

**Institutional Development for Successful  
Implementation of Sanitary and Phytosanitary  
Agreement in Sri Lanka**

By

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Agreement in Sri Lanka**

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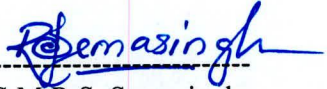
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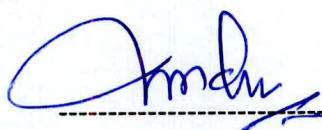
## DECLARATION

The work described in this thesis was carried out by me, under the supervision of Dr. (Mrs.) Indira Wickramasinghe, Head//Department of Food Science and Technology, Faculty of Applied Sciences, University of Sri Jayewardenepura, Gangodawila, Nugegoda and Dr. J.A.L.P. Jayakody, Department of Food Science and Technology, University of Peradeniya and the report on this thesis has not been submitted in whole or in part to any university or any other institution for another degree.

Date 2013.05.10

  
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We certify that the declaration made by the candidate is true and this thesis is suitable for submission to the university for the purpose of evaluation.



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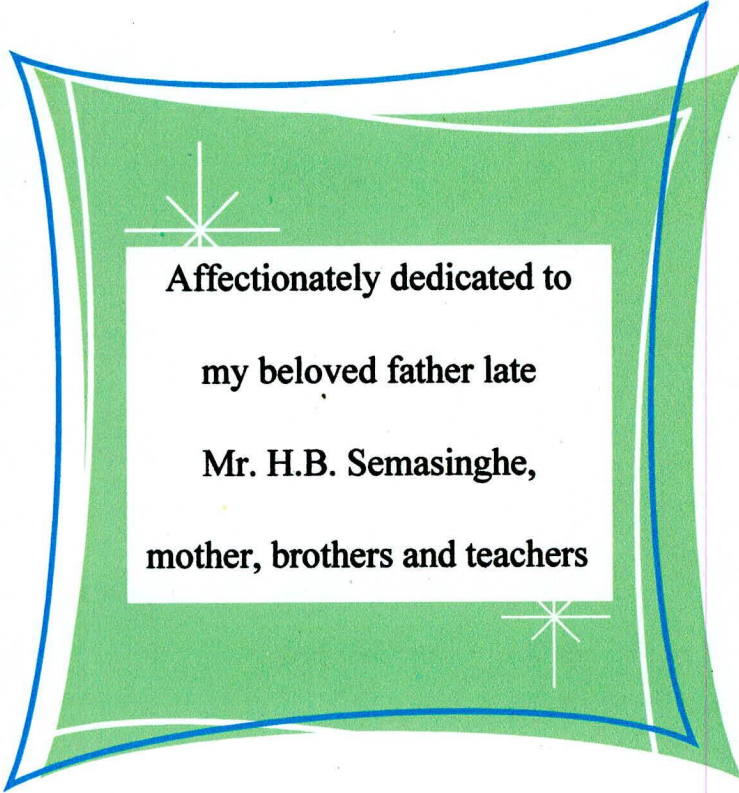


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**Affectionately dedicated to**  
**my beloved father late**  
**Mr. H.B. Semasinghe,**  
**mother, brothers and teachers**

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## ABBREVIATIONS

|       |   |  |
|-------|---|--|
| CAC   | - | Codex Alimentarius Commission                  |
| DAPH  | - | Department of Animal Production and Health     |
| DF    | - | Department of Fisheries                        |
| DoC   | - | Department of Commerce                         |
| DSB   | - | Dispute Settlement Body                        |
| FAC   | - | Food Advisory Committee                        |
| FAO   | - | Food and Agriculture Organization              |
| FCAU  | - | Food Control Administration Unit               |
| FRU   | - | Food Research Unit                             |
| GATS  | - | General Agreement on Trade in Services         |
| GMPs  | - | Good Manufacturing Practices                   |
| HACCP | - | Hazard Analysis and Critical Control Point     |
| IPPC  | - | International Plant Protection Convention      |
| ISO   | - | International Standard Organization            |
| ITC   | - | International Trade Centre                     |
| MoH   | - | Ministry of Health                             |
| MRLs  | - | Maximum Residue Levels                         |
| MTS   | - | Multilateral Trading System                    |
| NEP   | - | National Enquiry Point                         |
| NNA   | - | National Notification Authority                |
| NPQS  | - | National Plant Quarantine Services             |
| OIE   | - | International Office of Epizooties             |
| ORP   | - | Office of the Registrar of Pesticides          |
| SME   | - | Small and Medium Entrepreneur                  |
| SCPPC | - | Seed Certification and Plant Protection Centre |
| SPS   | - | Sanitary and Phytosanitary                     |
| TBT   | - | Technical Barriers of Trade                    |
| UR    | - | Uruguay Round                                  |
| WHO   | - | World Health Organization                      |
| WTO   | - | World Trade Organization                       |

## ABSTRACT

Effective national food control system and sanitary and phytosanitary (SPS) measures are essential to promote food safety, animal health and plant protection in domestic and international food markets. At present, lack of management capacity, poor coordination among responsible organizations, inadequate information flow and priority given to the theoretical aspects in the process of implementation of SPS measures leads to raises many problems in food export sector of Sri Lanka. Lack of implementation of SPS measures would leads to instability of food export trade and unwanted trade embargo which affecting the earning of valuable foreign exchange. A semi detailed survey was carried out based on impact assessment of SPS measures on food export (documentary analysis), inventory analysis of SPS notifications, inspection systems and qualitative interview to evaluate the existing coordination mechanism among the responsible and related organizations. Sri Lanka faces upcoming and eminent problems in the implementation of SPS measures in meeting with World Trade Organization and private standards though there are satisfactory regulatory controls. Lack in financial support, infra structures facilities and poor decision making on SPS standards leads to compliance issues which indicated weaker coordination in achieving goals using donor supports. SPS notifications and number of inspection and testing bodies shows little increases. Awareness of officials of the SPS agreement and regulations is average. Out of the total, 58% were lack in coordination with the National Notification Authority and showed that National Enquiry Point is weaker in providing of SPS information. Study indicated that establishing a national agenda and coordination committee and trade meeting with a proper coordination mechanism among responsible organizations is essential to improve and expand food exports of Sri Lanka.

## CHAPTER 1

### INTRODUCTION

Effective national food control system is essential tool to protect the health and safety of consumers. The system enables countries to ensure safety and quality of foods which enter international trade and to ensure that imported foods conform to intended national requirements. There are several national organizations which promote food safety, animal health and plant protection in domestic and international trade. These organizations involved in developing, approving and recommending standards, guidelines and recommendations to strengthen domestic and international markets. This contribute to protecting the health and safety of consumers, plant and animal. Such measures collectively called as Sanitary (human and animal health) and Phytosanitary (plant health) measures or SPS measures.

In Sri Lanka, the World Trade Organization (WTO) agreement on the SPS or "WTO SPS Agreement" has been activated from 1<sup>st</sup> January 1995. This is one of the effective results of the Final Act of the Uruguay Round of Multilateral Trade Negotiations, signed in Marrakesh on 15 April 1994. The prime objective of the SPS Agreement is to maintain the sovereign right of any government in order to provide the level of health protection. It deems appropriate, but to ensure that these sovereign rights are not misused in terms of protectionist purposes and establish unfair hurdle to international trade.

The main areas covered under the SPS Agreement in Sri Lanka are Department of Food Control (functions under the Ministry of Health for food safety measures) Department of Animal Production and Health (under the Ministry of Livestock Development for animal health measures) and National Plant Quarantine Service (under the Department of Agriculture for plant health measures). The Ministry of Health has been identified as the (single central government authority) hub which intimately responsible for implementing and notification requirements of the SPS Agreement.

It has been shown that Sri Lanka faces many difficulties in terms of compliance with membership requirements and to upgrade its SPS management capacity. For instance, institutes responsible for application of SPS measures are lack of complete information

and guidance on the number of measures which affect the import and exports. Thus, such institutes lack of competent about whether these measures are compliance with the SPS Agreement. Authorities in these institutes mostly focused only on theoretical aspects and have focused little or no attention on implementation aspects due to various reasons. Therefore, this situation can lead to create significant crisis due to international trade and market failure. Finally this would lead to disrupt the fair trade and promote unwanted trade embargo and block earning of valuable foreign exchange to the country.

For instance, recently the European Union has lifted long restrictions on Sri Lanka's cinnamon exports due to the disagreement stemmed from sulphur residue levels in Sri Lankan cinnamon. The emergence of biotechnology has created uncertainties related to the impact on health and on the environment. Lack of food testing laboratories and rapid analytical support for implementing the SPS measures are some of the major issues associated with export market failures.

In general, food control systems suffer from a number of practical difficulties which severely damaged prime objective of food safety and health of consumers. That deprives the country from taking potential benefits through the said agreement.

The aim of this survey is to identify suitable mechanism for effective coordination among the state organizations pertaining to food safety measures. And investigate current knowledge and response of WTO SPS agreement among relevant authorities. Thus, close supervision and strict monitoring of responsibilities within and among the relevant national organizations is important in order to bring and prioritize national requirements through active participation and implementation of SPS measures. Therefore, findings of the study would help to prevent poor attention on food safety, heavy economic losses for producers and exporters, loss of confidence among trading partners, unfair bans or severe import controls and loss of consumers' confidence.

The main objective of the survey is;

- To identify proper and effective coordination mechanism among the responsible and related organizations for effective implementation and participation of SPS measures in food trade.

The specific objectives are:

- To identify impact and issues related to Sri Lanka's agro and food effective exports with meaningful way of WTO SPS Agreement.
- To identify effective institutional framework for SPS Agencies involved in food safety, animal and plant health, trade and their responsibilities on effective coordination and implementation of WTO SPS Agreement.
- To prepare suitable recommendations to enhance information flows and liaison networks within Sri Lanka and with relevant overseas parties on SPS related issues.