## WORLD TRADE

## **ORGANIZATION**

**G/SPS/W/196** 2 June 2006

(06-2651)

Committee on Sanitary and Phytosanitary Measures

# PROCEDURE TO MONITOR THE PROCESS OF INTERNATIONAL HARMONIZATION

Draft Eighth Annual Report<sup>1</sup>

#### A. INTRODUCTION

- 1. At its meeting of 15-16 October 1997, the SPS Committee adopted a provisional procedure to monitor the process of international harmonization and the use of international standards, guidelines or recommendations, as provided for in Articles 3.5 and 12.4 of the SPS Agreement. This procedure was subsequently revised by the Committee in October 2004.<sup>2</sup> The Committee decided to extend the provisional monitoring procedure for a further two-year period in July 1999, and again in July 2001.<sup>3</sup> On 25 June 2003, the Committee agreed to further extend the provisional procedure for 36 months, and to review its operation in July 2006 to determine at that time whether to continue with the provisional procedure, amend it, or develop another one.<sup>4</sup>
- 2. The Committee has previously adopted seven annual reports on the monitoring procedure.<sup>5</sup> These reports summarize several standards-related issues that the Committee haS considered and the responses received from the relevant standard-setting organizations.

#### B. NEW ISSUES

3. Since the adoption of the Seventh Annual Report, two new issues have been raised under this procedure. One issue is with regard to the need for a Codex standard for maximum residue levels of sulphur dioxide in cinnamon and the other concerns the chapter of the OIE Terrestrial Animal Health Code on Avian Influenza.

#### Maximum residue levels of sulphur dioxide in cinnamon

4. At the meeting of the Committee on 24 October 2005 and when the meeting resumed in February 2006, Sri Lanka raised the issue of the non-existence of a Codex standard on sulphur dioxide in cinnamon. Trade problems had arisen for Sri Lanka due to the lack of such a standard, particularly regarding Sri Lanka's exports to the European Communities. Although the European Communities accepted the use of sulphur dioxide in some herbs and species which, like cinnamon, are used as food additives, its use in cinnamon was not permitted. This situation was aggravated by the lack of a

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

<sup>&</sup>lt;sup>2</sup> G/SPS/11/Rev.1.

<sup>&</sup>lt;sup>3</sup> G/SPS/14 and G/SPS/17.

<sup>&</sup>lt;sup>4</sup> G/SPS/25.

 $<sup>^5</sup>$  These were circulated as G/SPS/13, G/SPS/16, G/SPS/18, G/SPS/21, G/SPS/28, G/SPS/31 and G/SPS/37

<sup>&</sup>lt;sup>6</sup> G/SPS/R39 and G/SPS/R40.

<sup>&</sup>lt;sup>7</sup> G/SPS/GEN/597.

relevant Codex standard. A specific proposal had been submitted to Codex for the establishment of a maximum level of sulphur dioxide for all herbs and spices, including seasoning and condiments such as cinnamon.<sup>8</sup>

- 5. During the meeting of the Committee on 29-30 March 2006, Sri Lanka recalled the trade losses to his country arising from this problem and asked for an expedited handling of the matter. He requested the Committee to make appropriate recommendations to Codex to expeditiously develop this standard.
- 6. The European Communities supported Sri Lanka's request, noting that a certain period of time was required until a 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.
- 7. The Committee agreed that the Chair should immediately send a letter to the Codex Commission to draw its intention to this matter. The Codex indicated that the comments submitted by Sri Lanka would be considered by the Codex Committee on Food Additives and Contaminants (CCFAC) at its forthcoming meeting in April 2006.
- 8. [Update from Codex, discussions at June meeting.]

#### Avian influenza

- 9. At the meeting of the Committee on 24 October 2005, Canada recalled that according to the provisions of Chapter 2.7.12 of the OIE Terrestrial Animal Health Code 2005, countries free of highly pathogenic avian influenza but which reported cases of notifiable low pathogenic avian influenza should be able to trade on the basis of appropriate veterinary certification. However, as Canada had experienced, trading restrictions were being imposed also when cases of low pathogenic avian influenza were reported. Countries that took appropriate surveillance and control measures in a transparent manner consistent with the OIE provisions should not be penalized but rather treated in a manner consistent with the provisions of the OIE. Canada also noted that several countries had introduced prohibitions on imports of birds, poultry and poultry products from all countries, one exempting only the European Communities. Given the current international context, it was important that Members act on the basis of science when applying their measures so as not to deter countries from making appropriate investments in surveillance and reporting. Colombia reported that it had encountered similar problems.
- 10. The OIE observed that Croatia had also encountered a similar problem and stressed that this was not compliant with the OIE standard. When developing the standard at the OIE, the objective was to find a balance between what countries were required to notify that was of sufficient importance to result in justified trade restrictions and what information countries should notify to improve OIE's understanding of the evolution of the disease around the world. The OIE strongly encouraged Members to follow the OIE recommendations and to not discourage countries to share information.
- 11. Discussions on this matter also occurred at the meetings of the Committee in October 2005, February 2006 and March 2006 under the agenda item on specific trade concerns. These discussions are summarized in the relevant reports of the meetings.<sup>9</sup>
- 12. [Update from OIE, discussions at June meeting.]

<sup>&</sup>lt;sup>8</sup> G/SPS/W/187.

<sup>&</sup>lt;sup>9</sup> G/SPS/R39 and Corr.1 and G/SPS/R40.

#### C. PREVIOUS ISSUES

13. Since the adoption of the Seventh Annual Report, two issues previously raised have been further discussed. One concerns the implementation of the International Standard for Phytosanitary Measures (ISPM) number 15 on wood packaging material and the other concerns regionalization.

#### Implementation of ISPM 15 on wood packaging material

- 14. At the meeting of the Committee on 29-30 March 2006, 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. Argentina reported on a system it had developed for the implementation of ISPM 15. The United States, Canada and the European Communities encouraged other Members to make known their intentions regarding the implementation of ISPM 15. A lack of universal implementation of ISPM 15 could jeopardize trade in any product. If countries notified and implemented the guidelines as developed by the IPPC and engaged in the IPPC process to aid in the implementation of ISPM 15, this would help to avoid unnecessary restrictions to trade and reaffirm the importance of the international standards.
- 15. At the meetings of the Committee on 24 October 2005 and March 2006, the United States and Canada expressed appreciation for the decision of the European Communities to postpone the debarking requirement contained in Directive 2004/102 until 1 January 2009.
- 16. Discussions on ISPM 15 also occurred at the meeting of the Committee in October 2005 and February 2006, and March 2006 under the agenda items on specific trade concerns. These discussions are summarized in the relevant reports of the meetings.<sup>11</sup>

#### Pest- and disease-free areas (Article 6)

- 17. Discussions on regionalization occurred at the meetings of the Committee in October 2005, February 2006 and March 2006 under the agenda item on specific trade concerns and under the specific item on regionalization, but not under the item on monitoring the use of international standards. These discussions are summarized in the relevant reports of the meetings.<sup>12</sup>
- D. RESPONSES RECEIVED FROM THE RELEVANT STANDARD-SETTING ORGANIZATIONS

#### Implementation of ISPM 15 on wood packaging material – Response from the IPPC

- 18. At the meeting of the Committee in October and February 2006, the IPPC informed the Committee that revision of ISPM 15 was given a high priority and that a draft standard on the debarking of wood would be presented for adoption at the 2006 meeting of the Commission on Phytosanitary Measures (CPM). A workshop on ISPM 15 had also been held, with great success. To follow-up on this success, the IPPC secretariat was monitoring the SPS notifications of countries' implementation of ISPM 15. At that time, 11 countries had notified implementation.
- 19. [Update from IPPC at June meeting.]

<sup>11</sup> G/SPS/R39 and Corr.1 and G/SPS/R40.

<sup>&</sup>lt;sup>10</sup> G/SPS/GEN/653.

<sup>&</sup>lt;sup>12</sup> G/SPS/R39 and Corr.1 and G/SPS/R40.

### Pest- and disease-free areas (Article 6) – Response from the OIE

- 20. The OIE reported that the General Session of the OIE to be held in May 2006 would consider zoning and compartmentalization. <sup>13</sup>
- 21. [Update from the OIE at June meeting.]

<sup>&</sup>lt;sup>13</sup> G/SPS/GEN/646.