

Committee on Sanitary and Phytosanitary Measures

SUMMARY OF THE MEETING HELD ON 17-18 MARCH 2004

Note by the Secretariat¹

I. ADOPTION OF THE AGENDA

1. The Committee on Sanitary and Phytosanitary Measures (the "Committee") held its twenty-ninth meeting on 17-18 March 2004. The Chairman of the Committee, Mr Paul Martin (Canada), opened the meeting. The agenda proposed in WTO/AIR/2262 was adopted with amendments.

II. IMPLEMENTATION OF THE AGREEMENT

(a) Information from Members

(i) Activities of Members

Avian influenza in China

2. The representative of China informed the Committee that highly pathogenic avian influenza had been confirmed in Long An County, Guangxi Autonomous Region. As of 5 March 2004, 49 of the 52 reported outbreaks in sixteen provinces had been confirmed. Of the 143,000 birds that had contracted the disease, 127,500 had died. The Chinese Government had strict guidelines for disease prevention and control of avian influenza which included culling and vaccination of birds. No human cases had been reported. A special meeting to discuss the prevention and control of avian influenza between China and ASEAN countries was held in Beijing on 2 March 2004. Representatives from the Food and Agriculture Organization (FAO), World Health Organization (WHO), and World Organization for Animal Health (OIE) were also present at the session.

3. As of 16 March 2004, all 49 outbreaks had been eradicated and some countries had lifted bans on the import of live and cooked poultry from China. China requested that all Members lift trade restrictions on Chinese poultry and poultry products in accordance with the regionalization principles of the SPS Agreement and relevant OIE standards.

Avian influenza in Canada

4. The representative of Canada reported that the presence of the low pathogenic strain of avian influenza H7 virus had been confirmed on a farm in British Columbia on 19 February 2004. The Canadian Food Inspection Agency (CFIA) immediately placed the farm under quarantine, euthanized all infected birds and disposed of them in accordance with OIE guidelines and internationally accepted practices of containment. An active surveillance programme had been established and all commercial poultry farms within a five kilometre radius of the quarantined premises were surveyed. As an additional safeguard, the CFIA tracked all eggs hatched by the infected birds.

¹ This document has been prepared under the Secretariat's own responsibility and is without prejudice to the positions of Members or to their rights or obligations under the WTO.

5. On 9 March 2004, both low and high pathogenic forms of the H7N3 virus had been confirmed on one farm. Canadian officials also identified the highly pathogenic H7 virus on a second farm within the high risk area. On 11 March 2004, a control area had been established in the Fraser Valley of southern British Columbia to prevent the spread of the avian influenza. Permits were needed for the movement of birds and other affected products within as well as into the area. The CFIA had committed the resources necessary to address this issue and would continue to keep the public, the OIE and Canada's trading partners informed on the situation.

Bovine spongiform encephalopathy (BSE) in the United States

6. The United States reported that a presumptive case of BSE in an adult Holstein cow had been announced in the state of Washington in December 2003. The United States Department of Agriculture (USDA) and other Federal and State agencies had immediately conducted an investigation and US officials had notified the OIE and the trading partners. With the cooperation of Canada, the USDA was able to trace the origin of the cow to Alberta, Canada. All animals related to the infected animal had been identified and culled; all adult animals tested negative for BSE. Interim final rules to strengthen human and animal health protection regarding BSE threats had been notified in G/SPS/N/USA/844, 845 and 846.

7. On 15 March 2004, the United States had announced an expanded BSE surveillance programme, focussing on high-risk populations of the disease. The surveillance programme included the random sampling of apparently normal aged animals and statistical geographical modelling which would greatly enhance the detection of BSE.

8. The representative of the European Communities noted that the European Communities had developed rigorous risk management procedures based upon scientific knowledge including testing of risk animals over 44 months of age, 100 per cent testing of all bovine animals over 30 months of age, and the implementation of a system of animal identification and registration of bovine movements to ensure full traceability of animals. In addition, the European Communities applied all measures specified in the OIE Terrestrial Animal Health Code to control this disease. He encouraged all Members to follow the OIE recommendations as the basis for trade rules and offered to collaborate with any Member that required expertise to manage the threat of BSE to human and animal health.

BSE in Canada

9. The representative of Canada recalled that a comprehensive and exhaustive investigation had been launched following the detection of a BSE-infected animal in Canada on 20 May 2003. The investigation concluded that Canada had a very low, previously undetected incidence of BSE and that possible occurrence of further cases in North America could not be ruled out. These results and the risk management measures that Canada implemented over the past decade supported the categorization of Canada as a minimal risk country. On 23 December 2003, the United States notified Canada that BSE was detected in a dairy cow which might have originated from Canada. After a thorough and scientifically validated investigation, Canadian officials concluded that the afflicted dairy cow had been born in Alberta, Canada, in April 1997, prior to the introduction of Canada's feed ban. There is no direct link between the two animals although the circumstances under which they would have become infected were very similar.

10. Canada had increased its level of BSE surveillance and regulatory requirements now included the removal of specified risk material from all cattle slaughtered in Canada. Canada was actively considering the most appropriate means of reinforcing the feed ban introduced in 1997. Revisions to Canada's BSE import policy were underway and would be notified to the WTO in due course. Canada encouraged Members to base their measures on OIE recommendations. In particular, Canada would like to see the establishment of conditions to allow for trade in safe products, such as beef and beef products derived from animals from which specified risk material had been removed, as well as

meat and meat products derived from species that have never been associated with BSE under natural conditions, such as bison, lamb, goat, cervids and muskox.

11. The representative of the OIE commended the high level of transparency shown by China, the United States and Canada on disease monitoring and risk management procedures.

Foot and Mouth Disease (FMD), classical swine fever and citrus canker in Argentina

12. The representative of Argentina stated that the OIE recognized the area north of latitude 42 South as being free of FMD with vaccination in July 2003 and the area south of the latitude was FMD free without vaccination in May 2002. In August 2003 vesicular stomatitis was detected in the province of Salta in a subsistence farm located 40 kilometres from the Bolivian border. This was the only affected area in the country in 2003. Six months after the detection and implementation of control measures, all the animals in the perifocal area tested negative for the FMD virus, indicating an absence of virus in that area. Argentina began a new vaccination campaign in 2004, the seventh time the entire national herd had been vaccinated since April 2001.

13. With regards to the eradication of classical swine fever, Argentina had prohibited the vaccination of susceptible species throughout the country. A risk analysis had been conducted to identify all potential risks of classical swine fever. Upon completion of its eradication programme, Argentina would be free of the disease.

14. Argentina officials had taken corrective measures in response to a study which identified weaknesses in Argentina's certification system for citrus canker-free status. These corrective measures included greater flexibility and security of traceability processes, wider dissemination of detailed information about the programme, increased phytosanitary management and training of staff, improved budget and audit processes, and more detailed sector-specific registration of exporters.

15. The representative of Paraguay announced that his country was working with Argentina in the fight against FMD at their common border.

(b) Specific Trade Concerns

(i) New Issues

Panama's restrictions on milk products

16. The representative of Argentina raised concerns on two measures adopted by Panama to prohibit the imports of certain products because of FMD. On 19 March 2001, Panama issued a resolution to restrict the imports of animals and by-products from Europe and South America with the exception of Chile. On 1 August 2001, Panama amended its penal code through Law 44. Neither measure complied with OIE recommendations. However, during bilateral consultations held on 16 March 2004, Panama had proposed amending Law 44 to eliminate these restrictions.

17. The representative of Panama confirmed the positive outcome of the bilateral meeting and indicated discussions with Argentina would continue.

India's restrictions due to avian influenza

18. The representative of the European Communities raised concerns on measures applied by India on 3 March 2004 on imports of live birds, fresh poultry meat and fresh poultry meat products due to avian influenza. Contrary to Annex B of the SPS Agreement, these measures had not been notified. In addition, India's restriction on EC products was disproportionate to the health risks associated with these imports since the European Communities was free of highly pathogenic avian

influenza. He reminded India of existing OIE standards on avian influenza and requested that India lift the restrictions on EC products.

19. The representative of the United States stated that it shared the concerns of the European Communities.

20. The representative of India explained that restrictions on poultry imports were temporary measures to address the emerging threat of introduction of highly pathogenic avian influenza. He explained that the measures were intended to protect farmers for whom poultry production was an essential source of income. Delays in the reporting of outbreaks increased the risk of the virus spreading into other countries. In addition, poultry infected by the virus did not always exhibit clinical signs of the disease. Given the structure of the poultry industry in India, it would be impossible to control the spread of the disease once introduced. India was taking all measures necessary to gather information on efforts to contain the disease globally and welcomed information from exporting Members who were free of the disease.

US rule on artificially dwarfed plants

21. The representative of China stated that the US rule on the importation of artificially dwarfed plants in growing media from China was unnecessary and not viable given China's production system. China had proposed measures more suited to their industry conditions but the United States had not accepted them.

22. The representative of the United States recalled that China raised the issue of penjing in growing media in the Committee in October 2002. The issue had been the subject of bilateral discussions and he was pleased to report that the risk analysis for five varieties of penjing was completed. On 16 January 2004, a final rule authorizing the importation of five varieties of Chinese origin penjing plants in approved growing media had been published and notified as G/SPS/N/USA/431/Add1. This rule built upon an existing regulation that was first published in August 2002 and notified as G/SPS/N/USA/431. The 2002 rule remains applicable and requires high risk artificially dwarfed plants, including penjing, to be produced in phytosanitary secure conditions for two years prior to export. However, plants less than two years in age are not subject to the two-year quarantine requirement due to a lower risk profile. This new regulation provided China with additional market opportunities and the United States would continue bilateral discussions with China.

India's phytosanitary import restrictions

23. The representative of the United States expressed concerns about India's new fumigation requirements, which entered into force on 1 January and 6 February 2004, but were not notified to the WTO until 4 March 2004 as G/SPS/N/IND/12. Members did not have an opportunity to comment on the regulation and its scientific basis.

24. With regards to almonds, the representative of the United States noted that phosphine had been used as an effective treatment to control pests of concern to India prior to the imposition of the new regulations. This treatment was supported by scientific literature that the United States had presented to India for examination. He requested that India consider the information and to revise its measures accordingly.

25. With regards to solid wood packing material, the representative of the United States claimed that India's measures deviated substantially from international standard ISPM 15, particularly in relation to requirements for phytosanitary documentation and the lack of scientific justification for treatment requirements. The new regulation required the treatment of both the consignment and the packing material and implied that untreated consignments, or those without phytosanitary certification, would not be allowed to enter India. In contrast to the ISPM 15 requirement that

packing material be treated with methyl bromide for 16 hours, India required treatment with methyl bromide for 32 hours. The United States requested that India provide scientific justification for this divergence or revise its measures accordingly.

26. The representative of the European Communities reported that India's new phytosanitary measures were brought to their attention on 1 January 2004. These new measures had been published on 18 November 2003 but were not notified to WTO. He rejected India's claim that these measures conformed to international standards and therefore did not have to be notified. These regulations were amended in February 2004 and notified for the first time on 4 March 2004 (G/SPS/N/IND/12). This lapse of two months after implementation of the measures denied countries the opportunity to comment on them. The European Communities requested that India defer the implementation of the new measures until the normal 60-day comment period had expired.

27. The representative of Canada shared the concern about lack of adequate comment period, reporting that India's refusal to accept Canadian pulse exports was Canada's first indication of the new phytosanitary requirements. India had temporarily agreed to accept Canadian pulse shipments without fumigation until 30 April 2004. However India's refusal to consider alternatives to fumigation treatment was unacceptable, given that Canada's climate made fumigation unnecessary. Canada had been free of the relevant pests for 20 years and had been shipping products to India for several years without problems. Canada urged India to use the least trade-restrictive measures as stipulated in Articles 2.2 and 5.6 of the SPS Agreement.

28. The representatives of Chile and New Zealand shared the concerns expressed by the United States, the European Communities and Canada, particularly those related to certification requirements and the lack of adequate comment period.

29. The representative of India explained that the Plant Quarantine Order was intended to simplify India's existing plant quarantine regime, which previously had multiple instruments, including the Destructive Insect and Pest Act of 1914 and Order 1989 regulating imports of cotton, plants, fruits and seeds into India. The new Order repealed and replaced these instruments and filled a gap in the old plant quarantine orders, particularly related to emerging global agricultural trade issues such as GMOs, germplasm, transgenic plant material, live insects, fungi and bio-control agents. The Plant Quarantine Order of 18 November 2003, came into force on 1 January 2004 and the application of some provisions were deferred to 1 April 2004. The regulations were made available on the website immediately after its publication and a number of India's trading partners had sought clarification bilaterally. The Plant Quarantine Order was amended on 6 February 2004 to increase clarity and take account of Members' concerns.

30. Commenting on the US concerns the representative from India stated that phosphine fumigation, while useful for quality control, was not an effective treatment against quarantine pests in almonds. Nevertheless, India agreed to examine the research papers presented by the United States and requested that Members send their comments on the issue. With regards to solid wood packing, India required treatment of the whole consignment if it contained agricultural produce but would accept treatment according to ISPM 15 otherwise. Phytosanitary certificates were required if the exporting country had not followed ISPM 15 treatment requirements.

31. With regards to Canada's concerns, the new Order contained a temporary provision for the relaxation of specific conditions if problems arose in the clearance of consignments. Indian officials ordered the clearance of Canadian pulse consignments imported between 31 December 2003 and 30 April 2004 and extended this decision to consignments from all trading partners. While these new regulations were based on scientific principles, India agreed to consider alternative measures proposed by Canada if they could be proven to be effective. India had notified the WTO of these measures on 4 March 2004 and the final date for comment was 30 April 2004.

China's lack of transparency for certain SPS measures

32. The representative of the United States commented that China had failed to notify nearly 60 regulations covering food, forestry and fishery products issued since 2002 by the Chinese Ministry of Health and the Ministry of Agriculture. Burdensome certification requirements for fresh, chilled and frozen aquatic products were imposed by AQSIQ Decree 31, which entered into force on 1 July 2003, but those measures were not notified to the WTO. Despite holding bilateral consultations with China, no progress had been made on this issue. The United States urged China to comply with its SPS obligations and to notify new regulations so that Members had an opportunity to comment on them.

33. The representative of China reiterated his country's commitment to fulfilling its transparency obligations and stressed that China had notified 213 SPS measures since its accession. Furthermore, China's measures were based on international standards and complied with the SPS Agreement. Chinese authorities calculate the comment period from the day the Secretariat circulated the notification. There was no obligation to notify AQSIQ Decree 31, because it was an operational rule of a corresponding regulation, which had already been notified to WTO, and imposed no new technical requirements. However, in the interest of enhanced transparency, Decree 31 had been notified in August 2003 (G/SPS/N/CHN/22).

(ii) Issues Previously Raised

Germany's measures on coffee

34. The representative of Papua New Guinea informed the Committee that it had submitted comments on Germany's measures on coffee in G/SPS/GEN/470.

35. The representative of Colombia recalled that questions outlined in G/SPS/GEN/434 had been posed to the European Communities in the last Committee meeting. However, no written response had been provided. In bilateral meetings at the end of 2003 and in January 2004, Germany informed Colombia of the approval of the Bundesrat Directive 713/03 by the Ministry of Consumer Protection, Food and Agriculture. Directive 713/03 changed the existing regulation of the maximum residue limits (MRLs) of Ochratoxin A (OTA) for roasted and soluble coffee in Germany. Germany indicated at that time that the European Communities would also be notifying a similar measure for roasted, soluble and green coffee. Colombia was concerned about the impact of the measure on the marketing of coffee in Europe and requested that the European Communities respond to the questions posed at the last Committee meeting.

36. The representatives of Nicaragua, Brazil, Cuba, India, Guatemala, Mexico, Ecuador, Bolivia, Dominican Republic, El Salvador, Costa Rica and Peru shared the concerns raised by Papua New Guinea and Colombia. They emphasized that any member that imposed higher standards than Codex must provide scientific justification, and they characterized Germany's MRLs for OTA in coffee as discriminatory and scientifically unjustified. They also requested that Germany answer the questions previously posed by Colombia and take into consideration the special needs of coffee exporting developing countries.

37. The representative of Codex explained that OTA, a mycotoxin contaminant, had been a standing agenda item of the Codex Committee for Food Additives and Contaminants (CCFAC) since its 23rd session in March 1991. A risk assessment on the consequences of establishing a maximum level of 5 micrograms/kg or 20 micrograms/kg for OTA in cereals and cereal products had been conducted based on food consumption data for European type diets. Cereals and wine were identified as major dietary contributors of the overall intake of OTA, while coffee and grape juice were considered minor contributors. The Joint FAO/WHO Expert Committee on Food Additives and Contaminants (JECFA) retained the previously established Provisional Tolerable Weekly Intake of

100 nanogram/kg of body weight and recommended that overall contamination of foods, especially cereals, should be lowered by appropriate agricultural, storage and processing practices. The conclusion of the JECFA evaluation was available from WHO as Technical Report Series 906. CCFAC would consider draft maximum levels for OTA in cereals at its 36th Session. Furthermore, since 2000, FAO had implemented a project called "the Global Initiative for Preventing OTA Contamination in Coffee" targeted at farmers in coffee-producing countries which focused on education and training on best practices in the production and handling of coffee.

38. The representative of the European Communities stated that his authorities were still considering Colombia's questions. At present a draft Codex standard for OTA levels for cereals was under discussion. Within the European Communities, MRLs for OTA had been established for a number of foods, but not for coffee. Germany therefore had the right to establish maximum OTA levels specifically for coffee. The European Communities had already determined MRLs for OTA in cereals and derivative products under EC Directive 466/2001, later modified by Directive 472/2002. OTA levels in beer were regulated indirectly by the maximum OTA limits set on barley. The European Commission was now examining the possibility of setting maximum OTA levels for wine, certain dried fruits and fruit juices. While awaiting a legislative decision at the Commission level, EC member States were requested to refrain from adopting national legislation in the area. MRLs for OTA for roasted and soluble coffee, wine, certain dried fruits and fruit juices would be determined by the end of 2004 and notified to the WTO in due course. EC Directive 2002/26 established the sampling methods and criteria used for the analysis of OTA levels in foods.

39. In response to Colombia's specific concerns, the representative of the European Communities stated that Germany had not notified the European Commission under the early warning system of the presence of OTA in products coming from Colombia and had not rejected shipments of Colombian coffee due to excessive levels of OTA.

Korea's guidelines for MRL testing

40. The representative of the United States recalled that concerns on Korea's guidelines for MRL testing were raised in the last Committee meeting. Under the new import inspection programme as notified in G/SPS/N/KOR/123, imported grains, fruits and vegetables were subject to annual MRL testing for the presence of 196 agricultural chemicals. Importers bore the costs of such tests which amount to approximately US\$1,960 each. During trade talks held in Washington on 27 October 2003 and in Seoul on 25 February 2004, the United States was informed that test fees would be reduced. However, the Korean authorities had not finalized this decision nor addressed the issue satisfactorily.

41. The representatives of Australia, New Zealand, Canada and the European Communities stated that the testing regime would impose substantial costs on imports and discriminated between imported products and similar products produced in Korea. They emphasized that measures adopted by Korea must be supported by science.

42. The representative of Korea informed the Committee that his country was undertaking the relevant administrative procedures to reduce the testing fees. This was expected to be completed in two or three weeks, but not later than the end of April.

EC traceability and labelling of genetically modified organisms, food and feed

43. The representative of the United States noted that the EC rules on traceability and labelling of genetically modified organisms and on food and feed would come into effect in April 2004 but many questions and uncertainties remain. He requested that the European Communities delay implementation and enforcement of the regulations until the implementing guidance on sampling and testing was also issued.

44. The representative of Canada questioned the scientific justification of the regulations and expressed concern that burdensome documentation and other requirements were placed on products based upon their production method. In addition, he highlighted the ambiguity of the traceability and labelling requirements given the absence of segregation systems and of internationally accepted testing methodologies to validate the presence of genetically modified foods.

45. The representative of Argentina expressed concern that the regulations were discriminatory, posed unjustified restrictions to trade and would affect developing countries.

46. The representative of Australia shared the concerns of the United States, Canada and Argentina and requested that the European Communities consider less trade-restrictive alternatives.

47. The representative of the European Communities explained that EC regulation 1830/2003 had been adopted on 22 September 2003. The regulation had been notified to the SPS Committee at the request of several Members, however the European Communities believed that the measure was more appropriately categorized as a TBT issue. The regulation supported EC consumer freedom to choose or avoid products derived from biotechnology and provided a harmonized framework that encouraged efficient functioning of internal markets. The regulations also allowed the European Communities to rapidly withdraw products that presented a risk to the health of consumers, animals, and the environment.

EC aflatoxin limits for Brazil nuts

48. The representative of Bolivia informed the Committee that bilateral consultations were held with the European Communities on 16 March 2004 and details of the assessment visit for the certification of chestnuts for export to the European Communities had been finalized

49. The European Communities reported that it would continue to cooperate with Bolivia to finalize the assistance programme.

Indonesia's restrictions on importation of agricultural products due to FMD

50. The representative of Argentina recalled that it had previously raised concerns on Indonesia's FMD restrictions on products that were not susceptible to the disease. After conducting a risk analysis on dairy products, Indonesian officials concluded that Argentina's exports did not pose a FMD threat. The veterinary service of Indonesia had informed Argentina of the lifting of these restrictions and Argentina considered this issue resolved.

51. The representative from Indonesia reported that an inspection team from Indonesia had visited Argentina on 12-20 January 2004. Indonesia was satisfied with Argentina's monitoring system with respect to FMD. Two of the five plants inspected met Indonesia's requirements and were eligible to export milk powder to Indonesia as long as they continued to meet the OIE recommended animal health requirements for FMD.

Regionalization and recognition of animal disease free status

52. The representative of the European Communities indicated that the European Communities recognized regionalization and based its policy on Article 6 of the SPS Agreement, while some Members did not give the same treatment to regionalization. The European Communities had provided evidence to the importing Member on regions free from the disease and access for inspection or any other relevant procedures as in accordance with Article 6. Nevertheless, EC member States continued to experience unjustified export restrictions related to assumed disease presence in those regions. For example, Germany, Belgium and the Netherlands had experienced import restrictions due to highly pathogenic avian influenza although they regained their disease free status in

November 2003. France, Italy and Spain experienced unjustified restrictions related to classical swine fever due to the non-application of the principle of regionalization. Furthermore, all EC member States were officially free of FMD but continued to face unjustified import restrictions. The European Communities urged all Members to respect the obligations of the SPS Agreement on regionalization and recognize the disease free status of EC member States and remove unjustified import restrictions.

EC requirements on animal by-products

53. The representative of the United States stated that his country remained concerned about the significant trade disruptions that could result from the implementation of EC regulation 1774/2002 on 1 May 2004. This regulation was notified as G/SPS/N/EEC/103 but questions on its implementation remained even though the European Communities had granted a one-year delay in its enforcement. The regulations would enter into force in less than six weeks time but the European Communities had not published the final text of the regulation and the US request for a risk analysis had gone unanswered. He urged the European Communities to clarify the remaining implementation questions and to delay enforcement of the regulation.

54. The representative of Canada stated that although the European Communities had extended the implementation of the regulation for third countries to 1 May 2004, it shared the concerns of the United States. Canada requested that the European Communities provide clear information on its plans to formally adopt the derogations and provide details of any other transitional measures that had been or would be granted to third countries.

55. The representative of the European Communities recalled that he had announced the implementation of transitional measures in the June 2003 Committee meeting. This proposal introduced new provisions that required EC member States to provisionally accept imports from third countries. With regards to the risk analysis, the European Communities was awaiting results from its Scientific Committee on Food Safety and a report would be available at the end of March. The second postponement of EC regulation 268/2002 and delayed implementation of EC regulation 1674 should enable trading partners to adapt to new conditions for certification of imports into the European Communities. The European Communities was also studying the possibility of adopting measures regulating the use of gelatine, collagen and other products destined exclusively for technical and industrial applications and banning their use in food, cosmetic, pharmaceutical and medical products. A draft bill had been submitted to the permanent committee this week and the European Communities would keep the United States and Canada updated on this issue.

EC sanitary conditions for the importation of bees, hives and apiculture material

56. The representative of Argentina recalled the concerns he had raised at the last Committee meeting on the EC draft decision on importation of bees, hives, queen bees and their attendants from third countries. No case of the small hive beetle (*Aethina tumida*) and the *Tropilaelaps* mite had been reported in Argentina. The European Communities had not taken into consideration the differing sanitary status of exporting countries. Countries that did not have the two pests were required to fulfil the same difficult control procedures as those countries that had them, which created export challenges. A bilateral meeting with the European Communities was held on 16 March 2004 to seek a practical solution to this problem.

57. The representative of the United States commented that the state of Hawaii was free from the two pests and encouraged the European Communities to consider this factor.

58. The representative of the European Communities indicated that the two pests of concern were very difficult to eradicate once introduced into a territory because the treatments were difficult to implement, were not very effective, and left pesticide residues in the honey. The small *Tropilaelaps* mite, which transformed into a flying insect in the adult stage and could fly up to six kilometres per

day, could have devastating effects on honey and other agricultural production. The European Communities needed measures to protect its disease-free status and the proposed measures were not disproportionate to the risks. Bees could be allowed from third countries or from regions of third countries that had a competent veterinary service approved by the European Communities and where the existence of the two pests was required to be notified. The bees must also be accompanied by a sanitary certificate issued by the competent authority declaring that the bees came from within a 30-kilometre radius of the beehive and that this area was free of the two pests. Argentina satisfied these two conditions. During the bilateral consultations with Argentina, practical problems faced by Argentina in the implementation of the control measures had been identified and the European Communities agreed to find alternative solutions to these problems.

Japan's official control restrictions

59. The representative of New Zealand noted that it had consistently raised the issue of Japan's official control restrictions over the last few years but its concerns remained unresolved. In November 2003, New Zealand presented a submission on its concerns as part of Japan's review of its plant quarantine processes and looked forward to having these concerns addressed in an early and trade facilitating manner.

60. The representative of the United States reported that on 8 October 2003, the United States had presented its concerns on the classification of eleven specific species as quarantine pests to the Japanese plant protection division. In contrast to internationally accepted definitions of quarantine pests, Japan's legal definition of pests included pests that were already present in Japan and not subject to official control. As a result, imported products faced discriminatory treatment compared to domestic products since they were subjected to fumigation for pests that already existed in Japan. He requested that Japan provide clarification and information on actions taken to eradicate and contain the eleven specific pests and their distribution in Japan, and on its efforts to align its plant health laws with international standards.

61. The representative of the European Communities supported the concerns of New Zealand and the United States.

62. The representative of Japan recalled that at the last Committee meeting, Japan and New Zealand had agreed to resolve the issue from a technical perspective and on a case-by-case basis. As a result of bilateral discussions, new quarantine measures were to be introduced in May 2004, based on trials of orchard control for Fuller Rose Weevil on kiwifruit. Furthermore, quarantine trials for reducing fumigation on lettuce from the United States were conducted from July 2003 to March 2004 and the results were under evaluation. Japan had received requests for 39 species of pests from New Zealand and 11 species from the United States to be designated as non-quarantine pests. Members' concerns on the inconsistency of Japan's plant health laws with international standards were under review. The consultative group on plant quarantine established by Japan's plant quarantine authorities had held four meetings but experienced a delay in compiling its recommendations. The consultative group meetings would be reactivated to work on recommendations which would be considered by plant quarantine authorities for further action.

Venezuela's import restrictions on potatoes, garlic and onions

63. The representative from Argentina informed the Committee that a technical document had been presented to Venezuela during bilateral discussions held on 16 March 2004. Argentina and Venezuela agreed to hold further discussions and hoped for a resolution on this issue.

64. The representative from Venezuela reported that it had received the documents requested from Argentina and hoped for an early resolution on the issue.

Japan's restrictions on mangoes

65. The representative of Brazil stated that the Japanese authorities had reacted favourably to technical data provided by Brazil last year. The evaluation process had entered a new phase and Brazil hoped to come to a satisfactory solution including the signing of a protocol on packaging, storage and transportation of mangoes to Japan.

66. The representative of India noted that while India was a fruit fly free area its request for market access for mangoes into Japan had been under review for ten years. India had submitted data to Japan and hoped for a favourable response.

67. The representative of Japan stated that technical evaluation of data submitted by Brazil was in the final stages. With respect to India's concerns, Japan had not received technical data from India but looked forward to receiving such data.

(c) Consideration of Specific Notifications Received

G/SPS/N/USA/844 - US prohibition on the use of specified risk materials and requirements for disabled cattle

68. The representative of Argentina stated that notification G/SPS/N/USA/844 was published on 23 January 2004 as a standard, non-emergency notification. Although the final date for comments was on 12 April 2004, the proposed date of adoption and entry into force was on 12 January 2004; hence Members did not have adequate opportunity for comment. Although Argentina had never had a case of BSE and complied with the requirements to be considered free of BSE, Argentina was required to comply with the same requirements imposed on countries affected with BSE. He requested that the United States clarify this matter.

69. The representative from the United States explained that the USDA had instituted a number of interim measures on 12 January 2004 after the announcement of a presumptive case of BSE in Washington State on 23 December 2003. Under the US regulatory system, interim final rules were enforced immediately but there was a concurrent comment period of 90 days. The comment period for G/SPS/N/USA/844 would expire on 12 April 2004. He encouraged Members that were free of BSE and interested in seeking recognition of alternate control measures equivalent to the US measures as announced in G/SPS/N/USA/844, 845 and 846, to submit their comments within the deadline for consideration in the development of a final set of BSE rules.

(d) Any Other Matters Related to the Operation of the Transparency Provisions

G/SPS/GEN/204/Rev.4

70. The Secretariat drew attention G/SPS/GEN/204/Rev.4, which summarized all specific trade concerns which had been raised since 1995. In the next revision of this document, at the end of 2004, the Secretariat intended to separate G/SPS/GEN/204/ into two volumes to facilitate information retrieval and document circulation. The first volume would contain trade concerns with reported solutions and the second volume would contain outstanding trade concerns. However, only 29 out of the 183 trade concerns have been reported to be resolved. The Secretariat urged Members to report solutions to their concerns so that the document could be made more functional.

71. The representative of Mexico informed the Committee that Item 133 of document G/SPS/GEN/204/Rev.4 had been resolved with Nicaragua. The representative of Nicaragua announced that on 8 March 2004, Nicaragua had notified the Dispute Settlement Body of its withdrawal of consultations with Mexico on the issue of restrictions on dry beans.

72. Members expressed appreciation to the Secretariat for the work done on G/SPS/GEN/204/Rev.4 and were supportive of categorizing trade concerns into two groups based upon how recently the concerns had been raised in SPS Committee meetings. The representative of the European Communities suggested that "non-current" trade concerns could be defined as concerns that had not been raised in the last three Committee meetings, although these issues could be moved back to the "current issues" volume if a Member subsequently raised the issue in a Committee meeting.

Report on the informal meeting

73. The Chairperson reported that the report of the special meeting on the operation of enquiry point, Mexico and Egypt's proposals on pre-notification, China's analysis of SPS notifications, unofficial translations of documents referred to in notifications, and the FAO international portal on food safety, animal and plant health had been discussed at the informal meeting of the Committee held on Monday, 16 March 2004. The report on the special meeting (G/SPS/R/32) highlighted the different situations of Members and identified pragmatic ways of dealing with common problems encountered by Members. Several Members had proposed that similar meetings be held on a regular basis.

74. Mexico and Egypt had drawn attention to paragraph 5(a) of Annex B of the SPS Agreement, which they believed imposed a separate obligation from the notification procedure in paragraph 5(b). Their proposals (G/SPS/W/136 and G/SPS/W/143) for pre-notification would fulfil this obligation. A number of Members had agreed with Mexico and Egypt on the benefits of pre-notification but indicated that pre-notification should be done on a voluntary basis. Some Members had expressed the view that the primary focus should be on fulfilling current obligations rather than burdening Members to comply with more procedures.

75. China had reported that its analysis of notifications circulated in 2003 indicated that a large number of Members were not fulfilling their notification obligations. Several Members indicated that China's proposal that the 60-day comment period be triggered when the Secretariat circulated the notification would be difficult to implement because of their domestic regulatory procedures and uncertainty about when the Secretariat would actually circulate notifications after receiving them from Members.

76. Members had welcomed a proposal by the Secretariat to provide information on the location of unofficial translations of the draft regulations notified by Members. This would be done via a Supplement (in the three official languages of the WTO) to the notification supplied by that Member. This mechanism could be implemented immediately. The Secretariat would not take responsibility for the quality of translations. Several Members had stressed that the translations would be unofficial with no liability on the part of the government that provided them.

77. The observer from FAO had reported on progress on creating an international portal on food safety, animal and plant health. The internet based portal supported increased transparency in SPS measures by providing a single access point to a wide range of international and national standards, regulations and other official materials relating to SPS measures in food and agriculture and was an extremely useful tool.

78. The Chairperson concluded that Members continued to be concerned about transparency issues and proposed that a future informal meeting address this issue.

79. In commenting on the Chairperson's report, the representative of Canada clarified that the discussions on Article 5(a) and Article 5(b) were not whether these were separate obligations but rather, whether Members could meet both provisions at the same time or in a sequential manner.

Some delegations, like Mexico and Egypt, felt that these provisions were to be fulfilled in a sequential manner; other delegations disagreed.

80. The representatives from Mexico and from Egypt confirmed that their interpretation was that Article 5(a) had to be fulfilled before Article 5(b) could be implemented. They suggested further informal discussions on pre-notification proposals at the next Committee meeting.

81. The Chairperson drew attention to the updated list of National Notification Authorities (G/SPS/NNA/6.Corr.1 and Add.1) and National Enquiry Points (G/SPS/ENQ/16. Corr.1 and Add.1). An updated list of Member's implementation of the transparency provisions was contained in G/SPS/GEN/27/Rev.12. Monthly summaries of notifications received by the Secretariat since the last Committee meeting could be found in G/SPS/GEN/453, 460, 462, 465 and 471. The annual listing of all SPS documents distributed in 2003 was contained in G/SPS/GEN/467.

82. The representative of Mexico recalled a discussion held in the last Committee meeting on document G/SPS/GEN/426 and Corr.1. and requested an update from the European Communities. This discussion was summarized in G/SPS/R/31, paragraphs 54-56. The objective of document G/SPS/GEN/426 was to inform Members that the ten new candidate members joining the European Communities would include in their legislation all EC SPS-related legislation or Acquis Communautaire but would not notify these changes individually. In response to Mexico's concerns that the new candidates were not fulfilling their transparency obligations, the European Communities had agreed to transmit Member's concerns to capitals and to require the individual notification of legislation for the ten new members.

83. The representative of the European Communities stated that the ten members would join the European Union on 1 May 2004 and had already incorporated the EC legislation into their domestic regulations. There was insufficient time for notifications to provide a comment period, however he would relay Mexico's concerns to officials in Brussels.

III. THE SPS AGREEMENT AND DEVELOPING COUNTRIES

(a) Implementation of the Provisions for Special and Differential Treatment

Report on the informal meeting

84. The Chairperson reported that the Committee had considered three issues related to special and differential treatment: the elaboration of the Canadian proposal on transparency of special and differential treatment, Egypt's proposal for the inclusion of a special and differential treatment box on notification formats and the proposals referred by the General Council. He drew the Committee's attention to the submission from Papua New Guinea (G/SPS/GEN/469), which touched upon all items under discussion. It was the only new submission on this issue since the last meeting of the SPS Committee meeting in October.

85. With regard to the elaboration of the Canadian proposal to enhance the transparency of special and differential treatment, the Committee had focused on the proposed US modifications (G/SPS/W/141) to the procedures drafted by the Secretariat (G/SPS/W/132/Rev.1).

86. A number of delegations had reiterated that they were ready to adopt the procedures described in G/SPS/W/132/Rev.1. However, they had concerns with at least some of the modifications proposed by the United States. One common concern was that some of these modifications, particularly relating to Steps one to four, were deviations from what had already been adopted as Recommended Procedures for Implementing the Transparency Obligations in G/SPS/7/Rev.2. Suggestions that the exporting Member provide a "justification" for the request for an extension of the comment period and that the importing Member "consider granting" such an extension were given as

examples. The United States had replied that the extension of a comment period should not always be seen as a positive step since it could delay improved market access opportunities.

87. There were also some concerns that the modifications proposed to Step five would allow for a discussion of concerns related to a proposed measure only during the comment period but not afterwards, possibly leading to the adoption of a measure without due consideration of comments by exporters. Some Members had also objected to the proposed emphasis on "technical assistance" in Step 6, emphasizing that technical assistance was only one component of special and differential treatment, which encompassed a larger realm of possible actions by the importing Member. In addition, Members had commented that these procedures did not address the difficulties faced by developing countries in responding to emergency notifications.

88. A number of delegations had welcomed the inclusion of a provision to review the proposed notification process one year after its adoption.

89. No consensus had been reached on the procedures during the informal meeting. The Chairperson had asked delegations to submit their re-drafting suggestions in writing to the Secretariat and had suggested continuing the discussions during the regular meeting.

90. With respect to the Egyptian proposal (G/SPS/GEN/358) for the inclusion of a special and differential treatment box in the notification format, a number of delegations had stated that while they had not considered Egypt's document as a specific proposal but as a paper for discussion, they recognized the role Egypt's submission had played in advancing the Committee's work on the related Canadian proposal. At the same time, Members had noted that the Canadian proposal embodied an ex-post rather than ex-ante approach to transparency in special and differential treatment, contrary to Egypt's proposal. Members had suggested that the Committee should complete the work on the elaboration of the Canadian proposal and in reinforcing the capacity of Enquiry Points before taking up other related issues.

91. With respect to the proposals referred to the SPS Committee by the General Council (Job(03)/100), the Chairperson recalled that although the Committee had completed the work plan envisaged for 2003, it had not been able to reach a decision on any of the specific issues raised. There had been no substantive comments on this issue at the informal meeting. The Chairperson had pointed out that the issue of special and differential treatment remained a standing agenda item for the Committee.

Further consideration of proposals for special and differential treatment

92. The representative of Jamaica offered amendments to document G/SPS/W/132/Rev.2 which had been circulated by the Secretariat after the Informal Meeting on Special and Differential Treatment. These were based on consultations among a number of Members. The representatives of the European Communities, St. Kitts and Nevis, Uruguay, Argentina and Mexico supported adoption of the amendments to G/SPS/W/132/Rev.2 presented by Jamaica.

93. The representative of the United States acknowledged that after listening to the Committee's current deliberations and other consultations, he could agree that the wording of Steps three and four of G/SPS/W/132/Rev.2 should reflect the wording of the recommended procedures for transparency found in G/SPS/7/Rev.2. The United States also supported the other revisions introduced by Jamaica.

94. The representative from Canada also supported amendments to G/SPS/W/132/Rev.2 as presented by Jamaica and highlighted the fact that the discussion of proposals in this area began in March 2002. He reminded Members that the Committee had previously agreed in principle to accept the Canadian proposal (G/SPS/W/127) as one step for immediate implementation by Members, subject to further elaboration of the notification procedures as described in G/SPS/W/132 and

subsequent revisions. Recalling previous Committee discussions which had highlighted challenges in the implementation of Article 10.1, the representative of Canada also reflected that the proposed notification procedures would encourage countries to ask for, and to give, special and differential treatment when appropriate. By implementing these procedures Members would gain experience in this area and the Committee could review them in one year to evaluate their effectiveness.

95. Several delegations, including Brazil, India and Malaysia, expressed concerns with the amended text of G/SPS/W/132/Rev.2 and requested more time to consider the changes. The representative of India expressed apprehension that footnote two implied that developing countries must comply with all procedures, except the notification of addenda and it created confusion over whether both developed and developing countries were obliged to follow the notification procedures. Both India and Egypt proposed wording changes to footnote two in attempts to encourage a consensus on this text.

96. The representative of Malaysia stated that the procedural guidelines should clearly state that developed countries should provide special and differential treatment to developing countries, specifically taking into account the needs of developing countries in the preparation of SPS measures.

97. The Chairperson recalled that when the Committee had adopted, in principle, the proposal from Canada, it had explicitly recognized that this would not fully resolve the issue of special and differential treatment but was one step in addressing the problem of implementation of the special and differential treatment provisions of the Agreement. The Committee had also agreed to consider other proposals and possible actions. The decision currently under discussion related to the limited matter of how to make transparent the provision of special and differential treatment with regard to notified measures. The Chairperson proposed to circulate a clean text of the amended document presented by Jamaica as G/SPS/W/132/Rev.3, incorporating comments from the current discussion. He requested that Members submit any specific modifications to the proposed text to the Secretariat prior to 30 April 2004. If no suggestions were received, the Chairperson would encourage his successor to present this proposal for adoption at the next Committee meeting in June 2004.

Proposal by Egypt

98. The representative of Egypt emphasized that a special and differential treatment box on the notification format would enhance the implementation of the transparency provisions in respect of Article 10.1 of the SPS Agreement. In addition, he argued that the information included in this type of box would complement information provided through alternative procedures, such as those described in G/SPS/W/132/Rev.2. The proposed additional box would include, for example, information on the kind of technology that could be used, by an exporting country, in order to comply with the notified measures.

99. The representative of the European Communities described a simulation exercise in which a number of previous notifications had been revised to include the information requested in Egypt's proposed box. The simulation highlighted two distinct categories of notifications: those that applied to all countries or those that applied to specific trading partners. He expressed doubts about the practical use of this box in the notification format given the difficulties of pre-determining technical assistance needs, particularly for measures applying to all countries.

Special and differential proposals referred by the General Council

100. There were no comments from the floor on these proposals.

Submission by Papua New Guinea

101. The representative of Papua New Guinea presented document G/SPS/GEN/469 on special and differential treatment, transparency and technical assistance which outlined the difficulties that Papua New Guinea has experienced in the application of the SPS Agreement. The delegate welcomed written comments from Members and promised to convey these comments to capital.

IV. EQUIVALENCE (ARTICLE 4)

(a) Consideration of Specific Provisions of the Decision on Equivalence

102. The Chairperson recalled that the Committee had adopted clarification of paragraphs 5 and 6 of its Decision on Equivalence at its meeting in October 2002 and had also adopted a clarification of paragraph 7 in its meeting in June 2003. The Committee had considered further clarification of paragraph 5 at its October meeting 2003 (G/SPS/W/142). At that time, there had been broad consensus on this clarification but some Members had requested additional time to consult with capital.

103. The Committee adopted G/SPS/W/142. The Chairperson requested that the Secretariat circulate a revision of G/SPS/19 which would reflect the Decision and the various clarifications that had been agreed.

(b) Information from Members on their Experience

104. No information was provided under this agenda item.

(c) Information from Relevant Observer Organizations

105. The representative of the International Plant Protection Convention (IPPC) reported that the IPPC is developing a draft standard on the equivalence of phytosanitary measures. In addition, proposed revised wording for International Standard for Phytosanitary Measures (ISPM) 1 (Principles of plant quarantine as related to international trade) referred directly to the draft standard on equivalence. The IPPC Standards Committee would consider both the draft ISPM on equivalence and the revised ISPM 1 in April. At the earliest, the Standards Committee could approve these measures in its seventh session, which would be held in spring 2005.

106. The representative of the World Organization for Animal Health (OIE) stated that comments made during last years' sessions had been examined and some minor changes to the OIE Code would be considered at the next General Session.

107. The representative from the Codex Alimentarius Commission (Codex) mentioned that the Codex Committee on Food Import and Export Inspection and Certification Systems at the last session proposed new appendices to the guidelines on the judgement of equivalence of sanitary measures associated with food inspection and certification systems. This new work would start after official approval by the Commission in June 2004.

V. DISEASE-FREE AREAS (ARTICLE 6)

(a) Report of Informal Meeting

108. The Chairman reported that at the informal meeting on the clarification of Article 6, the Committee's discussions benefited from presentations by the representatives of the OIE and the IPPC. In addition Members discussed submissions from Chile, Mexico, Argentina, the European Communities, the United States and Canada.

109. During the informal meetings, the representative of the OIE had stated that in May the OIE would consider for adoption a revised chapter with simplified definitions and procedures for regionalization and compartmentalization. When adopted, this chapter would provide Members with recommendations on regionalization for a broad range of diseases of terrestrial animals. Due to the complexity of developing procedures for aquatic animals, the OIE had not progressed as far in the development of similar recommendations for these types of animals but continued to pursue this goal. For most major diseases, existing OIE recommendations for how countries could achieve, maintain, and regain pest-free status also incorporated the concept of regionalization.

110. The representative of IPPC had briefed the Committee on continuing efforts to develop standards related to the designation of pest-free areas and areas of low pest prevalence. Existing standards in this area include ISPM 4, which contains detailed requirements for the establishment of pest-free areas and ISPM 10, which contained information on pest-free areas of production. In November 2003, a standard was drafted on requirements for the establishment, maintenance and verification of areas of low pest prevalence. The Interim Commission on Phytosanitary Measures meeting later in March would consider a list of priorities for future specific standards, however the Interim Commission had not established a procedure for officially recognizing pest-free areas.

111. Many delegations had emphasized the important role played by the international standards organizations, particularly related to the development of scientific standards. Because the scientific basis of technical regulations affected their implementation, several Members had suggested that these standard-setting bodies could provide useful recommendations about procedural issues related to the designation of pest- and disease-free areas. Another Member had highlighted the expertise available in these organizations which could help in the evaluation of regionalization decisions.

112. A number of Members had supported the proposal by Chile that the Committee establish procedural guidelines for implementation of regionalization measures. Several delegations had stressed the importance of developing recommended time schedules for recognition of pest-free status in order to discourage unnecessary delays. Other delegations were concerned that timeline recommendations could not be effectively implemented given the diverse regulatory environment and the complexity of science involved in evaluating pest-free status.

113. Members had raised concerns that developing countries might face a disproportionate burden with respect to achieving and maintaining pest-free status and had suggested that assistance be made available to them.

114. Members of the Committee had highlighted the importance of sharing details of regionalization experiences in order to establish recommendations on best practices, to provide useful information to relevant standard setting bodies, and to promote continued dialogue on the effective implementation of Article 6.

115. In commenting on the Chairperson's report, Chile, Peru, Argentina, Uruguay and Mexico proposed that the Committee address the issue of regionalization similar to the way it had treated the issues of transparency and equivalence. These Members were particularly interested in pursuing the development of guidelines for the recognition of pest-free status, with a focus on the ability of developing and least-developed countries to effectively plan future trade activities with countries seeking to achieve pest-free status.

116. The representative of the United States observed that regionalization differed from the other issues considered by the Committee because Members already had many diverse experiences in regionalization both for plant pests and animal diseases. He stressed that accurate disease and pest reporting as called for under OIE and IPPC were necessary to signal the strength and credibility of the veterinary and phytosanitary structure of exporting countries.

117. Many delegates supported further work by the Committee on this issue, including the continued exchange of information among Members on good and bad experiences related to regionalization. Members noted that future deliberations of the Committee could lead to calls for further work in the international standard setting bodies.

118. The Chairperson concluded that the Committee agreed that further work on this issue would be useful, however there was no consensus on whether the Committee should develop guidelines or procedures. He proposed that the Committee continue to work in an informal mode, to discuss the presented papers and to share experiences.

(b) Information from Observer Organizations

119. The representative of the OIE offered to report to the next informal meeting about the OIE regulatory decision-making process relating to disease-free recognition.

VI. TECHNICAL ASSISTANCE AND COOPERATION

(a) Information from the Secretariat

120. The Secretariat drew attention to Antigua and Barbuda's response to the questionnaire on technical assistance (G/SPS/GEN/295/Add.35). The Secretariat had received responses from 32 Members and encouraged other Members reply to the questionnaire as this information would be used to prioritize future activities.

121. The Secretariat briefly described past and future regional and national workshop activities and thanked the Codex, IPPC and OIE for contributing expertise to these technical assistance activities. The Secretariat had completed the following activities since the last meeting:

- Regional workshop in Uganda in November for six East African countries
- Regional workshop in Sri Lanka in December for seven South Asian countries
- Regional workshop in Mozambique in early February for twelve SADC countries
- Regional workshop in Chile in March for six Latin American countries
- National workshop in Mozambique following the regional activity
- A national SPS workshop in Algeria funded by the French Government, and
- An information and training session for participants in the Codex Alimentarius Committee on Food Import and Export Certification Systems (CCFICS) meeting in Brisbane.

122. The Secretariat had seven regional activities planned for this year. The first two regional workshops were:

- 4-6 May in Lebanon at the UNESCWA headquarters for training for nine Middle Eastern countries, and
- 18-20 May in Nepal for training for South Asian countries.

The Secretariat had received seven additional requests for national workshops.

123. The Secretariat also reported that the Joint Technical Assistance Program (JITAP) would carry out a programme under Cluster 5 "Strengthening Reference Centres and National Enquiry Points". The JITAP would focus on sixteen African countries in 2004, beginning with Mozambique,

to underline the importance of transparency, to clarify rights and obligations, and to provide training and equipment when necessary.

124. The STDF website (www.standardsfacility.org), which could be reached via a link on the SPS home page, included useful training materials submitted by the WTO, World Bank, OIE, IPPC, and the Codex. Spanish and French language versions of the STDF website would be available in early April. The website included the calendar of events for the main partner organizations. The database of technical assistance, which provided information on WTO, OECD-DAC and other partner organizations' activities, was now searchable by a variety of categories.

125. The Secretariat further reported that STDF partners were developing a business plan which would include a strategy for future activities. When partners had approved the business plan they would be able to use this document in fund-raising efforts.

126. At the STDF Working Group meeting, held in Washington D.C., the Working Group had approved a project, in principle, which would identify model arrangements for SPS stakeholders involvement in national level policy making. The goals of this project would include determining parameters for success, managing information flows to OIE, IPPC, and Codex contact points, and exploring the idea of having national committees to facilitate communication among stakeholders. The Secretariat commended the World Bank's work on compliance costs, encouraged Members to take note of this activity, and recommended that the World Bank representative report to future SPS Committee meetings on the results of their work.

(b) Information from Members

127. The representative of Australia described her country's bilateral technical assistance to developing countries (G/SPS/GEN/472). These programmes were funded mainly through the Australian Agency for International Development (AusAID) and the Australian Centre for International Agricultural Research (ACIAR). One hundred fifteen technical assistance activities had been provided to 45 developing countries between 2000 and 2002. Countries in the Asia-Pacific region, Africa, the Middle East and South America benefited from funds (A\$56 million) as well as from "in kind" contributions, such as personnel training. Australia had focused on seeking practical ways to assist countries to adjust to, and comply with, sanitary and phytosanitary measures in their export markets. Australia would report on technical assistance activities since 2002 in an updated report. Australia also contributed to the WTO Global Fund, which includes work on SPS issues.

128. The representative of Papua New Guinea expressed gratitude for the technical assistance provided to them by Australia.

129. The representative of Antigua and Barbuda summarized his country's technical assistance needs (G/SPS/GEN/295/Add.35). Because tourism played an essential role in the economy of Antigua and Barbuda, high volumes of people moved into and out of the country. In addition, while the country was a net importer of vegetables, fruits, meat, processed foods, they had limited capacity to conduct adequate inspection and certification of these products. For these reasons, the country was particularly vulnerable to pests and disease invasion. The delegate highlighted several areas of particular need: (1) investment in laboratory capacity in order to develop a multi-purpose laboratory that could conduct microbiological testing of plants, animal and foods; (2) strengthening of port inspection facilities; and (3) training in risk analysis which would enable the country to withstand international scrutiny.

130. The representative of Nicaragua indicated that Nicaragua had requested that the WTO Secretariat provide technical assistance, especially related to the development of SPS notification authorities, enquiry points, and institutional coordination. The Secretariat noted that these issues could be addressed at a scheduled regional seminar.

(c) Information from Observers

131. The representative of IPPC discussed FAO's capacity building projects which were continuing in all regions of the world. The revised Phytosanitary Capacity Evaluation tool (PCE) had been produced as a CD-rom and could be downloaded from the website (<http://www.ippc.int/IPP/En/default.htm>). During 2003 the IPPC conducted several regional workshops to promote the understanding of the PCE and to assist countries in improving their SPS system and complying with their IPPC reporting obligations. In April, the Interim Commission would consider a proposal that regional workshops on draft ISPMs be used to encourage national level participation in the standard setting process.

VII. MONITORING THE USE OF INTERNATIONAL STANDARDS

(a) New Issues

132. No new issues were reported.

(b) Issues Previously Raised

133. There was no discussion of issues previously raised.

VIII. MATTERS OF INTEREST ARISING FROM THE WORK OF OBSERVER ORGANIZATIONS

(a) Information from IICA

134. The representative of the Inter-American Institute for Co-operation in Agriculture (IICA) described its activities related to encouraging participation of Latin American Members at the national level and at the WTO (G/SPS/GEN/473). IICA had also organized training activities related to Hazard Analysis and Critical Control Point (HACCP) food safety systems and specific disease and pest concerns. The document identified a contact person for each of these activities.

(b) Information from OIE

135. The representative of OIE referred delegates to G/SPS/GEN/476 and G/SPS/GEN/478 and highlighted additional activities of the OIE leading up to the meeting of the General Session at the end of May. Among other items, the General Session would consider:

- OIE expert groups recommendations concerning country applications for freedom from foot and mouth disease and BSE
- Adoption of the first animal welfare guidelines, based upon the OIE Global Conference on Animal Welfare held in late February
- Adoption of a new standard on the role of veterinary para-professionals in veterinary services, and
- Adoption of changes in the disease reporting obligations of member countries.

136. The OIE continued to work with the Codex on the development of food safety standards, particularly those related to meat and poultry hygiene and on animal production food safety. The OIE, working closely with FAO and WHO, had developed strong recommendations regarding efforts to improve transparency concerning the outbreaks of avian influenza in Asia. The OIE and FAO websites contained useful information on this topic.

137. The OIE conference on vaccination for animal diseases in South America in April would consider the use of vaccination as an alternative to the large scale killing of animals during disease outbreaks. The OIE representative urged Members who wish to contribute to discussions prior to the presentation of proposals to the General Session to discuss specific concerns with their national chief veterinary officers.

(c) Information from OIRSA

138. The representative of the International Regional Organisation for Plant and Animal Health (OIRSA) highlighted the following elements of his submission (G/SPS/GEN/474):

- The Ministers/Secretaries of Agriculture and Livestock of the OIRSA region had agreed to support the third course in the Technological Masters' Degree Programme implemented by OIRSA with the Postgraduate College of Mexico. This course would provide training in the implementation of sanitary and phytosanitary measures and help foster international trade in Mexico and Central America. The programme covered technical material related to international trade policy and the support, prevention, control and eradication of diseases and pests.
- OIRSA 's monitoring of two citrus crop plagues indicated that the region was free of citrus canker but not of *citrus leprosis*. Efforts to control the outbreak of *citrus leprosis* would continue.
- OIRSA was conducting information and training activities related to food, health and trade, including on the US law on bioterrorism, East Nile Disease, avian influenza, and good agricultural practices.
- In the FAO/OIRSA project on phytosanitary capacity building in OIRSA member countries, OIRSA contributed to capacity building of regional SPS agencies by assessing capacity, identifying development strategies, and updating SPS legislation in order to encourage conformity with international legislation and WTO Agreements.

(d) Information from IPPC

139. The representative of IPPC highlighted the following points of her submission (G/SPS/GEN/482):

- IPPC had 14 draft standards available. Three new standards would be presented to the Interim Commission on Phytosanitary Measures (ICPM) in March 2004: guidelines for an import regulatory system, pest risk analysis for regulating non-quarantine pests, and the supplement to ISPM 11 on pest risk analysis (PRA) for quarantine pests (PRA for Living Modified Organisms).
- The international forestry quarantine research group had met in February and was developing a process to review and accept treatment methods for wood packaging related to ISPM 15. In addition, the ICPM would discuss ISPM 15 and its implementation in order to make recommendations for future actions in this area.
- The International Phytosanitary Portal (www.ippc.int) had been updated to allow Members to fulfil their reporting obligations on-line.
- The ICPM would discuss the improvement of standard setting, particularly related to commodity specific and pest specific standards, and several issues related to technical

assistance and information exchange. All documents for this meeting, as well as standards specific information, were available on the website.

140. The Chairman of the ICPM, Mr. Lopian, drew attention to the special trust fund for technical assistance established by the IPPC in 2003. The Fund was intended to assist developing countries in participating in standard-setting meetings and activities, training programmes and regional technical consultations on standards and their implementation. The fund could also be used for phytosanitary capacity evaluation and information exchange for developing countries. The trust fund was under the direct control of the ICPM which would make decisions on how the available resources were spent. Mr Lopian invited donor agencies and member countries to contribute to this special trust fund on technical assistance.

141. The representative of Canada noted that in January 2004 Canada had contributed Can \$500,000 to the IPPC fund and the same amount to a similar fund at Codex, illustrating Canada's commitment to supporting the participation of developing countries in the development and implementation of standards.

(e) Information from the Codex Alimentarius Commission

142. The representative of the Codex highlighted two issues from his submission (G/SPS/GEN/479):

- The 27th session of the Codex Alimentarius Commission would be held at the Centre International de Conférences Genève on 28 June-3 July 2004. In response to recommendations of the Joint FAO-WHO Evaluation of Codex, the Codex would now hold annual meetings in order to facilitate standard setting activities. The session would consider a number of important changes to Codex Rules of Procedure. Since a majority of Codex members was needed to adopt an amendment to the procedure, he stressed the added importance of participation in this session.
- The threshold of US\$500,000 to operationalize a new FAO-WHO trust fund for enhanced participation in Codex had been reached and represented the total budget for the trust fund for this year. Since this amount was insufficient to significantly increase the participation of Member governments in the work of Codex, the representative of Codex encouraged further contributions to the trust fund. Countries were encouraged to submit their application well in advance of meetings because the secretariat of the fund, housed in FAO, anticipated at least a two month delay between the receiving of an application and the actual travelling to the meeting. All technical and logistic information related to the fund was given in English, Spanish and French on the WHO website under the food safety programme.

143. The representative of the European Communities noted that the European Communities had become an official member of Codex in November 2003 and expressed gratitude to the Codex secretariat for modifying their international rules of procedure. The European Communities had committed to contributing €300,000 to the trust fund, and would likely continue to offer support in the future.

(f) Information from the International Trade Centre (ITC)

144. At the request of the ITC, the Secretariat informed the Committee of the publication of a series of studies on the difficulties faced by developing countries in participating in international standards setting and possible solutions to these problems. The report of this project ("Influencing and Meeting International Standards: Challenges for Developing Countries"), published by ITC and the Commonwealth Secretariat was now available and copies had been provided to all WTO missions,

all SPS national enquiry points and national notification authorities, and all TBT national enquiry points and national notification authorities.

IX. OBSERVERS – REQUESTS FOR OBSERVER STATUS

145. The Committee agreed to invite the organizations with current ad hoc observer status to participate in the next meeting of the Committee (ACP Group, EFTA, IICA, OECD, OIRSA and SELA). The Committee also invited all interested observer organizations to participate in the informal meetings to be held in connection with the next Committee meeting.

146. The Committee took no decision regarding the requests for observer status from the Office International de la Vigne et du Vin (OIV), the Asian and Pacific Coconut Community (APCC), and the Convention on Biodiversity (CBD).

X. ELECTION OF THE CHAIRPERSON

147. The Chairperson announced that informal consultations on a slate of names for appointment for the subsidiary bodies to the Council of Trade in Goods had not reached a conclusion. Therefore the election would be postponed until the first informal meeting of the next SPS Committee meeting in June (currently scheduled for 21 June), with the Committee briefly switching to formal mode to elect the chairperson.

XI. OTHER BUSINESS

European Communities - Delisting of France from countries authorized to export certain meat and meat products to the United States

148. The representative of the European Communities stated that on 24 February 2004 the United States suspended France's eligibility to export meat and meat products to the United States. He criticized the hasty nature of the decision, which did not give France the opportunity to respond to questions raised during an earlier inspection. In addition, the European Communities believed that this decision should not be more trade-restrictive than required to protect the safety of consumers. Commissioner Byrne, responsible for the health and protection of consumers, had raised this issue with the US Secretary of Agriculture.

149. The representative of the United States responded that this action was based on process control and sanitation deficiencies identified over a multi-year period in establishments certified by France as meeting US sanitary requirements. Based on information from French authorities that corrective action had been taken to address concerns raised in previous inspections, US officials scheduled the audit of January-February 2004, and clarified in advance the risk of suspension for non-performance. The second audit identified the same deficiencies. French authorities had agreed to submit a new corrective action plan to the USDA. The training of French inspection personnel in the implementation in pathogen reduction, and hazard analysis and critical control point (HAACP) systems was key to addressing the deficiencies identified in this audit and that assistance in identifying qualified experts is available.

Paraguay - Monitoring of foot and mouth disease

150. The representative of Paraguay reported on monitoring efforts related to two outbreaks of foot and mouth disease (G/SPS/GEN/454). In both outbreaks officials had carried out slaughtering, per-focal vaccinations, and serio-epidemiological monitoring. Paraguay's plan to fight this disease included a new system of double vaccination for all cattle of all ages, implemented by public and private institutions. Argentina and Brazil had supported Paraguay's disease monitoring and eradication efforts through cooperative work in border areas and the provision of a large number of

vaccinations. Since July 2003, Paraguay had not recorded any outbreak of foot and mouth disease. These results would be presented to the OIE with a view towards recovering Paraguay's status as a foot and mouth disease free area.

Uruguay - Implementation of International Standard for Phytosanitary Measures No. 15 (ISPM 15) - Guidelines for regulating wood packaging material in international trade

151. The representative of Uruguay indicated that his country was providing national level certification of wood packaging which was used as support material for exported products. However, Uruguay needed more time to apply the different phases of the certification procedure. Uruguay emphasized the need to recognize the valid use of alternative sanitation methods (as described in section 3.3 of ISPM 15), particularly in cases in which countries did not have the necessary infrastructure. The representatives of Argentina, China and Bolivia shared Uruguay's concern about ISPM 15, particularly relating to the explicit implementation timelines.

Mexico - Update on beef and poultry import restrictions

152. The representative of Mexico reported that when the United States notified the discovery of a case of BSE on 24 December 2003, the Government of Mexico prohibited the import of US beef products. On 3 March 2004, Mexico had lifted the ban on some types of boned beef from the United States, including boned beef meat (less than 30 months old) and veal less than 9 months old at time of slaughtering. The risks from other products, such as live cattle, were still being assessed and different requirements would be established for entry. The Government of Mexico was also making efforts to re-establish trade in chicken and turkey products from the United States. Since 8 March 2004, Mexico had accepted imports of both chicken and turkey paste from 39 US states. The ban was maintained on 11 states, including Texas which presented a risk of highly pathenogenic avian flu and other states with lower risks of this disease.

153. The representative of United States said his authorities were committed to working with trading partners to provide them with information and scientific data on which to base decisions concerning restoring US beef and poultry trade.

XII. DATE AND AGENDA OF NEXT MEETING

154. The next regular meeting of the Committee was tentatively scheduled for 22-23 June 2004, with informal meetings scheduled for 21-22 June, although the Secretariat indicated that changes to these dates might be necessary. The Committee agreed on the following provisional agenda for its next meeting:

1. Proposed agenda
2. Election of Chairperson
3. Activities of Members
4. Specific trade concerns
 - (a) New issues
 - (b) Issues previously raised
 - Information on resolution of issues in G/SPS/GEN/204/Rev.4
 - (c) Consideration of specific notifications received

5. Operation of transparency provisions
 6. Implementation of special and differential treatment
 7. Equivalence – Article 4
 - (a) Information from Members on their experiences
 - (b) Information from relevant observer organizations
 8. Pest- and Disease-free areas – Article 6
 9. Technical assistance and cooperation
 10. Monitoring of the use of international standards
 - (a) New issues
 - (b) Issues previously raised
 11. Matters of interest arising from the work of observer organizations
 12. Review of the operation of the SPS Agreement – Consideration of procedures for the review
 13. Observers – Requests for observer status
 14. Other business
 15. Date and agenda of next meeting
155. The following deadlines are relevant for the next meeting:
- For drafting suggestions for G/SPS/W/132/Rev.3 procedures for implementation of additional transparency on special and differential treatment: **30 April 2004.**
 - For identifying new issues for consideration under the monitoring procedure: **24 May 2004.**
 - For requesting that items be put on the agenda: **9 June 2004.**
 - For the distribution of the airgram: **10 June 2004.**
156. The Secretariat stated that the dates for the subsequent meetings of the Committee had been changed. The regular meeting was now tentatively scheduled for 27-28 October, to be preceded by informal meetings on 25-26 October 2004.
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