

MONITORING OF INTERNATIONAL HARMONIZATION: REGIONALIZATION

Submission by New Zealand

I. BACKGROUND

1. In New Zealand's view the Committee currently has a number of proposals on regionalization¹ before it and no clear way forward on this issue. Recalling Articles 3.5 and 12.4 of the SPS Agreement and taking into account the provisional procedure to monitor the use of international standards adopted by the Committee² and the Committee's decisions³ to extend this provisional procedure, New Zealand is submitting the following issue in accordance with paragraph 6 of the provisional procedure for consideration by the Committee.

2. By seeking advice for the consideration of regionalization by the Committee under the procedure for monitoring international harmonization, New Zealand hopes to progress this issue by seeking the best available scientific and technical advice for our deliberations and thereby avoiding unnecessary duplication of effort.

3. Within this paper we have identified and outlined the concerns that other Members have raised in the Committee. We recognize the concerns of Members, which in New Zealand's view require further consideration, but feel these concerns will be better addressed if we define the specific problems then move on to develop appropriate solutions or outcomes.

4. New Zealand also sees that there are wider issues that need consideration such as the appropriateness of developing prescriptive, administrative type procedures which may be the responsibility of Members rather than that of the standard-setting bodies.

A. ISSUE

5. During discussions⁴ on Article 6 of the SPS Agreement, Members have informed the Committee of trade problems that they are experiencing which they consider to be the result of one or more of the following:

¹ Chile (G/SPS/W/140/Rev.2), Canada (G/SPS/W/145) and Peru (G/SPS/W/148).

² Decision of the Committee on the provisional procedure to monitor the use of international standards - adopted at its meeting on 15-16 October 1997 (G/SPS/11).

³ July 1999 (G/SPS/14), July 2001 (G/SPS/17) and July 2003 (G/SPS/25).

⁴ See in particular *Argentina*: G/SPS/GEN/433; *Canada*: G/SPS/W/145; *Chile*: G/SPS/W/129, G/SPS/W/140/Rev.2, G/SPS/GEN/381; *European Communities*: G/SPS/GEN/461, G/SPS/W/144; *Mexico*: G/SPS/GEN/388; *Peru*: G/SPS/W/148; *South Africa*: G/SPS/GEN/139; *United States*: G/SPS/GEN/477. *Meeting reports*: October 2003 – G/SPS/R/31, paras 90-103; March 2004 – G/SPS/R/33, paras 108-119; June 2004 - G/SPS/R/34, paras 83-97.

- (a) non-existence of administrative procedures (in the form of an international standard, recommendation or guideline) for recognition of pest- or disease-free areas or areas of low pest or disease prevalence (including the lack of defined time-limits for response); or
- (b) official recognition for pest- or disease-free areas or areas of low pest or disease prevalence by the IPPC and by the OIE:
 - (i) limited provision of official recognition by the OIE and none by the IPPC: At the request of countries, the OIE carries out evaluations and grants recognition of sanitary status in respect of four animal diseases.⁵ The IPPC does not currently carry out or grant recognition of pest-free areas or areas of low pest prevalence but has developed standards for Members to use to determine pest-free areas;
 - (ii) acceptance by WTO Members of OIE recognition: Some WTO Members have expressed concerns that importing Members do not automatically or speedily accept such OIE recognition;
- (c) uncertainty in the procedure to obtain recognition of pest- or disease-free areas for access to markets puts at risk the sustainability of such areas. This is a result of a number of reasons. For example,
 - (i) administrative procedures required by importing Members can lack transparency, be complex, expensive, slow and in some cases are not clearly defined;
 - (ii) no clearly defined time-limits for any response exist;
 - (iii) the time taken to recognize an area free from a certain pest or disease can vary from a few months to several years;
 - (iv) administrative procedures between Members for accepting regionalization lack consistency. Some Members have no established guidelines; other Members have procedures with a number of stages.

B. TRADE EFFECTS

6. Members have indicated the following trade effects:

- (a) the entry, establishment or spread of pests or diseases causes considerable direct or indirect losses to their economies;
- (b) the entry, establishment or spread of pests results in the adoption of SPS measures by importing Members which can have a significant effect on the exports of Members (in particular developing or least developed countries); and
- (c) to establish and maintain pest- or disease-free areas requires significant investments. Maintenance mainly depends on the commercial gains that producers can achieve

⁵ Foot and mouth disease, rinderpest, BSE and contagious bovine pleuropneumonia. OIE Members can also declare themselves free of diseases for which there is, as yet, no specific procedure for obtaining official OIE recognition of country status.

from trade resulting from that status. Therefore, market access is the main objective for investing in the establishment and maintenance of pest- or disease-free areas.

II. REQUEST UNDER ARTICLE 12.6 OF THE SPS AGREEMENT

7. In accordance with Article 12.6 of the SPS Agreement, New Zealand requests that the Committee invite the secretariats of the OIE and IPPC to examine the specific matters raised with respect to the relevant international standards, guidelines or recommendations.

8. Further, the Committee should, in particular, invite the secretariats of the OIE and IPPC to examine *inter alia*:

- (a) whether it would be appropriate for them to develop and include administrative procedures on the recognition of pest- or disease-free areas or areas of low pest prevalence within their international standards, recommendations or guidelines;
- (b) the technical feasibility of ascribing defined time-limits to the consideration of regionalization requests under existing international standards, recommendations or guidelines;
- (c) the issue of recognizing pest- or disease-free status by the relevant international standard-setting bodies:
 - (i) the process for Member acceptance of OIE recognition of disease-free status;
 - (ii) whether OIE recognition constitutes determination in the context of Article 6.2 of the SPS Agreement; and
 - (iii) whether under the IPPC, it is feasible to provide recognition of pest or disease free status for a limited number of pests or diseases which have a significant impact on international trade of Members.

A. EXISTING WORK UNDERTAKEN BY THE OIE AND IPPC

9. New Zealand notes that following discussions at the last SPS Committee meeting regarding the need for guidelines, the OIE Bureau of the Code Commission has requested OIE member countries to submit guidelines with practical examples on zoning/regionalization and compartmentalization to aid implementation by Members. The Director-General of the OIE may then convene an ad hoc Group to draft proposals for the Code Commission. New Zealand welcomes the initiative from the OIE and encourages Members to submit examples.

10. New Zealand notes that the IPPC has had standards for pest-free areas (ISPM No. 4), pest-free places of production and pest-free production sites (ISPM No. 9) for some years and that it is now developing a standard for areas of low pest prevalence. Members can use these standards as a basis for their recognition of pest-free areas.
