

WTO Membership of the CAREC countries

Members	Observers	NO
People's Republic of China	Afghanistan	Turkmenistan
Kyrgyz Republic	Azerbaijan	
Mongolia	Kazakhstan	
Pakistan	Uzbekistan	
Tajikistan		

WTO accession

- Potential benefits from SPS harmonization, but also obligations to comply with WTO principles, including the SPS Agreement
- Benefits will be affected by
 - trade mix; and
 - public and private capacities to manage SPS
- Present CIS standard systems not consistent with WTO SPS/TBT principles
- Experiences Armenia, Georgia, Kyrgyz, Moldova show difficulty of harmonization

GOST vs International standards

Characteristics	GOST	International standards
Responsibility for food safety	Public sector	Private sector
Focus of control	Product 'End-of-pipe'	Process 'Chain'
Nature of requirements	Highly prescriptive and mandatory	Safety is mandatory Quality is voluntary
<ul style="list-style-type: none"> ❑ Inconsistent procedures, methodologies, criteria ❑ Incompatible laboratory facilities, equipment and tests 		

GOST standards: main problems

- Too many standards: over 20,000
- Prescriptive and mandatory nature stifles innovation
- Inflexible to respond to consumer demand and new health risks
- Overlapping institutional mandates
- Weak rule of law
- Continued interdependence on CIS markets
- System becomes obsolete with WTO accession

Laboratories and GOST

- Extensive/excessive laboratory networks under the Soviet system
- High loads of testing
- Designed for GOST – planned economy; not for international standards
- Poor post-independence maintenance

Why not simply replace GOST by international standards?

Difficulties

- Complex legal and institutional change
- Requires much time and high budgetary cost
- Limited technical capacity, including language
- Need for double system till WTO accession (Russia and other CIS still require GOST)
- Potential impact on large informal sector

Vested interests in GOST

Issues

- By international perspective: Too many institutions, too many inspections, large numbers of staff employed
- Institutions (and staff) depend on income from inspections
- Many “GOST” skills no longer needed

Experience of consolidation of services and laboratories

Poland

- Ministry of Health labs fell from 248 to 66

Lithuania

- 3 former agencies for food control merged into the State Food and Veterinary Service (SFVS), reporting directly to the Prime Minister
- consolidation of SFVS labs: from 50 in 1994 to only 10 in 2001, and further consolidation anticipated (1 central and 4 regional)

Urgency to adopt international standards system

- Markets accepting GOST shrinking with low prices
- Diversification (products, markets) requires international standards
- Change is complex, costly and, requires much time
- Need to strategize and implement transition

Transition to international standards: Tasks ahead

- Create awareness on all levels throughout the process
- Assure political leadership for change
- Overhaul of legislation/regulation
- Streamline institutional mandates
- Redesign inspection, monitoring and surveillance programs
- Build technical and human capacities
- Consolidate and upgrade testing facilities
- Support adjustment in private sector