Mutual recognition agreements in international food trade

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MUTUAL RECOGNITION AGREEMENTS
In order to promote their food exports many developing countries have engaged in establishing and implementing export inspection systems. These systems provide for certification of food exports in conformity with international standards where available and so requested, yet in most cases, prior to the Uruguay Round trade agreements (see Box), it was the requirements of importing countries and their regulations that prevailed. Thus, as a rule, inspection and certification were carried out to meet the buyer’s specifications and depended largely on end-product testing. Such systems have existed in many countries, developed to varying degrees of sophistication. The Uruguay Round agreements, which place the greatest reliance on the international standards of the Codex Alimentarius Commission, have for once provided a level playing field for all concerned. In the context of these agreements, to facilitate trade the exporting and importing countries may enter into mutual recognition agreements (MRAs) which would establish that the inspection and certification system of one country is equivalent to that of the other, providing the same level of protection. To see that one-sided so-called “mutual” agreements between the buyer and the seller become a thing of the past, the concerned Codex committees have to play a crucial role in elaborating objective and scientific principles which alone should govern international trade.

As many countries are anxious to take full advantage of the expanding global economy and liberalized food trade environment, it is appropriate that they look into the implications of the trade agreements vis-à-vis their national food regulatory systems. The task of ensuring food quality and safety is huge and quite complex. It calls for shared responsibility among international trading partners. Unfortunately, because of the lack of scientific data and technical personnel trained in the techniques of risk analysis the task for many developing countries may not be easy. The situation is more difficult for small-scale manufacturers who also lack resources and technical expertise in conformity assessment procedures which might be laid down by importing countries. This article attempts to deal with some of the issues and to make a case of how an MRA or a memorandum of understanding (MOU) between the importing and exporting countries might be developed to help further trade prospects. No attempt is made to provide any structured framework of a draft agreement or protocol which lies within the terms of reference of the Codex Committee on Food Import and Export Certification and Inspection Systems and for which several proposals are in the process of development (FAO/WHO, 1997a,c).

PREREQUISITES FOR ENSURING FOOD QUALITY

Industry responsibility: good practices
The foremost responsibility for ensuring quality and safety of food lies with the industry. With rapid developments in food production, processing and distribution systems and techniques, new challenges in food safety matters are emerging. While consumers may not be fully aware of these problems they do have very strong voices in forcing the national authorities to protect their interests with regard to potential health hazards.

The sources of foodborne contamination are varied: filth and extraneous matter, pathogenic microorganisms, environmental contaminants, mycotoxins, food contact materials and unauthorized or unregulated use of chemicals such as pesticides, food additives and veterinary drugs. Intensive agricultural practices, mass rearing of animals for slaughter, new food technologies and growing microbial

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URUGUAY ROUND TRADE AGREEMENTS

Agreement on the Application of Sanitary and Phytosanitary Measures

The Uruguay Round Agreement on the Application of Sanitary and Phytosanitary Measures (SPS Agreement) introduces discipline in international food trade and checks the application and use of unjustified sanitary or phytosanitary measures for the purpose of trade protection. The measures comprise all relevant laws, decrees, regulations, requirements and procedures including, *inter alia*, end-product criteria; process and production methods; testing, inspection and approval procedures; provisions on relevant statistical methods; sampling procedures and methods of risk assessment; and packaging and labelling requirements directly related to food safety.

Article 3.1 of the SPS Agreement requires that members of the World Trade Organization (WTO) shall base their sanitary or phytosanitary measures on international standards, guidelines or recommendations which, in the case of food safety, are those established by the Codex Alimentarius Commission relating to food additives, veterinary drug and pesticide residues, contaminants, methods of analysis and sampling and codes and guidelines of hygienic practices. As these international standards are presumed to be consistent with the relevant provisions of the SPS Agreement, they serve as a benchmark for comparison of national sanitary or phytosanitary measures.

Article 3.3 of the SPS Agreement permits members to introduce or maintain sanitary or phytosanitary measures that result in a different level of protection than would be achieved by measures based on relevant international standards if there is scientific justification, or as a consequence of the level of protection a country determines to be appropriate in accordance with well-defined requirements supported by assessment of risk based on appropriate scientific evidence.

Agreement on Technical Barriers to Trade

The Uruguay Round Agreement on Technical Barriers to Trade (TBT Agreement) covers all measures or regulations concerning technical, commercial, ethical or religious matters – except sanitary or phytosanitary measures – applied to all industrial and agricultural products in international trade. They include product characterization or its related processes and production methods, quality requirements, compositional and other standards formulated to prevent fraudulent practices, and analyses, packaging and labelling with which compliance is mandatory. The TBT Agreement also requests the use of international standards where available and transparency and non-discrimination in application of technical regulations to avoid non-tariff trade barriers. The technical regulations cannot be more restrictive than necessary to fulfill a legitimate purpose (the principle of proportionality).

In the process of consultation between trading partners to achieve a bilateral or multilateral agreement or an MRA it is necessary that the requirements under the TBT Agreement are also fully taken into consideration as they concern quality characteristics, fraudulent practices and matters of consumer information through labelling which may not strictly be food safety issues.
Regulatory systems and agencies

An effective food sanitary control infrastructure calls for three basic elements:

- food law and accompanying regulations, i.e. a legislative and administrative base;
- qualified trained staff to deal with programmes and performance provisions;
- well-equipped analytical laboratories and other facilities.

While many countries have national food control systems developed to varying degrees of sophistication, some countries do not have adequate facilities in this regard or in fact have no such system at all. The law should be an enabling instrument which lays down broad principles of food control, basic definitions, responsibilities for implementation, penalties for infringement and powers to make regulations to meet the needs of rapidly changing agricultural, technological and marketing practices. The provision of a suitable advisory body within the law ensures the representation of various interests and provides guidance as well as transparency in efficient administration. Such an approach gives flexibility for dealing with food safety and consumer protection issues as they arise, as well as for dealing with matters such as development of food standards and establishment of inspection or analytical procedures with competent committees or experts. The agency’s capabilities in terms of its programmes – achieved through qualified and trained staff at various hierarchical levels and through facilities or other requirements such as analytical laboratories – determine the performance and effectiveness of food control systems.

The food sector forms a large part of national economies, and food systems are becoming ever more complex. Under these circumstances, besides the competent agency responsible for implementing the basic food law there are often other agencies that deal with particular aspects of the food system. There may be export inspection agencies, standards institutions, quality control and extension services for classes of food, grading and marking services, bodies dealing with accreditation of laboratories, etc., located in various ministries such as those responsible for health, agriculture, commerce, food, industry or science and technology. Each of these agencies normally works under its own legal provisions or other governmental instrument and has its own infrastructure, terms of reference and duties. If the terms of reference of each agency are not clearly defined, the multiplicity can create confusion, resulting in inefficiency and hindrance to trade. On the other hand, if the agencies perform their duties well, they can help the food sector in a sound scientific manner.

Without discussing the merits or demerits of such agencies per se, it is necessary to identify the particular agency or agencies that is or are involved with a particular aspect of food quality control and inspection of a food or class of foods, and that can provide advice and guidance to the industry on food safety and trade matters. Such agencies must have adequate inspectorate and analytical staff and facilities for conformity testing of the particular food or process.

An agency that expects to be recognized or designated as a “competent agency” for a particular task (in this case inspection and, if required, certification of a food), and that aspires to enter into an agreement with an outside agency for this purpose, must develop and put into practice a comprehensive system under which the activities will be carried out. Such systems of in-process quality control, pre-shipment inspection and certification are best developed in close collaboration with the concerned industry. They have to be science based, transparent and objective in order to project the agency’s integrity in the eyes of the domestic producer and consumer as well as the foreign buyer. Among other things, there is a need to develop and introduce GMP’s and HACCP plans at production level, to assist in training, to prepare quality control manuals, to carry out monitoring, to assist in upgrading and, as necessary, to give accreditation of laboratories. Focal points or contact persons for specific tasks need to be identified. Such a system, once created, will also meet most of the requirements for a potential MRA or MOU with the importing country.

Other bodies

A comparatively recent trend in some countries is encouragement of the emergence of non-governmental but accredited inspection or certification bodies and of private testing laboratories which also implement quality control and certification activities for import and export of foods. The more common ones usually belong to a chamber of commerce or industry or a cooperative. Several of these run on a non-profit basis. The main objective of such bodies is to provide advice on quality control matters, to offer analytical facilities and training and to carry out sampling, analysis and certification for the industry, especially for small-scale units. The association of persons from academia helps strengthen their technical competence, and they often also receive recognition from the foreign buyer.

The twenty-second session of the Codex Alimentarius Commission adopted the Guidelines for the Assessment of the Competence of Testing Laboratories Involved in Import and Export of Foods (FAO/WHO, 1997b,d). National authorities in many countries have authorized suitable bodies for accreditation of such laboratories.
LEVELS OF PROTECTION AND SANITARY MEASURES
There is a need for continuing consideration of the concepts of higher or lower levels of protection and the sanitary measures that result in such levels of protection. It could be argued that there should be no scope for lowering or raising the level of protection, which should be universally based on international recommendations of expert committees such as the Joint FAO/WHO Expert Committee on Food Additives (JECFA) and the Joint Meeting of the FAO Panel of Experts on Pesticide Residues in Food and the Environment and the WHO Expert Group on Pesticide Residues (JMPR). The acceptable daily intakes (ADIs) or provisional tolerable weekly intakes (PTWIs) recommended by these experts, purely on a scientific basis, have a wide safety margin to embrace different populations and their eating practices worldwide. On the other hand the sanitary measures recommended by the Codex Alimentarius Commission, i.e. maximum use levels or maximum residue limits which form the basis of national regulations, even though universally applicable, may for special reasons based on scientific evidence be altered (reduced or raised) to achieve the same level of protection given by the ADI. In other words, a more stringent measure (in this case a “limit”), to be applied in exceptional cases, would not provide a higher level of protection. Tampering with the level of protection could lead to a non-tariff trade barrier.

EQUIVALENCE
One of the most important considerations for making an MRA is the understanding of the principle of “equivalence”, referred to in Article 4 of the SPS Agreement. Equivalence is defined as the capability of different inspection and certification systems to meet the same objectives. It requires that countries shall accept the sanitary or phytosanitary measures of trading partners as equivalent, even when these measures differ from their own or from those used by other countries trading in the same product, if the exporting country objectively demonstrates to the importing country that its measures achieve the importing country’s appropriate level of sanitary or phytosanitary protection. This implies that an importing country is obligated to accept as equivalent a food regulatory system of another country (the exporting country) if it offers the same level of health protection afforded to consumers by its own system.

Under the SPS Agreement, the burden of proving equivalence rests with the exporting country. For this purpose, reasonable access has to be given, on request, to the importing country to verify the inspection, testing and other procedures of the exporting country. The agreement also states that participating countries shall upon request enter into consultations with the aim of achieving bilateral or multilateral agreement on recognition of the equivalence of specific sanitary or phytosanitary measures.

The text of the Codex Guidelines for the Design, Operation, Assessment and Accreditation of Food Import Inspection and Certification Systems (FAO/WHO, 1997c) gives directions for the objective demonstration of the appropriateness of food inspection and certification systems by the exporting country. The system must be organized for the risk involved, considering that:

- the same food commodities produced in different countries may present different hazards;
- control methodologies can be different but must achieve the same results;
- controls on imported and domestically produced foods should be designed to achieve the same level of protection;
- unnecessary repetition of controls by an importing country should be avoided.

The document specifies that the exporting country should provide access to enable the inspection and certification systems to be examined and evaluated on request by food control authorities of the importing country. Thus, it provides detailed information on how to build up and maintain a system that would meet the need for establishing equivalence with the system of the importing country.

RISK ANALYSIS: USE OF INTERNATIONAL BENCHMARKS
The notion of demonstrating equivalence in levels of protection calls for assessment of risk to consumer populations. While this concept is ideal and under some circumstances scientifically justified, it may not always be practical, particularly for developing countries. The fear is that the complex quantitative techniques that might be considered for risk analysis at the level of individual importing and exporting countries could have the effect of non-tariff trade barriers, and might in fact choke the WTO mechanism of dispute settlement.

In the process of risk analysis the first component, risk assessment, is the most crucial and is at the same time complex. It calls for considerable qualitative and quantitative data and high levels of scientific expertise in such fields as toxicology, carcinogenicity, human exposure, epidemiology, metabolism and pharmacokinetics. FAO/WHO expert committees such as JECFA and JMPR have performed risk assessment at the international level for over 40 years. The recommendations of these committees in the form of ADIs and PTWIs (and more recently limits for contaminants, e.g. aflatoxin) are accepted universally, all the more by developing countries that do not have the facilities and
resources for this task. The Codex Alimentarius system takes full cognizance of the risk assessment done by the relevant committees, and its international standards and codes of practice fully reflect these evaluations. It is therefore logical that these evaluations should be fully utilized in developing MRAs. Their use will ensure that regulatory systems as a whole – including methods of inspection, sampling and analyses, monitoring and conformity assessment procedures, exchange of information on food hazards and surveillance, record-keeping and reporting criteria – are equivalent so far as they meet international standards. This can be verified by mutual consultations and where necessary by on-the-spot checks through periodic visits.

In case of an exceptional deviation asked for by the importing country on the basis of scientific evidence, the approach could still be to use international recommendations as benchmarks, and to develop simpler approaches for qualitative risk analysis in consultation with all concerned. Mere exchange of information on hazards itself can be of considerable help. In many cases agreements based on available qualitative but relevant information may be able to overcome this problem and ensure that the food hazard is kept to the minimum and that there is compliance with special needs for protection.

The above having been said, it is not possible to rule out the need for special protection for some importing countries or for some population groups within an importing country, and hence the need for more stringent sanitary or phytosanitary measures in some cases. It is therefore necessary for all countries – including developing countries where risk analysis efforts are in their infancy – to establish ongoing systems for collection and analysis of relevant data on epidemiology, dietary patterns and consumption, food chemical intakes, etc. Only this valid scientific evidence will enable them to protect their consumers better. It will also assist in the establishment of appropriate MRAs to boost their export trade.

Some countries have adequate scientific resources but have a problem in the utilization of these resources for risk analysis tasks. Often the magnitude of potential risk management problems is sufficient to subdue the enthusiasm for risk assessment. The approach depends on the priority that a country attaches to matters of food safety. It needs to be realized that if the food control measures of a developing exporting country are indeed science based and properly implemented, they will receive due recognition outside the country, and the making of MRAs with food-importing countries will become easy.

The concept of risk analysis per se is simple and easy to explain, but risk is somewhat difficult to determine. As stated earlier, some countries have the scientific expertise for the task. It is fundamental that the Codex coordinating committees be actively involved in the exercise of developing criteria and principles for determining equivalence, taking into consideration the risk analysis factors. This will ensure that the misgivings and concerns of countries are suitably reflected in the final outcome.

**CONCLUDING REMARKS**

In preparing for an MRA the official agency of the exporting country gives recognition to the conformity assessment systems of the importing country, which comprise the legislation and regulatory and administrative requirements for specific foods or processes or those covering many or all foods, subject to an agreed verification protocol. The importing country retains the right to verify both the effectiveness of the conformity assessment system and the compliance of foods or regulated facilities covered by the MRA with its own regulatory requirements. The exporting country rests assured that in conforming to international standards or recommendations it is not being discriminated against in trade. The process promotes harmonization of food regulations and food control systems and hence promotes trade.

To the extent that most international trade takes place (it is hoped) on the basis of the standards and recommendations of the Codex Alimentarius Commission and that food regulations are harmonized, it should be easy to establish equivalence in inspection, analysis and other conformity assessment procedures. MRAs will greatly facilitate this process. MRAs should cover not only food safety measures but also other technical, non-food-safety matters covered under the TBT Agreement, such as food composition, quality characteristics and labelling.

The Codex standards and other advisory texts are used as the benchmark documents in the environment of the WTO agreements on sanitary and phytosanitary measures and on technical barriers to trade. They can serve as a reference for developing MRAs or MOUs as well. The Codex Guidelines for the Design, Operation, Assessment and Accreditation of Food Import and Export Inspection Systems (FAO/WHO, 1997c) provides a basic framework on which MRAs or MOUs could be built between countries. Another document, Proposed Draft Guidelines for the Development of Agreements Regarding Food Import and Export Inspection and Certification Systems (CX/FICS 97/6) deals with the details of preparing such agreements and will be considered by governments in further depth within the Codex Committee on Food Import and Export Certification and Inspection Systems. Codex Alimentarius members are encouraged to
participate actively in the discussions on the above subjects and to provide their opinions and information in order to ensure fair food trade and consumer protection and to reflect their own production and trade practices in these texts. They are also encouraged to participate actively in the sessions of the Codex Alimentarius Commission and the Codex committees where Codex standards and other advisory texts are elaborated.

REFERENCES


The Uruguay Round Agreement on the Application of Sanitary and Phytosanitary Measures introduces discipline in the food trade and checks the use of unjustified protectionist measures. Countries belonging to the World Trade Organization (WTO) are required to base their sanitary or phytosanitary measures on international standards, guidelines or recommendations. They are permitted to have different sanitary or phytosanitary measures if there is scientific justification. WTO members shall accept a sanitary or phytosanitary measure of another member as equivalent if the exporting member objectively demonstrates to the importing member that its measures achieve the importing member’s appropriate level of protection. The burden of proving equivalence rests with the exporting country.

Mutual recognition agreements (MRAs) between importing and exporting countries have several benefits: assurance of an adequate level of protection for the consumer; better utilization of pooled resources to ensure food safety; facilitation of trade and elimination of delays at point of entry; reduced dependence on routine checking at point of import and hence savings in the monitoring resources of the importing country; harmonization of food regulations and control systems in different countries; and establishment of a consultative mechanism between the two parties for rapid resolution of problems in conformity assessment and related issues.

The Codex Alimentarius Guidelines for the Design, Operation, Assessment and Accreditation of Food Import and Export Inspection Systems provides a basic framework for creating MRAs between countries. In preparing for an MRA the official agency of the exporting country gives recognition to the conformity assessment systems of the importing country, which comprise the legislation and regulatory and administrative requirements for specific foods or processes or those covering many or all foods, subject to an agreed verification protocol. Under the MRA the importing country retains the right to verify both the effectiveness of the conformity assessment system and the compliance of foods or regulated facilities covered by the agreement with its own regulatory requirements. The exporting country is assured that with conformity to international standards and recommendations it is not experiencing discrimination in trade. The process promotes harmonization of food regulations and food control systems and hence promotes trade.
Los acuerdos de reconocimiento mutuo en el comercio alimentario internacional

El Acuerdo de la Ronda Uruguay sobre la Aplicación de Medidas Sanitarias y Fitosanitarias introduce una disciplina en el comercio alimentario y limita el uso de medidas proteccionistas injustificadas. Los países miembros de la Organización Mundial del Comercio (OMC) han de basar sus medidas sanitarias y fitosanitarias en normas, directrices o recomendaciones internacionales. Están autorizados a aplicar diferentes medidas sanitarias y fitosanitarias, siempre que éstas tengan un fundamento científico. Los miembros de la OMC deben aceptar las medidas sanitarias y fitosanitarias de otros miembros como equivalentes si el país exportador demuestra objetivamente al país importador que sus medidas permiten alcanzar el nivel de protección existente en ese último país. Incumbe al país exportador demostrar esa equivalencia.

Los acuerdos de reconocimiento mutuo entre el país importador y el país exportador presentan diversas ventajas: la garantía de un nivel adecuado de protección para los consumidores, una mejor utilización de los recursos comunes para asegurar la inocuidad de los alimentos, la facilitación del comercio y la eliminación de las demoras en el punto de entrada, la menor dependencia de la inspección habitual en el punto de importación y, en consecuencia, economías en los recursos de vigilancia del país importador, la armonización de las reglamentaciones alimentarias y de los sistemas de control en los diferentes países, y el establecimiento de un mecanismo consultivo entre ambas partes para resolver rápidamente los problemas de evaluación de la conformidad y cuestiones afines.

Las Directrices del Codex Alimentarius para la formulación, la aplicación, la evaluación y la acreditación de sistemas de inspección de las importaciones y exportaciones de alimentos constituyen un marco básico para establecer acuerdos de reconocimiento mutuo entre países. Al preparar un acuerdo de reconocimiento mutuo, será el organismo oficial del país exportador el que acepta los sistemas de evaluación de la conformidad del país importador, los cuales comprenden la legislación, requisitos reglamentarios y administrativos a efectos de un determinado alimento o proceso, o un arreglo general que abarque muchos o la totalidad de los alimentos sujetos a un protocolo de verificación convenido. En el marco de un acuerdo de ese tipo, el país importador conserva el derecho a verificar tanto la eficacia del sistema de evaluación de la conformidad como el cumplimiento de sus requisitos reglamentarios por los alimentos o servicios reglamentados a los que se aplica dicho acuerdo. El país exportador tiene la seguridad de que, al ajustarse a las normas o recomendaciones internacionales, no es objeto de discriminación en el comercio. Este proceso promueve la armonización de las reglamentaciones alimentarias y de los sistemas de control de los alimentos y, por consiguiente, fomenta el comercio.