
Committee on Sanitary and Phytosanitary Measures

SUMMARY OF THE MEETING OF 27-28 JUNE 2007

Note by the Secretariat¹

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I. ADOPTION OF THE AGENDA

1. The Committee on Sanitary and Phytosanitary Measures (the "Committee") held its thirty-ninth meeting on 27-28 June 2007. The agenda proposed for this meeting, circulated on 15 June 2007 (WTO/AIR/3036), was adopted with amendments.

II. ELECTION OF CHAIRPERSON

2. The Committee elected Mr. Marinus Huige of the Netherlands by acclamation to be Chairperson during 2007-2008. The Committee expressed its appreciation to the former Chairperson, Mr. Juan Antonio Dorantes of Mexico.

III. ACTIVITIES OF MEMBERS

Canada - "Controlled BSE risk" classification

3. The representative of Canada reported on the recent official recognition by the World Organization for Animal Health (OIE) of Canada as a "controlled risk" country for BSE. This was based on a comprehensive assessment of Canada's BSE risk mitigation, surveillance and eradication measures. OIE members strongly endorsed both the process of OIE risk categorization and the outcomes of that process. The representative of Canada further noted that as Canada had already controlled the risk of BSE, Canada's ultimate goal was the complete eradication of the disease. To accelerate that eradication, on 12 July 2007, Canada would enhance its current feeding ban to eliminate *all* specified risk material from *all* animal feeds, fertilizers and pet foods. This enhanced feed ban would further bolster the comprehensive suite of measures Canada had implemented to control and eradicate BSE and to assure public and animal health protection from exposure to the agent of BSE. In light of this, Canada requested that all trading partners remove any remaining restrictions on the importation of Canadian cattle, cattle genetics, meat and meat products.

Saudi Arabia – Inauguration of the Saudi Food and Drug Authority

4. The representative of Saudi Arabia reported that the Saudi Food and Drug Authority had been established in 2003 as an independent body. The main objective of the Authority was to ensure the safety of food for human and animal consumption, as well as the safety of drugs and of medical equipment used to treat humans and animals. This leading regional authority should provide excellent services to ensure the protection of health of Saudi Arabia's public. The Authority develops and enforces an appropriate regulatory system, that applies throughout the food chain. More specifically, it develops strategies for food quality and safety, reviews and upgrades existing legislation, and harmonizes Saudi requirements with the relevant international standards. The Authority develops technical regulations for food, feed and pesticides, hygienic practices, rules and procedures for analysis. It is also responsible for implementing regulations, including through the testing and analysis of food, water and feed for conformity with technical regulations, as well as for promoting training programmes, including for the testing of pesticides.

Panama - Freedom from classical swine fever

5. The representative of Panama reported that his country had achieved freedom from classical swine fever, in accordance with Chapter 2.6.7 of the Terrestrial Animal Health Code of the OIE. There was no evidence of any cases of classical swine fever in Panama since 1962, and since then a series of monitoring and surveillance procedures had been introduced to reduce the risk of the disease entering into the country. The details of Panama's programmes are provided in document G/SPS/GEN/783.

Bolivia - End of FMD outbreak

6. The representative of Bolivia reported on the end of a Foot-and-Mouth Disease (FMD) outbreak which had occurred in the city of Santa Cruz. Among the measures which had been implemented to end the outbreak was the introduction of vaccination in certain areas of the country, restrictions of movement of animals and other vectors, disinfection of vehicles, strengthening of control points, and special measures to protect disease-free areas. Bolivia gave priority to the goal of achieving the recognition of FMD freedom from the OIE, and the re-opening of export markets in Peru, Venezuela and Ecuador. Discussions and the exchange of information with the Colombian authorities was still continuing. The representative of Bolivia stressed the level of transparency of his authorities during the outbreak, and their commitment to inform and cooperate with their trading partners.

Brazil – FMD situation

7. The representative of Brazil reported that the state of Santa Catarina had been recognized as free of FMD without vaccination by the OIE. This was the result of much coordinated work for many years, involving both the government and the private sector. Santa Catarina had stopped FMD vaccination more than seven years ago, and had developed very effective veterinary services to ensure the situation remained under control. Brazil hoped that these efforts would be compensated by increased market access abroad. Santa Catarina also had a great potential for pork production, with more than 5 million animals, providing about 45 per cent of Brazil's exports of pork. The state of Santa Catarina was also free of FMD and classical swine fever, as well as free of African swine fever and swine vesicular disease.

8. The representative of Brazil noted that the Central-South region of Parana was also free of FMD. In Mato Grosso do Sul, the areas affected by FMD outbreaks were under strict control, and Brazil was fully implementing the OIE recommendations in that area in cooperation with neighbouring countries.

China – Management of export food safety

9. The representative of China reported that his government was taking active and effective measures to ensure food safety, using a "stable to table" comprehensive control system for food safety. China had taken measures to effectively deal with the recent food safety problems, and would continue to be active, sincere and cooperative in the WTO. In the case of pet food contaminated with melamine, China had cooperated fully with US authorities, suspended the production and exports from the implicated companies, recalled their products, and imposed punishments according to China's regulations. Requirements for the testing for melamine and special inspection on misuse of melamine had been introduced.

10. The representative of China indicated that China had nine laws and 18 regulations covering food safety, with over 660 food safety and health standards, 590 inspection and quarantine standards. Federal ministries had subordinate agencies to help ensure enforcement. China's General Administration for Quality Supervision, Inspection and Quarantine (AQSIQ) had 500 subordinate bureaus all over China as well as a large number of laboratories. Food producing companies had to register, and the quarantine authorities monitored their management of food safety, which was subject to labelling, export inspection and certification requirements. China exported to over 200 countries and regions, and considered that its export food safety system was 99 per cent safe. However, China recognized the need for all Members to strengthen cooperation and coordination to ensure food safety, and was willing to share information with trading partners.

Costa Rica - Exports of ornamental plants to the United States

11. The representative of Costa Rica reported on a pilot programme for the inspection and certification of *Dracaena* spp. ornamental plants for export to the United States, known as the Clean Stock Program. The programme had three components: research to identify pests and develop effective integrated pest management; traceability and inspection to minimize risks; and public information through publications, workshops, and the creation of a website. Technical support for the programme came from the Costa Rican government and private sector, and from the Animal and Plant Health Inspection Service (APHIS) of the US Department of Agriculture. The programme was designed to run for three years: 2005-2008, financed by Costa Rica. The objective was to enable Costa Rica to secure and maintain access to the US market and to achieve a significant annual increase in its exports of this type of propagative material while improving its competitiveness *vis-à-vis* international markets. More details on the programme are provided in document G/SPS/GEN/784.

IV. SPECIFIC TRADE CONCERNS

(a) New issues

Trade restrictions related to national systems for determining maximum residue levels (MRLs) for pesticides – Concerns of Argentina

12. The representative of Argentina raised the concern that a number of Members establish maximum residue levels (MRLs) for pesticides at levels that are more restrictive to trade than the levels established by the Codex. These lower MRLs had a particularly negative impact on developing countries, since they often concerned some of the older pesticides on the market. The prices for older pesticides were usually lower than for the newest products, in particular for those products no longer under patent protection. Argentina considered that these Members were not taking into account their obligations under the SPS Agreement, in particular under Article 10.1. Argentina was also concerned regarding the review and maintenance of Codex MRLs for older pesticides, an issue they addressed under the agenda item on monitoring the use of international standards.

13. Many Members shared Argentina's concern and stressed that MRLs which were not based on those established by Codex should not be maintained without appropriate scientific justification as required by the SPS Agreement. Several suggested that the Committee should analyze the use of and deviations from international standards, to ensure that SPS measures did not present disguised barriers to trade for products from developing countries.

14. The representative of the Codex noted that the Codex Committee on Pesticide Residues had recently adopted new procedures to allow more rapid development of MRLs. If the necessary data were available, it should usually take no more than two years for Codex to establish MRLs for a pesticide in various products.

China's zero tolerance for pathogens on raw meat and poultry products – Concerns of the United States

15. The representative of the United States indicated that her country had for many years been concerned that China maintained an unrealistic zero tolerance level for pathogens in raw meat and poultry products. This requirement far exceeded the international standards; was more trade restrictive than necessary; and lacked scientific justification. The United States was also concerned that while several US poultry plants had been de-listed because of this requirement, a similar zero tolerance was apparently not applied to Chinese-produced products.

16. The representative of China observed that this issue had been previously discussed bilaterally and would again be addressed at a meeting scheduled for September. The requirement that food be free from microbiological contamination applied both to imported and domestic products. Health problems relating to microbiological contamination had occurred in the United States, such as the situation involving spinach, and many Members had similar requirements to protect the health and safety of consumers.

El Salvador's zero tolerance for salmonella in poultry and eggs – Concerns of the United States

17. The representative of the United States raised concerns about El Salvador's zero tolerance of Salmonella in poultry and eggs, and the required certificate attestations. This requirement did not have a scientific justification, and also raised some concerns regarding national treatment. El Salvador had not as yet provided information requested by the United States regarding the prevalence of Salmonella in poultry and eggs in El Salvador, nor on domestic testing for Salmonella. Despite bilateral discussions of the problem, no resolution had been reached.

18. The representative of El Salvador stressed his country's willingness to continue to seek a resolution of this problem bilaterally. He invited the United States to submit their request and questions in writing, for consideration by his authorities.

India's export certification requirements for dairy products – Concerns of the United States

19. The representative of the United States stated that India had imposed a number of certification requirements on imported dairy products that were trade prohibitive and lacked any scientific justification. These requirements also raised questions regarding national treatment. There was a long history with over 40 years of exports of US dairy products to India with no reported violations of Indian safety standards. Although the United States had proposed certificate language to India in October 2006, no progress had been made towards the resolution of this problem.

20. The representative of India observed that the protocol in place in India established limits for contaminants that were in accordance with Codex standards,. His authorities were still studying the US comments on India's protocol for dairy products.

India's avian influenza restrictions – Concerns of the United States

21. The representative of the United States noted that India was banning poultry, swine and other products in response to the detection of low pathogenic avian influenza in wild birds in some parts of the United States. These restrictions far exceeded the standards developed by the OIE for the control of avian influenza. India failed to apply the concept of regionalization to the United States. India applied its ban against US products although no incident of highly pathogenic avian influenza had occurred in the United States; applied its ban to products that had been treated or processed in such a manner that the avian influenza virus was killed; and applied its ban to species and products from animals that were not known to transmit the virus. Although India had recently notified a change to its measures to allow the entry of dry processed pet food, it continued to prohibit other heat-treated pet foods that posed no animal health risk.

22. The representative of the European Communities observed that they had similar concerns regarding India's measures. Although they had been seeking to resolve the matter bilaterally, problems continued to appear and reappear. He urged all Members to apply the international standards, to ensure that the measures applied were proportionate to the risks. India's measure was applied even to products that had never been known to transmit avian influenza, including pork meat.

23. The representative of India noted that high or low pathogenic strains of avian influenza had been reported in more than 60 countries, and his authorities were concerned that the virus was spreading. The virus had important human health implications, given its high fatality rate. India had experienced an outbreak of highly pathogenic avian influenza in 2006 which had been successfully contained, and the country was now free of the disease. India was trying to safeguard animal and human health in its territory, and protect its family-run poultry industry. It therefore banned imports of poultry from any country which had experienced an outbreak of avian influenza, whether highly pathogenic or low pathogenic. The United States had reported an outbreak of low pathogenic avian influenza. Countries free from avian influenza could export livestock to India, and pathogen-free eggs for vaccine production were permitted from any country, regardless of its avian influenza status. Because many wild birds visited India, this was a vector of concern. With regard to pet food, India had revised its health protocol notified in June 2007, and would take into account the comments made on this matter.

El Salvador's animal health requirements for poultry meat – Concerns of the United States

24. The representative of the United States was concerned that El Salvador required that imported uncooked poultry meat be sourced from farms free of a number of diseases. This requirement exceeded the OIE standards, as many of the diseases identified were cosmopolitan in nature and not known to be transmissible via poultry meat. El Salvador's measure was therefore without scientific justification.

25. The representative of El Salvador observed that there had been bilateral meetings with US officials, at which some protocols had been agreed for certain products. He requested that the United States provide its requests and comments in writing.

China's application of regionalization and prohibition of bovine meat – Concerns of Brazil

26. The representative of Brazil indicated that China continued to prohibit meat products that had been treated to prevent the potential spread of FMD and furthermore failed to apply the concept of regionalization in accordance with Article 6 of the SPS Agreement. China had not notified these measures; Brazilian exporters learned of them only when shipments were blocked. Numerous efforts to resolve these problems bilaterally had not succeeded, and China had not responded to Brazil's requests for justification. Brazil requested that China adjust its requirements to take into account the OIE-recognized FMD-free zones, and to remove restrictions on products whose processing inactivated the FMD virus, such as gelatine and dairy products.

27. The representative of China recalled that there had been an FMD outbreak in Brazil in 2005, which led China to impose emergency measures. However, progress had been made through bilateral consultations. China had provided a questionnaire to Brazil with respect to the recognition of FMD-free zones in June 2006, and had received a reply only in March 2007. This response was now being considered by experts in risk assessment to determine whether a visit was needed to verify information. With regard to the ban on Brazilian beef, China had provided Brazil with draft protocol last year, and received some feedback in February 2007. However, this response was not complete, and China was waiting for further reply. China remained willing to further discuss this matter with Brazil at the technical expert level, as good and efficient cooperation was required to resolve the issue quickly.

(b) Issues previously raised

Australia's import restrictions on New Zealand apples – Concerns of New Zealand (no. 217–G/SPS/GEN/204/Rev.7)

28. The representative of New Zealand recalled that this dispute over access to the Australian market was long-running. Since Australia had concluded its import risk analysis process by issuing a Final Policy Determination on 27 March 2007, New Zealand had been closely engaged with Australian authorities in negotiating standard operating procedures to implement in practice the requirements prescribed by Australia. New Zealand considered that these requirements and measures were scientifically unjustified and inconsistent with the SPS Agreement, however New Zealand had been negotiating a work plan and standard operating procedures in good faith in order to determine precisely what the conditions would be for access of New Zealand apples into Australia. Whether or not these conditions would permit any commercially meaningful trade to occur remained to be seen, but the restrictions and costs imposed on the NZ industry were unjustified, and New Zealand would keep open its options for further action.

29. The representative of the United States noted that her country was disappointed by the March 2007 decision of Australia, which imposed more onerous restrictions on apples than could be scientifically justified. Her country found it particularly distressing that Australia failed to take account of the available scientific evidence and of the previous legal proceedings, and had decided to impose onerous requirements on apples from New Zealand. This decision undermined confidence in Australia's commitment to ensure that SPS measures were not maintained without sufficient scientific evidence.

30. The representative of Australia reported that considerable progress had been made, as the determination of March 2007 would permit the importation of apples under certain conditions. Australia was working to permit trade to commence in 2008. The relationship between Australia and New Zealand on SPS matters was much broader than just the apple issue, and Australia was committed to continue working with New Zealand on a wide range of concerns.

Indonesia's lack of recognition of pest-free areas – Concerns of the United States (no. 243 - G/SPS/GEN/204/Rev.7)

31. The representative of the United States provided an update on concerns her country had first raised in October 2006 regarding Indonesia's Decree 37. These concerns had been only partially resolved. The measure continued to affect US exports of apples, pears and cherries from various states. In May, Indonesia had hosted a meeting of technical experts to consider whether the pests at issue could in fact become established in Indonesia. The United States considered that this disruption of trade should never have occurred, and looked for a rapid resolution of the problem.

32. The representative of Indonesia clarified that Indonesia prohibited the importation of fruit and vegetables only from countries which had fruit flies that did not exist in Indonesia and which could cause damage if introduced. The products must come from pest free areas in accordance with ISPM 26, or else the fruits and vegetables must undergo suitable treatment. Indonesia had transmitted to the United States the list of fruit flies that were present in the United States but not present in Indonesia. Indonesia authorities had conducted on site inspection in the United States to verify the Mediterranean fruit fly free areas, and although the situation was encouraging, Indonesia considered that grape imports posed too high a risk. Furthermore, apple maggots did not exist in Indonesia, and as the United States could not meet the requirements of a pest-free area according to ISPM 26, apples had to be treated by vapour heat treatment, cold treatment or fumigation. Trapping had shown that apple maggots were still present in pest free areas of the United States. Contrary to US arguments, apple maggots could become established in Indonesia since apples were produced at high altitudes with cool

climates. Indonesia was looking forward to receiving further technical information from the United States, and to continue bilateral efforts to resolve this concern.

Australia's revised generic import risk assessment (IRA) for prawns and prawn products – Concerns of Thailand and of China (no. 95 – G/SPS/GEN/204/Rev.7)

33. The representative of Thailand expressed serious concerns about Australia's revised IRA process, which was long and unpredictable. Almost a decade had passed since the first import risk analysis had been undertaken by Australia on prawns. The import risk analysis continued, with no conclusion in sight. In the meantime, Australia had indicated that it would apply stricter measures on imports. This raised concerns that the scientific information submitted to Australia was not being taken into account. He requested that Australia keep the Committee informed of its process, and the expected timeline, as well as to report on how the information submitted by Thailand and other trading partners was taken into account.

34. The representative of China shared the concerns expressed by Thailand. He recalled the concerns raised by China at the previous meeting and maintained that Australia's requirements were too stringent, unnecessary, and without scientific basis. China had submitted comments, but received no response; it would appreciate information on how its comments had been taken into account by Australia.

35. The representative of Viet Nam stressed the importance of the prawn industry to his country and the serious consequences of the measures imposed by Australia. To date, there were no reports of any disease outbreaks related to Vietnamese prawn exports, hence his authorities had carefully studied Australia's draft risk analysis. Of the five diseases identified to be of concern in the IRA, three were not known to occur in Viet Nam. The other two diseases were widespread in South East Asia, yet had never been introduced into Australia despite years of prawn imports without the current quarantine restrictions. The risk management measures proposed in the draft IRA lacked scientific justification and would present a serious barrier to trade. The details of the statement by Viet Nam are in document G/SPS/GEN/791.

36. The representatives of the Philippines and Indonesia indicated that they shared the concerns of Thailand and China, and urged the Australian authorities to consider the comments submitted in a balanced and speedy manner, and provide responses to trading partners.

37. The representative of Australia drew attention to the public consultation period which had closed on 21 February 2007. Australia had reviewed the large number of submissions received. All submissions were available from Biosecurity Australia's website. Australia had provided the opportunity for all stakeholders to put forward new scientific information that may not have been considered before the implementation of the revised interim measures. Further consideration was required before the Director of Quarantine determined whether the interim measures needed to be strengthened to achieve Australia's appropriate level of protection (ALOP). The IRA would then be finalized using the established process, including review by the Eminent Scientists' Group, and a limited possibility for appeal of their decision. The representative anticipated that further information on this matter would be available within the next few weeks.

Romania's restrictions on pork and poultry products – Concerns of the United States (no. 245, G/SPS/GEN/204/Rev.7)

38. The representative of the United States observed that prior to Romania's accession to the European Communities, the United States had successfully exported pork and poultry products to Romania. Since accession, poultry exports had ceased, while exports of pork and red meat had been drastically reduced. Although product imported into Romania was now required to meet EC

standards, Romanian-produced goods benefited from a derogation until 2009. This appeared to be a direct violation of Article 2 of the SPS Agreement.

39. The representative of the European Communities observed that the issue had arisen because producers in countries which became members of the European Communities were required to either comply with the existing EC regulations or close. A limited number of Romanian establishments had been given a brief derogation while they chose to either upgrade their facilities or to close these down. The derogation was subject to strict conditions and these establishments were permitted to sell their products only in Romania. He requested that the United States exercise some patience and understanding given the low living standards in Romania, which had so recently joined the European Communities. The immediate closure of all of these establishments would exacerbate the high unemployment situation of Romania.

Korea's application of regionalization and scientific standards on bovine and pig meat – Concerns of Brazil

40. The representative of Brazil stated that although Korea claimed to accept the concept of regionalization in general, it continued to refuse to apply regionalization in practice for FMD. This was contrary to both the SPS Agreement, and the OIE Code. If Korea wanted to maintain a measure that reflected a higher ALOP than that provided by the relevant international standard, Korea should provide the risk assessment supporting its measure. However, Brazil had not received any such information from Korea, and there had been no bilateral progress towards resolving the problem. Members should give full weight to the mechanism for raising specific trade concerns in the Committee; they should seek to resolve these problems and to avoid unnecessary barriers to trade.

41. The representative of Korea noted that an outbreak of FMD in Korea could bring social disruption and cause serious economic damage. His authorities were engaged in assessing the risk of importing heat-treated beef from all of Brazil, taking into account the OIE Code. Korea had sent a questionnaire in December 2006, and was awaiting Brazil's response. His authorities were committed to continue bilateral talks to resolve this concern in a cooperative manner.

(c) Consideration of specific notifications received

G/SPS/N/CHN/100 – China's repeal of BSE certificates for cosmetics - Concerns of the European Communities

42. The representative of the European Communities expressed appreciation for the important changes in China's rules that were notified in G/SPS/CHN/100 and would take effect on 31 August 2007. The proposed changes would modify the management measures for cosmetics imported from BSE-infected areas, and repeal the current requirement for an accompanying BSE certificate. The European Communities welcomed this move from China to adjust its rules to ensure that they were scientifically justified and in proportion to the risk. At the same time, the European Communities urged China to follow a similar approach for other BSE-related measures applied to other bovine products, and to bring these into line with international standards.

43. The representative of China welcomed the positive comments of the European Communities and agreed that these new measures would facilitate trade through the simplification of the import procedure.

(d) Information on resolution of issues

European Communities – Geographical BSE risk assessment (no. 96, G/SPS/GEN/204/Rev.7)

European Communities – Transitional TSE measures (no.107, G/SPS/GEN/204/Rev.7)

44. The representative of Canada indicated that his authorities considered both of these specific trade concerns, numbers 96 and 107, to be resolved as they had been overtaken by the OIE's new risk assessment framework and categorization system for BSE risk posed by countries. The EC geographical BSE risk assessment had led to concerns regarding the consistency of the risk analysis and the possibility of reviewing risk assessments over time. The EC transitional TSE measures resulted in the classification of countries according to four levels of risk, but only recognized two levels of risk management. The OIE had made amendments to the Animal Health Code, which updated the risk assessment framework and BSE categorization. As previously reported, Canada was recognized as a controlled risk country for BSE. The European Communities had decided to use the new OIE standards.

45. The representative of the European Communities noted that the EC measures on BSE had always been intended to be interim measures. The European Communities had clearly indicated that the measures would be adapted in light of OIE standards, but that interim measures were required to protect health while the OIE completed its work. The interim measures had been proportionate, fair and science-based, especially when compared to the measures imposed by other Members. When cases of BSE had occurred in Canada and the United States, the EC measures had not been changed in any way, whereas many other Members had imposed unjustified measures. Now the OIE had completed an excellent job in preparing appropriate standards, and the European Communities had adapted its measures immediately to ensure full conformity with the new OIE standards. This modification had already been notified to the SPS Committee, and the representative noted that the European Communities was the first Member to fully adopt the new OIE Code. Members had voiced their confidence in the international standards earlier, and the European Communities invited all Members to quickly adopt the OIE standards on BSE.

Japan - Import suspension of heat-treated straw and forage (no. 222, G/SPS/GEN/204/Rev.7)

46. The representative of China reported that much progress had been made towards the resolution of this concern through helpful bilateral meetings. China had invited three delegations from Japan for inspection, and had provided all relevant and requested information. Six Chinese enterprises had been approved by Japan to export straw and forage. The representative of China expressed hope that the dozen enterprises still waiting for approval from Japan would soon be approved.

47. The representative of Japan noted that there were two factors that had to be considered: the control measures and the compliance with control measures. Japanese authorities were particularly concerned with how to ensure compliance when there had been a history of poor compliance. On the basis of on-site visits, Japan had scheduled expert consultations which had resulted in some lifting of the suspensions. Japan hoped to be able to lift the suspension soon for other Chinese exporters.

Panama - Inspection regime for certain agricultural products (no. 226, G/SPS/GEN/204/Rev.7)

48. The representative of Costa Rica recalled his country's concerns that Panama's inspection regime required double certification of certain products. Panama had established a new regulation, and on the basis of an analysis of this, Costa Rica concluded that its concerns had been resolved.

49. The representative of Panama welcomed the assessment by Costa Rica, with which his authorities agreed.

V. OPERATION OF TRANSPARENCY PROVISIONS

50. The Chairman drew attention to the most recent list of national notification authorities contained in G/SPS/NNA/11/Add.1 and the most recent list of national enquiry points contained in G/SPS/ENQ/21/Add.1. The notifications received since the last meeting of the SPS Committee were summarized, on a monthly basis, in G/SPS/GEN/770, G/SPS/GEN/772, G/SPS/GEN/776 and G/SPS/GEN/780.

(a) Chairman's report on informal meeting

51. The Chairman reported that the informal meeting held on 26 June focused on three specific issues: (i) consideration of the Revised Secretariat Note regarding the replies to the transparency questionnaire (G/SPS/GEN/751/Rev.1); (ii) consideration of the draft programme for the transparency workshop to be held in October 2007 (G/SPS/W/210); and (iii) consideration of the transparency enhancement proposal by Canada (G/SPS/GEN/778).

52. After an introduction by the Secretariat of the Revised Secretariat Note and the draft programme of the transparency workshop, one Member had proposed that the programme also focus on how to best structure an Enquiry Point. This Member had also indicated the intention to propose changes to the notification format.

53. The Secretariat had indicated that the workshop and the subsequent meeting of the Committee would be the appropriate forum to discuss proposed changes to the notification format and suggested that any proposal on this issue be submitted by mid-September to allow enough time for consideration. The Secretariat had also invited suggestions for speakers and called on Members to verify that the contact information for their Enquiry Point and National Notification Authority were correct as these entities would be receiving letters from the WTO announcing the workshop.

54. The Secretariat was asked to revise the programme in light of the comments received.

55. The Secretariat had also provided an update on the SPS Information Management System. The internal Secretariat version of the system was now operational and the public version would be available as of September 2007. In the meantime, a pilot version of the public version would be accessible as of mid-July. The Secretariat had invited interested delegations to provide their email addresses so that they could be alerted once the pilot version was available for previewing.

56. Canada had introduced its transparency enhancement proposal (G/SPS/GEN/778), suggesting a revision to the Recommended Procedures for Implementing the Transparency Obligations of the SPS Agreement (G/SPS/7/Rev.2). Canada had proposed that Members notify all regulations that are based on, conform to, or are substantially the same as the content of international standards, if they are expected to have a significant effect on trade. Canada underlined the fact that the mere act of changing an SPS measure affected trade and that the Secretariat Note on the analysis of the replies to the transparency questionnaire also showed that a significant portion of Members supported such a proposal.

57. Several delegations had supported the Canadian proposal. The arguments put forth in favour of this proposal included the following:

- (a) The guiding principle on notifications needed to be the potential impact of new or changed measures on trade;

- (b) Transparency was a surveillance mechanism and provided predictability. For example, the numerous notifications on the implementation of ISPM 15 had been very useful;
- (c) The proposal would facilitate industry compliance and improve communications;
- (d) It was particularly difficult to determine how a proposed measure would deviate from some of the more general standards developed, for example, by the IPPC. This issue was also linked to monitoring the use of international standards.

58. Several Members had also called for granting a reasonable period of time for the entry into force of a new regulation conforming to international standards to allow time for necessary adjustments by exporters.

59. One Member had indicated that the Canadian proposal contradicted paragraph 5 of Annex B on notification procedures, which specifically referred to cases where an international standard did not exist or the content of a proposed regulation was not substantially the same as the content of an international standard. They had legal concerns about modifying the text of the Agreement through this proposal.

60. Another Member had pointed out the potential increased burden on developing countries, which were already having difficulties in filtering and commenting on notifications. Considering the administrative burden of the proposal and with a view to maintaining coherence, a Member inquired about similar notification procedures at the relevant international standard-setting bodies.

61. The Secretariat had clarified that the SPS Committee could not change the SPS Agreement; that could only be done by the Ministerial Conference, most likely through a recommendation from the SPS Committee. What the SPS Committee could do was to enhance the implementation of the Agreement. Earlier decisions of the Committee with this objective in mind had included the adoption of notification procedures on submission of addenda, on equivalence arrangements and on S&D. As in these cases, the proposed change to procedures would not be obligatory, but a recommendation. As none of the sister organizations had any notification procedures on the use of their standards, they would welcome having more information through the WTO procedures.

62. In light of the different positions on if and how the Recommended Procedures could be modified along the lines of the Canadian proposal, the Committee had invited Canada to work with the concerned delegation to come up with a common proposal for revising the recommended procedures on transparency contained in G/SPS/7/Rev.2 in time for the October meeting.

63. New Zealand had announced that they would be submitting two papers for discussion at the transparency workshop: one on setting up a mentoring system between Enquiry Points and Notification Authorities, and another proposing the development of a manual to assist with the establishment and maintenance of enquiry points and notification authorities.

64. In the discussions following the Chairman's oral report, the representative of the United States suggested that the agenda of the special workshop include two additional issues, relating to training and to funding. More specifically, it would be useful to discuss how Members could establish and maintain qualified adequate staffing to ensure the smooth functioning of the notifications process. Similarly, it would be useful to discuss how Members could ensure adequate consistent funding for the establishment and maintenance of the notification authority and enquiry point.

(b) SPS Information Management System

65. The Secretariat reported that the SPS Information Management System was now being tested internally, and would also be tested externally with the assistance of interested Members. This system covered SPS notifications, specific trade concerns, all SPS documents emanating from the WTO, information on SPS Enquiry Points and Notification Authorities, etc. It was comprehensive with respect to the work of the Committee, and should facilitate the work of the Secretariat, Members, and also interested traders. The Secretariat was exploring the possibility of on-line submission of notifications by Members. Such a system would, however, not be operational before the fall of 2008.

66. In response to a query, the Secretariat recalled that the recommended 60-day comment period should be reduced or eliminated in the case of trade-facilitating measures. Furthermore, in the Doha Ministerial Conference Ministers had agreed, with reference to paragraph 2 of Annex B, that the implementation of trade-facilitating measures should not be unnecessarily delayed.

VI. IMPLEMENTATION OF SPECIAL AND DIFFERENTIAL TREATMENT

(a) Chairman's report on informal meeting

67. The Chairman report that at an informal meeting held on 26 June, the Committee had discussed two new submissions from Egypt. The first of these papers, JOB(07)/104, dealt with Article 10.1 of the SPS Agreement. The second submission, JOB(07)/99, concerned the G/SPS/33 decision.

68. In introducing the paper on Article 10.1, Egypt had stressed his country's desire to make the special and differential treatment obligations in the SPS Agreement more precise, effective and operational, but not in such a way as to relax SPS rules or create legal loopholes. The Committee on Trade and Development's analysis of special and differential treatment obligations across WTO agreements had highlighted two distinct categories of obligations. Firstly, there were "obligations of conduct". Obligations of conduct could require a particular action, but had no guaranteed outcome. The drafting of Article 10.1 was an example of such drafting. It required Members to take the special needs of developing countries into account, but did not specify any outcome. Secondly, there were "obligations of result" which combined both conduct and outcome. Egypt's suggested language on Article 10.1 aimed at creating an "obligation of result" which would make Article 10.1 more precise, effective and operational.

69. Several Members had indicated their support for Egypt's submission, describing this as a useful step forward. The importance of Article 10.1 in striking a balance between non-tariff barriers and market access for developing countries was stressed, and it was noted that it was the responsibility of all Members to push forward discussion of Article 10.1, not just developing country Members.

70. One Member had suggested that the practice of special and differential treatment and technical assistance could be further examined in a Committee workshop. The Chair had recalled that the meeting calendar for 2007 was already full, but that the Committee might wish to consider this suggestion for 2008.

71. A number of delegations had highlighted serious difficulties with any move to re-open the legal text of the SPS Agreement. Some had suggested that an authoritative interpretative statement in similar vein to those adopted by the Committee on consistency and equivalence would be preferable. The key question, however, was how the proposal from Egypt would serve the objective of taking the needs of developing countries into account. To technical staff in regulatory agencies, it was not clear how to take these needs into account. Another Member had noted that although Egypt indicated that

the objective was not to create legal loopholes or relax Member's SPS regimes, the text proposed by Egypt still appeared to be proposing an automatic exemption for developing countries. They recalled that G/SPS/35 had proposed a number of ways to address Egypt's underlying concerns.

72. Several delegations had requested further clarity from Egypt on the proposal, including information on expected outcomes, in order to better understand the proposal. Some Members had noted that the late submission of the proposal made it hard for Members to react at the meeting.

73. One Member had noted that the Egyptian proposal spoke of more favourable treatment for developing countries, and requested clarification of this departure from the usual reference to special treatment. Another concern was that positive discrimination in favour of developing country suppliers could heighten an existing trend towards targeting the developed country markets at the expense of fostering south-south trade. Another Member had noted that even when fully legitimate SPS measures were taken, these could have important negative economic impacts in developing countries. A balance needed to be struck between the appropriate level of protection and the interests of developing countries.

74. In response to these comments, Egypt had recalled its willingness to entertain solutions to the special and differential treatment issue which would not require a formal revision of the SPS Agreement. However, no alternate solution had been proposed. Egypt did not see a link between its proposal and the actions identified in G/SPS/35, paragraph 43. In reply to a question, Egypt had noted that the special and differential treatment obligations were a requirement on all Members, not just developed country Members. Egypt had noted that the WTO Panel in "*EC - Approval and Marketing of Biotech Products*" had ruled that Argentina had not established that the European Communities had failed to take its special needs as a developing country into account in this dispute. As such, there had been no outcome to the obligation "to take into account". This case alone was sufficient to prove Egypt's point.

75. Both Egypt and Cuba had stated that if it was not possible for some Members to move on the Category II proposals, this should be clearly indicated, otherwise the Committee risked wasting its time. Furthermore, failure to move forward would generate frustrations. In their view, the responsibility was on those resisting the Egyptian proposal to make alternate proposals, and to share their experiences in the application of Article 10.1. Egypt had noted its concern on how to move forward on the issue of S&D in the Committee.

76. Discussion of the second Egyptian proposal, relating to G/SPS/33, was less extensive. Several Members had noted that the submission had been made very close to the Committee meeting, which prevented any substantive discussion of Egypt's proposal.

77. Introducing this paper, the representative of Egypt had informed the Committee that it had undertaken an analysis of notifications in March 2007. Of the 32 Members notifying measures that month:

- 10 had provided less than 60 days for comment;
- 8 had not specified any final date for comments;
- 11 had provided 60 days;
- 3 had provided more than 60 days for comment.

78. Egypt had recalled the proposal made by China that the 60-day comment period should commence from the day of circulation of the notification by the Secretariat to Members. There was

also some confusion as to the publication requirement. The current phrasing of the G/SPS/33 decision appeared to limit developing countries' rights to request extensions of the comment period.

79. By way of preliminary reactions, one Member had noted complementarities between the Egyptian paper and the Secretariat analysis in document G/SPS/GEN/751/Rev.1 which noted the difficulties faced by developing countries in screening notifications. Others had also welcomed the document and suggested that the Committee revert back to it at its next meeting.

80. The Secretariat had noted that Egypt's proposal highlighted an anomaly in the recommended transparency procedures with respect to the date of publication and the date of adoption of measures. The notification format contained boxes requesting information on the proposed date of adoption and the date of entry into force. However, Annex B of the Agreement and the Doha Implementation Decision spoke of the date of publication and the date of entry into force. The Secretariat had further highlighted typical difficulties faced by Members in specifying the date of entry into force of a measure, particularly when extensive comments had been made on a draft measure and time was required to make amendments to take these comments into account.

81. In conclusion, the Chairman had suggested that the Committee revert to Egypt's proposals at an informal meeting prior to the next Committee meeting.

82. In commenting on the Chairman's report, the representative of Egypt expressed concern on how the Committee could achieve the mandate identified in the Committee's Report on Special and Differential Treatment, in particular in paragraph 44 of G/SPS/35. Egypt had submitted various proposals in an attempt to achieve this mandate, but there had been no engagement from other Members. He recalled that it was for all Members, not only developing country Members, to develop specific recommendations for a decision to make the special and differential treatment obligations more precise, effective and operational. While Egypt appreciated the Committee's willingness to consider these proposals at another informal meeting, he noted that the process was taking too much time without achieving any results.

83. The Committee agreed to hold an informal meeting on this issue prior to its next regular meeting. The Chairman invited all Members to put forward proposals and make suggestions for specific actions that could be taken, including with respect to capacity building

(b) Use of G/SPS/33

84. The Chairman recalled that, as reported, this issue had also been considered by the Committee in the informal meeting on 26 June. The representative of Egypt stressed that the proposal in this regard focussed on two issues. One was to clarify the link between Article 10.2 and paragraph 2 of Annex B. This matter was also being considered by the Committee on Trade and Development, and guidance was needed from the SPS Committee. The other issue raised by Egypt was with regard to Article 10.4 and how to evaluate the efficacy of participation of developing country Members in the three standard-setting organizations, in order to determine how to move forward. The representative of Egypt urged Members and the international organizations to provide feedback in this regard.

85. The Chairman proposed that the Committee further consider Egypt's proposal at its next meeting. He encouraged Members to put forward suggestions for possible concrete actions for consideration by the Committee at an informal meeting preceding its next regular meeting.

VII. EQUIVALENCE

(a) Information from Members on their experiences

86. The representative of the United States reported that over the past years the Food Safety and Inspection Service (FSIS) had added several countries to the list of countries eligible to export meat or poultry products to the United States. For meat, Slovakia, Chile and San Marino were recently added, while China had been added for poultry processing. The FSIS now proposed to add Chile to the list of countries eligible to export poultry and poultry products to the United States. This would permit poultry processed in Chilean establishments that had been approved by the Chilean competent authority to be exported to the United States. The United States was in the process of finalizing this rule to complete the equivalence process, and would publish a Final Rule when this was accomplished.

87. The representative of Chile expressed appreciation to the United States for their transparency in this matter, and suggested that the United States submit a notification of recognition of equivalence when the process had been completed.

(b) Information from relevant observer organizations

88. The representative of the OIE indicated that while the organization was not working specifically on guidance for equivalence, the OIE work on standards and recommendations facilitated the recognition of equivalence. The standards for individual diseases, as well as the work on horizontal issues, including compartmentalization, helped Members in judging whether measures provided equivalent in health protection.

89. The representative of the Codex reported that the Codex Committee on Food Import and Export Certification Systems had revised the Guidelines for Generic Official Certificate Formats and the Design, Production, Issuance and Use of Certificates. This had been submitted for possible adoption by the Codex Commission at its meeting in July 2007. This standard would assist Members in determining the equivalence of food safety measures.

90. The representative of the IPPC noted that although there was no specific work programme on equivalence, the standards developed by IPPC were key, as they provided harmonized approaches for Members to make determinations of equivalence.

VIII. ARTICLE 6- PEST OR DISEASE FREE AREA

(a) Chairman's report on informal meeting

91. The Chairman recalled that in the previous meeting New Zealand had informed the Committee that an ad hoc group involving 14 Members had been working through informal consultations with the objective of improving predictability and trust in trade related to the provision of Article 6 on regionalization. At the informal meeting on 26 June, New Zealand had reported that the ad hoc group had been working intensely in order to present a proposal to the Committee in the near future.

92. The IPPC had reported that the Commission on Phytosanitary Measures (CPM) endorsed, in March 2007, the International Standard for Phytosanitary Measures (ISPM) 29: "Recognition of Pest Free Areas and Areas of Low Pest Prevalence" (G/SPS/GEN/782). Over 100 comments had been received on the standard, which was approved by more than 130 countries members of IPPC. The IPPC had stressed that this standard provided guidance and described procedures for the bilateral recognition of pest-free areas and areas of low pest prevalence. In addition, this new standard had

provisions regarding pest-free places and pest-free production sites. However, the standard did not include specific timelines for recognition of procedures.

93. The procedures in ISPM 29 include: request for recognition; acknowledgement of receipt of the request and the accompanying information package; description of the process; assessment of the information provided; communication of the results of assessment; provision of official recognition. While IPPC's terminology did not use the terms regionalization or compartmentalization, the concept of "pest-free areas" was close to the concept of zoning, while "pest free place of production" was similar to OIE's concept of compartmentalization.

94. Furthermore, the IPPC had reported that the CPM had decided to carry out a study on the international recognition of pest-free areas. This study was expected to start in the first half of 2008 through an open-ended working group, to examine the feasibility of formal recognition of pest-free areas by IPPC.

95. The representative of OIE had presented an update on activities related to disease regionalization (G/SPS/GEN/789). This document contained relevant OIE definitions of zones/regions as well as definitions of compartments. The Terrestrial Animal Health Code contains recommendations for zones and compartments with regard to those diseases for which the concepts are appropriate, such as foot and mouth disease (FMD), avian influenza, Newcastle disease, and classical swine fever.

96. The OIE has procedures for official recognition of Member status for only four diseases: FMD, rinderpest, contagious bovine pleuropneumonia (CBPP) and bovine spongiform encephalopathy (BSE). Members' status for these diseases could be found in annexes to the OIE report to the SPS Committee (G/SPS/GEN/788).

97. The OIE had produced a "Checklist on the Practical Application of Compartmentalisation for avian influenza and Newcastle disease" and had circulated a draft text on "General guidelines for Compartmentalisation", which would be proposed for inclusion in the Code in May 2008. The OIE had also reported that important new zoning-related concepts in regard to FMD had been introduced, such as the "containment zone" in the chapter on FMD. This refers to a mechanism for rapidly regaining free status in the case of an FMD incursion into a previously free country or zone. In addition, some countries at the OIE had strongly endorsed the need for countries to work together in managing FMD.

98. The representative of the OIE had clarified that the concept of compartmentalization did not address food safety, but was limited to animal health. Regionalization related to food safety was reflected in the Codex principles for microbiological risk analysis.

99. Lastly, the representative of the OIE had highlighted the importance of adequate veterinary infrastructure for all countries. The OIE had been working with the tool developed by IICA to identify capabilities and to help countries around the world strengthen their capacities for the establishment of zoning and compartmentalization.

100. One Member had stressed the importance of regionalization and compartmentalization for both developed and developing countries, and had noted that disease outbreaks in one country could easily affect neighbouring countries. It was thus important to invest in technical assistance with the aim of strengthening veterinary services in developing countries.

101. Another Member had recalled that ISPM 29 had been adopted by consensus at the CPM, and that this new standard was openly discussed by every IPPC member. Furthermore, in this Member's view, regionalization was a technical issue and should be based on the work conducted at the OIE and IPPC.

102. In commenting on the Chairman's oral report, the representative of New Zealand indicated that while good progress had been made, in the ad hoc consultations, it had still not been possible to finalize a draft due to further work being needed on one remaining issue. The ad hoc group would continue working on the draft in preparation for the October meeting.

103. The Chairperson encouraged Members to continue working together on this issue, and if possible to prepare a draft for consideration by the Committee in October.

(b) Information from Members

104. The representative of Chile observed that once again there were various issues relating to regionalization that were considered instead under Agenda items 3 and 4. In fact, half of the issues raised under agenda items 3 and 4 - specifically 12 of the 24 items - were related to regionalization. In his view, these issues should more appropriately have been discussed under this agenda item regarding the experience of Members in the recognition of pest. or disease-free areas.

(c) Information from relevant observer organizations

105. The representative of IPPC stated the proposed standard for the establishment of low pest prevalence for fruit-flies was not adopted at CPM 2. It was decided that further work on the document was needed and as a consequence it was sent back to the Committee for re-examination. Nonetheless, this standard will be sent for country consultations and will be proposed again for adoption next year.

106. The representative of Chile stressed the importance of coordination among Codex, IPPC and the OIE, and that compartmentalization was an area for cooperation between these organizations. The use of terms, such as HACCP and GAP, should be similar among the three organizations. An integrated, biosecurity approach required joint action and close coordination between the different bodies.

107. The Representative of the United States commended IPPC for its work and in particular for ISPM 29, particularly in light of its resource constraints. She noted that the new standard would assist in the implementation of Article 6.

108. The Representative of Codex noted that the concept of regionalization was introduced in the framework of microbiological risk management. Principle 7 stated that risk managers should take into account risk resulting from regional differences in hazards in the food chain and in available risk management options. This standard was expected to be adopted by the 30th session of the Codex Alimentarius Commission, in July 2008.

109. The representative of OIE stressed the importance of veterinary service infrastructure and the OIE Performance, Vision and Strategy tool (PVS). The PVS had initially been developed for the countries of the Americas, but OIE had adapted the tool to be applied on a global basis starting with 15 pilot countries.

110. She noted that some Members had reported, under specific trade concerns, restrictions on trade in poultry and pork products due to avian influenza. The OIE found no justification for AI-related trade bans on pork products. The OIE recommendation was that trade bans should not be introduced on the basis of findings of avian influenza in wild birds given the capacity of establishing a clear distinction between the commercial poultry sector and wild birds.

111. The representative of India reiterated his country's commitment to international guidelines, however, in India the poultry industry was household based, which meant that a compartmentalization

approach and demarcation between wild and commercial birds could not be enforced. As a result, the international standard could not be strictly applied in India.

112. The representative of the European Communities recalled his previous endorsement of compartmentalization as it allowed trade to take place from regions and countries at risk, while permitting the maintenance of high levels of biosecurity. He was concerned with India's reservations to applying the international standards with respect to importation of poultry because of avian influenza. The European Communities had received an application from India to allow exports of poultry into the European Communities, accompanied with reassurance from the Indian authorities of the effective compartmentalization of the poultry sector. However, there appeared to be contradictions in India's position, in that they denied imports on the grounds of the non-applicability of the compartmentalization concept to their own poultry sector, while at the same time asking export markets to accept Indian poultry on the basis of effective compartmentalization.

113. In response to a query, the representative of the OIE recalled that a checklist for applying compartmentalization in respect of avian influenza and Newcastle disease in the poultry sector had been distributed at the General Session in May and would be placed on the OIE website shortly. The OIE did not, however, grant formal recognition for freedom from these poultry diseases. Official disease freedom was only granted for foot and mouth disease (FMD), rinderpest, contagious bovine pleuropneumonia (CBPP) and bovine spongiform encephalopathy (BSE).

IX. TECHNICAL ASSISTANCE

(a) Information from the Secretariat

114. The Secretariat recalled that WTO technical assistance covering SPS consisted of 3-month intensive Geneva-based trade policy courses, regional trade policy courses, and introductory courses for LDCs. All of these normally included a presentation of the SPS Agreement. In addition, in the past two years the WTO had offered a specialized 2-week SPS course and its follow-up for officials directly responsible for SPS implementation. The WTO normally organized 3 to 4 regional or sub-regional seminars on the SPS Agreement each year, and national seminars in response to request from Members.

115. Since the previous meeting, a national seminar had been held in Sri Lanka, and a regional SPS workshop for Southeast Asia had been held in India in April. For the rest of 2007, the TA plan included a regional SPS seminar for the Caribbean, in conjunction with the Inter-American Development Bank, to be held in Jamaica at the end of July, as well as a regional workshop for English-speaking African countries in Zambia later in the year. National seminars were scheduled for El Salvador, Nicaragua and Indonesia, and a new e-learning course on the SPS Agreement would be offered as of the fall. SPS would also be covered in other WTO activities, including the 42nd Trade Policy Course, the regional trade policy courses in Namibia and in Chile, the introductory course for LDCs in November, and a special 4-week course for French-speaking Africa in Cameroon.

116. The Secretariat also reported on the follow-up to the Second Specialized Trade Policy Course on the SPS Agreement, which had been held in English, in October 2006. Almost all participants had been able to come back for the follow-up session just prior to this Committee meeting, and had reported on their action plans to enhance the implementation of the SPS Agreement in their respective countries. The action plans included activities relating to coordination, transparency, capacity building, market access and accessions. The Third Specialized SPS Course was scheduled for 22 October to 2 November 2008, immediately following the next SPS Committee meeting. This Third Specialized Course would take place in French, and the Secretariat was tailoring the programme to make the coursework more relevant for African countries.

117. Several Members expressed their gratitude to the WTO Secretariat for the specialized course and the follow-up session, and expressed the hope that these courses would be continued into the future. The representative of Pakistan stated participating in the SPS Committee meetings had been a great learning experience, especially in understanding how Members could avail themselves of the opportunity to resolve specific trade concerns.

118. The representative from Zimbabwe stated that the course had been an ideal eye-opener and opportunity to interact with others and learn from what others were doing and how they addressed constraints. The ability to interact was useful in determining that many Members faced very similar difficulties. The specialized course had resulted in the reactivation of a national SPS committee in Zimbabwe.

119. The representative of Dominica noted how the course had helped Dominica's efforts on transparency. The lack of notifications did not imply a lack of transparency, but there were still some difficulties to overcome. The representative of China expressed appreciation for the professional and informative manner in which the courses were conducted, and the fact that the knowledge acquired could be applied in actual situations.

120. The representative of Egypt indicated that as part of his action plan additional efforts would be placed on publishing SPS laws and decrees on a website for easier reference, and that the authorities would try to structure coordination with stakeholders at the national level. The representative observed that having performance-based follow up and evaluation was very important, and that it should be applied to other activities. This idea was reiterated by India, with a recommendation that a similar programme be developed with respect to TBT.

121. The representative of Kenya expressed appreciation also to the European Communities for the organization of similar courses. He suggested that the lack of awareness of the SPS Agreement in Africa was the reason for a lack of implementation, but he emphasized that agriculture exporters could not ignore SPS problems and requirements.

122. The Secretariat agreed with Kenya regarding the problems in understanding the importance of SPS measures. She noted that the specialized course was highly resource intensive but the Secretariat considered that it was well worth the effort. However, it was not the Secretariat who determined the final technical assistance work plan but rather the Committee on Trade and Development (CTD). Therefore, while the Agriculture and Commodities Division would request that further SPS specialized courses be included in the technical assistance plan, it was important for Members to request that the courses be continued in the CTD. It was, likewise, the CTD which had agreed that regional seminars would be held every 2 years for each region.

(b) Information from Members

123. The representative of the United States drew attention to the revision of document G/SPS/GEN/181/Rev.6 which reported on SPS-related technical assistance. The reporting period covered June 2005 to May 2006. The report included 206 technical assistance and capacity building projects that had been provided to 76 developing countries and newly independent states, together with 21 regional programmes. The representative of the United States hoped that those who had experienced the training could improve their oversight systems and capabilities to more fully participate in global markets.

(c) Information from observers

124. The representative of Codex reported that the Codex itself did not provide technical assistance, rather it was the parent organizations, FAO and WHO, who carried out these activities. At

its next session the Commission would consider a special document describing FAO and WHO capacity building activities during July 2006-June 2007. Information about activities that are carried out by FAO and WHO was available in ALINORM 07/30/9G/Add.1.

125. The representative of IPPC report that the IPPC had provided a course on pest risk assessment in Nairobi, as well as regional workshops on draft international standards. These latter gave developing countries the possibility to consider new drafts and discuss them in an environment where positions could be developed. Previously seven such regional workshops had been held every year, but this year there was only funding for three workshops. This was due to the fact that until April there had been no contributions to the TA fund.

126. The representative of OIE recalled that the OIE had been very active in the STDF, as reported by the Secretariat in document G/SPS/GEN/774. Three projects were being implemented by OIE:

- (a) STDF 15: A project designed to expand SPS capacities at the national and regional levels. This project has been completed according to the original project Terms of Reference. It delivered good outcomes for a very modest budget.
- (b) STDF 14: Used to develop the PVS tool, which had been completed and tested on a pilot basis in 15 countries. It had been completed according to the original project Terms of Reference and was the subject of an external evaluation.
- (c) STDF 105: A new concept project to design a demonstration project on how to apply compartmentalization, had been prepared and would be submitted for approval.

127. The representative of the Inter-American Institute for Cooperation and Agriculture (IICA) reported on some of the results from the Initiative of the Americas programme. The initiative was in its fifth year of implementation and had its origins in Article 10.4 which provides for special and differential treatment to encourage and facilitate the active participation of developing country Members in the relevant international organizations. The initiative was also linked to Article 9, which has the objective of facilitating, through technical assistance, the participation of developing country Members in the SPS Committee. Thirty-four countries had participated in the initiative with six countries providing support and 28 of them being direct beneficiaries. On the basis of the information compiled in the reports, and the comments shared with the developing countries which participated actively in the SPS Committee, five fundamental variables were identified that facilitated and promoted active participation at the international level:

- (a) A coordination mechanism through which the different public sector ministries are brought together along with the private sector in order to address topics that arise from the SPS Committee of the WTO. All participating countries have this mechanism, with 25 per cent having stated that their mechanism had been legally constituted.
- (b) Human resources dedicated to the topic: this defined the priority and attention given by personnel to provide follow-up to the SPS Committee of the WTO. According to the last report, 61 per cent (17 countries) have at least one staff member whose primary responsibility is to monitor the SPS Agreement of the WTO.
- (c) Coordination between the capital and the Geneva mission: this provided an indication of the level of interaction between the Capital and the Geneva mission. Forty-three per cent reported that the capital-based experts coordinate with their mission at the WTO on a regular basis.

- (d) Priority of the topic: this indicates the level of support that the national authorities give to developing national SPS capacity. Thirty-six per cent have an agenda on major topics, and follow up on them to some degree. Twenty-nine per cent have prioritized issues based on the interests of the country and have analyzed them to some degree.
- (e) Financial and technical resources: this provides an indication of the financial capacity to develop functions, important actions, and to actively participate in the SPS Committee of the WTO. Only one country stated expressly that it did not have the financial resources needed to monitor the SPS Committee of the WTO and the activities related to transparency.

128. The Secretariat noted that the IICA programme provided a good blueprint and that a similar initiative was being developed for countries in the Southern African region (SADC).

129. The representative of ITC reported that ITC and ISO had released a software-based self-diagnostic tool on ISO 22000 (Food Safety Management Systems) which helped small businesses. The package came with a Handbook and a CD-Rom. in English and French, with the Spanish version available soon.

(d) Best practices for SPS technical assistance

130. The Secretariat gave an update on the STDF, details of which could be found in G/SPS/GEN/774. He recalled that at the October 2007 meeting, the Secretariat had prepared an overview of SPS technical assistance flows which was presented in G/SPS/GEN/726. One of the conclusions was that there was a 3-fold increase in SPS related assistance since 2001, in part related to the increase in funds for the fight against avian influenza.

131. During the Hong Kong Ministerial Conference, the Director General had agreed to create a task force on aid for trade, in order to operationalize activities in this respect. The recommendations of the task force were contained in document WT/AFT/1. The Aid for Trade initiative focused on assisting developing countries (DC) in exporting, considering their participation in global markets as well as supply-side constraints. WTO's role was to shine a spotlight on issues related to trade and development. Three high-level Aid for Trade events were planned by the Regional Development Banks and the WTO for 2007, with conferences in Lima, Peru; Manila, Philippines; and Dar es Salaam, Tanzania. At each of these events, there would be a special day dedicated to the STDF and SPS capacity building issues. These events would include the following agenda items:

- (a) Synthesis of capacity building evaluations;
- (b) Overview of what assistance had been provided; and
- (c) Updates of TA questionnaires to ask countries to evaluate their own needs.

132. These meeting would be useful to develop ideas on which needs still had to be met, while follow-up activities would identify good practices to ensure effective SPS capacity building. If the three meetings were successful, this activity could be extended to other regions. One idea was to organize a global event to disseminate information on good practices, possibly in 2008.

X. OTHER ISSUES ARISING FROM THE REVIEW OF THE OPERATION OF THE SPS AGREEMENT

(a) Use of ad hoc consultations

133. The representative of the OIE explained that the OIE dispute resolution procedure, described in G/SPS/GEN/731, has been used twice to date. The procedure consisted of a technical consultation facilitated by experts selected by the OIE in consultation with the countries that were parties to the dispute. The process was useful when the problem was based on technical concerns because it brought together relevant experts from the different countries and facilitated the discussion of specific scientific issues. However, the process was limited to resolving technical rather than legal concerns. The final reports of the outcome of the procedure were not public unless parties to the dispute decided to publish them.

134. The representative of the OIE further clarified that the entire procedure was voluntary. The context, scope and terms of reference were established by the parties concerned in consultation with the OIE, which had the role of facilitator. The parties to a dispute could decide to establish a binding procedure if they so agreed.

135. The representative of the IPPC presented its dispute settlement system, which was adopted in 1999 (G/SPS/GEN/787). The system was limited to technical phytosanitary issues based on misinterpretations or misconceptions of standards. Formal consultations were the only obligatory part of the system. Parties could request the establishment of an Expert Committee after they had agreed on its terms of reference. The terms of reference should include the distribution of costs, which were the responsibility of the parties. The final report contained technical aspects and recommendations on how the dispute could be solved. The procedure was non-binding and thus depended on the good will of the parties to solve the dispute. There was no appeals procedure.

136. Several Members asked for examples of disputes resolved by the system and about the level of success of the mechanism. There were also queries as to whether the documents resulting from these cases were distributed to other relevant international organizations, and about the possibility of continuing the procedure in the competent bodies of other international organizations, and particularly if the technical findings in a final IPPC report could be considered within the WTO dispute settlement system, or if the two procedures could be invoked in parallel.

137. The representative of the IPPC clarified that the system had only been used partially to date. Members have requested a few Formal Consultations, but the Conciliation Procedure has never been used, maybe due to its non-binding character. The IPPC standards reflected and built upon many of the concepts established in the SPS Agreement, including the requirement of sufficient scientific justification. He suggested that Members could first seek to resolve differences through the IPPC technical mechanism, and if necessary make use of the final report as a strong argument in any subsequent WTO dispute settlement procedure. Nothing prevented the use of both procedures at the same time, and it might be desirable to have a member of the SPS Secretariat involved in the IPPC process to ensure that it did not interfere with the WTO procedure.

138. The Secretariat recalled that Article 11.3 of the SPS Agreement stated that nothing shall impede the rights of Members under other international agreements, including the right to use their dispute settlements mechanisms. To date only two disputes concerning phytosanitary requirements had gone through the panel process in the WTO system. She agreed that there was nothing in the WTO procedure that would prevent a Member to pursue both mechanisms at the same time, and it would seem that an IPPC dispute settlement final report could be submitted by a party to a WTO dispute as part of the relevant scientific evidence.

139. The representative of the Codex recalled that the Commission does not have any formal dispute settlement procedure, but Members' concerns were considered during the elaboration of standards and other Codex texts. The Codex Committee on Pesticides Residues requested that members provide scientific evidence to support their concerns.

140. The representative of Cuba observed that many disputes were caused by the lack of international standards and asked if the outcome of concerns raised by Members could be the elaboration of specific standards. The representative of the Codex recalled that Codex took seriously all concerns expressed by Members, and especially developing countries, at the SPS Committee, and in its decisions on the elaboration of new standards. However, Member should identify the need for additional standards in the relevant Codex Committee according to the established procedures.

141. The Secretariat presented document the G/SPS/GEN/781, which gives a broad overview of different ways in which the SPS Committee has facilitated ad hoc consultations among Members. Most commonly, Members have raised specific trade concerns at meetings of the Committee, and sought bilateral resolutions. During the Second Review of the operation of the Agreement, there had been proposals to improve and increase the use of the mechanism, such as providing more time for this purpose at Committee meetings, establishing specific procedures, disseminating information about the resolution of concerns raised in the past and facilitating participation of developing and least developed country Members. Rules and procedures for using the "Good Offices" of the Chair had also been proposed. This confidential procedure had been used on three occasions. In addition, according to Article 5.8, Members could request justification for a measure which did not conform to an international standard. This provision has been invoked by several Members over the years, and some had suggested developing a procedure for its use, however no specific procedure has been proposed.

142. The representatives of Cuba and of Costa Rica drew attention to the need to improve the mechanisms for resolving trade problems, and to ensure a clear relationship between the proposals to improve the use of ad hoc consultations to resolve SPS trade concerns and the consideration by the NAMA negotiating group of a new horizontal mechanism aimed at resolving trade disputes regarding nontariff barriers.

143. The representative of Argentina indicated that document G/SPS/GEN/204 showed a clear evolution regarding the resolution of trade concerns. He considered these mechanisms necessary for developing country Members and supported increased use of the "Good Offices" of the Chair. He considered it was fundamental to improve the legal framework of dispute settlement mechanisms based on negotiating processes. The representative of Chile supported the idea of improving existing alternative conflict resolution mechanisms based on negotiation and mediation.

(b) Relationship between the SPS Committee and Codex, IPPC and OIE

144. The Secretariat presented document G/SPS/GEN/775 which provides an overview of the relationship between the SPS Committee and the three international standards-setting organizations. The relationship had been active and positive. The standards-setting organizations had given precise and quick answers to issues related to the monitoring of international standards and to the need for the development of new standards. There was a formal cooperation agreement between the WTO and the OIE, and very good working relations between the WTO, the FAO and the WHO. Training activities organized by the WTO usually involved the three standards-setting organizations. All the organizations were represented and contributed actively to the work of the STDF. Finally, the standards setting bodies had provided technical and scientific advice, when requested, to the dispute settlement panels on SPS matters.

145. The representative of IPPC indicated that the organization was considering the elaboration of a compliance mechanism which would include the requirement to notify the implementation of IPPC standards.

146. The representative of the OIE observed the close relationship of her organization with the IPPC and Codex. With IPPC, the relationship was primarily based on common principles and on similar horizontal issues. A close relationship had been developed with the Codex because of the important relationship between animal health at the production level and food safety. She stressed the necessity of developing a mechanism to jointly elaborate standards between the OIE and Codex, the importance of building a strong collaboration within countries.

147. The representative of Egypt noted that there was often poor coordination at the national level between representatives to the SPS Committee, the Codex, IPPC and OIE meetings. He proposed the organization of a workshop, similar to the one in 2001, to address horizontal coordination issues between the three sisters and the SPS Committee. This will increase the awareness of Members about international standards and raise the level of national compliance with these requirements.

148. The representative of Japan stressed the importance of elaborating guidelines which included technical aspects that ensured they were practical. Concerning the use or non use of international standards, he pointed out the difficulty of describing the degree of acceptance of a standard and supported the transparency enhancement proposal made by Canada. The Ministry of Agriculture, Forestry and Fisheries of Japan had established a division with the responsibility of coordinating the national position on cross-sectoral issues considered by the SPS Committee, Codex, IPPC and the OIE. National coordination became more important given the increase in cross-sectoral issues such as regionalization, certification and traceability, and he proposed to share Japan's experience in this regard with the Committee. He further supported the idea of a workshop on international standard-setting bodies and suggested that the agenda include "standards setting procedures and participation".

149. The representative of New Zealand encouraged Members to consider how the SPS Committee could operate to ensure the avoidance of unnecessary duplication. Discussions concerning technical versus administrative processes, operational versus high-level guidelines, and specific versus general issues could provide clarity with regard to the expectations of Members about the SPS Committee and international standards-setting bodies. The SPS Committee could clarify potential areas of duplication and opportunities for collaboration. It was also important to identify how to achieve greater consistency and coordination between delegations to the various bodies.

150. The representative of Argentina highlighted the importance of avoiding unnecessary duplication and recalled that Article 12 of the SPS Agreement defines the scope and functions of the Committee: "to carry up the functions necessary to implement the provisions of the Agreement". One example was Argentina's communication to the 39th meeting of the Codex on pesticides, where the Codex committee recommended that this matter be raised at the SPS Committee. This technical issue, which was a barrier to trade, needed to be addressed effectively while avoiding duplication.

151. The representative of Chile stressed the importance of coherence and consistency with respect to the work of Codex, IPPC and OIE. The three organizations should work together on some issues and jointly elaborate standards. Regarding poor coordination at the national level, he referred to Article 14.4 on monitoring the use of international standards, and proposed both increased coordination between the three sister organizations and the notification of which standards were being used. He supported the proposal from Canada for the notification of measures which are based on the relevant international standards as this provided important information regarding which standards were being used and which were not.

152. The representative of Saint Lucia suggested formal agreements or memoranda of understanding between the SPS Committee and each standard-setting body and between the three sister organizations. Formal agreements could be useful to avoid duplication and unnecessary costs.

153. The Secretariat recalled that if a special workshop were included as part of the WTO's annual technical assistance plan it was normally possible to secure funding to cover the costs of some participants from developing and least developed countries. However, only one such special workshop could be organized each year, and the Committee has already proposed to hold a workshop on technical assistance in October 2008. Regarding the intervention of Saint Lucia, while there were agreements between institutions, there were no formal agreements between the Committee and institutions. As noted earlier, a formal agreement existed between the WTO and the OIE. A memorandum of understanding between the WTO, FAO and WHO would have to address many issues that extended well beyond the scope of the SPS Agreement.

XI. COMMERCIAL AND PRIVATE STANDARDS

154. The Chairman opened the discussion on this item by reporting on 25 June many delegates had participated in an informal information session on private standards that was jointly organized by the UNCTAD and WTO secretariats. He recalled that at its March meeting, the SPS Committee had requested that the Secretariat organize a second information session on private standards. Since UNCTAD was also planning a meeting on private standards to present the results of its case studies produced in the context of its Consultative Task Force on Environmental Requirements and Market Access for Developing Countries, the two activities had been combined into one to allow the membership of both organizations to benefit from a broader range of views and presentations.

155. During the first session, delegates had heard presentations from different private standards schemes: the Global Food Safety Initiative, EurepGAP, ISO and Tesco. Their presentations had shown that there was a wide range of very different private standards schemes with different scopes and objectives. While some were more narrowly focused on food safety, others included other objectives, including environmental and social aspects and animal welfare. It had become clear that there were different initiatives under way to attempt to harmonize certain individual retailers' standards in the food safety area; but as one speaker from the floor had pointed out, there might be further room for harmonization among these different initiatives. Other questions and comments from the floor had addressed the proliferation of private standards and the costs of compliance and certification; the inclusion of social and environmental aspects in private standards; and their effect on smallholders, especially in developing countries, and on poverty reduction.

156. During the second session, there had been several presentations of case studies, including UNCTAD's case studies from Uganda, Malaysia and Brazil, further case studies and analysis carried out by the OECD, and a presentation comparing national experiences with private standards in different regions. The presentations had shown both challenges and opportunities for producers in exporting countries trying to meet private standards. The opportunities were related to achieving and securing market access for high-quality produce. Finding the resources for the necessary investments and to cover certification costs was one of the major challenges, especially since many business-to-business schemes did not result in a price premium for producers. The presenters had stressed the importance of stakeholder dialogue, and the need for cooperation between private and public sector to achieve compliance with demanding standards. The roles played by the government was one of the notable differences between national experiences identified by the speakers. For example, in ASEAN countries and in Brazil, national GAP schemes were largely government-owned, while in Chile and in certain African countries, the private sector played a greater role.

157. Presentations in the third session had included an overview of private standards in the context of the TBT Agreement, and information on FAO's work on private standards. There had also been

information on the ISEAL Alliance, an initiative to develop and apply a Code of Good Practice to private standard setters in the social and environmental areas. Participants had been invited to comment on legal issues, including the relationship between private standards and the SPS and TBT Agreements.

158. All of the presentations made at the session had been posted on the SPS gateway of the WTO web site.

159. Several comments from participants had addressed the link between private and international standards, expressing concern about the effect of private standards on the objective of harmonizing SPS measures contained in the SPS Agreement. In this context, a couple of participants had raised the biosecurity approach developed by FAO, and had suggested that the SPS Committee might wish to take this into account in its discussion on private standards. Other comments had focused on the lack of a scientific basis for certain private sector standards and on the difficulties in recognition of equivalent standards. Several participants had been of the view that an international forum was needed to address private standards, although it was not clear whether the appropriate forum was the SPS or TBT Committee, another WTO Committee, UNCTAD's Consultative Task Force on Environmental Requirements and Market Access for Developing Countries, or some other forum. Some participants had noted that in their view, the SPS Agreement, in particular Articles 1, 13 and Annex A, applied to private standards, and had suggested that the Committee come up with recommendations on how to move discussions of this agenda item forward, including on the legal dimension.

160. In his closing remarks, the UNCTAD representative had noted that more information was being exchanged on the subject of private standards than before, and that UNCTAD was contributing by producing information on positive and negative effects and on how governments could respond proactively. He had highlighted three clusters to keep in mind in the future: developmental impacts of private standards, market access issues and the relationship between private standards and WTO disciplines. UNCTAD considered itself to be well-prepared to facilitate discussion through activities such as this one and to provide support to its members. UNCTAD would concentrate on the development and market access clusters, leaving legal issues for other fora.

161. The Chairman noted that in his view the information session had achieved its objective of allowing participants to familiarize themselves with private standards schemes and their practical effects, and to serve as a forum for all participants to raise concerns. He had also raised the question of where to go next in the Committee's discussions of this subject, and had invited participants to reflect and provide ideas in the forum they deemed appropriate, be they one of the WTO Committees or UNCTAD.

162. Following the Chairman's report, several Members expressed appreciation for the informal session on private standards. The representative of Canada indicated that many of the issues relating to private standards would be suitably discussed in a broad forum, and encouraged UNCTAD to continue to lead international discussions on this issue in collaboration with WTO, OECD, FAO and other organizations concerned.

163. The representative of the United States stressed the need to define the Committee's objective in discussions on private standards. This objective could, for example, be information sharing or the analysis of the impacts of these standards on trade.

164. The representative of Colombia observed that private standards could positive effects (product differentiation, increase value and better prices) as well as negative impacts (higher costs for exporters and higher restrictions in major markets). However, many private standards went beyond

the provisions of the SPS and the TBT Agreements, and along with the proliferation of private standards, were becoming unnecessary barriers to trade.

165. The representative of China noted the significant costs of implementation of these standards for enterprises, as well as the lack of transparency of the standards.

166. A number of Members requested that this issue be kept on the agenda of the next meeting of the SPS Committee. Some suggested that further discussion was needed on the impact of private standards on market access, on the legal aspects and on the connections of this issue with the SPS Agreement.

167. The representative of Argentina noted that not all of the private standards were related to SPS matters and, together with the representative of Rwanda, suggested that the implications of private standards be discussed jointly with the TBT Committee.

168. The Secretariat observed that the SPS Committee should focus only on those private standards related to SPS matters. She recalled that the issue of private standards had been discussed in the TBT Committee in the past, and if Members were interested in a joint meeting on this matter, they should also make the suggestion in the TBT Committee.

169. The Committee agreed to keep the issue of private standards on the agenda for the next SPS Committee meeting. The Chairman requested Members to provide specific proposals in writing to centre the discussion at the next meeting and recalled that the discussion should be focused on private standards related to SPS issues.

XII. MONITORING THE USE OF INTERNATIONAL STANDARDS

(a) New issues

170. The representative of Argentina presented document G/SPS/W/211, drawing attention to the problem faced in particular by developing country Members, when importing Members establish national maximum residue limits (MRLs) for pesticides which are stricter than those developed by Codex without scientific justification. In contrast to the MRLs established by Codex on the basis of worldwide risk assessments, a number of Members established MRLs based on limited testing within their own territories, and which were often set at the limit of detection. Furthermore, Members removed active substances from their national registries of permitted products for purely commercial reasons, without scientific justification. Developing country Members lacked the scientific and financial resources to challenge the inconsistency of these trade-restricting measures with the SPS Agreement. Additional problems arose from the fact that there were no Codex standards for many of the active substances used by food-exporting Members.

171. Argentina proposed that:

- (a) the SPS Committee set up appropriate mechanisms to ensure that the Codex Alimentarius undertook or accelerated work on establishing pesticide MRLs for substances of interest to agricultural exporting Members, and that it urge Members to provide the scientific information available to them so as to facilitate the technical work;
- (b) a mechanism be developed to monitor the establishment of national MRLs for substances that have Codex MRLs;

- (c) procedures be defined to facilitate, and secure the transparency of, risk assessments which support MRLs that are more demanding than those of the Codex;
- (d) the SPS Committee analyze its own areas of responsibility and those of the Codex with a view to securing effective monitoring of the mechanisms and procedures established; and that
- (e) the Committee make a recommendation to the Codex Alimentarius Commission to approve the decision to continue addressing this issue at its highest decision-making level and in the most appropriate technical fields.

172. Many Members agreed with Argentina regarding the problem and supported Argentina's proposals with respect to the application of valid scientific principles to ensure transparency and to request Codex develop standards for products which did not yet have MRLs. Other Members observed that the proposal had been submitted only during the course of the meeting, and that they required more time to consider the matter. Members also referred to the importance of the task, and expressed concern at the limited resources available to the standard-setting bodies. They encouraged developing country Members to participate actively in the standard-setting processes. The Committee agreed to revert to this issue at its October 2007 meeting.

173. The representative of Codex stressed the problem of resources and suggested that WTO Members raise this concern within the FAO and WHO governing bodies. He noted that Codex MRLs were established on the basis of the best scientific advice available and that the Joint FAO/WHO Meeting on Pesticide Residues (JMPR) provided all the necessary scientific expertise. However, Members had to generate the necessary data and submit it to the JMPR. Argentina had raised this issue at the 39th session of the Codex Committee on Pesticide Residues. Codex had abolished the procedures for countries to notify their acceptance of Codex standards, hence no information was available to Codex regarding the use of MRLs. The Codex Committee on Pesticide Residues had suggested that Argentina raise the concern at the SPS Committee because of the relation with trade problems, and had agreed to request more guidance from the Codex Commission.

- (b) Issues previously raised

174. There was no discussion under this agenda item.

- (c) Adoption of annual report

175. The Chairman invited the Committee to adopt the ninth annual report which has been circulated as document G/SPS/W/209, subject to being updated to reflect the additional issue raised by Argentina. The annual report was subsequently issued as G/SPS/45.

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

176. The representative of Codex highlighted that since the last SPS Committee meeting, eight meetings of Codex Committees had been held. He drew attention to the results of these meetings, which were summarized in document G/SPS/GEN/777. This report also included information about the issues that would be considered in the following sessions, and provided a list of documents that would be revised in the next session of the Commission in July 2007.

177. The representative of IPPC provided an update on the IPPC standard setting work programme described in document G/SPS/GEN/779. Document G/SPS/GEN/786 contained all of the decisions of the second meeting of the Commission on Phytosanitary Measures (CPM-2). CPM-2 had adopted a

revised standard Framework for Pest Risk Analysis, which incorporated the discussions in the SPS Committee on consistency and uncertainty. The standard on Phytosanitary Treatment for Regulated Pests was also adopted. The IPPC evaluation report was presented and discussed at the meeting, and a final evaluation report which incorporated the comments has been prepared. An important outcome of the evaluation was the recommendation that technical assistance activities of the IPPC should be undertaken by the appropriate FAO departments. The evaluation report referred also to the adoption of the IPPC Business Plan and to the problem of financial resources.

178. The representative of OIE stated that document G/SPS/GEN/788 provided information primarily on the 65th General Session of the OIE. The OIE was continuing to develop a number of new concepts as foreseen in its strategic plan 2006-2010. An important event in the work programme was the establishment of an OIE Regional Animal Health Centre in Bamako. The OIE had signed two formal agreements relative to animal welfare, one with the World Society for the Protection of Animals, and another with the International Council for Laboratory Animal Science. An important number of disease-related standards had been amended and adopted in May 2007, including with regard to foot and mouth disease (FMD), rinderpest and avian influenza. The "Twinning" initiative aimed to provide support and technical advice to laboratories and to establish relationships with OIE reference laboratories and collaborating centres. It would improve developing countries' access to scientific advice to help them in meeting OIE standards. There had also been modifications to the OIE Code for Diseases of Aquatic Animals. Document G/SPS/GEN/788 contains four annexes with texts and resolutions recognizing the status of Members in regard to FMD, rinderpest, contagious bovine pleuropneumonia (CBPP) and bovine spongiform encephalopathy (BSE).

179. The representative of the United States highlighted the results of the 65th OIE annual meeting and the development of a wide range of international standards, notably those on zoning and compartmentalization, avian influenza and FMD. These standards enhanced both international safeguards for safe trade and surveillance of animal diseases. The OIE had witnessed the disruption of trade resulting from the detection of BSE in many countries. Many Members applied trade bans and restrictions that did not take into account the recommendations of the OIE and were not based on risk analysis obligations of the SPS Agreement. The United States noted that the OIE's International Committee had classified the United States as a controlled-risk country for BSE, and that these classifications should improve this situation. Members could refer to an assessment conducted by experts to determine which measures were appropriate and consistent with international standards. The representative of the United States encouraged Members to align their import measures with the new OIE recommendations.

180. The representative of IICA indicated that IICA had funded the participation of 26 countries to the SPS Committee meeting and supported the work of over 215 technical experts' in countries. This support would continue at least for the next Committee meeting in October due to the importance of the workshop on transparency. Since the last SPS Committee meeting, IICA had participated in a WTO national workshop in Ecuador regarding health and phytosanitary measures; an international workshop on traceability in Costa Rica that developed an agenda to promote the implementation of traceability; a regional workshop for the Andean region on Good Agricultural Practices (GAP); a workshop in Venezuela on the implications of the SPS and the TBT Agreements; and a workshop on the training of health authorities with the objective of developing skills and further training of officials in relation to new certification and inspection techniques. Technical support related to the implementation of GAP was provided to 100 small and medium-sized production units in Colombia. Additional activities in GAP had taken place in Ecuador, Venezuela and Argentina. An event in Peru on "perspectives and strategic planning for SENASA" was based on information sharing and the results of the implementation of the PVS tool for animal health services. IICA permanently provided SPS-related information and the results of the standard-setting organizations to its members. More details on the work of IICA was subsequently circulated in document G/SPS/GEN/785.

181. The representative of ISO thanked the SPS Committee for the opportunity to provide its perspective on international standards and the relationship between the new ISO Series 20,000 and the SPS Committee.

XIV. OBSERVERS – REQUEST FOR OBSERVER STATUS

182. The Committee agreed to invite those organizations which had been granted observer status on an ad hoc, meeting-by-meeting basis to participate in its next meeting. The Committee also decided to invite all observer organizations to participate in its next informal meetings.

183. The Committee was unable to reach any decision with regard to the requests for observer status from the Office International de la Vigne et du Vin (OIV), from the Asian and Pacific Coconut Community (APCC), and from the Convention on Biodiversity (CBD), and agreed to revert to this matter at its next meeting.

184. The Chairman informed the Committee that a request for observer status had been received from the Gulf Cooperation Council Standardisation Organization. The Secretariat recalled the procedures developed by the Committee with respect to requests for observer status: request information on the nature of the work of the organization, the nature of its membership, the number of WTO members involved, free access to the procedures and documents of the organization and information regarding any relationship between the organization and the standard setting bodies or relevant to the objectives of the SPS Agreement. The Committee requested that the Secretariat seek more detailed information from the Gulf Cooperation Council Standardisation Organization and agreed to revert to this request at its next meeting.

XV. CALENDAR OF MEETINGS FOR 2008

185. The meetings of the Committee for 2008 are tentatively scheduled for 31 March to 5 April, 22 to 27 June and 13 to 17 October.

XVI. OTHER BUSINESS

186. There was no discussion under this agenda item.

XVII. DATE AND AGENDA FOR NEXT MEETING

187. The next meeting of the Committee is tentatively scheduled for 18-19 October 2007, with the special workshop on transparency scheduled for 15-16 October 2007, and informal meetings scheduled for 16-17 October 2007. The relevant deadlines for submitting items for the agenda are as follows:

- (i) For proposing specific modifications to the Recommended Procedures on Transparency (G/SPS/7/Rev.2): **Monday, 10 September 2007**
- (ii) For identifying new issues for consideration under the monitoring procedure, AND for requesting that items be put on the agenda: **Friday, 5 October 2007**
- (iii) For the distribution of the airgram: **Monday, 8 October 2007.**
