Overview of SPS Capacity Building Needs Assessments and Compliance Studies for Cambodia, Lao PDR and Vietnam 2001-2006

Research work for the Standards and Trade Development Facility

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Abbreviations and Acronyms

AADCP	ASEAN-Australia Development Cooperation Program
ACIAR	Australian Centre for International Agricultural Research
ACMECS	Ayeyawaddy-Chao Phraya-Mekong Economic Cooperation Strategy
ADB	Asian Development Bank
AFTA	ASEAN Free Trade Area
APEC	Asia-Pacific Economic Cooperation
APO	Asian Productivity Organization
ASEAN	Association of Southeast Asian Nations
AusAID	Australian Agency for International Development
CIDA	Canadian International Development Agency
CLV	Cambodia, Lao PDR, Vietnam
CLMV	Cambodia, Lao PDR, Myanmar, Vietnam
CSF	Classical swine fever
DALY	Disability Adjusted Life Year
DANIDA	Danish International Development Agency
DTIS	Diagnostic Trade Integration Studies
EC	European Commission
EU	European Union
FAO	Food and Agriculture Organization
FMD	Foot and mouth disease
GAP	Good agricultural practice
GDP	Gross Domestic Product
GMS	Greater Mekong Subregion, includes Cambodia, China, Lao PDR, Myanmar, Thailand and Vietnam
GHP	Good hygienic practice
HACCP	Hazard Analysis and Critical Control Points
HPAI	Highly pathogenic avian influenza
HRD	Human resource development
IDA	International Development Agency
IF	Integrated Framework for Trade-Related Technical Assistance to least developed countries
IPM	Integrated pest management
ISPM	International Standard for Phytosanitary Measures
IPPC	International Plant Protection Convention
JICA	Japan International Cooperation Agency
LDC	least developed country
MUTRAP	Multilateral trade assistance project
NORAD	Norwegian Agency for Development Cooperation
NPPO	National plant protection organization
NZ	New Zealand
NZAID	New Zealand's International Aid & Development Agency
OECD	Organisation for Economic Co-operation and Development
OIE	*Office International des Epizooties* or World Organization for Animal Health
PCB	Phytosanitary capacity building
PRA	Pest risk assessment
PVS	Performance, Vision and Strategy
QA	Quality assurance
SPS	sanitary and phytosanitary
SITC3	Standard International Trade Classification, Rev. 3.
SMTQ	standards, metrology, testing and quality
SSOP	Standard sanitation operating procedure

TBT	technical barriers to trade
STDF	Standards and Trade Development Facility
TA	technical assistance
TAD	transboundary animal disease
UNIDO	United Nations Industrial Development Organization
UNSIC	United Nations System Influenza Coordinator
WHO	World Health Organization
WTO	World Trade Organization

Executive summary

1. This report provides an overview of evaluations of SPS capacity building and needs assessments in Cambodia, Lao PDR and Vietnam (CLV). Evaluations and needs assessments have been carried out by international organizations, including FAO, UNIDO, WHO, and World Bank, and as part of donor funded programmes, especially by AusAID and NZAID.

2. This study has reviewed SPS needs assessments, evaluations and compliance studies available for the period since 2001 for CLV and regional groupings in which these countries participate. The needs assessments cover food safety, animal health (including Avian Influenza), plant health, and the cross-cutting thematic fields: legal/regulatory issues, laboratories, and governance. Some documents on plant and animal health are not in the public domain, because of concerns that information might lead to trade restrictions.

3. Although SPS needs assessments for CLV generally agree on the weaknesses and gaps in SPS management capacities, there appear to be major differences in methods of assessment and in recommendations for capacity building. Some evaluations are done from an international requirements perspective which concentrates on WTO accession and the requirements of standard setting bodies. A related approach is the technical preference perspective which is based on technical criteria. More recent assessments lean toward an opportunity perspective and look at capacity building as a means to achieve social and economic goals. In this perspective, priority setting tends to use assessments of risks, costs and benefits.

A few other observations can be made:

- There is a supply-side dominance in needs assessments, which seems to be related to the complexity of SPS issues and asymmetry in information. It leads to receivers' pragmatism which implies that beneficiaries tend to accept what is on offer rather than actively engaging in the identification and prioritization of their own needs.
- Senior decision makers in Government appear to be more sceptical on returns to investment in SPS capacity building than service chiefs (e.g. chief veterinary officers). This leads to problems of low national prioritization and sustainability once foreign support ends.
- SPS needs assessments mainly focus on the public sector. There is little attention to the needs and potential of the private sector, and to proper public and private sector roles.
- There is a tendency in capacity building and needs assessment to focus more on inputs than on outcomes. This can reduce cost-effectiveness of capacity building efforts.
- There is insufficient attention to benefits from increased capacities. Methodological complexity forms a reason for this, but there is also lack of efforts to collect empirical evidence.
- Although it is clear that small poor countries cannot afford the same size of capacities as bigger countries can, there is so far not sufficient attention to define what capacities are appropriate in relation to a country's economic size.

Impact of SPS deficiencies on economic performance

4. In Lao PDR and Cambodia the main impacts of weak SPS management capacities are poor food safety outcomes with high human and economic costs, and low agricultural productivity. Thus far both countries have limited levels of exports and they have not encountered many direct SPS obstacles for participation in international trade. One major exception is the fisheries sector in

Cambodia which has aquatic resources but cannot access most OECD markets. The further economic development of both countries demands for strengthening competitiveness, diversification and export-led growth, which requires especially private sector development. Lack of adequate SPS capacities negatively affects private investment in the export industries. Importantly, the ASEAN Free Trade Area (AFTA) requires them to improve their capacities.

5. Vietnam has access to major markets, but it can improve public and agricultural health outcomes and increase its competitiveness by further improving its SPS management capacities.

Factors to consider in prioritization of needs

6. Experiences and findings from this study suggest that the following points could be relevant for improving the quality of SPS needs assessments.

- The development of more effective SPS management systems takes a long time and capacity building needs should be distinguished for the short, medium and long term.
- Sustainable SPS system development, institutional alignment and improved governance require the prolonged involvement of senior levels in Government.
- Improvement of SPS systems needs close, continued cooperation and consultation between public sector, private sector and civil society.
- SPS action plans adopted by Government can help guiding smooth implementation by identifying needs for improvement, clarifying ambition levels, defining responsibilities, indicating costs, and prioritizing and sequencing interventions.
- There is much need for work on simplified methods of risk evaluation and analysis of costs and benefits. Documentation of experiences will help practitioners in project implementation.
- In particular in small countries with a low level of development high selectivity is needed in targeting SPS interventions for market access and control of health hazards.
- In CLV intensive border controls are not of much help in SPS; leverage points are mainly on prevention and early detection through surveillance and containment in domestic markets. A shift from 100 per cent passive inspection to selective risk-based inspections will increase cost-effectiveness.
- Diagnostic and testing facilities in CLV are deficient and need upgrading in order to improve SPS management. However, solutions require good needs assessment, planning, sequencing and prioritization.
- Given complexities and long periods required for development of SPS management systems, long-term donor support is probably more cost-effective than most short-term interventions.

1. INTRODUCTION

1.1 Objective of the report

1. This report provides an overview of literature describing SPS-compliance and SPS capacity evaluations for Cambodia, Lao PDR, Vietnam and relevant regional surveys.

2. Evaluations of SPS needs have been undertaken by a variety of organizations including the FAO, UNIDO, WHO, World Bank and as part of donor funded programmes, notably those of AUSAID, EC and NZAID,. Some needs assessments have also been undertaken in the context of Diagnostic Trade Integration Studies (DTIS) of the Integrated Framework (IF).

1.2 Context and institutional environment

3. The economies of ASEAN countries and China are growing rapidly. [1] In this region increased participation in international trade is generally seen as an important source of growth. Promoting trade and economic growth is high on the agenda of most countries in the region. ASEAN is a successful regional body for economic cooperation, but in addition there is regional cooperation in other contexts such as ASEAN-China, Asia-Pacific Economic Cooperation (APEC), the Greater Mekong Subregion (GMS)[2], and Ayeyawaddy-Chao Phraya-Mekong Economic Cooperation Strategy (ACMECS)[3].

4. Despite sustained growth, Cambodia, Lao PDR and Vietnam still are among the poorest countries in the region with income levels of barely a dollar per capita per day for Cambodia and Lao PDR, and 1.5 dollar per day per capita in Vietnam (Table 1). Lao PDR and Cambodia have populations of 6 and 14 million people respectively, and low population densities. Cambodia and Lao PDR are classified as Least Developed Countries. Vietnam has a population of more than 80 million and high population density.

5. Although the three countries have all adopted a market economic system, there are still various remnants of institutions of the state plan economy. In particular Vietnam, of which the Northern part was under a state plan economy from the mid 1950s had adopted many elements of a standards system similar to that of the Soviet Union[4]. Lao PDR moved for some time in the same direction but its adoption of institutions of the plan economy was slower and less entrenched than in Vietnam. In Cambodia many institutions were destroyed during the Khmer Rouge regime.

6. With their transition to market economic principles, the three countries applied for WTO membership. Cambodia and Vietnam acceded in 2004 and 2007. Lao PDR's application is still under negotiation with no clear date for accession.

7. Cambodia, Lao PDR and Vietnam have decentralized systems of government. In particular Cambodia and Lao PDR, local authorities exercise discretionary powers in implementation of central government policies and external obligations such as under the WTO SPS Agreement. In Vietnam, this is less the case, but reporting of livestock diseases, which is responsibility of provinces, is an issue.

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[1] ASEAN members are Brunei Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam.

[2] GMS includes Cambodia, Lao PDR, Myanmar, Vietnam and Yunnan Province of China.

[3] A cooperative effort initiated by Thailand, involving Cambodia, LaoPDR, Myanmar, Thailand and Vietnam.

[4] For a description of the Soviet system of standards see World Bank (2007).

Table 1. Country economic data

	Cambodia			Lao PDR			Vietnam		
Series Name	**1993**	**2000**	**2005**	**1993**	**2000**	**2005**	**1993**	**2000**	**2005**
Population, total (millions)	10.7	12.7	14.1	4.5	5.3	5.9	70.3	78.5	83.1
GDP (constant 2000 US$, US$Billions)	2.2	3.7	5.7	1.1	1.7	2.3	18.7	31.2	44.7
GDP (current US$, US$Billions)	2.5	3.7	6.2	1.3	1.7	2.9	13.2	31.2	52.4
GDP growth (annual %)	n/a	8	13	6	6	7	8	7	8
GDP per capita (constant 2000 US$)	205	287	402	249	329	396	266	397	538
Agricultural GDP (% of GDP)	46	38	34	58	53	45	30	25	21
Agricultural GDP (constant 2000 US$, Billions)	1.0	1.3	1.8	0.6	0.9	1.0	5.7	7.6	9.2
Agricultural GDP (current US$, Billions)	1.1	1.3	2.0	0.8	0.9	1.3	3.9	7.6	10.9
Agricultural employment (% of total employment)	75	74	n/a	n/a	n/a	n/a	72	65	n/a
Agricultural GDP / person employed in Agriculture (constant 2000 US$)	292.3	310.6					239.9	302.6	

***Source*:** WB DDP database, accessed June 4, 2007
***Notes*:** Cambodia has no data on Agricultural GDP before 1993.

8. Vietnam is becoming an important trading nation with an annual total export value of over US$ 28 billion. Food and live animal exports account for US$ 4.5 billion (Table 2). Exports from Cambodia and Lao PDR are much lower with reported values of US$ 2.8 billion for Cambodia and less than US$ 0.4 billion for Laos, of which 63 million and 27 million are food & live animals. However, official figures may not tell the whole story. Both countries have significant amounts of unregistered exports, especially of agricultural and forestry products.

Table 2. Imports by selected trading partners from CLV (US$million), 2004

	Cambodia		Lao PDR		Vietnam	
	Total Trade	**Food & live animals**	**Total Trade**	**Food & live animals**	**Total Trade**	**Food & live animals**
All countries	2,817.5	63.3	368.8	26.5	28,355.0	4,683.0
OECD -- 30 countries	2,674.3	50.0	227.7	14.5	20,216.1	3,255.9
EU25 members	834.6	4.8	201.0	11.0	7,271.4	890.9
Japan	99.8	0.3	8.0	0.0	3,857.9	851.2
United States	1,591.5	44.2	3.6	0.4	5,726.8	997.6
Low and Middle Income Countries						
East Asia and Pacific	69.1	8.6	127.7	10.8	4,550.7	481.6
Of which China	29.9	1.3	12.7	1.0	2,482.0	128.8
Latin America	6.2	0.0	4.2	0.0	422.9	156.0
Middle East and North Africa	1.8	0.0	0.7	0.0	139.3	88.3
South Asia	1.8	0.0	0.4	0.0	121.5	51.0

***Source*:** UN Comtrade, using SITC3 classification, accessed September 2007.
***Note*:** Data used are imports of trading partners.

9. The three countries have different export market concentration for food and live animals. Taking account of the informal border trade, neighboring countries—China, Thailand and Vietnam—are the main trading partners for Lao PDR and Cambodia. For formal trade Cambodia used to have the largest trade share with other Asian countries—Hong Kong, Malaysia, Korea, China, Vietnam, but in 2004 suddenly more than half of its exports are destined to the USA; Vietnam has the highest share of its trade with the USA, almost a quarter; and Lao PDR has more trade with the EU because of its coffee export.

The main drivers for increased policy attention to SPS in Cambodia and Lao PDR are: (1) WTO accession; (2) regional economic cooperation and trade agreements in AFTA, APEC, and Greater Mekong Subregion (GMS); and (3) gaining and maintaining market access in the region and more distant markets (EU, Japan, USA). The same drivers apply in Vietnam although in recent years increasing priority has been given to food safety.

10. Sensitivity of products to SPS hazards and requirements differs much by product and market. Table 3 provides an overview of formal exports for these product groups with main country of destination. Vietnam has extensive exports of fish and fruit and vegetables to demanding markets. Cambodia has fish exports to the US, but it lacks access to other demanding markets such as the EU and Japan. Coffee is an important export of Laos and Vietnam.

Table 3. Food imports of SPS-sensitive products by trading partners from Cambodia, Lao PDR and Vietnam, US$ millions, 2004

Cambodia		
Total exports	2,817.0	
Food & live animals	63.0	
Products		*Importers and value*
Fish/shellfish/etc.	51.0	US 44; Hongkong 3; Thailand 2; China 1
Vegetables and fruit	2.9	EU 2
Coffee/tea/cocoa/spices	0.1	Thailand 0.09
Lao PDR		
Total exports	368.8	
Food & live animals	26.5	
Products		*Importers and value*
Coffee/tea/cocoa/spices	14.2	EU 10; Switzerland 3; US 3; Thailand 0.3; Singapore 0.3
Vegetables and fruit	4.9	Thailand 3; China 0.8; EU 0.8
Vietnam		
Total exports	28,355.8	
Food & live animals	4,679.3	
Products		*Importers and value*
Fish/shellfish/etc.	2,205.8	Japan 764; US 605; EU 234; Korea 143; Singapore 82; Australia 79; Hongkong 75; Canada 55; Malaysia 43
Coffee/tea/cocoa/spices	943.7	EU 439; US 164; India 34; Korea 27; Japan 23; Canada 21
Vegetables and fruit	600.6	US 192; EU 106; China 83; Australia 49; Japan 30; Korea 30; Canada 28; Taiwan 23

Source: WITS, UN Comtrade database, SITC3 classification.
***Note*:** Data used are imports of trading partners.

11. Trade in livestock products is largely confined to neighbouring countries and other ASEAN countries. Vietnam's export of suckling pigs to Hong Kong is the only formal export of importance outside ASEAN. Official live animal trade opportunities within ASEAN are very limited. The literature, however, suggests that there is large scale cross border trade of bovine animals for slaughter between countries in the Greater Mekong area. Getting better knowledge of the pest and disease situation in the area and risks involved in cross border trade is a high priority for AFTA members.

12. Geography and ecology are important reasons for regional cooperation in food safety, plant and animal health. Countries of the Greater Mekong Subregion -- Cambodia, China's Yunnan province, Lao PDR, Myanmar and Thailand -- share a monsoon climate, similar natural habitat, comparable agricultural systems and long porous borders. For example, Lao PDR shares a 5083 km long border with its four neighbouring countries, longer than the US - Mexican border. The volume of informal border trade is not known, but the general view among experts is that on large sections of the

borders it is of much greater importance than formal trade. For this reason containment of the risks of spread of pests and diseases, unsafe food and agricultural inputs requires a broad approach of which border controls may form a relatively modest part.

13. The dynamics of modern retail which play increasing roles in food safety and quality in Thailand, Malaysia and China, are still hardly felt in CLV. Because of the low level of income in CLV modern food retail systems—supermarkets and restaurant chains—still are of negligible or limited importance for domestic food markets. Foreign retail systems do affect segments of the food market in Vietnam, but hardly so in Cambodia and Lao PDR.

1.3 Concepts, definitions and scope

14. SPS capacity building is a new area for providing support to public and private entities. Since there is no well-established terminology, a description of the terminology, concepts and definitions used in this study is provided in Annex 1.

1.4 Structure of the report

15. Chapter 2 provides an overview of findings of SPS needs assessments found for the three countries and for the region. No compliance studies have been found, but a few findings on compliance will be reported in Chapter 3. Chapter 4 analyzes the findings on needs assessments, discusses some of the main weaknesses in SPS management systems in the region and their impact on the economy and health. Suggestions are made about how to improve needs assessment and capacity building approaches. Chapter 5 summarizes conclusions and recommendations.

2. OVERVIEW OF SPS EVALUATIONS

2.1 Sources of information used

16. An extensive list of close to 150 projects with SPS capacity building activities was compiled by the consultant conducting a parallel survey of technical co-operation flows to the region (Ignacio 2007). Projects were identified from references in available studies, websites, and by approaching staff in international and donor organizations. Efforts were made to collect relevant project documents and evaluation studies, but for the majority of the projects, documents were not (yet) available. In addition some general evaluation studies were collected from international agencies.[5]

17. There is no principal difference between projects for needs assessment and projects for capacity building. Needs assessment projects are also capacity building projects as they are a particular form of assistance to enhance government's capacities to make well-informed decisions about SPS policies, priorities and system design. Moreover, for the preparation of capacity building projects often some form of needs assessment is made. Project documents for SPS capacity building projects usually contain a summary of SPS capacity deficiencies relevant for the project. This, for example, is the case for the NZAID Phytosanitary Capacity Building project for the Mekong area (March 2005). Some capacity building projects start with a detailed needs assessment as part of their first phase. The legal component of the NZAID project is an example of this.

18. Needs assessments are generally focused on the public sector with limited or no attention to capacity needs for the private sector. The SPS action plan for Lao PDR (World Bank 2006b) is one of the exceptions. It discusses public sector needs in relation to private sector development, and makes recommendations for support to the private sector.

19. No compliance studies were found for the three countries. However, some of the project documents contain relevant information on compliance issues. This is the case with the World Bank SPS action plans.

20. Table 4 provides an overview by country of the projects and documents that provided the core information for this report. The table indicates the sectoral and thematic coverage of the needs assessment. Although several relevant documents are not in the public domain, the gaps in the available information were no major obstacle for compiling this report. The following paragraphs discuss the overview.

2.2 Food Safety

21. A detailed needs assessment for capacity building in food safety for CLV was not found. A project document with an overview of shortcomings is that of the NZAID/FAO (2004) project which has parallel activities in CLV. It follows on various other donor supported activities of which the Japan/ADB/WHO (2000) project in Vietnam and the WHO/FAO (2005) food safety action plan for Cambodia are important examples. The World Bank SPS Action Plans for Vietnam and Lao PDR (World Bank 2006a; 2006b) also cover food safety. In February 2007, funding was approved for

[5] A classification of these projects, in addition to what has been done already, and according to various characteristics such as (but not restricted to) those given in Annex 1, would be an appropriate method for extracting more information on issues such as capacity building activities, the needs assessments conducted in the context of these activities, and the evaluations covered in these documents. However, such a classification could not be done at this stage because of time constraints and because many documents were not available in time.

training of APEC officials in training on application of the "FAO/WHO Guidelines for the Assessment of Official Control Capacity". The project should result in evaluations of national food safety systems – notably for Vietnam.

Table 4 Main projects on needs assessment and their coverage

Country / Subject	Agency/ source	Sectoral coverage			Thematic coverage		
		Food safety / Human Health	Animal health	Plant health	Legal / regul-atory	Labor-atories/ SMTQ	Govern-ance; institut-ional
Cambodia							
Food safety	WHO/FAO (2005)	X			X	X	X
	NZAID/FAO (2004)	X			X	X	
Mutrap legal assessment	EC (ND)	X	X	X	X		
	NZAID (2005)			X	X		
SMTQ assessment	UNIDO (2005)	X	X	(?)		X	
Lao PDR							
Food safety	NZAID/FAO	X			X	X	
Mutrap-legal assessment	EC (ND)	X	X	X	X		
	NZAID (2005)			X	X		
SMTQ assessment	UNIDO (2005)	X		X		X	
SPS Management: Action Plan for Capacity Building	World Bank (2006b)	X	X	X	X	X	X
Vietnam							
Food Safety	NZAID/FAO	X			X	X	
Mutrap- legal assessment	EC (ND)	X	X	X	X		
	NZAID (2005)			X	X		
Phytosanitary Capacity Developm. Strategic Plan 2004-2009	NZAID (unpublished)			X			
SMTQ assessment	UNIDO (2005	X	X	X		X	
Laboratory assessment	CIDA	X	X	(?)		X	
Food Safety and Agricultural Health Action Plan	World Bank (2006a)	X	X	X	X	X	X
Regional							
Responses to Avian and Human Influenza Threats	UN&World Bank (2006; 2007)	X	X				
Phytosanitary Capacity Building I and II CLMV	NZAID (2005)			X	X		
Strengthening ASEAN Plant Health Capacity Project	AADCP (2005)			X			
SPS, Logistic, Customs and Business mobility	ADB (informal communication)				X		X
Animal Health and Biosecurity	AADCP (2003)		X				
ASEAN standards and conformity assessment systems	AADCP (2003)	X				X	

Source: compiled by the author

2.3 **Animal health**

22. Each of the three countries has weaknesses in capacity for dealing with animal diseases. No general evaluations are found in the public domain. Limited information is available in the ASEAN AusAID program (AADCP, July 2003) and from the World Bank (2006a; 2006b). An evaluation of the animal health services, using the Performance, Vision and Strategy (PVS) tool is being completed for Vietnam.

2.4 Highly Pathogenic Avian Influenza (HPAI)

23. The recent outbreak of HPAI was first detected in the East Asian region in 2004 and is now a common challenge in several countries. Given the broader risk to human health the global community has become very concerned about the threat of HPAI and a number of donors have offered assistance projects. The concerns about HPAI are shared by the three countries. Events are evolving rapidly and developments are closely monitored by countries and international agencies.

2.5 Plant health

24. Australia and New Zealand have both provided extensive support for SPS capacity building in Southeast Asia. The ASEAN Australia Development Cooperation started in 1999 and identified "Strengthening ASEAN Plant Health Capacity" as one of its priorities. The work started with needs assessments (Evans et al 2002; Nauman et al 2002), followed by a two-year ASEAN/AusAID project proposed in 2005, which also has an extensive discussion of perceived needs. The work includes all ASEAN member countries.

25. The NZAID support was provided to the poorest ASEAN member countries that entered ASEAN most recently: Cambodia, Lao PDR, Myanmar and Vietnam (CLMV). It started in 2001 with a more than three-year Phytosanitary Capacity Building Project (PCB I), followed by a four-year Phytosanitary Capacity Building project in 2006 (PCB II). An evaluation was conducted for PCB I which guided the design of PCB II. [Not in the public domain; not available yet] Under PCB I comprehensive and detailed phytosanitary needs assessments have been prepared for each of the CLMV countries with support of NZAID. These country reports are not in the public domain, most likely because recipient countries want to keep them secret, but deficiencies in capacities have been summarized in the design document for the PCB II project. PCB II includes a NZAID/FAO component on enactment of legal systems compliant with international principles. This component has a needs assessment as its first phase.

26. Recently, a Japan/FAO project for phytosanitary capacity building was launched which would be based on needs assessment using the IPPC tool.[6] Given the work that has been done already by NZAID and AusAID/ASEAN a significant amount of consultation and fine-tuning will be needed to achieve optimal synergies with the ongoing projects.

27. A characteristic of these projects is that they all focus on generic capacities with a somewhat infrastructural nature. In addition, many other projects have been implemented with target on specific deficiencies, for which needs are considered common sense or for which needs assessment in some form is integrated in the project. Examples are support for:

- control of coconut beetle (US, 2005)
- control of mango insect pests (ACIAR, 2001-2005)
- management of phytophthora diseases in durian (ACIAR, 1998-2003)
- dragon fruit by USAID in Vietnam

2.6 Legal

28. Through its Multilateral Trade Assistance Project (MUTRAP), the EC funded studies on the legal system in CLV. The scope of these studies is mainly limited to formal requirements of WTO accession. FAO has also provided legal assistance but detailed assessments of the countries' needs

[6] Cooperation for the improvement of phytosanitary capacity in Asian countries through capacity building, covering Indonesia, Cambodia, Viet Nam, Sri Lanka, Laos, Bangladesh, Pakistan, Malaysia, Myanmar, and Thailand

with regard to their regulatory systems, rule of law, and governance issues are not available. The NZAID PCB (2005) includes a major component of strengthening phytosanitary regulations in CLMV. Since the exact needs in the legal field can only be derived from a detailed scrutiny of the laws and legislation in comparison with international good practice, the first phase of New Zealand project consisted of such a needs assessment. The SPS action plan for Lao PDR also indicates a need for strengthening the legal framework (World Bank 2006b).

2.7 Standards, Metrology, Testing and Quality

29. UNIDO conducted assessments of Standards, Metrology, Testing and Quality (SMTQ) in the three countries. These assessments have partial coverage only. For example, the UNIDO project did not cover the veterinary laboratory in Lao PDR. The assessments are mainly focused on technical capacities and did not discuss Government funding for laboratories and testing programmes.

30. At the request of NORAD an independent evaluation was made of UNIDO's projects for Market Access and Trade Facilitation Support for the Mekong Delta Countries, through Strengthening Institutional and National Capacities Related to Standards, Metrology, Testing and Quality (SMTQ) (UNIDO 2005). Canada undertook a detailed assessment of all food safety labs in Vietnam, but a main concluding document has not been found.

31. The ASEAN – Australia Development Cooperation Program developed support for Strengthening ASEAN standards and conformity assessment systems (AADCP 2003). The project design document provides a good overview of the activities of various bodies and panels at the international, APEC and ASEAN level. AusAID and AADCP reports point out that institutional responsibilities for maintaining and preserving plant pathogenic and arthropod collections are not clear, and that as a result collections may be lost with the retirement of individuals (Evans et al 2002; Naumann et al 2002; ASEAN/AusAID 2005).

2.8 Governance and institutional issues

32. Both action plans by the World Bank (2006a and 2006b) discuss governance and institutional issues related to SPS. The Cambodia food safety action plan (WHO/FAO 2005) also deals with needs for institutional strengthening.

2.9 General SPS Action Plans

33. The World Bank (2006a; 2006b) prepared comprehensive action plans for SPS capacity building for Lao PDR and Vietnam, covering food safety, animal health and plant health. The studies have a prioritized action table with investment needs identified to solving the main deficiencies in capacities. The action plans are based on assessments of (1) actual and potential competitive strength in international markets for groups of products, (2) risks and costs of non-compliance and health hazards caused by unsafe food, pests and diseases, (3) bottlenecks in public and private sector SPS management capacities, and (4) priority of measures that can be taken in about five years based on expected returns.

34. The World Bank recommended public investments in Vietnam and Lao PDR of US$ 53 and 7.7 million respectively for a period of about five years. The plans contain an overview of public policies and support for capacity building provided by donors and international agencies. Annex 2 shows the action table for Lao PDR as an example of the coverage and level of detail of SPS action plans. In both countries the Action Plans were adopted by the Government and their implementation is pursued by Government programmes with support from projects funded by donors and the World Bank.

2.10 Problems encountered

35. There is a clear reluctance in all countries to reveal studies about explicit capacities in areas of phytosanitary and veterinary services and pest and disease situations. Some reports which the consultant could trace are not released by Governments in the public domain. There is apparent concern that information in the reports could harm the country's market access, or complicate negotiations with trading partners.

36. All relevant information is not available in one place. Several projects are donor funded and implemented by an international organization or contractor. The information from the donor and implementer can differ in scope. The donor sometimes has conducted needs assessments before the project was designed and there are also evaluation reports from the donors that sometimes are not generally available. The implementing agency usually has more detailed information about the implementation than the donor.

3. OVERVIEW OF SPS EVALUATIONS BY COUNTRY AND FOR THE REGION

3.1 Regional versus national

37. It is generally understood that pests, diseases and potential food safety hazards, as well as border issues, are compelling reasons for cooperative regional approaches. As a result there is cooperation in ASEAN and there are regional projects that target common problems. However, the differences in capacities between countries pose constraints on modalities for cooperation, especially with regard of regional training courses and common activities. CLV are relatively low developed countries that entered late in ASEAN. Special support is provided to bridge gaps. However, in all aspects capacities in Vietnam are much stronger than in two other countries. This includes its absorptive capacities and capacities to plan and prioritize SPS interventions. For example, whereas Vietnam has skilled scientists in most areas of plant pathology and nematology, Lao PDR and Cambodia have very few. Regional training is further complicated by language differences.

3.2 Food safety

38. The food safety action plan for Cambodia (WHO/FAO 2005) and the SPS action plan for Lao PDR (World Bank 2006b) both stress the need to develop risk-based approaches for food control, a shift away from passive mandatory testing and surveillance programmes.

39. Food-borne diseases remain a leading cause of illness and death, and other food safety problems continue to have a negative impact on public health and economic development in CLV (NZAID/FAO 2004:2). Weaknesses, common in the region, are poorly developed food safety policies and plans of action, legislation, inspection, food safety training, and surveillance and monitoring. The key aspects to be addressed include the legal and regulatory framework for food safety, food control management, inspection and laboratories, improved hygiene/manufacturing practices and quality assurance, consumer awareness and food-borne disease surveillance.

(i) The domestic food safety situation in Cambodia and Lao PDR is poor and causes health hazards and economic cost. Using the DALYs on diarrhoeal diseases (either food- or water-borne) as a crude proxy indicator for the *relative* food safety status, the situation in these two countries with levels of about 3000, is barely better than in Sub-Saharan Africa with 3500 (Box 1). The situation in Vietnam with a score of 493 is at about the average for the East Asia and Pacific region. These values are still more than 15 times the level of EU15, Japan and the USA and show an important challenge ahead.

40. Diarrhoea was the second highest cause of morbidity in Cambodia in 2000. In 2001 the Government of Viet Nam estimated that more than 4.2 million people suffered from food-borne diseases, with an annual economic loss of some US$34.5 million[7]. Although the NZAID/FAO project agrees with other sources that Diarrhoea is the most important food safety hazard, it also stresses that "excessive and inappropriate use of pesticides in fresh fruit and vegetable production is a serious food safety hazard for consumers in the region (particularly Cambodia)", which it considers "increasingly likely to serve as a barrier to international trade with developed markets". It looks for synergy between food safety monitoring and FAO's IPM projects in CLV: "Monitoring of pesticide residues within the framework of food safety programmes is expected to reinforce support for IPM programmes and to expedite initiatives to strengthen the regulatory system for pesticides." (NZAID/FAO 2004:2)

[7] http://www.undp.org.vn/mlist/develvn/042001/post32.htm

41. Overall, capacity for food control in Cambodia is weak. The country lacks appropriate legislation and regulations for food control. Responsibilities for food control are dispersed across different ministries and agencies with poorly defined and sometimes overlapping mandates between them (WHO/FAO 2005; NZAID/FAO 2004).

Box 1. Food safety hazards approximated by 2002 DALY rates

No universally accepted measure for food safety exists at the international level. Substantial difficulties and high costs arise in efforts to separate food-borne causes of morbidity and mortality (infectious disease, environmental toxins and allergens, and chemical additives) from water-borne, animal-to-human, and plant-to-human causes of disease and mortality. A relatively well-accepted international measure of disease impact combines incidence of illness (morbidity) and of death (mortality) into a standardized indicator called the Disability Adjusted Life Year (DALY).* One DALY may be thought of as one year of "healthy" life lost to illness or death. DALYs are estimated only for the most important global diseases.

DALYs on diarrheal diseases (either food- or water-borne) are probably the best comparable data for food safety and are shown below as a crude proxy indicator for the *relative* food safety status.**

DALY estimates for diarrheal diseases per 100,000 inhabitants

Cambodia	2,801
Lao PDR	3,181
Vietnam	493
East Asia and Pacific region	481
Sub-Saharan Africa	3,533
South Asia region	1,633
EU15	28
Japan, USA	29

Notes:
* This measure results from the WHO Global Burden of Disease studies published in 1993 and since codified for use in projecting and measuring global and national human disease and mortality burdens. DALYs for a disease or health condition are calculated as the sum of the years of life lost due to premature mortality in the population and the years lost due to disability for incident cases of the health condition. It is a measure of the health gap between existing conditions and an ideal state in which every person born in a country lives without disease to the age indicated by his or her life expectancy.
** WHO DALYs don't provide comprehensive coverage of zoonotic diseases.

42. The key strategies for the NZAID/FAO project to address identified needs and include:

(ii) assisting authorities in rationalizing policies, laws and standards related to food safety and quality;
(iii) information sharing and exchange of good practices between the participating countries;
(iv) enhancing the skills of inspectors and facilitating effective enforcement of regulations;
(v) strengthening the capacity of countries to test for and monitor food contamination (notably pesticide residue analysis) and apply such information for risk management purposes;
(vi) facilitating the application of good agricultural practices (GAP), good hygienic practices (GHP), quality assurance (QA) and Hazard Analysis and Critical Control Point System (HACCP) in small and medium sized agri-food businesses;
(vii) increasing awareness and knowledge about food safety concerns (particularly pesticide residues on food) and safe food practices among food consumers and women and men responsible for food production, processing, handling and marketing in rural communities;
(viii) developing the foundations for food-borne disease surveillance systems in Cambodia and Lao PDR, and expanding existing systems in Viet Nam; and

(ix) enhancing a multi-sectoral approach to food safety and strengthening collaboration among government departments involved. Particularly related to pesticide residues there is considerable potential synergy between the project and efforts to strengthen pesticide registration and to promote IPM

43. The World Bank (2006a) reports that WHO/ADB data for 2003 on food-borne disease outbreaks for Vietnam show an annual burden at 128 million episodes of diarrhoea per year, of which 27 million cases required medical care and 3.5 million hospitalization. Data for 2001 on pesticide residues for fresh vegetables and tea in the Hanoi markets show that almost 9 percent had residues above legal limits and 2-8 % of the samples for different products showed use of banned pesticides.

44. The World Bank (2006b) reports from interviews with specialists in Lao PDR that diarrhoea-related diseases are one of the leading causes of mortality among children. The high level of DALYs of 3100 reported in Box 1 confirms the poor health situation. Parasites such as flukes and helminths are also a serious health hazard. A national survey of primary school children shows an incidence of 62 percent. Although some part is soil-related, deficiencies in hygiene in food processing and consumption of undercooked food, especially fish, crabs and crayfish, are a major reason for infections. Although pesticide use in Lao PDR is still low, there are reasons of concern since use is expected to increase, especially with export-related products. A risk for Lao PDR is the use of illegal pesticides imported from neighbouring countries, for which no good detection system is available. Illegal pesticides form extra risks for public health and for bans on trade if forbidden substances are detected. In general surveillance of food safety and pesticides in Lao PDR is poor.

Table 5 provides more information on the situation in Lao PDR and Cambodia.

Table 5. Weaknesses in national food safety control

Country	Contents
Lao PDR	Weakness of food safety control - lack of trained staff for enforcement - lack of science for surveillance - inadequate information and education - poor analytical capacities - poor dissemination to consumers - limited participation in Codex work - disseminate food law and revise regulation and standards - develop action plan food safety programme - improve capacity of inspection from production to consumers - strengthen analysis capacity of hazards and provide laboratory equipment - strengthen capabilities for GMP, GHP, SSOP&HACCP, and GAP
Cambodia	A five-year action plan has been proposed by a Joint FAO/WHO mission to develop the food control system in Cambodia. It provides for strengthening all key building blocks of a food control system, including: - food law and regulations - food control management - inspection services - laboratory services, monitoring and surveillance - information, education, communication and training

Source: Country presentations at FAO/WHO conference 2004 in Malaysia

3.3 Animal health

45. Foot and Mouth Disease (FMD), Classical Swine Fever (CSF), and Newcastle Disease are common in the Greater Mekong Subregion, and Highly Pathogenic Avian Influenza (HPAI) has touched all its countries. Formal export opportunities of most products of ruminant, pig and poultry origin are thus severely either limited or impossible. Exceptions are cooked poultry products, and exports of piglets from disease-free zones in Vietnam to Hong Kong (World Bank 2006a:23).

46. Many other diseases can further reduce possibilities for trade within AFTA (Table 6). Prospects for further export are mostly constrained to neighbouring countries, and depend mainly on the possibilities for establishing more disease-free zones, such as for high quality beef from Lao PDR to Thailand.

47. It is important to note that border controls with quarantine facilities do exist but these appear to have a very limited impact on disease control because of large-scale informal trade that by-passes them. Field studies have found that annually, large numbers of cattle and buffalo move through the region without any effective control, crossing borders between Laos, Cambodia, Vietnam, Thailand, and Myanmar on their way to those markets in the Greater Mekong Subregion that command the highest price. The Thai market is the main destination, but transit routes are complex and can involve large areas and multiple border crossings.

48. The porous borders imply that control of diseases for cattle and buffalo depend foremost on surveillance, early detection and local control rather than border control. Although cross border mobility of poultry and pigs is smaller in scale and distance than for herds of cattle and buffalo, there can also be significant informal border trade of these species, especially when prices within the region differ. Moreover, pigs and poultry are more susceptible to diseases endemic in and transmitted by wildlife.

Table 6. Important animal diseases in ASEAN countries for control and/or surveillance purposes

Cattle and buffalo	Sheep and goats	Pigs	Poultry	Multiple species
FMD	FMD	FMD	Avian influenza	Nipah virus
Anthrax	Bluetongue	Aujeuszky's disease	Duck viral enteritis	Rabies
Blackleg		Classical swine fever (hog cholera)	Infectious bursal disease	
Bluetongue		Porcine multi-systemic wasting syndrome	Newcastle disease	
Bovine spongiform encephalopathy		Porcine reproductive and respiratory syndrome	Salmonella	
Brucellosis		Transmissible gastroenteritis		
Haemorrhagic septicaemia				
Surra (Trypanosomiasis)				
Tuberculosis				

***Source*:** ASEAN/AusAID (2003:5)

49. Obviously, the complexity of formal and informal markets and asymmetries in interests between countries make it difficult to conduct needs assessments, and probably for that reason, no needs assessments for animal health comparable to those for plant health have been found in the public domain. Willingness among ASEAN members to give priority to cooperative efforts in controlling animal diseases cannot be taken for granted (ASEAN/AusAID 2003:23). Yet, although needs assessments are scarcely available, several efforts have focused on trans-border animal health issues.

50. ASEAN has concentrated on three priorities (ASEAN/AusAID 2003):

- To enhance and harmonise regional capacity in the application of risk analysis related to trade in livestock and livestock products;
- To enhance and harmonise animal disease surveillance capabilities through introduction of best practice methods;
- To develop and implement an integrated ASEAN animal health information system with a focus on an ability to meet international animal disease reporting requirements and provide credible evidence of disease distribution for trade purposes.

51. The main impact of animal diseases in the three countries is not on foreign trade but on domestic markets, producers and consumers through lower productivity, lower income, and in the case of some zoonoses, risks for human health. At the country level studies have been prepared for some donors and especially Lao PDR and Cambodia have received extensive support.

52. HPAI has had major impacts on animal health services in the three countries, some positive and some less positive. Significant amounts of resources have become available for capacity building

in HPAI in the form of training and lab facilities for virology. Some of these expanded facilities can also serve other animal health problems, but there is also competition for scarce human resources, which has reportedly led to some reduction of attention to other animal health issues by reallocation of staff.

3.4 Fisheries

53. Vietnam has made major advances in managing food safety in its fisheries sector (World Bank 2006a; Nguyen Huu Dong et al 2004). It has access to major high-end export markets in the EC, Japan and the USA. For many export industries ensuring food safety is part of the overall approach to quality control. This is especially the case for the Seafood Export and Quality Improvement Programme (SEAQIP) in Vietnam. Exporters to high-end markets will have their own HACCP based quality management programmes and often detailed prescriptions from their buyers. In this kind of market situations there are limits to the extent SPS needs can be dealt with in isolation; often they should be dealt with as a part of a more encompassing approach to promoting competitiveness and income.

54. Cambodia has also large aquatic potential to develop its fisheries sector for export, but unlike Vietnam, it still has to solve major hygienic market entry requirements in OECD countries.

3.5 Plant health

55. The studies on phytosanitary capacity indicate that Lao PDR and Cambodia have weak capacity (Table 7). Vietnam's capacity gaps, though extensive, are less serious. Detailed assessments of the capacities of CLMV national plant protection organizations (NPPOs) are included in the draft strategic planning documents produced under the New Zealand Phytosanitary Capacity Building Project (which are not in the public domain). These country-based plans were derived by using a phytosanitary capacity assessment tool in the NZAID PCB project's first phase. These action plans contain long list of deficiencies. Although no budgets and timetables were included it is clear that implementation would have covered capacity building activities far beyond the financial scope and timetable for the second phase of NZAID project. The AusAID needs assessments (Evans et al 2002; Naumann et al 2002) had similar extensive lists of trainings and investments for herbaria with plant pathology specimen, arthropod specimen collections, pest diagnostics, establishing pest lists, and conducting pest risk assessment. The ASEAN AusAID project includes a much more modest list of activities. Since skills for specialist tasks are sparsely available in Lao PDR and Cambodia, absorption capacity is low and progress made can only be slowly.

56. A finding from the first PCB for CLMV was that "For a National Phytosanitary Database to be truly effective, the review found capabilities in areas such as pest diagnosis, surveillance and pest risk analysis first needed to be significantly improved in the four CLMV countries" (NZAID 2005).

3.6 Legal

57. The second NZAID PCB for CLMV identified the legal framework as crucial. The literature suggests that the legal framework in Lao PDR consists of outdated laws and decrees. The capacity for law making is very limited. For example, the Ministry of Agriculture and Forestry has only one person with partial legal training in charge of legal issues. Although in Lao PDR and Cambodia support was provided for legal issues for WTO accession, this support appears focused on possible conflicts with core WTO requirements, and much less on the extensive deficiencies in the regulatory framework for implementing SPS measures and strengthening the rule of law. The needs assessment was not conducted from the perspective of what legal framework would provide optimal benefits to the accession country in its participation in the international trading system. More than half of needs assessments listed in Table 4 point at legal and regulatory issues which deserve to be addressed.

Table 7. Brief resumés of the needs assessments in key areas of plant health for the CLV countries

1. **Cambodia:** The strategic plan for Cambodia highlighted the following capacity gaps:

    - Pest surveillance is currently an *ad hoc* activity, with no long term planning, very limited resources and limited management capacity
    - The NPPO has virtually no capacity to undertake pest risk assessments (PRA) to international standards
    - The NPPO has very limited capacity to undertake pest diagnosis, with substantial gaps in all areas – human resources, systems, documented procedures, physical assets and laboratory management capabilities. The lack of technically skilled manpower is identified as the most serious area of concern
    - Significant gaps continue to exist with inspection and certification systems, the issues of human resource development, lack of basic inspection equipment and lack of standard inspection systems. These are all identified as major areas of concern
    - There are also significant gaps in the NPPO in terms of management and leadership skills, staffing levels, communication systems and budgets
    - Although recent legislative changes addressed many gaps, there is an immediate need to ensure that phytosanitary legislation meets international requirements.

2. **Lao PDR:** Capacity gaps identified by the strategic plan for Lao PDR include:

    - Pest surveillance, PRA and pest diagnosis capabilities are, as in Cambodia, very limited
    - Significant gaps also occur in institutional capacity and organisational structure. This is reflected in inspection and certification systems. With phytosanitary inspection carried out by staff of provincial departments of agriculture, there is an urgent need to strengthen linkages between the Agricultural Regulatory Division of central government and the provincial departments
    - Current legislation needs to be reviewed in light of international requirements

3. **Viet Nam:** In general phytosanitary activities in Viet Nam are considerably more developed than in Cambodia, Lao PDR and Myanmar, but some needs can be identified:

    - There is a need to ensure that surveillance activities are consistent with international standards and that reliable information exchange systems are developed between provincial and national organisations
    - While limited capacity for PRA is in place, there is a need for human resource development in this area
    - Capacity development in diagnosis of plant viruses is needed, as well as in modern rapid diagnostic methods in most disciplines
    - Nationally consistent and coordinated inspection and certification systems need to be further developed
    - Strengthening of the management and leadership capabilities of the NPPO's Plant Quarantine Section needs to be strengthened.

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Source: NZAID 2005:15/16

3.7 SMTQ

58. There is a general recognition that CLV are behind in ASEAN in various aspects of metrology, standard setting and conformity assessment, in part because of their low level of development and relatively recent participation in technical committees in ASEAN that work on various aspects of metrology, standards and conformity assessment. There are also specialist groups under APEC, of which Cambodia and Lao PDR have not been a member. The AusAID/ASEAN support project, which also includes Myanmar, aims at reducing the gap (AADCP September 2003). Its goal is to strengthen ASEAN economies by facilitating the free flow of Intra-ASEAN trade through the elimination of Technical Barriers to Trade (TBTs) to be made possible by adopting a harmonized system of standards and conformity assessment of goods.

59. In the NORAD supported independent evaluation (UNIDO 2005) the need for certification capacities for ISO 9000/14000 was questioned given the low level of relevant exports. Standard setting in Lao PDR and Cambodia was considered much constrained by lack of testing capacities. Testing capacities were constrained by lack of skilled staff and lack of facilities. Although regional cooperation has positive aspects, regional training meetings were seen as inefficient, because of different needs in each country, language differences, and difficulty selecting participants with similar qualifications.

3.8 Governance

The World Bank's reports suggest that governance issues may reduce effectiveness of SPS measures (World Bank 2006a; 2007). In CLV rent seeking can result in unnecessary testing and certification. A GMS study in progress by ADB also focuses on possibilities to reduce border controls and give more attention to controls at the production level. At present in many cases there is 100 percent inspection. In many cases these inspections provide income to the inspectorates and sometimes informal payments for the inspectors. World Bank and ADB among others recognize that public services for food safety, animal health and plant health can be part of the solution and part of the problem. Governance issues are sensitive.

4. OVERVIEW OF SPS COMPLIANCE CASE STUDIES

60. The World Bank SPS action plans for Vietnam and Lao PDR (World Bank 2006a; 2006b) discuss some cost and benefit issues. The Vietnam report states that "addressing […] sanitary and phytosanitary problems would reduce major losses to the national economy and contribute to poverty reduction" and "it is safe to say that human health costs of food-borne diseases, production losses from pests and diseases, and foregone markets from recent pest and disease introductions, easily surpass US$ 1 billion per year, about equally distributed between food safety (public health) and agricultural health causes." In the case of Vietnam removal of agricultural health constraints is seen as unleashing the country's export potential (World Bank 2006a:xii). The strengthening of SPS capacities is considered of particular importance for high value products – fruit, vegetables, fish, animal products – for which the high labour intensity per unit of land favours the opportunities for the poor.

61. The action plan for Lao PDR used a model to simulate possible returns to investments. Using conservative assumptions on the benefits, the study concluded a 23 percent internal rate of return to initial public investments of $7.7 million over a five year period and increased annual current costs of US$ 1 million (World Bank 2006b).

5. FINDINGS AND ANALYSIS

5.1 Specific observations on SPS needs assessments

62. Although all available sources agree that there are important gaps in the available capacities for managing SPS, there is little commonality in methods and criteria used for identifying needs for capacity building. All needs assessments and capacity building projects are supporting participation in the standards framework of the multilateral trading system. However, there are three quite different perspectives from which they start: international requirements, technical preference, and opportunity.

- **International requirement perspective.** The needs assessments of the early 2000s put a strong emphasis on international obligations and requirements. Some reports focus mainly on treaty obligations (WTO, AFTA). MUTRAP reports and APO (2005) are clear examples. But also the first phytosanitary and SMTQ assessments leave no doubt about the necessity of adopting SPS and IPPC requirements. Evans et al (2002) and Naumann et al (2002) both state " .. the SPS Agreement ***requires*** [emphasis added] prospective exporting countries and target markets to provide scientific evidence to substantiate any claims regarding presence or absence of pests." "In order for countries to benefit from the spirit of trade liberalization embodied in the agreement establishing the WTO and participate fully in international trade, they ***must be able to comply with SPS obligations*** [emphasis added]." (Evans op. cit. p. 13). The AADCP in its more recent needs assessment for plant health management asserts that "The International Plant Protection Convention (IPPC) and the WTO SPS Agreement ***impose obligations for a prospective exporting country to provide the prospective importing country with a list of pests likely to be associated with the commodity to be exported.*** [emphasis added] These include…" (AADCP 2005: 4). The tone used in several of the documents is that of obligation, unavoidable requirements for achieving market access, and perhaps a burden, and much less an opportunity. If adoption of standards is an obligation there is no choice, and no need to justify investments from the returns. And those who are required to comply with imposed obligations are likely to see themselves as victims rather than as beneficiaries of the SPS agreement. Also important is to note that none of the reports discuss the many differences in import requirements in different countries, and the options that provides for exporters (see for discussion World Bank 2005).
- **Technical preference perspective.** Another characteristic of the early assessments is that they are clearly based on implicit technical criteria. The first phase phytosanitary needs assessments and the SMTQ reports are in this group. Costs and benefits are not covered in the reports and there is not much guidance for priority setting. Neither is there much guidance for deciding on the number of crops and number of pests for each crop for which pest lists and pest records are to be collected. The assessments are mainly focused on implementing International Standards for Phytosanitary Measures (ISPM), (especially ISPM No 8) without much explicit concern about costs and benefits. Similarly, in the SMTQ assessment there is not much help in selecting the size of laboratory capacities. The international requirements and technical preference perspectives go well together in the sense that they don't raise the question of selectivity, returns to investment, and priorities.
- **Opportunity perspective.** The more recent phytosanitary needs assessments and capacity building projects look more at SPS capacity building as a means for achieving social and economic goals. The program design report for the second phase phytosanitary capacity building shows the change in perspective with the following words: "The PCBP review found a general appreciation of the positive benefits of the PCBP, but concluded that a change of approach was required if NZAID was to support a second phase project. It argued that the PCBP has a limited effect on poverty reduction and trade facilitation – important findings for NZAID in light of its current policy mandates." (NZAID March 2005: 12) The design document takes poverty

reduction and trade promotion as the goal of the second phase phytosanitary capacity building project. The World Bank's SPS and agricultural health action plans have the same emphasis on poverty reduction and trade promotion, but also advocate attention for decision rules based on risks, costs and benefits (World Bank 2006a; 2006b). The advocacy for a risk-based food control system which the Cambodia food safety action plan voices (WHO/FAO 2005), is also focused on results in terms of public health and market access.

63. **Supply side dominance** The available needs assessments seem to be to a considerable degree dominated by views of assistance providers, rather than recipients. And, as explained, these views differ with the implicit methodologies on which they are based. The views of Governments are often not explicitly given, and seem to be best characterized as receivers' pragmatism. There is awareness on the Government side that capacities are weak and that there are more needs than can be addressed with the resources available. The ability on the demand side to articulate and prioritize needs is very limited, especially in Lao PDR and Cambodia. Hence, in general, whatever can be received from donors is accepted. The difficulty of articulation of needs and its consequence can be illustrated. In the case of preparation of phytosanitary action plans under the NZAID PCBP, the consultative meetings of senior CLV plant protection officials resulted in each country in long lists of needs without clear priorities. These lists were basically shopping lists. The extensive action plans were subsequently shelved by the donor.

64. **Revealed preferences** The fact that there is no generally accepted and transparent methodology for prioritization of capacity building needs does not mean that there is no prioritization. There is of course, but it differs among various decision makers. There is circumstantial evidence and evidence from participatory observation indicating that higher level government officials and politicians in the Ministries of Agriculture and Health (permanent secretaries, ministers) feel more need to prioritize than service chiefs do. In particular Ministries of Finance cannot easily be convinced that public investment in SPS has sufficient returns to warrant priority in national budget allocation. So if donors provide support to service chiefs—and this is usually the level where needs are expressed and where the technical expertise is—there is no guarantee for ownership at higher levels in the administration. This may seriously affect sustainability since budgets for operational cost and maintenance are not guaranteed. Hence, donors and recipient countries have a clear principal agent problem in talking about needs, and dealing with sustainability issues. This ambiguity in priorities is well illustrated by a main risk mentioned by AADCP for the success of the project: "Although [Ministries of Agriculture in CLMV] give a high priority to the objective of facilitating PRA and trade in agricultural commodities, in practice not all member Countries are likely, in the near to medium term, to be interested in more regulated trade in agricultural crops within and outside of the region. These countries simply have not the agricultural surpluses to allow for such trade." AADCP 2005: 25)

65. **Public and private sector** Most needs assessments for CLV look at public sector capacities only, and not at obstacles and capacities in the private sector. Despite capacity deficiencies in the public sector several enterprises have been able to engage in exports simply because public sector capacities are not their dominant constraint or no constraint at all. Needs assessments sometimes erroneously assume that public sector capacity constraints are the main obstacle for the private sector for exporting. For many products and markets bottlenecks seem to be private sector capacities and investment climate constraints. In some cases public sector requirements are even an unnecessary burden for the private sector, for example by requiring tests or certificates that are not needed by the importing country. Hence, it is likely that projects focusing on competitiveness and export promotion would have needs and priorities different from projects purely focused on public sector capacities in SPS. Related to the preoccupation with the public sector, most needs assessments lack a good analysis about public and private funding responsibilities for investments in different capacities and for different products and markets of destination.

66. **Inputs and outcomes** A general weakness in needs assessments for CLV is the focus on inputs for SPS management: standards, laws, labs, human skills. However, the inputs do not justify themselves and the analysis of the relation of these inputs to desired outcomes—health, income, trade—is generally weak or absent. Therefore, needs assessments in food safety should focus much more on incidence of food-borne diseases, causalities in the food supply chains that generate them, and remedies to mitigate them. Needs assessments for the export sector should analyse risks of losing market access for specific products and markets, and ways to mitigate these risks. They should also focus analysis on opportunities to create or improve access for particular products and markets. Needs assessments for imports should focus the analyses on identification of risks of major hazards introduced with imports and cost-effective interventions that can manage these risks.

67. **Small and big countries** The comparison of needs assessments for CLV raises the question of how the size of countries shapes their options. Big countries with large volumes of trade and many health risks such as Thailand or Vietnam can afford to invest in robust capacities because there will be multiple use of capacities. This is much less a case for small and less developed countries such as Lao PDR. Certain infrastructural facilities that a bigger country can make good use of may hardly be utilised in small countries. Small countries cannot afford high fixed costs and need to be very selective in their investments. The needs assessment for small countries should therefore more focus on identifying prudent selectivity: prioritizing a limited number of priority issues, a few products and markets, and a few main hazards from which they can get most returns from their investments in improved capacities.

68. **Assessing benefits** As discussed, there is insufficient attention in needs assessments to benefits that can be obtained from enhanced capacities. There are important methodological problems to assessing costs and benefits of investments; these are in part related to difficulties in ex ante assessing and attributing costs and benefits, especially at the more aggregate sector levels.[8] However, there is much scope for improving assessments of benefits. Technical expertise should be more focused on assessing benefits (reduced costs) from reduced food-borne diseases, and benefits from better control of animal and plant health (reduced losses). A higher emphasis on likely benefits is needed, not only for improved resource allocation, but especially for proving decision makers outside the core services charged with protecting public and agricultural health, foremost in the Ministries of Finance and PM offices, that investment in food safety and agricultural health management has high returns to the country. Without such recognition sustainability of all improvements will be at jeopardy since after termination of donor projects there will be insufficient operational budgets.

5.2 Weaknesses in SPS management

Several weaknesses in SPS management can be observed in the available literature:

69. **Lack of risk analysis** The main weakness in SPS controls in the region is that there is insufficient focus on risks, costs and benefits. There is a need to shift from passive surveillance to active surveillance. Such a shift would greatly improve the health impact of control efforts and reduce unnecessary burdens for the private sector.

70. **Pitfalls of cost recovery** Because of the scarcity of public budgets, cost recovery for public services is generally seen as favourable and encouraged by international organizations, donors, IMF and the World Bank. However, if wrongly designed, cost recovery in the SPS area can have undesirable consequences. At present domestic and border inspections are not or hardly based on risk assessment. In the GMS many products are still 100 percent controlled on the border, regardless of the risk and effectiveness. The literature suggests that the driver for this are the fees to be collected; fees that in several cases form an important source of income for the inspection agencies. Although the public interest is to abandon inspections that do raise the cost for the private sector and consumers

[8] World Bank (2007 Appendix 6) discusses these difficulties.

without increasing public health and agricultural health, there can be strong vested interest in the agencies against such reforms since it reduces their income sources. Moreover, reduced incidence of inspection decreases the opportunities for collecting informal payments for inspections. Maintaining control over inspection services is often a major driver in SPS policies. Without strong backing from the political leadership the scope for successful reforms in this area is limited.

71. **Institutional framework** The institutional framework for food safety in many countries is problematic because of unclear definition of tasks, overlapping responsibilities, and lack of effective coordinative mechanisms. In Vietnam and Cambodia these problems are obvious at the national level, and seriously affect the efficiency and effectiveness of the services. In Lao PDR and Cambodia decentralization of SPS responsibilities affects the effectiveness of policy implementation. Local authorities have *de facto* strong discretionary powers in implementing national level policies. This can compromise compliance with international obligations and create uncertainty for the private sector.

72. **Legal framework** There is increasing but still insufficient appreciation of the importance of a proper legal and regulatory framework. Laws and regulations are needed to define the rights and obligations of the actors involved. Coming from a planned economy with dominant power in the executive, there is a need to strengthen the rule of law and to reduce the role of decrees and administrative decisions. In general there is little appreciation for the fact that without good regulations laws cannot be implemented in a consistent and transparent way, that regulatory tasks are technically very complex, and easily dominated by rent seeking interests, and that the amount of work required for drafting SPS regulations is many times more than for the drafting of laws. Without sustained support from international agencies and donors, the legal framework may for a long time remain a weak element in the SPS management systems in CLV, negatively affecting governance, efficiency and effectiveness.

73. **Technical expertise** The CLV countries have significant constraints in skills to perform specialist tasks in SPS management. For Vietnam constraints are easier to solve than for Cambodia and Lao PDR since the country has a significant reservoir of skilled scientists who can be further trained for specialist tasks. For Cambodia and Lao PDR the solution will require more time since first more people have to be educated in relevant academic fields. There is a shortage of staff in various agronomic, animal health, food quality and human health disciplines, but also for example in the field of law. Solving these human capital bottlenecks requires a long-term plan.

5.3 Impact on economic performance and health

74. In Cambodia and Lao PDR the short- and medium term impact of improved management of food safety and agricultural health on exports are likely to be limited because of the low volume of trade and low requirements for large parts of the products exported formally and informally.[9] The direct gains from improvements in domestic markets, however, can be big.

75. The unsatisfactory food safety situation in Lao PDR and Cambodia with DALY outcomes of about 3000 (Box 1), causes high human and economic costs because of cost of illness and loss of healthy and productive life. Yet, so far, improving the health situation is not a high Government priority.

76. Although the direct trade gains of increased SPS capacities for Cambodia and Lao PDR are probably modest, their membership of AFTA necessitates them to improve their SPS controls. Lower tariffs and free market access to neighbouring countries Thailand, Vietnam and China could be at jeopardy if spill-over of risks of food safety, pest and disease situation cause trade risks for these main exporting countries in the region. Moreover, sanitary requirements for urban areas in these countries,

[9] Cambodia's fisheries sector could be an exception since there could be much spill-over of technology from Thailand and Vietnam once the country has secured market access to the EU and Japan.

although much lower still than in OECD countries, are increasing rapidly with income levels, and improved safety and quality will become an increasingly important market access issue in these countries as well.

77. Lao PDR has the right natural resource endowment to develop exports of selected fruit and vegetables and high quality beef to rapidly growing urban markets in Thailand, Vietnam and China. However, inadequate sanitary and phytosanitary capacities are a risk for private investors needed to develop such exports and therefore an investment climate deficiency.

78. Vietnam has already market access in many countries around the world. Improved quality and SPS capacities will enhance its access to high end markets.

5.4 Factors to consider in prioritization of needs

79. Experiences and findings from this study suggest that the following points could be relevant for improving the quality of SPS needs assessment.

- The development of more effective SPS management systems takes a long time and measures should be distinguished for the short (1-3 years), medium (4-7 years) and long term (more than 8 years).
- Decisions on SPS capacity building have to be taken at appropriate levels. System development, institutional alignment and governance issues needs prolonged involvement of senior level decision makers in Government. Without their involvement sustainability of improvements can be at risk. Most technical issues can best be decided on the level of heads of services and their deputies.
- Improvement of SPS systems needs close continued cooperation and consultation between public sector, private sector and civil society.
- Action plans adopted by Government can help guiding smooth implementation by identifying needs for improvement, clarifying ambition levels, defining responsibilities, indicating costs, and sequencing interventions.
- Identification of needs and prioritization for capacity building is complex. There is no established methodology available readily for use, and most of the available literature is too narrowly focused on SPS issues to the exclusion of the broader social and economic context. The specificity of cost of compliance studies limits the possibilities of extrapolating their findings to other product-market combinations.
- Given the nature of the human and agricultural health problems more border controls will not be of much help; leverage points are mainly on prevention and early detection through surveillance and containment in domestic markets. Evaluation of risks, costs and benefits is needed to guide policy making and interventions.
- There is no doubt that diagnostic and testing facilities in CLV are deficient and need upgrading in order to improve SPS management. However, solutions are not simple and require good planning, sequencing and prioritization. The needs assessments for this area needs to be strengthened and better integrated in sectoral assessments for food safety, plant health and animal health. In general software has to come first. Without good policies, regulations, operational budget and trained staff, returns from investment in labs can be insignificant. There are also important questions about what a country should choose as its minimal national infrastructure and to what extent it can make use of specialized services in other, mostly neighbouring countries.

- Given the complexities and long-term timeframe for development of SPS management systems, long-term donor support is probably more cost-effective than most short-term interventions.

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Annexes

Annex 1 Concepts, definitions, terminology and scope

This annex provides an overview of concepts, definitions, terminology and scope for assessing supply and demand for SPS capacity building. It can be used for further work on classifying capacity building projects.

Capacity building is a long-term, continuing process for the creation of an enabling environment with appropriate policy and legal frameworks, institutional development, human resources development, technology and strengthening of managerial systems in which all stakeholders participate, for the achievement of particular policy goals.[10]

Technical assistance (TA) is the provision of external assistance to strengthen the skills and technical capacities in a country.

SPS management To perform in a coordinated way a range of public and private sector functions with the aim to manage human, animal and plant health risks related to international trade in food and agricultural products. These functions include safety management, legislation, surveillance, inspection, quarantine, emergency response, conformity assessment, bilateral and multilateral communication and negotiation, and education.

SPS management capacities The ability to perform the various SPS management functions, and to make well-informed decisions about policies and strategies, including priority setting and coordination.

Actual capacities and perceived needs

No country has a perfect SPS management system. Whether a country is rich, poor, small or big stakeholders in the public sector, private sector and civil society in each country will likely voice various deficiencies in the SPS area and needs for improvement. These voiced deficiencies in actual SPS service delivery may relate to three different and overlapping issues:

1. physical, human and institutional capacity constraints to manage health hazard risks;
2. weak prioritization (e.g. focus on market access versus domestic health protection; balance in resource allocation for different pests, diseases, and other health hazards; little use of risk assessment/evaluation and cost/benefit analysis);
3. poor overall efficiency of the SPS management system, related to institutional deficiencies (unclear roles, overlap of responsibilities, interagency rivalry), weak coordination and governance problems (rent seeking, corruption).

In principle SPS management performance can be increased by efforts in each of these domains: adding hard and soft assets, improved effectiveness through better priority setting, and improved system efficiency through cutting waste.

Realistic ambition level Perceived needs have to be put in context of what realistically can be achieved within a short-, medium- and long-term timeframe of, say, 1-3, 4-7 and 8 or more years, with sustainable results and a good return to public and private efforts. What a realistic ambition level is for increasing SPS capacities within a certain timeframe will depend on the size of a country, its level of economic development, its foreign trade, the health and economic benefits that can be

[10] Adapted from IHE/UNDP 1991. The definition often referred to in literature is from the IHE/UNDP symposium which defined 'capacity building' as the creation of an enabling environment with appropriate policy and legal frameworks, institutional development, including community participation (of women in particular), human resources development and strengthening of managerial systems, adding that, UNDP recognizes that capacity building is a long-term, continuing process, in which all stakeholders participate (ministries, local authorities, non-governmental organizations and water user groups, professional associations, academics and others).

expected from improved capacities, and last but not least, what base there is to build on in terms of existing physical capacities, and human skills available.

An **SPS-needs assessment** identifies gaps in public and private sector capacities that inhibit optimal benefits from participation in international trade, while adequately protecting humans, animals and crops against risks of health hazards that can be spread by trade in agricultural products and food. A good assessment will focus on the existing capacities and possible sustainable benefits that can be obtained by strengthening capacities within a certain timeframe.

Scope The scope of SPS needs assessments can differ much with focus ranging from:

1. selective human and technical capacities, such as inspection skills, testing equipment;
2. thematic aspects, such as laboratory capacities, institutional development, governance, or legal/regulatory frame work;
3. one sector: food safety, animal health or plant health; and
4. all sectors

Purpose The direct purpose of a SPS needs assessment can be providing information for:

1. negotiation
2. planning and prioritization
3. designing a project for capacity building

Goal, outcomes SPS capacity building can aim at direct and indirect outcomes

1. **Direct and specific outcomes** of capacity building can be:

    1) compliance with bilateral market access requirements;
    2) compliance with requirements of (working group in) WTO accession;
    3) compliance with requirements of regional trade agreement;
    4) better protection of human, animal and plant health against risks of food safety, disease and pest hazards;
    5) general enhancement of competitiveness and market access

2. **Indirect outcomes** – system performance:

    1) improved effectiveness in policy making and priority setting (evaluation of risks, costs, benefits)
    2) improved governance and system efficiency (alignment of institutions, transparency, rule of law, reduced rent seeking and corruption)

Part of the SPS capacity building efforts can be pursued through:

1. projects limited to improving SPS areas only, or
2. components in broader efforts to promote livelihoods, income and employment through
    - improving human health, animal health and plant health
    - improving competitiveness, market access
    - improving public sector performance

Annex 2 Lao PDR: Action Plan for SPS Management

Issues	Recommended actions for the public sector	Time frame	Priority	Office involved	Estimated Cost (US$)	Related assistance
Overall coordination	Establish SPS coordination team	Setting up is short-term Function of coordination team is for long-term	High	MAF, MOH, STEA, MOIC	$1,140,000	---
Market opportunities and trade requirements	Prepare a study of potential/emerging non-traditional agricultural exports (study should include potential markets'/buyers' SPS requirements)	Short-term	High	MOIC	$64,000	---
	Conduct a review of the SPS requirements of trading partners and transit countries for existing exports, and Lao PDR SPS requirements related to imports and identify measures that may not be consistent with WTO and AFTA guidelines	Short-term	High	MOIC	$64,000	---
Institutional and legislative framework	Review existing legislation on food safety, plant and animal health to check on compliance with SPS agreement and to recommend ways for effective enforcement and implementation	Short-term	High	MAF MOH	$165,000	NZAID/ FAO/WHO on food safety and plant health
	Establish a task force of ministries involved, supported by the Ministry of Justice, for the amendment of regulations and by-laws - First phase: Prepare a plan indicating the contents, resources needed and priorities	Short-term	High	MAF MOH MOIC MOJ	$60,000	---
	- Second phase: Draft proposed amendments to legislations	Medium-term			$505,000	
	- Part of second phase: Determine implications of proposed amendments to downstream responsibilities and inspection and testing capacity needs of various Ministries and agencies	Short-term	High	MAF MOH	$94,000	---
	Prepare individual action plans/work programs (including human resource requirements) for SPS capacity building for food safety, plant and animal health	Short-term	High	MAF MOH	$94,000	---

Lao PDR: Action Plan for SPS Management (cont.)

Issues	Recommended actions for the public sector	Time frame	Priority	Office involved	Estimated Cost (US$)	Related assistance
Surveillance	Initiate creation of databases through active surveillance for:	Medium-term	High		$731,800	
	- human health hazards caused by food- and water-borne diseases			MOH		NZAID/ FAO/WHO
	- specimen-based records of plant pests for key crops and key pests			MAF		AusAID, NZAID AADCP
	- animal disease prevalence			MAF		AADCP, ACIAR SEAFMD
	- production, sale and use of agrochemicals and veterinary drugs			MOH		---
Diagnostic capacity	Develop work programs for laboratories including budget requirements, based on needs requirements	Short-term	High	MOH MAF	]]]$475,000	---
	Assess the most cost-effective way for the regular calibration of lab equipment and standards	Short-term to Medium-term	High	MAF MOH	]	---
	Acquire equipment for rapid detection and screening for the provinces and border posts	Medium-term	High	MAF MOH	$250,000	---
	Develop and upgrade laboratory capacities, including training of lab technicians based on needs assessment, and assess which parts of these labs should be accredited to ISO 17025	Medium-term	High	MAF MOH	$1,073,000	NZAID/ FAO/WHO (food safety)
Emergency response	Review existing legal framework and amend to include the authority of plant and animal health offices to implement emergency measures (e.g. eradication, for plants; animal movement restriction and slaughtering, for animals)	Short-term	High	MAF	Part of legislative changes	NZAID/FAO (plant health)
	Prepare national guidelines outlining responsibilities of Ministries (guidelines should include initial response of Government and compensation policies); establish an inter-ministry taskforce to manage emergency measures	Short-term	High	MAF	$188,000	---
	Review and amend current procedures for disease reporting in terms of incentives and having direct lines of communication	Short-term	High	MAF MOH	Review of procedures: $346,000 (includes other issues)	---

Lao PDR: Action Plan for SPS Management (cont.)

Issues	Recommended actions for the public sector	Time frame	Priority	Office involved	Estimated Cost (US$)	Related assistance
Risk assessment and economic analysis	Build core group of risk assessors under either the University or research institute to be supported by subject matter specialists	Medium-term	Medium	MAF MOH University Research Institute	$53,000 RA Training: $300,200	AADCP NZAID/ FAO/WHO AusAID
	Build capacity in economic analysis (e.g. cost-benefit analysis) and basic risk assessment in the Ministries responsible for risk management	Medium-term	Medium	MOH MAF	$270,000	---
Inspection and certification	Review Lao PDR inspections and permits requirements for export and import and identify controls that are not necessary for SPS management in a market economy	Short-term	High	MOT	Part of review of procedures	---
	Develop and communicate guidelines for the proper implementation of inspection and certification procedures and provide training and equipment for border inspectors	Short to Medium-term	Medium	MAF MOH	$27,200 (workshops include other issues)	---
	Review border procedures related to SPS and recommend simplifications and strengthened governance; for simplification, consider possibilities of either integrating some SPS control functions in customs procedures or combining SPS border controls in one office possibly even integrated in the customs office	Short-term	High	MAF MOT	Part of review of procedures	---
	Review existing legal framework and amend to incorporate the following: o Recommendations to improve and strengthen governance on border procedures o Authority for agricultural health inspectors to search or seize 'risk' goods	Short-term	High	MAF, MOH, MOT	Part of legislative changes	---
	Assess possibilities to develop local certification capabilities, especially for organic certification	Short-term	High	MAF MOH	$64,000	---
Building human skills (public sector)	Undertake training at all levels in diagnosis, testing, surveillance, inspection, international negotiation, planning, budgeting and management (AusAID is involved in plant health training; NZAID/FAO/WHO in food safety and plant health; ADB on WTO accession and dispute settlement mechanisms)	Short-term to Medium-term	High	MAF MOH MOIC	$534,000	AusAID NZAID/ FAO/WHO ADB
Information and education	Initiate educational campaigns promoting hygienic agricultural practices to government staff, farmers, food handlers and consumers on how to avoid risks	Short-term	Medium	MAF MOH MOIC	]]]$415,000]	ASEAN NZAID/ FAO/WHO
	Translate and disseminate relevant materials to stakeholders	Short-term	Medium	MOIC	]	---
Regional cooperation	Conduct periodical bilateral consultations with China, Viet Nam and Thailand	Long-term	High	MOIC	$797,000	---

Lao PDR: Action Plan for SPS Management (cont.)

Issues	Recommended actions for the University	Time frame	Priority	Office involved	Estimated Cost (US$)	Related assistance
Development of University curricula	Develop curricula in university to provide higher levels of education and specialization in animal science, crops science and food science	Medium-term	Medium	MAF MOH University	$996,000	---
	Provide higher educational and specialized studies abroad for staff	Medium-term	Medium	MAF MOH	$300,000	---
Issues	**Recommended actions for the private sector**	**Time frame**	**Priority**	**Office involved**	**Estimated Cost (US$)**	**Related assistance**
Private sector development	Promote out-grower schemes to link small farmers and large buyers, through pilot projects	Medium-term	Medium	MAF MOIC	$211,000	---
	Promote business and exporters associations and empower them through frequent consultations on management of food safety, animal health control and plant protection	Medium-term	Medium	MOIC	$173,000	---
	Mandate, with proper oversight, the Coffee Exporters Association with quality control, pest management and issuance of phytosanitary certificates	Medium-term	Medium	MAF Lao Coffee Board	$173,000	---
	Promote HACCP initially to plants which processed food products for export and extend HACCP requirements to other processing plants in the long-run	Medium-term	Medium	MOH	$186,000	---

Note: Time Frame: Short-term - 18 months; Medium-term - 18 months to 3 years; Long-term - 3 to 5 years
Under 5th column, "Office involved", other agences may be included on an ad hoc basis when useful