



Committee on Trade Facilitation
Council for Trade in Goods
Committee on Agriculture
Committee on Agriculture Special Session
Committee on Technical Barriers to Trade
Committee on Sanitary and Phytosanitary Measures

Original: English

ENHANCING THE ROLE OF THE WTO TRADE FACILITATION AGREEMENT IN PROMOTING FOOD SECURITY

COMMUNICATION FROM THE UNITED STATES

The following communication, dated 18 September 2023, is being circulated at the request of the delegation of the United States.

1 INTRODUCTION

1.1. According to the World Food Programme (WFP), the world is experiencing the largest food and nutrition crisis in modern history. Across the 79 countries in which WFP operates and regularly collects data, an estimated 345 million people are acutely food insecure.¹ There are many underlying factors contributing to the crisis. Some are ongoing and long-term challenges, while others are attributed to shocks and conflicts disrupting food production and trade. In order to address these factors, short-term urgent interventions to provide life-saving food and nutritional assistance should be coupled with longer-term resilience efforts.

1.2. As the United States expressed in its communication "The World Trade Organization's Role in Enhancing Food Security"², trade and transparent, predictable, open markets are vital components in addressing each dimension of food security (i.e., availability, accessibility, utilization, and stability). Implementation of the WTO agreements by WTO Members has improved global food security through the promotion of transparency and strong trading rules and science-based regulatory systems. However, more can be done to ensure that WTO Members fully avail themselves of all the benefits accorded by the WTO agreements to facilitate global trade and reduce poverty while enhancing food security.

1.3. In this communication, the United States highlights the role that robust implementation of the WTO Agreement on Trade Facilitation (TFA) can play in improving the safe, quick, and cost-effective movement of agricultural and food products (agri-food) to where they are needed. The effective implementation of the TFA in areas that directly support agri-food trade contributes to long-term economic and food security resilience through reliable food trade. Effective implementation also ensures the dependable delivery, when needed, of food assistance.

2 POTENTIAL BENEFITS FOR AGRI-FOOD TRADE

2.1. In its recent examination of the trade and welfare effects provided by the TFA thus far, the WTO Economic Research and Statistics Division found that agricultural trade increased by 16-22%

¹ Background Document to the 105th WTO Regular Meeting of the Committee on Agriculture, Submission by the World Food Programme on 20 June 2023, G/AG/GEN/221.

² Circulated on 27 March 2023 as JOB/CTG/25; JOB/AG/241; JOB/MA/160; JOB/SPS/28; JOB/TBT/501; JOB/COMTD/1; and JOB/TF/233.

between developing countries that made TFA commitments.³ Least Developed Countries (LDCs) also benefited from TFA implementation with an increase of 17% in agriculture exports.⁴

2.2. In a forthcoming report⁵ utilizing its Trade Facilitation Indicators (TFI) methodology, the Organization for Economic Cooperation and Development (OECD) finds that, within agri-food and related sectors, impacts of improving trade facilitation are strongest for plant-based and food products as well as fertilizers. Another OECD study found that, in the two years following the implementation of electronic sanitary and phytosanitary certificates, trade in animal products, vegetable products, and processed food increased by 17 to 32% (p. 34).⁶ These findings suggest opportunity for greater gains through enhanced TFA implementation focused on overcoming challenges in the agri-food sector. These findings also suggest that addressing obstacles to TFA implementation for routine agri-food trade would further help overcome the logistical challenges of delivering food assistance during emergencies.

3 THE TFA SUPPORTS FOOD SECURITY

3.1. The TFA applies to, and benefits, movement of agri-food products, particularly in facilitating the expeditious movement of food during times of acute need by minimizing unnecessary delays. The TFA includes provisions that address transparency, predictability, and cost reduction, such as the publication and availability online of information, pre-arrival processing, notification for enhanced controls or inspection, and electronic payment.

3.2. The TFA also recognizes the imperative to avoid spoilage by providing for the release of perishable goods in the shortest time possible while ensuring their safety, by prioritizing such goods as appropriate when examinations may be required and by arranging, or allowing an importer to arrange, for the proper storage of perishable goods pending their release. The TFA also provides for the release of perishable goods before border officials make their final determinations about what customs duties or other charges may apply.

3.3. The TFA also encourages border agency cooperation including through the creation and operation of a single window, or a single electronic exchange system between border agencies and traders, for the import, export, and transit of goods through a Member's territory. Single window systems save time and costs and provide transparency to traders and governments about the movement of shipments. Single window systems constitute a benefit of particular importance for agri-food products that may be subject to review or inspection by multiple agencies, each with their own mandate and requirements for food shipments.

4 ENSURING TFA IMPLEMENTATION AND ASSISTANCE FOCUS ON FOOD SECURITY

4.1. According to the OECD's TFI⁷, cooperation among agencies at the border, transparency of information on border procedures, and automation, were areas that improved the most during the 2020-2022 time period. However, the WTO TFA database indicates that the implementation rate to date for the following five areas is lower than it should be: risk management, authorized operators, border agency cooperation, test procedures, and single window.⁸ These areas overlap with the top five Category C⁹ measures scheduled for implementation in 2023-2024 (i.e., authorized operators, border agency cooperation, risk management, average release times, and post-clearance audit).¹⁰

4.2. The Committee on Trade Facilitation (CTF) could actively monitor the TFI with respect to measures undertaken by WTO Members to facilitate agri-food trade, including timeliness of

³ Trade and Welfare Effects of the WTO Trade Facilitation Agreement, Staff Working Paper ERSD-2023-04, p. 3 (28 February 2023). Welfare effects included real income gains.

⁴ Trade and Welfare Effects of the WTO Trade Facilitation Agreement, Staff Working Paper ERSD-2023-04, pp. 3, 30 (28 February 2023).

⁵ *The evolving contribution of trade facilitation policies to enhancing trade*, forthcoming OECD Trade Policy Paper October 2023.

⁶ Digital Opportunities for Sanitary and Phytosanitary (SPS) Systems and the Trade Facilitation Effects of SPS Electronic Certification, OECD Food, Agriculture and Fisheries Paper No. 152, March 2021.

⁷ <https://issuu.com/oecd.publishing/docs/oecd-trade-facilitation-update-2023>.

⁸ WTO TFA Database, <https://www.tfadatabase.org>.

⁹ Category C: provisions that Members will implement per selected transitional period with technical assistance and support for capacity building.

¹⁰ [Technical Assistance tracker | TFAD - Trade Facilitation Agreement Database \(tfadatabase.org\)](https://www.tfadatabase.org).

inspections for perishable goods, use of e-certificates for SPS compliance, availability of testing and laboratory facilities, and inclusion of agri-food in single window processes. The CTF could also compile and discuss insights and recommendations associated with streamlining export certification requirements for food products. WTO Members could also examine the degree to which agri-food sector traders are included in customs agency programs that pre-approve low-risk businesses as Authorized Operators.

4.3. In considering the technical assistance sought by beneficiary WTO Members, many who are experiencing food insecurity, WTO Members may wish to analyze the state of TFA assistance specifically designed to improve trade facilitation for agricultural and food products, ensure agri-food trade is included in the diagnostics used to address each Member's specific TFA implementation needs.

5 THEMATIC SESSIONS ON TF AND FOOD SECURITY

5.1. WTO Members could consider thematic sessions to share experiences about processes to manage risk and ensure food safety that, at the same time, promote efficient clearance of agri-food products and avoid wastage or spoilage due to improper handling or storage in transit.¹¹

5.2. It may also be helpful for WTO Members to discuss case studies of initiatives undertaken by the WTO Standards and Trade Development Facility (STDF), the Global Alliance for Trade Facilitation, the World Bank or others to learn about projects that have directly contributed to the facilitation of agri-food trade.

5.3. WTO Members could share their experiences on how they have integrated food producers, traders, retailers, logistics operators, and food assistance organizations into the activities of National Trade Facilitation Committees, or how they have been able to get all the agencies responsible for border controls involving agricultural and food products to participate in the implementation of the TFA. Members could further discuss how they have facilitated agri-food trade during short-term emergencies, or how the trade facilitation policies that they have established contribute to food security.

6 CONCLUSION

6.1. Through this communication, the United States highlights how TFA implementation benefits agri-food trade, thereby contributing to food security while also facilitating the delivery of food assistance in emergencies. The ideas presented herein are meant to encourage further discussion on these matters, and the United States welcomes additional ideas from WTO Members on this important topic.

¹¹ See The Role of Second Test Procedures in Trade Facilitation, Communication from the United States, G/TFA/W/48, 5 July 2021.