Implementation of the International Standard on Phytosanitary Measures, ISPM 15
(Regulation of wood packaging material in international trade).
An empirical analysis of how the regulation affects the economy of a group of countries in Africa.

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ISPM 15

- International Standard For Phytosanitary Measures No. 15 has been developed by the International Plant Protection Convention (IPPC);
- It deals with the treatment of wood materials of a thickness greater than 6mm, used to ship products between countries;
- The standard aims at preventing the international spread of disease and insects;
- It involves the treatment of pallet materials, crates and dunnages;
- Treatments available are the heat treatment and the fumigation using with methyl bromide;
- The wooden materials are then stamped or branded, with a mark of compliance;
- Products exempt from the ISPM 15 are made from alternative materials, like paper, plastic or wood panel products (i.e. hardboard and plywood).
ISPM 15

ISO Country Code
Serial Number
(Manufacturer Number)
Abbreviation of Applied Measure
(e.g. Heat Treatment as HT, Methyl Bromide as MB)
The project in a nutshell

• The ISMP15 creates **access** but also **barriers** to trade;

• Adoption is widespread – no reliable list (!), but estimated that there are 160 countries

• The **costs** of implementing the ISPM 15 have been estimated to represent a relatively large share of the total export values;
The project in a nutshell

- **Studies** of the economic impacts of phytosanitary measures are still in a relatively early stage;

- There is a relatively large literature investigating the economic effects of implementing ISPM15 in **developed countries**;

- The amount of studies focusing on **developing countries** are scarce;
Countries involved in the project

- Botswana
- Cameroon
- Kenya
- Mozambique
Objectives of the project

- Study the effects that ISPM 15 has had on the value of exports/imports in the past 15 years;

- Review which procedures/legislations/controls each of the 4 countries have put in place to implement ISPM 15 and assess the challenges to implement the standard;

- Measure whether ISPM 15 has generated losses/benefits and how they have been distributed among the stakeholders.

- It is widely claimed that ISPM 15 can significantly impede exports of agricultural products from developing countries (UNCTAD, 1997; Singh, 1994; FAO, 1999; FAO, 1998; UNCTAD, 1998).
ISPM 15
Data used

- **Macro data** on the trade flows between trading partners are available on the web (UN comtrade);

- **Micro data** will be gathered using surveys and stakeholders/organizations will be interviewed;

- **Qualitative information** will be collected using structured and non-structured interviews;
Macro – Methodological Framework

• Gravity models

- The gravity equation provides an appropriate framework for analysing ISPM 15 effect through bilateral trade flow.
- \[ \ln(V_{ij})_k = b_0 + b_1 \ln(pcGNI_i) + b_2 \ln(pcGNI_j) + b_3 \ln(DIST_{ij}) + b_4 \text{ISPM15}_i + b_4 \text{ISPM15}_j + b_5 \text{col}_{ij} + \varepsilon_{ij} \]

- \( V_{ij} \) -- value of trade in product \( k \) from African country \( i \) to trading partner country \( j \)
- \( pcGNI_j \) -- real per capita GDP
- \( DIST_{ij} \) -- geographical distance between country \( i \) and \( j \)
- \( \text{col}_{ij} \) -- if a colonial lie between country \( i \) and \( j \) exists
The questionnaire directed to the wood treatment facilities will gather data on:

- the organizational aspect of the wood treatment facility;
- the treatment used;
- the training received;
- the costs related to the wood treatment;
- the benefits related to the wood treatment;
- other information needed to evaluate the standard.
Thank you