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**Committee on Sanitary and Phytosanitary Measures**

**SUMMARY OF THE MEETING OF 29-30 MARCH 2006**

Note by the Secretariat<sup>1</sup>

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

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## **I. ADOPTION OF THE AGENDA**

1. The Committee on Sanitary and Phytosanitary Measures (the "Committee") held its thirty-fifth meeting on 29 – 30 March 2006. The agenda proposed for this meeting, circulated on 17 March (WTO/AIR/2785), was adopted with amendments.

2. The WTO Secretariat pointed out problems arising from the fact that documents were being provided late and invited Members to send their submissions at an early stage and electronically.

## **II. ACTIVITIES OF MEMBERS**

### *Argentina's implementation of the international standard on wood packaging materials*

3. The representative of Argentina reported on a system developed by Argentina for the implementation of ISPM 15 of the International Plant Protection Convention (IPPC) (G/SPS/GEN/653). In this respect, the Government had adopted Regulations 03/2005 and 685/2005 of the Secretariat for Agriculture, Husbandry, Fisheries and Fruit (SAGPyA), which were being applied by the National Agriculture and Food Quality and Health Service (SENASA). The system included the inscription, approval and registration of centres for treatment of wood packaging materials (Centros de Aplicación de Tratamientos a Embalajes de Madera, CATEM), traditional wood drying kilns (Hornos Secaderos Tradicionales de Madera, HOSETRAM) and wood packaging production plants (Fábricas de Embalajes de Madera, FEM). At this time, 149 CATEMs, nine HOSETRAMs and ten FEMs had been approved and registered. During 2005, approximately 8,800,000 pallets, 4,700,000 boxes, 1,600,000 bins and 100 cubic meters of wood for stowage had been certified.

4. Imports were covered by the Resolutions SAGPyA N° 685/05 and SENASA N° 19/2002, which established the phytosanitary requirements for wood packaging materials and wood for carriage and/or stowage entering Argentina.

5. The standards referred to, as well as further information about accredited firms, could be found on the web page [www.senasa.gov.ar](http://www.senasa.gov.ar).

### *BSE situation in the United States*

6. The representative of the United States welcomed the removal of BSE-related bans on US beef, other ruminant products and live cattle by a number of trading partners. These actions represented a science-based approach to sanitary measures and a movement towards adherence to the standards of the World Organization for Animal Health (OIE). The United States encouraged all countries to follow the guidelines developed by the OIE and to remove any remaining unjustified restrictions on products from the United States.

7. With respect to the recent incident of BSE in the United States, the representative of the United States stressed that the animal was detected through the US BSE surveillance programme, in which 650,000 samples had been tested. Finding one case in so many samples was neither remarkable nor did it compromise the safety of US ruminant products. This second case of BSE did not change the fact that BSE prevalence in the United States remained extremely low.

*China's implementation of regionalization for animal diseases*

8. The representative of China stressed the importance of the animal husbandry sector for China; in 2004, total production volume exceeded 725 millions tons of meat, 272 million tons of eggs and 237 million tons of milk. That accounted for 10.7 per cent of the meat, 42 per cent of the egg and 2.2 per cent of the milk production worldwide. Taking into account the vast territory and characteristics of the environment, animal husbandry styles varied from one region to another in China. China paid attention to the implementation of the principle of regionalization for animal disease control. In the light of the SPS Agreement and relevant international standards, China prevented or eradicated animal diseases by adopting administrative, legislative, economic and technical measures, including the establishment of non-epidemic areas, as well as experimental animal disease-free areas in which more stringent measures are taken to ensure higher level of protection and control of animal diseases.

9. China had formulated a series of laws and regulations governing regionalization, including, *inter alia*, the "Law on Animal Epidemic Prevention of the People's Republic of China", the "Law on Agriculture of the People's Republic of China", the "Regulations on Emergency Response to Major Animal Diseases", the "Requirements of Conditions for Animal Diseases-free Areas" and the "Regulations for Animal Vaccination Identification". China had implemented regionalization for the major animal diseases in order to control the introduction and prevalence of animal diseases. Five experimental animal disease-free areas had been established for foot and mouth disease, classical swine fever, highly pathogenic and Newcastle disease. By 2005, accumulated investment in these experimental areas had reached US\$200 million, with US\$120 million from the central government and the rest from the local governments. Major tasks had included the reconstruction of veterinary laboratories in terms of disease detection abilities; establishment of identification and record management systems of animal vaccination to improve traceability; implementation of specific animal disease monitoring and surveillance programmes to improve detection and early-warning ability; testing 2.3 million samples in 2005; strengthening animal movement control systems with strict animal quarantine and inspection; constructing emergency-response systems to ensure emergency response capability for animal diseases control, etc. Furthermore, animal movement control systems had been established which included strict quarantine and inspection regulations. Ongoing surveillance showed that the disease-free status in these areas has been well maintained.

10. Sustainable development of the animal husbandry sector within the experimental disease-free areas was evident, with prominent integrated benefits. However, the establishment and maintenance of animal disease-free areas was very costly in financial and technical and administrative resources. China would summarize its experiences with the experimental disease-free areas, broaden the investment channels, and continue to enhance the work based on risk analysis so as to improve the national animal health protection level. At the same time, China encouraged and welcomed information-sharing, experience exchanges and technical assistance from other WTO Members as well as relevant international organizations in this regard.

*Update on the situation in the European Communities*

11. The representative of the European Communities drew attention to the comprehensive document providing information on EC control measures for (AI) (G/SPS/GEN/641). This document explained the latest legislation adopted for the prevention of AI, including cooperation with third countries, international institutions and research centres.

12. The highly pathogenic strain of AI had been confirmed in wild birds in only 11 EC member States. This reflected the very comprehensive nature of the EC surveillance and eradication measures. Only two cases had been reported in commercial bird flocks, which had been eradicated. In the light

of these facts, the reactions of many trading partners was unscientific and exaggerated. The measures imposed on EC poultry meat exports had often been unnecessary.

13. The representative of the European Communities invited Members to read the document providing information on the European Communities' comprehensive measures on AI, not only for reassurance about the safety of EC exports but also with a view to developing their own approach towards AI.

14. In response to a question on possible utilization of vaccination, the representative of the European Communities indicated that vaccination was not currently being used, but rather that the legislation set out a framework in which it might be used. In that context, two EC member States had applied for an authorization to use vaccination under certain, clearly defined circumstances. The European Communities did not intend to make large-scale use of vaccination. Furthermore, any product from vaccinated birds could only be traded in very special circumstances.

15. The representative of the OIE expressed appreciation for the high level of transparency of EC measures on AI and encouraged all Members to use OIE standards and avoid putting in place unnecessary import bans.

#### *Information on the lifting of the embargo on UK cattle and meat exports*

16. The representative of the European Communities reported that the remaining restrictions on meat and cattle exports from the United Kingdom to other EC member States had recently been removed. There had unfortunately been little media attention to this decision, in contrast to the media attention during the outbreak of the disease. The decision to lift the restriction had been undertaken very carefully on a scientific basis, and reflected the reality that European consumers were fully assured of the safety of beef from the United Kingdom and from elsewhere in the European Communities. In light of this, the European Communities noted that restrictions on EC beef by its trading partners were no longer justifiable.

#### *Brazil's foot and mouth disease situation*

17. The representative of Brazil reported that outbreaks of foot and mouth disease (FMD) had been detected only in two Brazilian states: Mato Grosso do Sul and Paraná. In the state of Mato Grosso do Sul, where the first cases of disease had been detected in October 2005, the slaughtering process had already been completed. Over 33,740 animals suspected of being infected had been slaughtered. Surveillance activities had confirmed the absence of new suspected cases in the surveillance zone.

18. In Paraná, the notification of suspected cases of FMD on 21 October 2005 had been based on epidemiological links with the outbreak of the disease in Mato Grosso do Sul. The 11 farms with suspected cases as well as a 10 kilometre buffer zone surrounding them had been kept under quarantine during the investigation. Following the confirmation of a number of FMD cases, Brazil had taken the necessary measures in accordance with the guidelines established by the OIE. Since November 2005, no new suspected cases of the disease had been detected.

19. Biosecurity measures restricting the movement of suspected live animals, people, and animal products in the affected zones continued in both states.

20. The representative of Brazil invited trading partners to ensure that their sanitary restrictions were limited to the two Brazilian states affected by the outbreaks of the disease and were in accordance with international standards.

### III. SPECIFIC TRADE CONCERNS

(a) New issues

*Application and modification of the EC Regulation on novel foods*

21. The representative of Colombia raised concerns on the application of the EC Regulation on novel foods (Regulation No 258/97) and with the draft project of the European Commission to amend the regulation, foreseen to enter into force in 2007. The amendment could directly affect the trade potential of traditional and exotic foods.

22. Some traditional and exotic products already had substantial presence in the US and Japanese food markets, and European consumers were now becoming interested in these food products. It was important to recall, however, that these traditional foods had been consumed in South America for thousands of years. This was in contrast to genetically modified products which could be considered as real novel foods.

23. Increased trade in traditional and exotic products also had important socio-economic impacts, as the export of these products represented a measure to decrease extreme rural poverty in South America and had potential to address specific social and environmental issues, such as providing alternatives to both the growing of narcotic crops and to the illegal felling of protected forests.

24. Colombia was aware of the importance of protecting consumer health. However, the amount of information on the safety of these traditional food products required by the EC regulation and the costs to undertake scientific studies were not proportional to health risks and were excessive especially for small scale farmers and exporters. The proposed amendment of Regulation 258 would result in a non-tariff barrier to trade with negative effects on the introduction of traditional foods into European markets, contrary to Articles 2.2 and 5.6 of the SPS Agreement.

25. Columbia requested the European Communities to consider the following points regarding the amendment of the Regulation 258/97:

- The non-application of Regulation 258 to exotic, traditional products with a history of safe consumption in their region of origin;
- Greater transparency and clarity in the procedures and definition, giving credit to a safe consumption history of food in the country of origin;
- Requirements, tests, and procedures in proportion with the nature of the foods concerned and the risks they could imply for consumers; and
- All exotic traditional products to remain in the public domain and no private entity to be granted privileged access to the European market.

26. The representative of Ecuador reported that the amendment would also affect the trade potential of traditional and exotic food from his country. In light of Ecuador's great biodiversity, over the last decade international organizations like UNCTAD had been promoting the development of new export products ("Bio-Comercio"). In Ecuador also the export of traditional and exotic foods had major socio-economic impacts and related closely to efforts to overcome rural poverty. Ecuador invited the European Communities to consider carefully Colombia's recommendations regarding the amendment. The amendment of the regulation and its impacts were of importance for many developing countries.

27. The representative of Peru added that currently, within the Convention on Biological Diversity, countries were discussing measures and mechanisms for the preservation and sustainable use of biodiversity. Contrary to that approach, the application of Regulation 258 would restrict greater sustainable use of traditional and exotic products, by diminishing their export potential. The representative of Peru stressed the high costs and the long period of time needed for products to be registered under Regulation 258 to allow them to enter the European market. Peru also supported the Colombia's recommendations regarding the amendment (G/SPS/GEN/681).

28. Representatives of Paraguay, Costa Rica, Chile and Brazil reported that their exports had also been affected by Regulation 258/97. Benin requested more information on how a product was considered as "novel". Argentina and Mexico both indicated that they were still in the process of analyzing the implications of the regulation. India, Uruguay, Venezuela, Honduras and El Salvador expressed their interest in the topic and shared the concerns of Colombia, Ecuador and Peru.

29. The representative of the European Communities confirmed that Regulation 258/97 was being reviewed and recognized that some modifications were needed. He referred to a 40-page document which might answer a lot of questions and which would be circulated as an SPS document shortly. The document set out clearly the purpose and scope of the regulation, which was targeted at new food technologies, including genetically modified products. As the food industry was investing in different new technologies, Regulation 258 aimed to reassure European consumers of the safety of those technologies. The vast majority of applications for authorization of novel foods had been from within the European Communities. The European policy was aimed at striking the right balance between encouraging technical innovation and ensuring that consumers are protected. Some products marketed as "products of biodiversity" had in the past turned out to be unsafe and harmed the users. Dealing with such products was thus in the interest of all stakeholders, considering the damage to the image of products if they were marketed in an unsafe manner. The representative of the European Communities invited interested stakeholders to submit comments and make their views known.

*Brazil's lack of regionalization for Newcastle disease and restriction on live birds*

30. The representative of the European Communities raised concerns regarding import restrictions applied to EC products related to the failure to recognize regionalization and the disease-free status of some EC member States. France had made several official requests for recognition of regionalization for Newcastle disease to the Brazilian authorities during 2005 and 2006, however no recognition of regionalization had been made by the Brazilian competent authorities.

31. The EC member States did not understand why Brazil refused to recognize regionalization for Newcastle disease while the European Communities recognized regionalization of Brazil for Newcastle disease and for other major animal diseases. A situation where a whole country was affected by a ban when only a limited part of its territory was affected by a disease did not fit the concept of regionalization promoted by the SPS Agreement. Trade had to be allowed from other areas or regions within a country where the disease did not exist. The European Communities urged Brazil to respect Article 6 of the SPS Agreement, to follow the international rules set up by the OIE and to respond positively to legitimate requests for the application of the principle of regionalization for EC member States.

32. The representative of Brazil reported that due to an outbreak of Newcastle disease in the French department of the Loire Atlantique, reported to the OIE on 27 July 2005, on 5 August 2005 Brazil suspended imports of live birds and avian genetic material, exclusively from that French department. Another case was notified to the OIE on 21 October 2005 in the Port de Calais department, whereupon Brazil extended the import restrictions to the whole of the French territory. A further outbreak of Newcastle disease was subsequently notified in another French department on 18 November 2005. French health authorities denied any epidemiological connection between the

outbreaks and reported that the outbreaks had been related to contamination by migrating birds. On 25 February 2006, a case of highly pathogenic (AI) was identified in France, which once again was attributed to contamination by migrating birds.

33. In the light of all the outbreaks attributed to migrating birds, Brazil decided to monitor the situation in France with regard to bird diseases, in order to protect its own population. Brazil wished to maintain good trade relations with France and the European Communities, and applied fully the provisions of Article 6 on regionalization. However, the outbreaks of Newcastle disease, the available information and the recent occurrence of AI were all relevant. Brazil was the world's largest exporter of chicken, and needed to maintain its status as free of AI.

*Argentina's restrictions on beef exports*

34. The representative of the European Communities reported that Argentina had placed restrictions on its own beef exports, reducing in particular the quantity of beef it exported under the so-called Hilton Quota. The European Communities understood that this measure was taken due to concerns about the quantities and prices of beef available on the Argentine domestic market. However, this trade disruption could lead to a weakening of the SPS controls necessary to ensure that beef exports met the SPS requirements of the European Communities. The European Communities sought assurances that its sanitary requirements could be met, particularly in terms of traceability, if export quantities were substantially reduced.

35. The representative of Argentina took note of the concern of the European Communities.

(b) Issues previously raised

*Israel's lack of phytosanitary import legislation*

36. The representative of the European Communities noted that the continuing absence of phytosanitary import legislation in Israel led to uncertainty for EC exporters and was in contradiction with international standards. Although some corrective actions had been taken by Israel, the legislation continued to be in a draft stage, and final approval by Israel's relevant authorities was still pending. The European Communities urged Israel to adopt national legislation containing phytosanitary import requirements as soon as possible.

37. The representative of Israel stressed her country's full commitment to comply with the obligations of the SPS Agreement. Israel was aware of the importance of a coherent and transparent legislation to allow the smooth development of international trade. Israel had informed its trading partners that new and comprehensive draft legislation was under preparation. This legislation would be submitted to Israel's newly elected parliament. Israel had undertaken measures which showed its willingness to respond to its trading partners' concerns.

*Australia's import restrictions on New Zealand apples*

38. The representative of New Zealand observed that 30 March 2006 was the deadline for submission of comments on Australia's revised draft import risk analysis for New Zealand apples. New Zealand hoped this meant that this long-standing issue could be resolved in the near future. All available evidence showed that with regard to fire blight, no measures by Australia were necessary or justified on commercially traded apples. This position was supported by other observers and by the facts and findings of the *Japan-Apples* case. Any measures applied to New Zealand apples had to be applied only to the extent scientifically justified as necessary to protect plant life or health, and such measures had to be the least trade restrictive. He urged Australia to expeditiously complete its consideration of New Zealand's fourth request for market access by finalizing the import risk analysis

and making a policy determination to allow for the importation of New Zealand apples into Australia before the end of 2006. If a solution to this issue could not be found bilaterally, other options could not be ruled out.

39. The representative of the United States noted that her country also had an outstanding request to Australia regarding phytosanitary import conditions for apples, and urged Australia to finish and publish the revised Import Risk Assessment (IRA).

40. The representative of Australia recognized the importance of New Zealand's request. Australia confirmed that the comment period for the revised IRA would end the following day. Following the closure of the comment period, Australia would review the revised draft IRA and amend it if necessary. A draft final IRA report would then be reviewed by a group of scientists to ensure that all stakeholder comments had been taken into account. A final IRA with recommendations would then be provided by Biosecurity Australia to Australia's Director of Quarantine for a quarantine policy determination. Any relevant scientific information resulting from the *Japan - Apples* case would be taken into account in the preparation of the final IRA, although the case was not directly applicable to trade in apples from New Zealand to Australia.

#### *Mexico's regulations affecting imports of poultry*

41. The representative of the United States expressed appreciation that a bilateral agreement with Mexico in August 2005 had resulted in the removal of bans on US poultry in October 2005. However, in January 2006 Mexico had published a final measure that would modify the existing import conditions previously agreed upon. This final measure had not been notified to the SPS Committee. The United States requested Mexico to notify this final measure and delay its application while allowing Members sufficient time to comment on the measure before its implementation.

42. The representative of Mexico noted that since May 2004, his authorities had identified a low prevalence of only one low pathogenic strain of avian influenza (AI) and had established sanitary measures to eradicate the subtype in the country. In 1995, the Government of Mexico published a National Campaign against AI. In the United States, several subtypes had been officially identified, among these H72, H62, H73, H53, which had not been detected in Mexico. A draft amendment to the 2004 Mexican regulation had been published in notification G/SPS/N/MEX/200, for which Mexico had provided a period for comments by Members. Mexico had received comments, *inter alia*, from the US Department of Agriculture. This notification indicated that the date of entry into force was proposed as the day following publication of the final regulation. The final regulation had been published on 30 January 2006 and had been notified to the North American Free Trade Agreement (NAFTA) contact point on the same day. However, Mexico had decided to delay the entry into force of the measure for 60 days, meaning that the regulation would come into force in April 2006.

43. The representative of Mexico further reported that following a meeting on 8 December 2005 between Mexican and US officials, the National Health Service authorized the use of the Enzyme-linked Immunosorbent Assay (ELISA) technique and equivalent mechanisms to validate different types of AI. In Mexico, only the AI subtype H5N2, a low pathogen type, had been detected and it was important for Mexico to avoid the introduction of any other types of AI.

*Israel's import restrictions on EC beef due to BSE*

44. The representative of the European Communities reported that Israel allowed imports of beef only from a limited number of EC member States and only for beef coming from calves younger than 6 to 8 months. Israel's veterinary services had indicated its willingness to address this issue on the basis of further OIE developments during the coming months, and the European Communities would inform the SPS Committee of the final results of its bilateral consultations with Israel.

45. The representative of Israel noted that in general imports of beef and bovine products were permitted, provided there was no record of BSE in the exporting country and that the import was approved by the Israeli veterinary service.

*Japan's import restrictions on EC beef exports due to BSE*

46. The representative of the European Communities indicated that despite bilateral efforts following the consideration of this issue at the last SPS Committee meeting, progress on this issue had not been satisfactory. In the light of favourable developments of the disease situation in the European Communities and due to recent changes in the OIE Terrestrial Animal Health Code chapter on BSE, it was time for Members to implement international standards for BSE. The European Communities could satisfy Japan's requirements related to the feed ban and its enforcement; the removal of specific risk materials; and an effective system of identification and registration and traceability for bovines and their products. Japan had denied the EC request to perform BSE risk assessments for interested EC member States, in contravention of Articles 2.3 and 3.3 of the SPS Agreement. The European Communities invited Japan to review its ban on imports of EC beef on the basis of a risk assessment and noted that useful discussions had been held just prior to the meeting.

47. The representative of Japan indicated that BSE posed a great challenge for his country. Japan had decided in January 2006 to hold technical consultations between experts from Japan and from those EC member States interested in exporting beef to Japan.

(c) Consideration of specific notifications received

*G/SPS/N/ECU/9*

48. The representative of Ecuador noted that a number of trading partners seemed to have concerns or misunderstandings with regard to its recent notification on export certificates (G/SPS/N/ECU/9). Ecuador was preparing a new registry system for export certificates, and would shortly circulate more information on this registry through the WTO Secretariat.

(d) Information on resolution of issues

49. The Secretariat reminded Members that specific trade concerns previously raised in the Committee were not considered to be resolved unless the Member who had raised the issue reported to the Committee that it had been resolved. The Chairman invited Members to provide any relevant information on outstanding trade concerns to the Secretariat.

*Various concerns raised by Argentina*

50. The representative of Argentina informed the Committee that they had recently reviewed the outstanding trade concerns identified in document G/SPS/GEN/204/Rev.5 and Addendum 1. Argentina's concerns regarding China's import restrictions on fruits and other products had been resolved. Argentina also thought it important to report to the Committee on progress made on those issues which were not yet resolved. With regard to regulations on citrus canker by the European

Communities, negotiations were underway between members of the Mercado Común del Sur (MERCOSUR) and EC member States. Concerning the issue of US import restrictions on Argentina's citrus fruits, a new risk analysis had been undertaken by Argentina. Bilateral negotiations between Venezuela and Argentina on potato trade were likely to be solved through recognition in 2006. Concerning Cuba's import restrictions on apples and pears, it had been agreed to reinstate bilateral consultations.

*Australia's restrictions on table grapes*

51. The representative of Chile reported that after discussions with Australian authorities on Australia's table grape policy, a joint work plan had been agreed to resolve the issue.

#### **IV. OPERATION OF TRANSPARENCY PROVISIONS**

52. The Secretariat provided information on the status of the development of the SPS document management system, which would include all SPS notifications and other documents. It further would include data on specific trade concerns as well as other SPS related documentation. Moreover, the database provided sophisticated search tools. The Secretariat hoped to be in a position to demonstrate the database to interested Members in June, and to make it available for Members before the end of the year.

#### **V. IMPLEMENTATION OF SPECIAL AND DIFFERENTIAL TREATMENT**

(a) Chairman's report on the informal meeting on special and differential treatment

53. The Chairman welcomed the rich discussions enjoyed by the Committee on the issue of Special and Differential Treatment at the informal meeting held on 28 March. The presentation of a revised proposal by the African Group dealing with Article 9.2 of the SPS Agreement had been the catalyst for this substantive exchange of views among Members.

54. Egypt had first introduced the new text, explaining that it addressed concerns expressed by Members in relation to the earlier proposals, whilst pursuing the objective of making the special and differential treatment provisions more precise, effective and operational for developing country Members who faced market losses due to SPS measures. The text proposed that if a developing country Member requested consultations regarding problems that might arise for its exports due to the SPS measures of an importing Member, the Members should enter into consultations to resolve the problems. Resolution could take the form of changes to the measure, technical assistance to the developing country, or agreement on other means to assist the developing country Member maintain its market access for the product concerned. The resolution of issues should be notified to the SPS Committee. Any technical assistance provided to resolve trade problems would be fully funded, so as to avoid financial obligations on the part of the recipient.

55. Although the text had only been tabled at the meeting itself, both the initiative and text had been broadly welcomed. Many developing country Members had supported the revised proposal, noting how it would help address the problems which they faced in complying with the SPS requirements of their trading partners. Burkina Faso and Côte d'Ivoire had underlined that technical assistance was an integral part of the Doha Development Agenda (DDA). China had stressed the need for technical assistance against a background of Members' appropriate level of protection (ALOP) becoming ever more exacting and a growing number of measures had become more stringent than those developed by the international standard-setting bodies. New Zealand, Canada and the European Communities had also indicated that they considered the text a positive contribution to the Committee's work.

56. The Chairman reported that several Members had sought clarification about the relationship between this revised proposal and the procedure for transparency of S&D previously adopted by the Committee (G/SPS/33). Egypt had noted that the spirit of G/SPS/33 was to be found in the proposal, but that the proposed language was more specific to the situation of developing countries. The proposed notification of resolution of problems could be done using the previously agreed mechanism in G/SPS/33. The European Communities had cautioned that not all problems raised by exporting developing countries would find positive resolution. In response, Egypt had underlined the dependence of developing countries on export revenues from certain markets and the objective of maintaining and expanding market access.

57. The European Communities and Japan had highlighted problems in relation to providing technical assistance on a fully-funded basis. EC rules required some co-financing so as to avoid problems of moral hazard and to ensure commitment to projects on the part of beneficiaries. Benin and Côte d'Ivoire had both expressed concerns over financing requirements imposed on developing country Members due to the paucity of resources and the reduction in potential export receipts that co-financing might imply. Egypt had observed that while co-financing could work in some situations, it would not work in all.

58. Japan had stressed its continuing concern about any re-opening of the SPS Agreement. Egypt had noted that the African Group considered that this question was still open. This revision had been a first step in the African Group's review of the original proposals, and revisions of other proposals would be presented in time for the June meeting of the SPS Committee. Canada had urged the African Group to table any further revisions of proposals sufficiently early to allow the Committee to discuss these fully in June, in order to prepare recommendations for the General Council. The Chairman encouraged Members to actively consult amongst themselves on how to move forward, notably in relation to the proposals touching on Article 10, on which there was no discussion at the informal meeting.

59. The Chairman reflected the Committee's discussions on some of the elements for addressing the underlying concerns of developing countries, and particularly those identified in paragraph 43(d) and (e) of the Committee's Report on S&D (G/SPS/35). The Secretariat had explained how Member's responses to the questionnaire on technical assistance needs (G/SPS/GEN/295) were taken into consideration in developing its own technical assistance programme and in identifying possible areas for STDF projects. The Secretariat was preparing a report for consideration at the June meeting on technical assistance flows as tracked by the WTO/OECD and STDF databases. One problem which had been encountered in this regard was the under-reporting of SPS-related technical assistance being provided.

60. Egypt had suggested that the Committee should consider developing a mechanism similar to that developed by the TBT Committee to identify technical assistance needs and supply (G/TBT/16). The Secretariat had recalled that previous questionnaires in the SPS area had not generated many replies. The European Communities had suggested that existing mechanisms offered the best way to progress on this issue, in particular by putting the procedure in G/SPS/33 to practical use. Egypt had suggested that if existing mechanisms did not fully satisfy the needs of developing country Members, new mechanisms should be considered. Furthermore, the problem had not been the level of assistance given but its effectiveness in meeting the needs of the recipient.

61. With regard to supply-driven technical assistance, Egypt had noted that although it was not necessarily a bad thing, often it did not adequately accommodate the needs of developing countries. Sri Lanka, however, noted the usefulness of bringing donor's experience and expertise to bear. The European Communities had questioned if supply-driven assistance was common, noting that in EC programmes there was a legal obligation to work on the basis of needs identified by the beneficiary. A number of Members agreed that many developing countries had poor capacity to clearly identify

basic SPS needs and to establish balance sheets. New Zealand and the OIE had recalled the capacity evaluation tools for plant health and animal health which could be of use in this regard.

62. Egypt had drawn a distinction between assistance given in relation to a specific problem and assistance given for SPS capacity-building more generally, e.g., for construction of laboratories. Sri Lanka and Trinidad and Tobago had noted that their needs were for more targeted assistance to resolve specific problems. Benin had underscored the value of well-defined aid, particularly when the national administration might not have much experience with specific problem-solving. South Africa and the European Communities had suggested that specific case studies of successful assistance could be helpful, and the Chairman had recalled that a number of case studies had been produced by the World Bank, the ITC and Commonwealth Secretariat, and others. In terms of the mandate before the Committee, however, to ensure that technical assistance was more precise, operational and effective, there was a need for some baseline for comparison.

63. In discussions of paragraph 43(e), the Chairman had noted that the technical assistance activities of the Secretariat had been one area within the Committee's remit to make changes, particularly in view of the approximately \$1 million which was being spent on this each year. The Secretariat had given an overview of the 128 SPS-related technical assistance activities reported in the overview (G/SPS/GEN/521/Rev.1). The technical assistance products on offer ranged from the general trade policy courses through regional and national SPS workshops, to the two-week specialized course on SPS. It was important that Members clearly identify what their needs were when requesting an activity, particularly at the national level. One measure of the success of the activities since 2002 had been participants' evaluations. Preliminary examination of the evaluation forms returned by participants in 2005 showed that high satisfaction rates were reported. SPS activities, of which there were 19 in 2005, had only been a small part of the total of 462 WTO-organized technical assistance activities in 2005. The desire to ensure that WTO technical assistance activities was appropriately targeted and effectively implemented was shared by the Committee on Trade and Development, and an independent evaluation of WTO technical assistance would be finished by the Autumn of 2006.

64. St Lucia and Trinidad and Tobago had highlighted the success of the IICA initiative of the Americas and recommended it as a model worthy of consideration in other regions. Gabon had warned against judging the impact of technical assistance against purely accounting criteria, as the need for technical assistance was a real one and the fact that results might not be immediately apparent did not lessen the need.

(b) Comments on the Chairman's report and on the African Group proposals related to Article 9.2

65. The representative of Egypt recalled the view of the African Group that there was not yet agreement as to whether the SPS Agreement needed to be reopened to improve special and differential treatment. Existing tools and mechanisms regarding SPS trade-related issues were not used in an effective way by developing countries and invited these Members to invent new mechanisms targeting their special needs. Egypt mentioned the need for discussion of possible compensation during the transitional periods between a ban and the regaining of market access, which would help developing countries to maintain their market share. Such a measure could fit within the context of Article 10.1 of the SPS Agreement.

66. The representative of Egypt stressed that the volume of technical assistance was not under discussion, but whether the technical assistance provided meets the need of the recipient countries and how the efficiency of technical assistance activities could be improved in this regard. He stressed that it was important to incorporate certain principles on the basis of the needs articulated by recipient countries in order to guarantee an efficient use of technical assistance. Problems had to be identified more clearly, and the importance of monitoring and of the sustainability of projects after the technical

assistance had been provided could not be ignored. Lastly, the representative of Egypt stressed the importance of the involvement of the private sector in technical assistance in developing countries.

67. The representative of Mexico stressed that both the donors and the recipients of technical assistance had respective responsibilities in this regard.

(c) Other matters relating to special and differential treatment

68. The Secretariat provided information on a workshop on implementation of the SPS Agreement to be held the day after the Committee meeting. The Global Trust Fund had made it possible to sponsor the participation of some officials from least developed countries. A total of 43 officials had been invited, of which 38 had confirmed their participation. (A report of the special workshop was subsequently issued as document G/SPS/R/41.)

69. The Chairman recalled that the Committee had been mandated to provide clear recommendations on a decision with respect to the proposals on special and differential treatment by no later than December 2006. The Committee agreed to hold an informal meeting on special and differential treatment immediately prior to its regular meeting in June, and the Chairman noted that it might be necessary to hold an additional informal in the intervening period.

## **VI. EQUIVALENCE (ARTICLE 4)**

(a) Information from Members on their experiences

70. The representative of Egypt provided information on an example of its experience with an application of the concept of equivalence. Egypt had contacted some of its trading partners to propose the establishment of quarantine offices. This measure would provide a way in which consignments of products could be tested or inspected in a more timely and cost efficient manner. Egypt stressed the importance of developing this system.

(b) Information from relevant observer organizations

71. The representative of Codex reminded Members that Codex had adopted guidelines on the judgement of equivalence. The Codex Committee on Food Import and Export Certification and Inspection (CCFICS) had embarked on drafting a series of appendices to provide more guidance, a process that would be continued at the CCFICS meeting in November.

## **VII. PEST- OR DISEASE-FREE AREAS (ARTICLE 6)**

(a) Chairman's report on the informal meeting on regionalization

72. The Chairman reported that the informal meeting on regionalization held on 27 March 2006 had focussed on the background paper prepared by the Secretariat (G/SPS/GEN/640). Members had welcomed the document as clearly summarizing the issues raised in previous discussions and proposals, and focussing the discussion on the common elements in these proposals.

73. Many Members, however, had expressed concerns that the issue of timeframes had not been reflected in the document. They stressed that many of the proposals which had been made proposed that timeframes should be established for the various procedural steps for recognition of free areas, to encourage predictability. Brazil had noted that it would be consulting with other delegations during the course of the week on a draft paper they were developing on this topic, which included some specific suggestions for reasonable timeframes. Other Members had indicated their continuing objection to pursuing recommendations that included timeframes given the many technical factors

which affect the time needed for recognition of pest- or disease-free areas. Chile had suggested that the Committee could first agree on the procedural steps for recognition of regionalization, and subsequently consider the issue of timeframes for the various steps on the basis of experiences reported by Members to the regular meetings of the Committee or through a notification procedure.

74. The Chairman reported that divergent opinions had also been expressed on whether and to what extent the SPS Committee should wait for the OIE and the IPPC to complete their work programmes in this area before initiating its own work on the subject. The United States and New Zealand had noted that the procedural steps identified in the Secretariat's background paper were very similar to those identified in the OIE recommendations on regionalization, and under consideration by the IPPC. They questioned the value of the work of the specialized bodies being duplicated by the SPS Committee. Canada had noted that both the OIE and the IPPC would be progressing their work in this area at their spring meetings in 2006 and suggested that the results of these discussions could help identify which areas merited further attention. A number of other Members, however, did not see any reason to wait for completion of work by the OIE and IPPC, given the different mandates and competencies of the bodies. The OIE had suggested that Members should ensure coherence in their positions at the standard-setting bodies and in this Committee.

75. With respect to the sequence of actions described in section IV of the background document, the Committee had noted the importance of initiating bilateral dialogue early in the recognition process to promote targeted information gathering, to clarify requirements and to encourage mutual trust. Many Members had also recommended that the background paper should distinguish between situations where particular pests or diseases did not exist in the territory of a Member and situations in which pests or diseases had been eradicated. New Zealand had stressed that regionalization was part of the overall process of developing an SPS measure, not a stand-alone action.

76. Some Members had noted that section IV of the background paper seemed to imply inaccurately that recognition by an international standard-setting body was a precondition for initiating bilateral discussions on recognition. Members had noted that the expedited process described at the end of section IV of the background paper usefully described conditions under which a procedure might advance in an accelerated fashion, however some Members had noted further that the use of such an expedited procedure would have to be considered on a case-by-case basis.

77. The Chairman lastly reminded Members that the Committee had discussed at the informal meeting possible mechanisms to enhance transparency related to the implementation of Article 6. These suggestions had included possible notification mechanisms for bilateral recognition of regionalization and the publication on the web of domestic procedures for the recognition of pest- and disease-free areas, and of the status of decisions in this regard.

78. The Chairman invited Members send comments and submissions with regard to the issue of pest- and disease-free areas to the Secretariat before 10 May. On the basis of these comments, a revision of the background document would be provided by the Secretariat.

## **VIII. TECHNICAL ASSISTANCE AND COOPERATION**

### **(a) Information from the Secretariat**

79. The WTO Secretariat expressed its thanks to IICA for its cooperation in various regional SPS technical assistance activities. In Jamaica, IICA had recently provided training on the implementation of the SPS Agreement at a WTO Regional Trade Policy Course.

80. In March 2006, the Secretariat had conducted a national seminar on the SPS Agreement in Rwanda. The project was based on a national seminar request, but had also been related to a Project

Preparation Grant (PPG) under the Standards and Trade Development Facility (STDF). In addition to the work of the Secretariat and the STDF, EC funds had been allocated to Rwanda for projects on trade and standards. The Secretariat observed that the Rwandan authorities faced difficulties in the determination of their specific needs in the SPS area, and consequently in the allocation of resources.

81. The Secretariat noted that document G/SPS/GEN/521/Rev.1 provided an update on the WTO's SPS-related technical assistance activities through 2005. The document also provided information on the types of activities provided by the Secretariat, such as workshops, national seminars, trade policy courses, etc. The Secretariat had already received nine requests for national seminars in 2006. Developing country Members were limited to requesting two national seminars per year, while LDCs could request three. Should a Member wish to request a national seminar on the SPS Agreement, they should make their request to the Institute for Training and Cooperation (ITTC). Three regional workshops would be held in the year 2006, one for the South-American region, the other for the Near East region and a third one for the Commonwealth of Independent States (CIS).

82. The Secretariat further reported on the Standards and Trade Development Facility (STDF). Detailed information including the business plan of the STDF could be found in documents G/SPS/GEN/523 and G/SPS/GEN/648. The Secretariat noted in particular the importance of the PPGs, funded up to US\$20,000, to assist in identifying the actual needs of Members through the use of effective and common needs evaluation tools. The STDF had been operational since 2004, and the first projects financed by the STDF were now approaching their conclusions. An information meeting in this regard was planned in the margins of the October Committee meeting. At the June meeting, the Secretariat would provide a more comprehensive report on bilateral and multilateral technical assistance activities, including evaluations of the effectiveness of technical assistance as revealed in responses to a questionnaire. A recent, independent evaluation of the STDF described it as successfully established, although assurance of long-term funding was needed. The Secretariat invited funding Members to consider renewing their contributions in 2006 and other Members to contribute to the Fund.

83. The Secretariat also reported that another two week Specialized Trade Policy Course on the SPS Agreement that was being organized by the ITTC with the Agriculture and Commodities Division in cooperation with the OIE. The course would be held from 16 to 27 October 2006, immediately following the SPS Committee meetings of 9-13 October, and would be held in English only. The focus of this in-depth training course would be on the implementation and market access challenges faced in the SPS area. Participants would be asked, *inter alia*, to develop and present action-plans to address problems in this regard. Invitation for the course would be sent in May 2006 to the missions of WTO Members and observers.

(b) Information from Members on technical assistance

84. The representative of the European Communities drew attention to document G/SPS/GEN/669 which provided information on where to find details regarding projects conducted as part of the European Communities' SPS technical assistance activities. The referenced documents contained more than 450 activities in more than 80 countries. The European Communities considered that Members had an obligation to provide technical assistance, however, although the European Communities would provide instruments for technical assistance, it was up to recipient countries to make use them.

(c) Technical assistance activities

85. The OIE provided a document regarding its technical activities in 2005 and 2006 (G/SPS/GEN/650).

## **IX. ISSUES ARISING FROM THE REVIEW OF THE OPERATION OF THE SPS AGREEMENT**

### **(a) Relationship between the SPS Committee and the standard-setting bodies**

86. Papers on this issue have been submitted by New Zealand (G/SPS/W/179), Brazil (G/SPS/W/182), and Colombia (G/SPS/W/188).

87. The representative of Colombia considered that among the issues arising from the Second Review of the Operation and Implementation of the Agreement on Sanitary and Phytosanitary Measures, priority should be given to consideration of the relationship between the relevant international institutions (OIE, Codex Alimentarius and IPPC) and the WTO Committee on Sanitary and Phytosanitary Measures. A strong relationship created more impetus, particularly with regard to administrative procedures; technical and scientific procedures were obviously the domain of the three reference organizations. However, like these institutions, the SPS Committee could not leave aside its own objectives and responsibilities, as each body had to address the matters within its competence.

88. The representative of Brazil also stressed the importance for the Committee to continue to discuss the relationship between the relevant international standard-setting bodies (ISSBs) and itself. Improved cooperation with these ISSBs as the international reference on technical and scientific matters would be beneficial to the effective implementation of the SPS Agreement, especially regarding the harmonization with international standards, guidelines and recommendations. However, the Committee had always to take into account the distinct roles and objectives of the ISSBs and the SPS Agreement.

89. The representative of New Zealand suggested that the Committee give high priority to discussing the distinct yet complementary roles of the Committee and the relevant international standard-setting bodies with a view to avoiding overlaps and unnecessary duplication of efforts. This was a crosscutting issue which had particular relevance to other matters currently under discussion within the Committee, including regionalization. New Zealand argued that the Committee should refer matters relating to scientific and technical matters pertaining to the practical application of the Agreement (in particular the development, implementation and harmonization with international standards, recommendations or guidelines) to the relevant ISSBs, which had the necessary technical expertise and experience to consider them, in order to ensure that unnecessary duplication of effort was avoided. The ISSBs then could, if necessary, report back to the Committee with appropriate advice and/or recommendations of further work required. Articulation by the ISSBs of their respective mandates, including their interest in and ability to develop procedural guidelines, would be useful for Members, as would discussions amongst the Secretariats of Codex, OIE and IPPC and the SPS Committee to clarify their roles in the administration of the SPS Agreement. New Zealand would prepare a paper on this issue, for consideration at the next Committee meeting.

90. The representative of Chile noted the different roles of the Committee and the ISSBs and described the collaboration between the ISSBs and the Committee as substantial. Chile stressed the importance of synergies arising from this collaboration.

91. The representative of Australia stressed the importance of the workload for the Committee being manageable. Australia noted the challenge of putting in place an efficient system of collaboration and contact at a national level (e.g., between the various representatives to ISSBs, the national WTO enquiry points etc.) as well as at an international level (e.g., between the ISSBs and the WTO), and identified discussion of the relationship between the ISSBs/WTO as providing an important basis for subsequent discussions on other issues, by clarifying the appropriate scope for the Committee's work and how best to promote synergies and good coordination.

92. The representative of the OIE observed that OIE Members had shown that they favoured using the OIE dispute settlement system to resolve certain issues. However, OIE Members had not shown any interest in developing a procedure to monitor the use of the OIE standards.

(b) Undue delays

93. Papers on this issue have been submitted by Costa Rica (G/SPS/W/180), Brazil (G/SPS/W/182) and Colombia (G/SPS/W/188).

94. The representative of Costa Rica noted that his country shared the concern expressed by Uruguay<sup>2</sup> as well as by other Members on the issue of undue delays, and thus attached great importance to discussing this issue. The problem was evident in situations such as exaggerated information requirements, non-transparent procedures, excessively long time-limits to analyze and decide on risk analysis, the frequent adoption or modification of measures, and other aspects relating to the application of sanitary and phytosanitary measures. Problems of this kind frequently affected Costa Rica's market access for its exports. The issue of undue delays had in fact already been dealt within the context of some of the issues discussed by the SPS Committee, such as in the Decision on Equivalence<sup>3</sup>, and was also being dealt within the context of the on-going discussions on regionalization. However, this was an issue of a cross-cutting nature that affected other mechanisms and disciplines of the Agreement, and consideration of the issue had not been exhausted. Costa Rica considered it to be highly important to continue to discuss this issue in the context of the Second Review of the SPS Agreement.

95. The representative of Colombia agreed that greater importance should be attached to the issue of undue delays, since there was serious concern at the difficulties and the heavy economic losses caused by delays in the recognition of regions (as free of or with low prevalence of pests or diseases) by importing trading partners.

96. The representative of Brazil supported the proposal to discuss the issue of undue delays, sharing other Members' concerns regarding difficulties arising from undue delays in areas such as recognition of equivalence, adaptation of measures to the pest- or disease-free status of a trading partner; completion of risk assessments related to market access; operation of control, inspection and approval procedures; and in the suspension or adjustment of measures when sanitary or phytosanitary conditions had changed. Brazil agreed with Costa Rica (G/SPS/W/180) that this was a cross-cutting issue, whose discussion therefore should not to be subsumed in the discussions of other topics.

97. The Chairman recalled that Members interested in pursuing discussions on a specific topic should prepare papers for consideration by the Committee. The representative of Peru invited Members to share any relevant information and experiences with regard to undue delays and proposed that the Committee should develop a mechanism to address issues of undue delays after having received such information.

(c) Consultations under Article 12.2 and the handling of specific trade concerns

98. Papers on this issue have been submitted by Costa Rica (G/SPS/W/180 and W/183), Brazil (G/SPS/W/182) and Colombia (G/SPS/W/188). The representative of Costa Rica indicated that through the application of Article 12.2 the SPS Committee had helped Members to discuss and resolve their trade concerns. The application of this Article had made it possible to speed up the resolution of trade problems relating to the application of SPS measures, and to avoid the time and economic resources involved in resorting to other bodies. However, Costa Rica shared the view of

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<sup>2</sup> G/SPS/W/160 and G/SPS/W/169.

<sup>3</sup> G/SPS/19/Rev.2.

the United States (G/SPS/W/163) that the mechanism established in Article 12.2 had been underutilized, since it had not been made an operational mechanism with established processes and procedures. The SPS Committee should discuss how to make this mechanism more effective, so that the trade concerns raised in the SPS Committee were more likely to be resolved. For a small country such as Costa Rica, this mechanism represented an opportunity to settle disputes and facilitate trade without having to resort to the considerable expense involved in the use of the dispute settlement mechanism. Costa Rica intended to submit a more detailed document on this issue in the near future.

99. The representative of Colombia suggested that the Committee should devote more time to the consideration of trade concerns since the Committee aimed to serve as an instrument for resolving problems arising in the course of trade between countries. Currently, despite the fact that some issues were raised over several meetings, in many cases an outcome satisfactory to both parties had not been reached, or the country imposing the standard had not met the requests of the country affected even where backed up by scientific evidence. Because of this, some Members preferred to resort to other means of resolving trade problems..

100. The representative of Brazil considered the agenda item on specific trade concerns to be highly important, as it established a forum to resolve problems arising from the elaboration and application of sanitary and phytosanitary measures. Brazil was interested in further discussions to improve this valuable mechanism.

101. The representative of Chile suggested that the document provided by the United States (G/SPS/W/163) could be a good basis for discussions on this topic. He stressed that the relationship between the different dispute settlements of the OIE, IPPC and of the WTO should be clarified so as to avoid overlaps.

(d) Clarification of certain terms

102. A paper on this issue had been submitted by Canada (G/SPS/W/186). Canada purposed clarification of the terms "measure" and "regulation" in the SPS Agreement, and in particular in the context of the transparency provisions. Whereas the term "measure" was used throughout the SPS Agreement, Annex B referred instead to "regulations". Canada suggested that the Committee should clarify that the transparency provisions applied to all measures.

103. The representative of Chile noted that definitions of terms were also being debated in the Codex, IPPC and OIE.

104. The Chairman concluded that an informal meeting could be organized to precede the June meeting of the Committee if Members submitted specific papers and proposals in these issues.

## **X. MONITORING OF THE USE OF INTERNATIONAL STANDARDS**

(a) New issues

105. The representative of Argentina informed Members about the situation of FMD within Argentina (G/SPS/GEN/654) and concerns about import restrictions which were not scientifically based. Argentina had resolved certain problems immediately prior to the meeting, but there are still problems to be resolved. Several Members noted that they faced similar concerns. The representative of the European Communities pointed out that the European Communities followed the recommendations provided by the OIE, Codex and IPPC and urged other Members to do the same. He also suggested that Members be more frank and identify those countries that took unscientific measures.

(b) Issues previously raised

106. The representative of Sri Lanka recalled his country's concerns regarding the need for a Codex standard for maximum residue levels of sulphur dioxide in cinnamon. Trade problems had arisen for Sri Lanka due to the lack of such a standard. In this regard, Sri Lanka had submitted its proposals regarding this issue (G/SPS/W/187), and asked for an expedited handling of the matter.

107. The representative of the European Communities supported Sri Lanka's submission. One problem would be the period of time required until new maximum residue level could be adopted. The European Commission was encouraging EC member States to be tolerant in respect to sulphur dioxide in cinnamon in the meantime.

108. The representative of Codex explained that the problem in this case was the non existence of international standards. The comments submitted by Sri Lanka would be considered by the Codex Committee on Food Additives and Contaminants (CCFAC) at its forthcoming meeting.

109. The Committee agreed that the Chair could immediately send a letter to the Codex Commission to draw its intention to this matter.

110. The representative of the United States drew attention to issues related to the implementation of the International Standard for Phytosanitary Measures on wood packaging material (ISPM 15). The United States supported the IPPC's approach for addressing the debarking issue or any other issue with ISPM 15. The United States was also concerned that a number of countries had not yet notified the WTO of their intentions regarding ISPM 15. A lack of universal implementation of ISPM 15 could jeopardize trade in any product. It requested that countries notify and implement the guidelines as developed by the IPPC and engage in the IPPC process to aid in the implementation of ISPM 15. These actions would help to avoid unnecessary restrictions to trade and reaffirm the importance of the international standards.

111. Canada and the European Communities also encouraged Members to make known their intentions regarding the implementation of ISPM 15.

112. The Chairman recalled that, prior to the next Committee meeting, the Secretariat would circulate a draft report on the monitoring procedure, reporting on the new issues that were raised in the past year and on progress regarding issues previously raised.

## **XI. MATTERS OF INTEREST ARISING FROM THE WORK OF OBSERVER ORGANIZATIONS**

113. The representative of Codex drew attention to the latest activities of the Codex Alimentarius Commission (CAC) (G/SPS/GEN/638). He further reported that a searchable web-based version of the Codex General Standard for Food Additives was launched in March 2006 and would also be made available on CD- Rom.

114. The 29<sup>th</sup> Session of the CAC was planned for 3–7 July 2006 in Geneva, back-to-back with the SPS Committee meeting. One important point of the session's agenda would be the splitting of the Committee on Food Additives and Contaminants into two committees, one on food additives and the other on contaminants. The host countries for the two new committees would also be decided. Another item on the agenda would be the formation of new subsidiary bodies on antimicrobial resistance and on animal feeding.

115. The Codex currently had 173 members, with the most recent members being Afghanistan and Uzbekistan. The representative of Codex stressed the critical budgetary situation of the Commission.

Codex depended on the financial contributions by its parent organizations, the Food and Agriculture Organization (FAO) and the World Health Organization (WHO), and in light of planned budget constraints, in the worst case the Codex could face a 10 per cent budget reduction. Codex invited Members to contact both parent organizations in this regard. The paper publication of Codex standards would be discontinued and in future this would be a CD-Rom or web- based.

116. The representative of Codex further explained that the Commission was committed to cooperating with OIE. In both the organizations mechanism had been established to facilitate coordination and avoid duplication of work.

117. The representative of the European Communities supported the work of Codex and encouraged Members to act to avoid further budgetary restrictions for Codex. Canada supported the European Communities and also encouraged similar support for the work of the IPPC.

118. The Chairman informed the Committee that the IPPC had provided written reports on its latest activities (G/SPS/GEN/617 and G/SPS/GEN/618).

119. The representative of the OIE provided an update of OIE work since the last meeting (G/SPS/GEN/646). The General Session of the OIE was to be held in May. The session would consider the evaluation of veterinary services; zoning and compartmentalization; BSE and ; as well as modifications of both the OIE manuals.

120. The representative of the Inter-American Institute for Cooperation on Agriculture (IICA) noted that information on IICA activities could be found in document G/SPS/GEN/658. IICA continued to implement the SPS Initiative for Americas ("the Initiative"). Detailed descriptions on further activities in the food safety, animal and plant health area were provided in the document.

121. The representative of the International Trade Centre (ITC) reported on assistance provided to the Philippines in the fisheries sector to strengthen its export opportunities with regard to EC import requirements. The project was carried out under the Asia Trust Fund and was co-financed by the European Communities and the ITC. Both the representative of the Philippines and of the European Communities indicated that the project was an example of good technical cooperation in the SPS area. More information on the ITC's activities could be found on its website (<http://www.intracen.org>).

## **XII. OBSERVERS- REQUESTS FOR OBSERVER STATUS**

122. The Committee decided to invite the ad hoc observers to participate in its next SPS Committee meeting. The Committee also decided to invite all observer organizations to participate in its next informal meetings on 26-28 June.

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

## **XIII. ELECTION OF THE CHAIRPERSON**

124. The Committee elected Mr. Juan Antonio Dorantes Sánchez of Mexico as Chairperson of the Committee by acclamation. The new Chairperson took over as of the conclusion of the 35<sup>th</sup> regular meeting.

125. The Committee thanked Mr. Gregg Young for his good work and dedication as the Chairperson of the Committee.

#### **XIV. OTHER BUSINESS**

##### *Paraguay on the country's health situation*

126. The representative of Paraguay reported that Paraguay had established a BSE programme to avoid new outbreaks of the disease within the country. On 27 February 2006, the OIE had accepted the request to consider granting Paraguay the status of "country provisionally free of BSE". The issue would be considered at the next OIE meeting. With regard to avian influenza, the National Animal Health Service had implemented a national vigilance and prevention action. A national eradication programme on FMD was established in 1992. In 2005, Paraguay recovered the status of a "country free of Food and Mouth Disease with vaccination". The health situation in Paraguay was now stable, thanks to emergency action plans. In 2006, Paraguay had established a national traceability system, which allowed the country to act more efficiently with regard to health emergencies, disease control and export certification.

#### **XV. DATE AND AGENDA OF THE NEXT MEETING**

127. The Committee agreed on the following provisional agenda for its next meeting:

##### **AGENDA FOR MEETING OF 28-30 JUNE 2006**

1. Proposed agenda
2. Activities of Members
3. Specific trade concerns
  - (a) New issues
  - (b) Issues previously raised
  - (c) Consideration of specific notifications received
  - (d) Information on resolution of issues in G/SPS/GEN/204/Rev.6
4. Operation of transparency provisions
5. Implementation of special and differential treatment
  - (a) Report on informal meeting
  - (b) Other matters relating to S&D
6. Equivalence – Article 4
  - (a) Information from Members on their experiences
  - (b) Information from relevant observer organizations
7. Pest- and Disease-free areas – Article 6
  - (a) Report on informal meeting
  - (b) Information from Members on their experiences
  - (c) Information from relevant observer organizations
8. Technical assistance and cooperation
  - (a) Information from the Secretariat
  - (b) Information from Members

- (c) Information from observers
  - 9. Issues arising from the Review
  - 10. Monitoring of the use of international standards
    - (a) New issues
    - (b) Issues previously raised
    - (c) Approval of annual report
  - 11. Matters of interest arising from the work of observer organizations
  - 12. Observers – Request for observer status
  - 13. Other business
  - 14. Date and agenda of next meeting
  - 15. The following deadlines are relevant for the next meeting:
    - (i) For submissions regarding the issues discussed in the topic of regionalisation:  
**10 May 2006**
    - (ii) For identifying new issues for consideration under the monitoring procedure:  
**15 June 2006**
    - (iii) For requesting that items be put on the agenda: **15 June 2006**
    - (iv) For the distribution of the airgram: **16 June 2006**
-