

8 June 2023

(23-3909) Page: 1/7

#### **Committee on Sanitary and Phytosanitary Measures**

# ANNUAL REPORT ON THE IMPLEMENTATION OF ARTICLE 6 OF THE AGREEMENT ON THE APPLICATION OF SANITARY AND PHYTOSANITARY MEASURES

#### NOTE BY THE SECRETARIAT1

Article 6 of the SPS Agreement requires that measures take into account pest- or disease-free areas or areas of low pest or disease prevalence. This concept is frequently referred to as "regionalization". At the 2-3 April 2008 meeting, the Committee on Sanitary and Phytosanitary Measures adopted guidelines to further the practical implementation of Article 6.<sup>2</sup> These guidelines are intended to provide assistance to Members in the implementation of Article 6 by improving transparency, exchange of information, predictability, confidence and credibility between importing and exporting Members.

The guidelines require the Secretariat to prepare an annual report to the Committee on implementation of Article 6 based on the information provided by Members concerning:

- 1. requests for recognition of pest- or disease-free areas or areas of low pest or disease prevalence;
- 2. determinations on whether to recognize a pest- or disease-free area or area of low pest or disease prevalence; and/or
- 3. Members' experiences in the implementation of Article 6 and the provision of relevant background information by Members on their decisions to other interested Members.

The report covers the period from 1 April 2022 until 31 March 2023, based on information provided by Members through notifications and information presented during SPS Committee meetings. This information was frequently provided under the agenda item "Pest- and Disease-Free Areas - Article 6". Relevant information provided under other agenda items is also included in the report. A list of notifications related to Article 6 is contained in <a href="mailto:section 4">section 5</a> lists the relevant specific trade concerns.

Within the context of the Fifth Review of the Operation and Implementation of the SPS Agreement, the Committee also discussed several recommendations on regionalization.<sup>3</sup> Similarly, in the context of the MC12 SPS Declaration "Responding to Modern Challenges"<sup>4</sup>, discussions have been taking place in Thematic Group 3 on "How to enhance the safe international trade in food, animals and plants and products thereof through the adaptation of SPS measures to regional conditions, including pest- or disease-free areas and areas of low pest or disease prevalence which can strengthen Members' ability to protect plant and animal life or health through efforts to limit the spread of pests such as the Mediterranean fruit fly, diseases such as African swine fever, disease-carrying

<sup>&</sup>lt;sup>1</sup> This document has been prepared under the Secretariat's own responsibility and is without prejudice to the positions of Members or to their rights and obligations under the WTO.

<sup>&</sup>lt;sup>2</sup> G/SPS/48.

<sup>&</sup>lt;sup>3</sup> The recommendations from the Fifth Review, and information on the Committee discussions, are available in Part A of the Report of the Fifth Review (<u>G/SPS/64</u>, see section 9 on regionalization). A factual report on the work of the Committee is contained in document <u>G/SPS/64/Add.1</u> (see section 14 on regionalization). In addition, an overview of all of the proposals submitted under the Fifth Review, including several on regionalization, is available in document <u>G/SPS/GEN/1625/Rev.6</u>.

<sup>&</sup>lt;sup>4</sup> The text of the MC12 SPS Declaration is available in document <u>WT/MIN(22)/27</u>.

organisms, or disease-causing organisms." More information on the discussions is available on the MC12 SPS Declaration dedicated webpage.

### 1 REQUESTS FOR RECOGNITION OF PEST- OR DISEASE-FREE AREAS OR AREAS OF LOW PEST OR DISEASE PREVALENCE

- 1.1 June 2022 meeting (G/SPS/R/107)
- 1.1. No Member provided any information under this agenda item.
- 1.2 November 2022 meeting (G/SPS/R/108)
- 1.2. No Member took the floor under this agenda item.
- 1.3 March 2023 meeting (G/SPS/R/109)
- 1.3.1 Chile Declaration regarding quarantine pests (G/SPS/GEN/2107)
- 1.3. <u>Chile</u> affirmed that its phytosanitary measures were adapted to the regional characteristics of the areas from which the product originated and to which the product was destined. It also informed the Committee that the Agricultural and Livestock Service (SAG) regularly established and updated its lists of quarantine pests, and confirmed that *Xylella fastidiosa* was absent throughout its territory. Chile invited Members to consider the information provided when defining the import requirements for its vegetable products.

### 2 DETERMINATION ON WHETHER TO RECOGNIZE A PEST- OR DISEASE-FREE AREA OR AREA OF LOW PEST OR DISEASE PREVALENCE

2.1. No Member reported on experiences in recognizing a pest- or disease-free area during the period covered by this report.

#### 3 MEMBERS' EXPERIENCES IN THE IMPLEMENTATION OF ARTICLE 6

#### 3.1 June 2022 meeting (<u>G/SPS/R/107</u>)

# 3.1.1 Canada - Update on response to highly pathogenic avian influenza (HPAI): Importance of WOAH guidelines

3.1. Noting the challenges associated with the global spread of H5N1 HPAI in farmed birds, <a href="Canada">Canada</a> highlighted the importance of working collaboratively and basing trade measures on WOAH's guidelines. Following detections, the Canadian Food Inspection Agency (CFIA) implemented control measures including establishing appropriate control zones, and reported findings to WOAH and key trading partners directly and through missions abroad. Up-to-date information was available on the CFIA website. Canada requested its trading partners to limit trade restrictions to the established controlled zones, based on WOAH guidelines, and remained available to respond to questions from Members on Canada's HPAI situation.

#### 3.1.2 Canada - Update on WOAH BSE negligible risk status

3.2. <u>Canada</u> thanked Members who had approved Canadian cattle, beef and beef products based on Canada's previous controlled risk status, following its official recognition by WOAH as having negligible risk for BSE in May 2021. Canada noted that, in May 2022, WOAH had reaffirmed Canada's status, what demonstrated the appropriateness and effectiveness of its BSE response. Canada requested other Members to lift remaining restrictions, in accordance with the Terrestrial Code.

### 3.1.3 European Union - ASF restrictions not consistent with the WOAH international standard

3.3. The <u>European Union</u> drew the Committee's attention to inconsistencies in the application of WOAH international standards related to ASF. The European Union considered that many Members did not follow WOAH Terrestrial Code guidance for identification, treatment, and certification of tradable products and zoning. The European Union highlighted that ASF could be managed effectively to ensure that legitimate trade was not the cause of any outbreak, as presented in the Thematic Session held in March 2021. The European Union added that ASF was a disease affecting several WTO Members, and considered that it was a shared interest to maintain free and safe trade of pork and its products. Members were invited to work with the European Union on the substitution of country-wide trade bans by science-based, rational and proportionate measures.

# 3.1.4 European Union - HPAI restrictions not consistent with WOAH international standards

3.4. The <u>European Union</u> regretted that some Members disregarded their obligations under Article 6 and Annex C of the SPS Agreement. The European Union referred to Canada's comments regarding the need to apply and respect international standards on zoning. Country-wide bans after a disease outbreak were not scientifically justified where effective movement controls were in place, and there was no justification to wait one year or more to restore disease-free status. Noting the revisions regarding avian influenza in the Terrestrial Code adopted at the 88<sup>th</sup> WOAH General Session of May 2021, the European Union asked Members to respect their obligations on regionalization under the SPS Agreement, and to follow WOAH recommendations.

#### 3.2 November 2022 meeting (G/SPS/R/108)

#### 3.2.1 Canada - Update on WOAH BSE negligible risk status

3.5. <u>Canada</u> reported that several Members had removed the remaining BSE restrictions on Canadian cattle, beef and beef products based on Canada's WOAH BSE negligible risk status. Canada urged Members who had not yet done so to remove the remaining restrictions on Canadian exports. Canada recalled the importance of basing SPS measures on international standards, as established in Article 3 of the SPS Agreement.

### 3.2.2 European Union - ASF restrictions not consistent with the WOAH international standard

3.6. The <u>European Union</u> pointed out inconsistencies in the application of WOAH international standards related to ASF. The European Union considered that many Members did not follow the WOAH Terrestrial Code guidance for identification, treatment, and certification of tradable products and zoning. The European Union highlighted that ASF could be managed effectively to ensure that legitimate trade was not the cause of any outbreak, as presented in the Thematic Session held in March 2021. The European Union added that ASF was a disease affecting several WTO Members, and considered that it was a shared interest to maintain free and safe trade of pork and pork products. Members were invited to address the tasks identified in the MC12 Declaration and implement science-based, rational and proportionate import policies.

# 3.2.3 European Union - HPAI restrictions not consistent with the WOAH international standard

3.7. The <u>European Union</u> regretted that some Members disregarded their obligations under Article 6 and Annex C of the SPS Agreement. Country-wide bans after a disease outbreak were not scientifically justified if effective movement controls were in place, and there was no justification to wait one year or more to restore disease-free status. The European Union asked WTO Members to respect their obligations on regionalization under the SPS Agreement, to follow ISSB recommendations and to allow trade from non-affected zones. The European Union was committed to address the tasks identified in the MC12 Declaration, together with other Members, to strengthen science-based, rational and proportionate import policies.

#### 3.3 March 2023 meeting (<u>G/SPS/R/109</u>)

#### 3.3.1 Argentina - Current avian influenza status

3.8. <u>Argentina</u> stated that, despite the strengthening of prevention and surveillance actions in response to the spread of HPAI in the world since 2020, several cases had been detected in South America in 2022. Argentina's National Agriculture and Food Quality and Health Service (SENASA) had reinforced its activities for early detection of cases in its territory. Following an initial detection of the AI virus in wild birds in February 2023 in Argentina, 49 cases had been detected in backyard birds, seven in commercial birds and four in wild birds. Argentina explained the actions put in place following the detection of AI in poultry. Argentina also reminded that WOAH was being kept informed when relevant and that the updated information was available on SENASA's website. Argentina requested its trading partners to maintain market access requirements for poultry products according to WOAH recommendations, and to consider new proposals for certification, adapted to the sanitary situation.

# 3.3.2 European Union - ASF restrictions not consistent with the WOAH international standard

3.9. The <u>European Union</u> pointed out inconsistencies in the application of WOAH international standards related to ASF. The European Union considered that many Members did not follow the WOAH Terrestrial Code guidance for identification, treatment, and certification of tradable products and zoning. The European Union highlighted that ASF could be managed effectively to ensure that legitimate trade was not the cause of any outbreak, as presented in the Thematic Session held in November 2021. The European Union added that ASF was a disease affecting several WTO Members, and that it was a shared interest to maintain free and safe trade of pork and pork products. Members were invited to address the issue of country-wide bans and implement science-based, rational and proportionate import policies.

### 3.3.3 European Union - HPAI restrictions not consistent with the WOAH international standard

3.10. The <u>European Union</u> regretted that some Members disregarded their obligations under Article 6 and Annex C to the SPS Agreement and implemented country-wide bans after a local AI outbreak. The European Union indicated that these bans were not scientifically justified if effective movement controls were in place, and there was no justification to wait one year or more to restore disease-free status. The European drew attention to the revised WOAH Terrestrial Code on AI, which recommended a reduced waiting period of 28 days instead of 3 months. The European Union asked Members to respect their obligations on regionalization, follow WOAH recommendations, and allow trade from non-affected zones.

#### 3.3.4 Canada - Update on WOAH BSE negligible risk status

3.11. <u>Canada</u> reported that several Members had removed the remaining BSE restrictions on Canadian cattle, beef, and beef products based on Canada's WOAH BSE negligible risk status, and several other Members were actively taking steps to remove their remaining BSE related restrictions. Canada urged Members who had not yet done so to remove the remaining restrictions on Canadian exports. Canada recalled the importance of basing SPS measures on international standards, as established in Article 3 of the SPS Agreement.

#### 4 NOTIFICATIONS RELATED TO ARTICLE 6

4.1. From April 2022 through March 2023, 193 notifications (8 regular and 185 emergency) related to Article 6. Two of those notifications, one regular and one emergency notification, indicated that the notified measure was trade facilitating; these notifications mainly inform of measures that will simplify the requirements for the import of products originating from certain regions, as well as the recognition of pest-free or disease-free areas (Table 4.1).

Table 4.1: Trade Facilitating Notifications related to Article 6 (April 2022 - March 2023)

Document symbol	Notifying Member	Description of content
G/SPS/N/CRI/247	Costa Rica	Resolution DSFE-004-2022 of the State Phytosanitary Service repeals Resolutions DSFE-002-2018 and DSFE-003-2018, and establishes phytosanitary requirements governing the importation of fresh avocados ( <i>Persea americana</i> Mill) for consumption, originating from the United States of America (State of Florida and State of California), Guatemala, Honduras, Mexico and Peru.
G/SPS/N/SAU/498	Saudi Arabia, Kingdom of	Notice of the Ministry of Environment Water and Agriculture, Decision No. 435464/1291/1441 dated 2 March 2023 entitled "Lifting the Temporary Ban imposed on importation of equine originated from Brazil".

#### **5 SPECIFIC TRADE CONCERNS, DISPUTES AND REGIONALIZATION**

5.1. Specific trade concerns (STCs) can be raised due to issues pertaining to regionalization. From April 2022 through March 2023, seven STCs that related to regionalization were raised for the first time (Table 5.1).

Table 5.1: New STCs related to Regionalization (April 2022 – March 2023)

STC ID	Title	Member raising the concern	Member responding to the concern	Date first raised (subsequently raised)
<u>563</u>	Mexico's import restrictions due to African swine fever (ID 563)	European Union	Mexico	22/03/2023 (0 times)
<u>558</u>	EU import restrictions on ostrich meat (ID 558)	South Africa	European Union	09/11/2022 (0 times)
<u>556</u>	Japan's approval procedures for poultry products	Russian Federation	Japan	09/11/2022 (0 times)
<u>555</u>	Namibia's approval procedures for beef and meat of small ruminants	Russian Federation	Namibia	09/11/2022 (0 times)
<u>548</u>	Morocco's import ban on ornamental plants	European Union	Morocco	22/06/2022 (1 time)
<u>544</u>	Peru's non-application of regionalization for African swine fever	European Union	Peru	22/06/2022 (2 times)
<u>543</u>	EU recognition of Mexico as a country with OIE negligible BSE risk	Mexico	European Union	22/06/2022 (2 times)

5.2. For the same period, and in addition to the three newly raised STCs that were raised again (IDs  $\frac{543}{544}$ , and  $\frac{548}{548}$ ), nine other previously raised STCs that related to regionalization were brought again to the attention of the Committee ( $\frac{73}{548}$ ).

Table 5.2: Previously Raised STCs related to Regionalization (April 2022 - March 2023)

STC ID	Title	Member raising the concern	Member responding to the concern	Date first raised (subsequently raised)
<u>538</u>	Chinese Taipei's new procedure for the recognition of infectious animal disease-free status of a foreign country	European Union	Chinese Taipei	23/03/2022 (2 times)
<u>490</u>	Korea's lack of progress on pending applications for authorization of beef imports	European Union	Korea	05/11/2020 (4 times)

STC ID	Title	Member raising the concern	Member responding to the concern	Date first raised (subsequently raised)
<u>489</u> <sup>5</sup>	Mexico's import restrictions on pork	Brazil	Mexico	05/11/2020 (6 times)
<u>484</u>	India's approval procedures for animal products	Russian Federation	India	25/06/2020 (5 times)
<u>471</u>	US non-recognition of the pest-free status in the European Union for Asian longhorn beetle and citrus longhorn beetle	European Union	United States	25/06/2020 (8 times)
<u>466</u>	The Philippines' trade restrictions on imports of meat	European Union; Russian Federation	Philippines	7/11/2019 (9 times)
<u>431</u>	South Africa's import restrictions on poultry due to highly pathogenic avian influenza	European Union	South Africa	2/11/2019 (14 times)
<u>406</u>	China's import restrictions due to highly pathogenic avian influenza	European Union; United States of America	China	16/03/2016 (18 times)
<u>392</u>	China's import restrictions due to African swine fever	European Union	China	15/07/2015 (16 times)

- 5.3. In addition, panel proceedings in the context of the WTO dispute settlement resolution procedures continued with respect to three previously raised STCs:
  - India's restrictions due to avian influenza (STC 185 supported by the United States, March 2004). At its meeting on 19 June 2015, the DSB adopted the Appellate Body report and the Panel report, as modified by the Appellate Body report (DS430). Thereafter, on 19 April 2016, the matter was referred to arbitration under Article 22.6 of the DSU. The arbitration Panel was composed with the original panelists. On 6 April 2017, India requested the establishment of a compliance Panel (Article 21.5). At its meeting on 19 April 2017, the DSB deferred the establishment of a compliance Panel. At its meeting on 22 May 2017, the DSB agreed, pursuant to Article 21.5 of the DSU, to refer to the original Panel, if possible. The compliance Panel was composed by the original panelists. The arbitration and compliance proceedings are currently ongoing.<sup>6</sup>
  - Costa Rica's measures on fresh avocados due to avocado sunblotch viroid (STC 394 raised by Mexico, July 2015). On 8 March 2017, Mexico requested consultations with Costa Rica (DS524). On 22 November 2018, Mexico requested the establishment of a panel. At its meeting on 4 December 2018, the DSB deferred the establishment of a panel. At its meeting on 18 December 2018, the DSB established a panel. Thereafter, the Panel was composed on 16 May 2019. On 29 May 2020, Mexico and Costa Rica informed the DSB that they had agreed to Procedures for Arbitration under Article 25 of the DSU in this dispute.<sup>7</sup> On 26 November 2021, Mexico and Costa Rica informed the DSB that they had agreed to a revised version of the Procedures for Arbitration. On 13 April 2022, the Panel report was circulated to Members. At its meeting on 31 May 2022, the DSB adopted the Panel report.

<sup>&</sup>lt;sup>5</sup> In October 2022, Brazil requested the Good Offices of the Chair under Article 12.2 of the SPS Agreement and the *ad hoc* consultations procedure (<u>G/SPS/61</u>) regarding issues pertaining to the export of swine meat to Mexico (<u>G/SPS/GEN/2078</u>). Mexico subsequently provided a response in accordance with paragraph 2.3 of the *ad hoc* consultations procedure. Mexico rejected the request because it had published the requirements to be met for the importation of pork from Brazil to Mexico and thus was of the view that it was not necessary to continue with the Good Offices of the Chair (<u>G/SPS/GEN/2079</u>).

<sup>&</sup>lt;sup>6</sup> The compliance Panel has received several joint requests from the parties to postpone the issuance of its final report. In its most recent communication, dated 2 December 2022, the Chair of the compliance Panel informed the DSB that the Panel had accepted an additional joint request from the parties to postpone the issuance of its report, which it now expected to issue in March 2023. In relation to the arbitration proceedings, on 9 January and 9 February 2023, the Arbitrator accepted the parties' latest requests to postpone issuance of its Decision, until February 2023 and May 2023, respectively, and now expects to issue its Decision in May 2023.

<sup>&</sup>lt;sup>7</sup> Such procedures were entered into by Mexico and Costa Rica to give effect to the communication JOB/DSB/1/Add.12 ("Multi-Party Interim Appeal Arbitration Arrangement Pursuant to Article 25 of the DSU (MPIA)") and with the objective of setting a framework for an arbitrator to decide on any appeal of any final Panel report issued in this dispute.

- Panama's measures concerning the importation of certain products (<u>STC 495</u> raised by Costa Rica and Colombia, November 2020). On 11 January 2021, Costa Rica requested consultations with Panama (<u>DS599</u>). On 19 August 2021, Costa Rica requested the establishment of a panel. At its meeting on 30 August 2021, the DSB deferred the establishment of a panel. At its meeting on 27 September 2021, the DSB established a panel. Thereafter, the Panel was composed on 24 January 2022. On 13 June 2022, the Chair of the Panel informed the DSB that the beginning of the Panel's work had been delayed and, therefore, the Panel did not expect to issue its final report to the parties prior to the second half of 2023.
- 5.4. The WTO dispute settlement resolution procedures have also been invoked with respect to the issue below:
  - European Union's measures concerning the importation of citrus fruit from South Africa.
     On 27 July 2022, South Africa requested consultations with the European Union (<u>DS613</u>).