BINS INSIDE THE AIRPORT.



3. RISK COMMUNICATION

Raising SPS awareness at NAIA







<http://www.bai.da.gov.ph/index.php/component/k2/item/459-karne-mula-sa-china-at-japan-nasabat-sa-airport>



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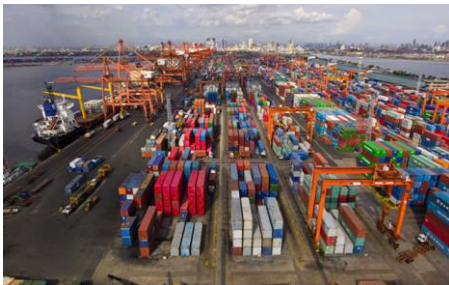
Karne Mula sa China at Japan, Nasabat sa Airport

4. TARGETED BORDER INSPECTION SYSTEM AT MICP AND SOUTH HARBOR

- Products covered:
 - frozen salmon products from Europe;
 - frozen potato products (French fries) from Australia, USA and Netherlands; and
 - chicken leg quarters from all sources

Objectives:

1. To allow optimum resource utilization by targeting DA regulatory activities at high risk agricultural product imports and related high risk pests, diseases and food safety risks
2. To facilitate trade in products that are safe from serious pests and diseases



ILLUSTRATION

ACTIVITY



Cargo ship arrives at Manila International Container Port (MICP)



Importer requests for inspection (eRFI) to Quarantine Office through on-line application



Random selection of container vans to be subjected to cursory or full inspection through the DA Trade System (inspection frequency will be determined by the Risk Management Committee-RMC of DA TERMS). Quarantine may override as may be necessary.



For this particular shipment, RMT determined a 50:50 ratio (50% to be subjected to Cursory Inspection, while the other 50% to be subjected to Full inspection)

FULL



CURSORY



Cursory inspection will be done by DA Border Inspectors (DABI) at the port of entry. Once cleared, will be released without any further inspection during unloading at destined DA Accredited Cold Storage Warehouses (CSW).

Full inspection will be done by DA Border Inspectors at DA Accredited CSW. The container will retain its original seal coming from the country of origin. Once it reaches the final DA Accredited CSW destination, DABI will break the seal and conducts 100% inspection during unloading of the goods. DABI at the port of entry will no longer inspect the shipment physically, but will "tag" the shipment as "for full inspection at DA CSW".

DA TERMS Pilot and Post-Pilot Activities

- Full evaluation report on results shall be provided to the SPS Executive Committee with recommendations on feasibility of implementing:
1. a more comprehensive airport inspection regimen (where inspectors could seize non-compliant goods) in all international airports;
 2. a revised cargo clearance and fee collection process based on the outcomes of the pilot in all international ports.;
 3. a more systematic market surveillance program, including the flow of information to and from the risk management committee



APPLICATION of DA TERMS in DOMESTIC and INTERNATIONAL TRADE and DISEASE CONTROL

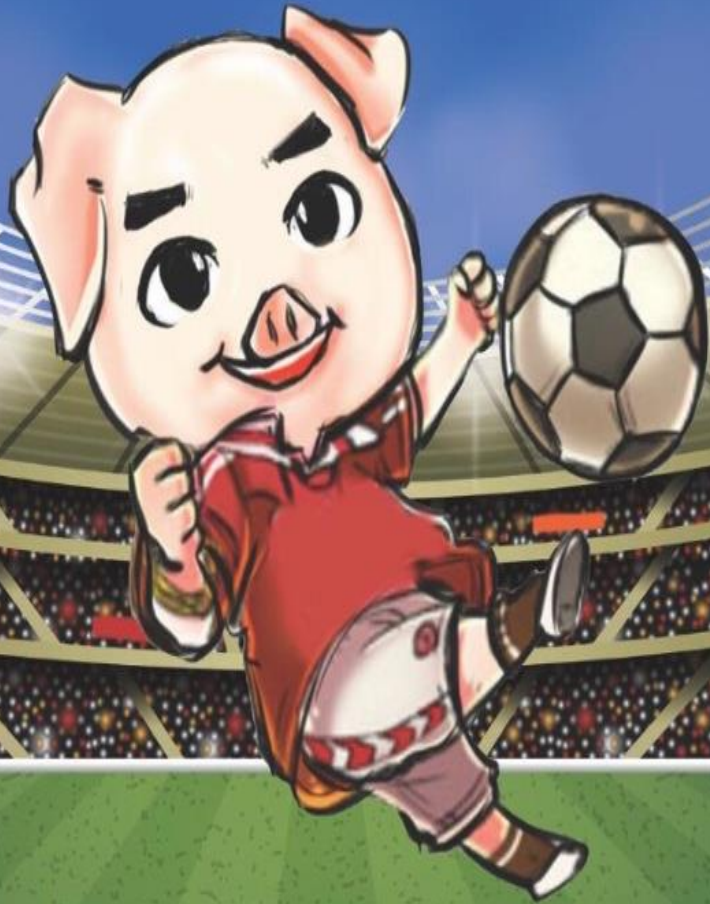
- BILATERAL/MULTILATERAL TRADE AGREEMENTS (Quid Pro Quo)
 - **IMPORT TERMS AND CONDITIONS**
- CONDUCT OF RISK ASSESSMENT PRIOR TO APPROVAL OF IMPORTATION
 - **DA INSPECTION MISSION (DAIM)**
- TEMPORARY BANS ON IMPORTATION DURING DISEASE OUTBREAKS
- ALLOCATION, IMPORTATION, UTILIZATION OF FRESH FROZEN BUFFALO MEAT FROM INDIA
- MOVEMENT RESTRICTIONS DURING DISEASE OUTBREAKS
- REGULATION ON DOMESTIC MOVEMENT FOR SPECIFIC SPECIES AND AGRI PRODUCTS





PHILIPPINE COLLEGE OF SWINE PRACTITIONERS

22nd Pinoy Pork Challenge



Seda Vertis North
October 4, 2018

**Alone
we can do so little;
together
we can do so much.
- Helen Keller**