PANEL 4

Supply Chain Risk Management -
Public-Private Partnership Initiatives

PHIÊN 4

Quản lý rủi ro Chuỗi Cung Ứng -
Hợp tác Công-Tư
Food Safety: A Global Challenge

Emerging food safety risks

- Contaminated food contributes to poor health outcomes and impacts 1 in 10 people globally each year.
- An estimated 420,000 people die each year from contaminated food, 30 percent of whom are children under 5 years, with the highest death rates occurring in Sub-Saharan Africa and Asia. (WHO, 2015)
- Over the period 2002 to 2010, the "export losses" associated with US rejections of agrifood exports across four important sub-sectors (i.e., fisheries, fruit and vegetables, herbs and spices, and nuts and edible seeds) were estimated to amount to US$715 million, averaging almost US$90 million per year. (UNIDO, 2015)
- There are increasing concerns expressed by consumers in developing countries about food safety, not least because of highly publicized food scandals and cases of evident damage to human health. (UNIDO, 2015)
- Of 400 trade concerns reviewed by the Committee on Sanitary and Phytosanitary (SPS) since 1995, 31% relate to food safety (WTO, 2016).
- Globalization has triggered growing consumer demand for a wider variety of foods, resulting in an increasingly complex and longer global food chain.
- Climate change is predicted to impact food safety, where temperature changes modify food safety risks associated with food production, storage and distribution.
- Local incidents can quickly evolve into international emergencies due to the speed and range of product distribution.
- Serious foodborne disease outbreaks have occurred on every continent in the past decade, often amplified by globalized trade.
- Occupations are shifting away from farming, resulting in more consumers fully dependent on food purchases.
- Diets are changing from the dominance of cereals to increased consumption of horticultural and animal products and processed foods.
Meeting the Need

Food safety management capacity and coordination of resources, investments, and actions

- Legal/regulatory framework
- Suitable physical assets (i.e. laboratories)
- Scientific knowledge,
- Management skills, and more

With Change, Comes Opportunity

- Multi-sectoral Co-ordination and Collaboration for:
  - Risk Analysis
  - Risk Management
  - Risk communication
- Improved nutrition and health outcomes,
- Both governments and industry involved in food safety capacity building
- Cross-border collaboration on standard setting to facilitate trade and stronger economies
- Greater participation in small and medium-sized enterprises in value chains
Global Food Safety Partnership

Building The Synergies

Who We Are

A public-private partnership dedicated to food safety capacity building worldwide.

- We work to improve developing country food safety capacity building, to improve public health and food market development outcomes in low- and middle-income countries.
- A platform to bring together concerned actors and programs that are otherwise separate.
- Hosted by the World Bank Group with an opportunity to leverage its independence, expertise, funding and convening power.
Governing Council

Donors and Technical Partners

Canada  Netherlands  United States

Our Mission

Enable effective and coordinated food safety capacity building through a robust public-private partnership to improve public health and economic development outcomes.

By 2020

The GFSP aims to be a major public-private enabler, catalyst and knowledge-sharing hub for food safety capacity building initiatives in low and middle income countries.
Objectives

**Advocate** food safety capacity building by:

- Setting priorities and developing positions for food safety capacity building
- Establishing a platform for input and support from public, private and academic sector partners

**Coordinate, convene and mobilize resources** to support food safety capacity building.

GFSP Coordinated Approach for Greater Impact

**Separate Independent (variably linked) actions**

**Collective and Cohesive Approach**

(More Collaboration, Coordination, Communication, Connection)
What Sets Us Apart

Convenes public and private to work together and to share lessons learned vs Working in silos

Tests new approaches and leverages partner resources to scale up vs Standalone, fragmented efforts

Coordinates synergistic interventions vs Duplication

Addresses the entire supply chain vs A segmented approach

The GFSP Strategic Framework

2015-2020

Vision
By 2020, the GFSP aims to be the preeminent public-private enabler, catalyst and knowledge-sharing hub for food safety capacity building initiatives globally

Principles/Values
✔ Collaboration
✔ Transparency
✔ Accountability

Mission
The mission of the GFSP is to enable effective and coordinated food safety capacity building through a robust public-private partnership aiming to improve public health and economic development outcomes

Strategic Pillar 1
Analyze, Capture, and Report on Priorities, Tools and Effectiveness of Food Safety Capacity Building

Strategic Pillar 2
Effective Convening and Coordination

Strategic Pillar 3
Food Safety Capacity Building
Enable Effective Execution of Food Safety Capacity Building Initiatives

Foundation
Governance and Operations
Success in Food Safety Capacity Building

- Public Standards, Modernized Laws, Regulations and Guidance
- Training and Outreach
- Oversight Auditing Enforcement

![Science-based International Governance](WTO/SPS, CODEX, OIE IPPC)

- Private Industry Specifications and Management Systems
- Improved Supply Chain Management
- Effective Operation in Advanced State

Implementing the New GFSP Strategy

Demand driven capacity building programs
- Indonesia
- India
- China
- Regional
Viet Nam Food Safety Risks Management: Challenges and Opportunities

http://hdl.handle.net/10986/26412

Key Findings

**Challenges and Opportunities**

Background: A paper on food safety was produced by the World Bank and presented at the event of the Vietnam National Food Safety Conference in Hanoi.

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**Key Findings**

- **Food safety** is currently a concern in the public, with high levels of anxiety and mistrust in the health and safety of products.
- **Vietnam's food safety** is a major concern for the public, with high levels of anxiety and mistrust in the health and safety of products.
- **Vietnam's food safety** is a major concern for the public, with high levels of anxiety and mistrust in the health and safety of products.
- Food safety affects many areas of life, including public health, economic development, and social welfare.
- **Without strong governance, the problems of food safety cannot be solved.**
- **Vietnam needs a strong governance framework.**
- The report found that the primary issues of food safety are: poor food safety standards, lack of awareness, and poor management of the food industry.
- **High risk of food safety issues:**
  - **Vietnam has a modern food safety regulatory framework with significant progress in place for improving food safety and combating food fraud.**
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**Principles for a high-performing food safety system**

- **Safe food** is defined as food that is free from known, or likely to cause, harm to human health.
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**Key policy recommendations**

- **To support recommendations of the report, the National Food Safety Authority of Vietnam (NFS) should:**
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**Vietnam Food Safety Risks Management:**

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  - **Vietnam Food Safety Risks Management:**
VISIT GFSP.ORG

THANK YOU!
How MNCs can do better with SMEs in value chain

Supply Chain Risk Management: Public-Private Initiatives

Le Tu Cam Ly
Legal & Public Affairs Director

Enhancing local capability development is competitive advantage


- Food Safety best practice highlight in beverage industry

- Strong value chain players builds stronger business.

- 2016 – 2017 Agenda Lookback on how partnership has reached to SMEs and taken efforts to better their business
Workshops on Digital & Technology Innovation for SMEs in Hanoi, Da Nang and Ho Chi Minh in 2016

Doanh nghiệp vừa và nhỏ được coi là động lực mới cho sự phát triển của nền kinh tế quốc gia
FIA REGIONAL NETWORK

FIA 3 STRATEGIC PILLARS

MISSION
To represent the food
and beverage industry in
Asia - promoting a climate
for sustainable growth
and serving as a regional
knowledge hub
for science-based
advocacy

Using the power of partnership to launch
a sustainable, multi-stakeholder regional effort
to improve diets and stabilize the rate of
obesity and chronic disease in Asia

Using the power of partnership to reduce
costs and increase
efficiency of food
distribution in the ASEAN Economic Community

Using the power of partnership to
accelerate the economic
growth of local food
industry companies
The Private Sector Perspective on Food Regulatory System

Public NTMs in the Food Sector in ASEAN

<table>
<thead>
<tr>
<th>Country</th>
<th>SPS</th>
<th>TBT</th>
<th>PSI</th>
<th>CTPM</th>
<th>QC</th>
<th>PC</th>
<th>Others</th>
<th>Total</th>
<th>% of Total NTMs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Malaysia</td>
<td>222</td>
<td>253</td>
<td>2</td>
<td>4</td>
<td>6</td>
<td></td>
<td></td>
<td>487</td>
<td>81.30</td>
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<tr>
<td>Singapore</td>
<td>119</td>
<td>169</td>
<td></td>
<td>1</td>
<td>13</td>
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<td></td>
<td>302</td>
<td>65.23</td>
</tr>
<tr>
<td>Thailand</td>
<td>396</td>
<td>145</td>
<td>1</td>
<td>15</td>
<td>9</td>
<td>1</td>
<td></td>
<td>667</td>
<td>56.03</td>
</tr>
<tr>
<td>Philippines</td>
<td>100</td>
<td>91</td>
<td>12</td>
<td>20</td>
<td>16</td>
<td>6</td>
<td></td>
<td>245</td>
<td>41.32</td>
</tr>
<tr>
<td>Indonesia</td>
<td>106</td>
<td>54</td>
<td>21</td>
<td>4</td>
<td>2</td>
<td>3</td>
<td></td>
<td>190</td>
<td>38.08</td>
</tr>
<tr>
<td>Brunei</td>
<td>150</td>
<td>211</td>
<td>1</td>
<td>1</td>
<td>6</td>
<td></td>
<td></td>
<td>369</td>
<td>78.65</td>
</tr>
<tr>
<td>Cambodia</td>
<td>36</td>
<td>40</td>
<td></td>
<td>1</td>
<td>8</td>
<td></td>
<td></td>
<td>85</td>
<td>49.42</td>
</tr>
<tr>
<td>Lao PDR</td>
<td>27</td>
<td>20</td>
<td>3</td>
<td>1</td>
<td>11</td>
<td></td>
<td></td>
<td>62</td>
<td>29.67</td>
</tr>
<tr>
<td>Myanmar</td>
<td>38</td>
<td>13</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td></td>
<td></td>
<td>60</td>
<td>43.80</td>
</tr>
<tr>
<td>Vietnam</td>
<td>112</td>
<td>25</td>
<td>1</td>
<td>2</td>
<td>6</td>
<td></td>
<td></td>
<td>146</td>
<td>54.28</td>
</tr>
<tr>
<td>Total</td>
<td>1,306</td>
<td>1,021</td>
<td>43</td>
<td>50</td>
<td>77</td>
<td>16</td>
<td></td>
<td>2,513</td>
<td>56.84</td>
</tr>
</tbody>
</table>

Source: ERIA-UNCTAD (2016)
Regulations vs. Non-Tariff Barriers to Trade

- Non-tariff measures are increasing in prominence and complexity in all countries.
- NTBs include opaque rules, arbitrary standards that are not based on science, and Customs and other import procedures that are slow, costly and excessive.
- Among all NTBs, Technical Barriers to Trade (TBT) and Sanitary and Phyto-Sanitary (SPS) measures are found to be the most burdensome.


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Regulations vs. Non-Tariff Barriers to Trade

- The various barriers can raise food prices, undermine food quality, impact food availability and impose extra burdens on small businesses.
- The foremost recommendation is to improve communication among stakeholders.
- Use consensus-building to drive public-private partnerships to reduce uncertainty.

INDUSTRY PERSPECTIVE ON GOOD REGULATORY PRACTICE

What does industry need?

- Transparency and accessibility of regulations
- Effective information exchange on regulatory enquiries
- Stakeholders consultation when drafting regulations
- Align with international standards and best practices
- Regional harmonisation / mutual recognition
- Consistent local implementation

TOP 5 REGULATORY CHALLENGES (NTMs) FOR F&B INDUSTRY

1. Labelling (nutrition labelling)
2. Product registration
3. Import/Export Certification
4. MRLs for contaminants, pesticide residues
5. Analytical Methods
CASE 1: NUTRITION LABELLING

Three Different Nutrition Information Panels (NIPs) on the same package

CASE 2: USE OF FOOD ADDITIVES

Table 3. Permitted Maximum Levels of Selected Sweeteners in Hard Candies in Asia, Codex, EU and US

(Unit: mg/kg, based on Codex category 5.2.3 Hard candy)

<table>
<thead>
<tr>
<th>Artificial Sweetener</th>
<th>Sugar Alcohols</th>
<th>Natural Extracts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aspartame- K</td>
<td>Sorbitol</td>
<td>Stevioside</td>
</tr>
<tr>
<td>Acesulfame-N</td>
<td>Xylitol</td>
<td>Methylglycoside</td>
</tr>
<tr>
<td>Saccharin</td>
<td>Mannitol</td>
<td>Monk's Fruit</td>
</tr>
<tr>
<td>Stevioside</td>
<td>Adipic Acid</td>
<td>Luo Han Guo</td>
</tr>
</tbody>
</table>

Regulatory Status for Sweeteners in Different Countries
Industry Efforts in Regional Collaboration to Support Regulatory Standards Setting

<table>
<thead>
<tr>
<th>Issues</th>
<th>Challenge</th>
<th>Neutral</th>
<th>Positive</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Singapore to non-MS 216/217</td>
<td>India amended new Food Additives Classification System</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Taiwan proposed new Regulation on Contaminants in Foods</td>
<td>India issued 11,000 new Food Provisions for Food Additives</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Taiwan amended multiple Residue Limits in Foods</td>
<td>Korea amended the Food Additives Classification System</td>
</tr>
<tr>
<td></td>
<td></td>
<td>India proposed to amend Labelling Requirements for Carbonated Fruit Beverages</td>
<td>Taiwan amended new Health Claims for Zinc, Chromium and Protein</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Indonesia to implement Lazer on Halal Product Assurance</td>
<td>ASIAN finalised General standard for the Labelling of Pre-packaged Foods</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Codex discussed proposed new work on the Labelling of Halal Products</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Sri Lanka proposed a regulation on colouring of sugar levels in beverages</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Korea proposed to review NRIs for certain nutrients</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>Thailand expanded mandatory GDA labelling to several food categories</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>Hong Kong to impose levy on glass bottles for beverages</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>India proposed standard for non-carbonated water-based beverages</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>India amended standard for chocolates</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Taiwan issued new standard for chocolates</td>
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</tr>
</tbody>
</table>
FIA IN CODEX

- Support countries to implement Codex standards.
- Coordinate with National Codex Contact Points for alignment of regional positions.

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PROMOTING MUTUAL RECOGNITION OF CONFORMITY ASSESSMENTS

- ASEAN MRA for Inspection and Certification on Food Hygiene for Prepared Foodstuff Products
  - Aims at enabling Member States to accept food control inspections and certifications conducted in other Members States
  - AFBA working with the ACCSQ PFPWG on industry SME preparedness survey

- Halal: Joint AFBA-FIA position paper on Mutual Recognition of Halal Certification Bodies

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Capacity building with Myanmar government to strengthen Codex activity and national standards-setting
December 2017, Myanmar

Capacity building with ASEAN regulators and ASEAN Secretariat to strengthen Codex activities and regional collaboration in ASEAN
January 2017, Thailand

GFSP Lab Testing Training Capacity Building with India Regulators
Train-the-trainer Programme, 30 Nov – 13 Dec 2016, Singapore

1. COORDINATE AND ALIGN
coordinate and assemble national food industry associations from the countries in the region (MNCs + SMEs).

2. CLOSE THE INFORMATION GAP
understand the policy / regulatory move at national / regional level and cascade information to all food businesses, and vice versa.

3. ALIGN WITH REGIONAL PRIORITIES
help companies to align business strategies with regional integration priorities through understanding the regional priorities set by governments and providing industry feedbacks to the public sector to aid policy-setting.

4. PROVIDE INDUSTRY TECHNICAL EXPERTISE
identify and map out technical expertise from industry and scientific bodies, in accordance with technical needs identified by the public sector.
Conclusions

- Private sector plays a key role in national standards setting
- National regulatory standards not only affect domestic products, but also trade
- International/regional harmonisation of regulation is important for economic integration
- Capacity-building and information exchange through public-private partnerships are essential for effective implementation and better convergence of regulations

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THANK YOU