



## Trade and food safety standards Enhancing intra-regional trade to address disruptions during and after the COVID-19 pandemic

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### The issue

The COVID-19 crisis will have an unprecedented impact on global and regional trade. According to the World Trade Organization (WTO), world merchandise trade might fall by as much as 32 percent in 2020 due to the pandemic. The simultaneity of significant supply and demand shocks, and the global nature of both makes the current situation unlike any other food or health crisis in recent times. Enhancing both intra- and inter-regional trade and improving access to markets can be crucial for mitigating the impacts of shocks like the current COVID-19 pandemic, reducing trade transaction costs, boosting farm incomes and promoting productive capacities in both exporting and importing countries.

The North Africa and the Near East region trades significantly less than would be expected based on its economic, cultural, and geographical characteristics. The low levels of intra-regional trade typically result from policy barriers and limited policy coordination e.g., limited harmonization/ mutual recognition of procedures demonstrating sanitary and phytosanitary (SPS) compliance; limited use of digital solutions in the application of trade procedures; and ad hoc trade restrictions that are not based on market intelligence. Access to markets is also hampered by physical constraints e.g., lower productive capacities, limitations in laboratory capacities assessing compliance with food safety standards, as well as marketing and trade infrastructure.

The region has made some steps towards regional integration including the removal of intra-regional tariffs under the Greater Arab Free Trade Area (GAFTA) and the adoption of low common tariffs by the Gulf Cooperation Council (GCC) countries. The region is also highly dependent on food imports especially for staple food items such as cereals and sugar and is therefore vulnerable to global market disruptions. This high dependency on food imports exposes countries in the region to disruptions in international food supply chains. In the context of COVID-19, three types of difficulties might be expected: i) drop in global food availability and price volatility; ii) policy interventions by major food exporters that might restrict food exports; and iii) disruption in global supply chains because of air or sea freight logistical difficulties.

### The action

In order to address policy barriers and physical constraints in the net importing countries of North Africa and Near East that have an effect on supply disruptions, food availability and stabilized local prices, the following actions are proposed:

- Conduct agricultural trade and trade policy assessments highlighting bottlenecks and opportunities to intra-regional trade including a

### Budget

USD 5 million

### Time frame

2021–2023

### SDGs



### Related FAO policy notes on COVID-19

- ▶ [COVID-19 and its impact on food security in the Near East and North Africa. How to respond?](#)



comprehensive regional trade assessment analysing trade flows and identifying challenges and opportunities, and deep-dive analysis for specific value chains.

- Establish regional multi-stakeholder trade networks/ platforms or strengthen existing ones to promote trade policy coordination and avoid ad-hoc policy responses, advance regulatory cooperation on food safety issues, and foster cooperation with the private sector.
- Promote trade facilitation through technical assistance on implementing reforms and designing national and regional programmes to address obstacles to trade, focusing on improving access to major export markets, and efficiencies in imports.
- Set up regional/ national market intelligence and early warning systems based on regional specificities and following the well-established models of the Agricultural Market Information System (AMIS) and the Global Information and Early Warning System (GIEWS).
- Build capacities of national and regional institutions through trainings and development of a customized capacity development roadmap.

## Expected results

- 1 Improved evidence-based decision-making and policy coordination at national and regional levels.
- 2 Enhanced regulatory cooperation at the regional level to improve regulatory oversight in agricultural value chains and promote mutual recognition and harmonization of food safety standards.
- 3 Faster adoption of trade facilitation practices to improve efficiency in the application of the SPS measures and administrative procedures.

## Programme links

This program links to several ongoing projects and initiatives led by both FAO and partners:

- Globally: Strengthening global FS through improved capacities for food control at regional and country level (GCP/GLO/939/USA); Codex Trust Fund 2 (and various projects funded therein) (GCP/GLO/893/MUL and UNJP/GLO/887/WHO); The FMM project FMM/GLO/131/MUL (662506) - Sustainable, resilient and inclusive food systems development; The STDF PPG 716 pre-project.
- Near East and North Africa: The Arab Food Safety Initiative for Trade Facilitation (UNJP/RNE/010/UID).

## Partnerships

This programme will work with regional economic communities and free trade area secretariats such as the GCC, the Arab Maghreb Union (UMA); national institutions and organizations including Ministries of Agriculture, Trade, Health, food safety authorities, customs authorities, chambers of commerce and private sector associations, non-governmental and civil-society organizations; and development partners such as World Bank, International Trade Centre (ITC), the International Atomic Energy Agency (IAEA), the United Nations Industrial Development Organization (UNIDO), World Health Organization (WHO), the United Nations Development Programme (UNDP) and UN Economic Commissions.

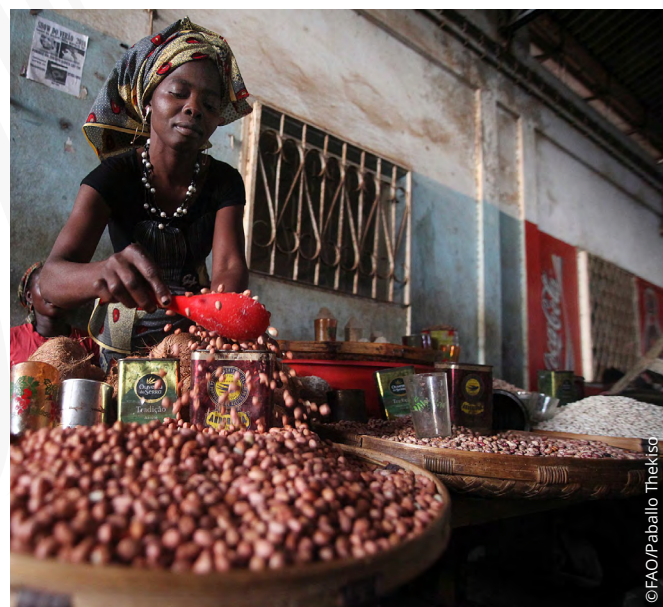
## Country focus

Algeria, Bahrain, Egypt, Jordan, Kuwait, Lebanon, Tunisia, Oman, Qatar, Saudi Arabia, Sudan, United Arab Emirates

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