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FOOD AND AGRICULTURE
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**JOINT FAO/WHO FOOD STANDARDS PROGRAMME
FAO/WHO COORDINATING COMMITTEE FOR ASIA**

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ACTIVITIES OF THE STDF PROGRAMME IN THE REGION

**- UPDATE ON RECENT DEVELOPMENTS IN THE SPS COMMITTEE AND THE STANDARDS
AND TRADE DEVELOPMENT FACILITY (STDF)**

(Prepared by WTO Secretariat¹)

Introduction

1. This report to the 16th Session of the Codex Coordinating Committee for Asia (CCASIA) provides a summary of the activities and decisions of the WTO Committee on Sanitary and Phytosanitary Measures (the "SPS Committee") during 2008, as well as an overview of the Standards and Trade Development Facility (STDF). It highlights the work that may be of most relevance to CCASIA.

Activities of the WTO SPS Committee during 2008

2. The SPS Committee held three regular meetings in 2008: 2-3 April; 24-25 June; and 8-9 October.² At the April meeting, Mr. Marinus Huige of the Netherlands was re-appointed Chairperson for the 2008-2009 period.

3. At its meeting of 2-3 April, the Committee adopted, on an ad referendum basis, revised recommended procedures for transparency (G/SPS/7/Rev.3). This decision was confirmed on 31 May 2008. The new procedures, *inter alia*, clarify the definition of the comment period, encourage the notification of measures conforming to international standards, request inclusion of HS codes in notifications, and provide links for access to full texts of regulations and their translations. New notification formats were adopted, which will be used as of 1 December 2008.³

Specific trade concerns

4. The SPS Committee devotes a large portion of each regular meeting to the consideration of specific trade concerns. Any WTO Member can raise specific concerns about the food safety, plant or animal health requirements imposed by another WTO Member. Issues raised in this context are usually related to the notification of a new or changed measure, or based on the experience of exporters. Often other countries will share the same concerns. At the SPS Committee meetings, Members usually commit themselves to exchange information and hold bilateral consultations to resolve the identified concern.

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

² The report of the April meeting is contained in G/SPS/R/49, that of the June meeting in G/SPS/R/51, and the report of the October meeting will be circulated as G/SPS/R/53.

³ G/SPS/GEN/747, G/SPS/GEN/777, G/SPS/GEN/809, G/SPS/GEN/825, G/SPS/GEN/828.

5. A summary of the specific trade concerns raised in meetings of the SPS Committee is compiled on an annual basis by the WTO Secretariat.⁴ Altogether, 261 specific trade concerns were raised between 1995 and the end of 2007. 100 of these issues related at least in part to food safety.

6. 13 new specific trade concerns were raised during 2008, 10 previously raised concerns were again discussed, and 4 concerns were reported to have been resolved. The following food safety issues were raised for the first time in 2008:

- Ecuador's concerns regarding modification of the EC maximum residue levels of Ethephon in pineapple;
- Brazil's concerns regarding Malaysia's price list for reimbursement of expenses for inspection missions.
- EC concerns regarding requirements by certain governments for diplomatic ratification of sanitary and phytosanitary certificates;
- US concerns regarding Japan's enforcement of regulations on maximum residue levels
- Senegal's concerns regarding EC restrictions on mango exports due to alleged pesticide residues;
- US concerns with Chinese Taipei's maximum residue levels for ractopamine in pork products;
- Ecuador's concerns about the failure of the European Communities to establish tolerance levels for residues of various pesticides used in cacao.

7. Issues relating to food safety that had been previously raised and were discussed again in 2008 included:

- US concerns regarding El Salvador's zero tolerance for salmonella in poultry and eggs
- Colombia's, Ecuador's, and Peru's concerns on the application and modification of the EC regulation on novel foods and its effects on traditional foods;
- US concerns regarding the EC's restrictions on US poultry exports due to use of antimicrobial treatments;
- China's concerns regarding EC restrictions on cooked poultry products due to avian influenza and hygiene issues;
- EC concerns regarding restrictions imposed on meat exports for BSE-related reasons;
- Canada's .concerns regarding Greek inspection of grain imports for the presence of GM wheat.

8. At the SPS Committee meeting in October 2008, China's concerns regarding EC restrictions on cooked poultry products due to avian influenza and hygiene issues was reported to have been resolved.

Equivalence

9. In July 2004, the SPS Committee completed its work on guidelines on the implementation of Article 4 of the SPS Agreement on equivalence in response to concerns raised by developing countries.⁵ The Decision on Equivalence adopted by the SPS Committee notes, *inter alia*, the work on recognition of equivalence undertaken in the Codex, the OIE and the IPPC, and requests the further elaboration of specific guidance by these organizations to ensure that such recognition is maintained. Equivalence remains a standing agenda item of the Committee.

10. The Decision on Equivalence adopted by the SPS Committee also encourages the parties to such agreements to inform the SPS Committee. Only two notifications of recognition of equivalence have been provided to date. In August 2007, Panama notified that as of February 2007 it had recognized the equivalence of US sanitary and phytosanitary systems and other related regulatory systems for meat (including but not restricted to meat of bovine animals and swine), poultry and poultry products, and all other processed products (including but not restricted to milk products) for human or animal consumption.

11. In June 2008, the Dominican Republic notified that since November 2006 it had recognized the equivalence of USDA inspection system for products and by-products of bovine animals, swine and poultry.

⁴ The latest version of this summary can be found in document G/SPS/GEN/204/Rev.8 and addenda. This document is a public document available from <http://docsonline.wto.org>. Specific Trade concerns can also be searched using the SPS Information Management System available at <http://spsims.wto.org/>.

⁵ G/SPS/19/Rev.2.

12. The Codex representative has provided regular updates to the SPS Committee on Codex work in this regard.

Transparency

13. Since June 2007, a new information management system (SPS-IMS) has been made public that allows easier management of all WTO SPS-related documentation. It is available at <http://spsims.wto.org/>.

14. At its meeting in April, the SPS Committee adopted, on an ad referendum basis, revised recommended procedures for transparency (G/SPS/7/Rev.3). This decision was confirmed on 31 May 2008. The new procedures, *inter alia*, clarify the definition of the comment period, request inclusion of tariff identification codes in notifications, and provide links for access to full texts of regulations and their translations.

15. Most importantly, the new recommendations encourage the notification of measures even when these are based on international standards. The legal obligation of WTO Members is to notify new or modified SPS measures when these are not based on or deviate from the relevant international standard, including the Codex standards for food safety. Although the new recommendation by the SPS Committee cannot change the legal obligation of WTO Members, it is expected that many Members will begin to notify all of their measures, thus providing useful information regarding the application of Codex food safety standards.

16. The new SPS notification formats will be used as of 1 December 2008.

Monitoring the Use of International Standards

17. The procedure adopted by the SPS Committee to monitor the use of international standards invites countries to identify specific trade problems they have experienced due to the use or non-use of relevant international standards, guidelines or recommendations.⁶ These problems, once considered by the SPS Committee, are drawn to the attention of the relevant standard-setting body.

18. In June 2008, the Committee adopted the Tenth Annual Report on the procedure to monitor the use of international standards.⁷ Several Members have suggested that this procedure may need to be revised in the future, in light of information that may be provided through the modified notification procedures regarding the use of international standards.

Review of the Operation and Implementation of the SPS Agreement

19. Article 12.7 of the SPS Agreement indicates that the SPS Committee should review the operation and implementation of the Agreement three years after its entry into force, and thereafter as appropriate. A First Review of the Agreement was completed in March 1999. At the Fourth Session of the Ministerial Conference in 2001, Ministers instructed the Committee to undertake this review at least once every four years. The SPS Committee adopted the Report on the Second Review of the Operation of the SPS Agreement in June 2005.⁸ At its meeting in October 2008, the SPS Committee agreed on the procedure for undertaking the Third Review, to be completed in 2009.

20. The second review report covered a wide number of areas related to implementation of the Agreement. For example, it recommended that the relevant international organizations keep the Committee informed of any work they undertake with regard to the recognition of equivalence, as well as their activities relevant to the recognition of pest- or disease-free areas or areas of low pest or disease prevalence. The report recommends that the Committee continue to monitor the use of international standards at each of its regular meetings.

⁶ G/SPS/11/Rev.1.

⁷ G/SPS/49.

⁸ G/SPS/36.

21. The second report also identified issues for further consideration by the SPS Committee. One of these issues was to clarify the relationship of the SPS Committee with the Codex, IPPC and OIE. The WTO Secretariat provided an overview of the relationship between the SPS Committee and the three international standards-setting organizations.⁹ The relationship has been active and positive. The standards-setting organizations have 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 is a formal co-operation 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 involve the three standards-setting organizations. All the organizations are represented and contribute actively to the work of the STDF. The standards setting bodies have also provided technical and scientific advice, when requested, to the dispute settlement panels on SPS matters.

22. The SPS Committee recognized that co-ordination at the national level between representatives to the SPS Committee, the IPPC, Codex and OIE meetings was often poor, although it had become more important given the increase in cross-sectoral issues such as regionalization, certification and traceability. At the same time, it was important to avoid unnecessary duplication.

23. The SPS Committee has requested the WTO Secretariat to organize a special workshop on the role of the SPS Committee vis-à-vis Codex, IPPC and OIE in October 2009. Discussions concerning technical versus administrative processes, operational versus high-level guidelines, and specific versus general issues could provide clarity with regard to the relative roles of the SPS Committee and international standards-setting bodies. It would be useful for the Codex, IPPC and OIE to describe their respective mandates and for the SPS Committee to discuss the optimal process for collaboration and communication with these organizations. It has also been suggested that the three standard-setting organizations should work together on some issues and jointly elaborate standards. The agenda for the workshop will be developed in consultation with the secretariats of the Codex, IPPC and OIE.

Technical Assistance

24. At each of its meetings, the SPS Committee solicits information from Members and observer organizations regarding their technical assistance needs and activities. The representative of Codex provided regular updates to the Committee on relevant activities of the FAO and the WHO and of the FAO/WHO Trust Fund. The WTO Secretariat acknowledged the Codex's continued support in contributing knowledge and expertise to the WTO's regional technical assistance activities.

25. To meet demands for more advanced SPS technical assistance and training activities, a two-week specialized course has been developed and offered by the WTO since 2005. The fourth of these was held in October 2008.

Private standards

26. Since June 2005, the SPS Committee has discussed the issue of private and commercial standards on a number of occasions. The issue was initially raised by St. Vincent and the Grenadines with regard to EurepGAP (now GlobalGAP) requirements on pesticides used on bananas destined for sale in European markets.

27. On several occasions, and most recently in June 2008, informal information sessions were held in the margins of the SPS Committee meetings. A number of international organizations working on the issue of private standards, including OECD and UNCTAD, as well as a number of private standardizing groups, including GlobalGAP, have provided information regarding commercial and private standards. WTO Members have raised a number of concerns regarding the trade, development and legal implications of private standards.

28. While recognizing that there could be some benefits to producers who were able to comply with private standards, a number of concerns were expressed. Among these were that:

- (a) private standards often de facto set the conditions for access to certain markets, and went beyond official requirements;
- (b) private standards were proliferating without consultation with the recognized standard-setting bodies or with national authorities, creating confusion and a lack of transparency;

⁹ WTO document G/SPS/GEN/775.

- (c) private SPS standards did not necessarily have scientific justification, nor was there recognition of equivalence of measures;
- (d) the costs of certification of compliance with private standards was significant especially for small producers and often resulted in their exclusion from a market;
- (e) private standards often addressed a number of issues other than health protection, including social and environmental aspects;
- (f) private standards undermined the value of internationally agreed standards. Developing countries were doing everything they could to respect international and official standards, but private standards often went beyond their capacity to comply;
- (g) the legal relationship between private standards and the SPS and TBT Agreements was not clear, making it difficult for adversely affected producers to challenge private standards.

29. In October 2008, the SPS Committee agreed to solicit information from WTO Members regarding specific standards affecting identified products in certain markets, and evidence of the effects of these standards. An ad hoc group of WTO Members will work with the SPS Committee Chairman to produce a study on the basis of the information provided by Members, and to identify practical actions which the SPS Committee might take on this issue.

OVERVIEW OF THE STANDARDS AND TRADE DEVELOPMENT FACILITY

Introduction

30. The Standards and Trade Development Facility (STDF) is a global programme in capacity building and technical co-operation established by the Food and Agriculture Organization of the United Nations (FAO), the World Organisation for Animal Health (OIE), the World Bank, the World Health Organization (WHO) and the World Trade Organization (WTO). It assists developing countries to comply with food safety, animal and plant health (sanitary and phytosanitary or SPS) measures in international trade. Other international organizations such as the International Trade Centre (ITC), the Organization for Economic Co-operation and Development (OECD), the United Nations Industrial Development Organization (UNIDO), and United Nations Conference on Trade and Development (UNCTAD), donors and developing countries also participate.

31. The STDF has two main aims:

- to assist developing countries enhance their expertise and capacity to analyze and to implement international sanitary and phytosanitary (SPS) standards, improving their human, animal and plant health situation, and thus ability to gain and maintain market access; and
- to act as a vehicle for co-ordination among technical co-operation providers, the mobilization of funds, the exchange of experience and the dissemination of good practice in relation to the provision and receipt of SPS-related technical co-operation.

Operating Plan for 2008-09

32. An [Operating Plan for 2008-09](#) was adopted by the Policy Committee in November 2007. The operating plan focuses on four main thematic areas: (i) co-ordination; (ii) project development; (iii) project implementation; and (iv) dissemination of results. Greater emphasis is placed on the STDF acting as a forum for information exchange and co-ordination in the supply and receipt of SPS-related technical co-operation.

Co-ordination

33. Increasing importance is being placed on the STDF fulfilling its promise as a co-ordination mechanism and centre of good practice. Within the framework of the Aid of Trade Initiative, three regional consultations were initiated in 2007 to examine SPS capacity building needs and responses in terms of the provision of capacity building in East Africa, Central America and three countries in the Greater Mekong Delta Sub-Region (Cambodia, Lao P.D.R and Viet Nam).¹⁰ The first component of this work was a review of SPS capacity evaluation studies, overviews and SPS related technical assistance provided in the period of 2001-2006 in each region. Results were presented during the Regional Reviews of Aid for Trade in Peru, Philippines and Tanzania in September 2007.¹¹

34. The second part of this work was to take stock of where SPS capacity building needs are not being met and to identify actions to mobilize resources to address these needs. A number of the needs identified relate to improving capacity in the food safety area. Regional workshops to present the findings of this work took place in Cambodia (20-21 May 2008), Uganda (28-29 May 2008) and Guatemala (11-12 June 2008). The reports of these consultations, as well as the national and regional balance sheets developed, are available on the [STDF website](http://www.standardsfacility.org/regional_consultations.htm) (www.standardsfacility.org/regional_consultations.htm).

35. As part of its co-ordination mandate, the STDF has organized a series of thematic events for delegates of the SPS Committee and additional participants from developing countries. A workshop on SPS-related capacity evaluation tools developed by international organizations took place in Geneva on 31 March 2008. An information session on private standards was held on 26 June 2008 with representatives of the Africa Observer Project, the Global Food Safety Initiative (GFSI), International Certification and Risk Services (CMi) and the World Bank. Information on these events, including the presentations made and podcasts of sessions, is available on the [SPS gateway](http://www.wto.org/english/tratop_e/sps_e/sps_e.htm) of the WTO website (www.wto.org/english/tratop_e/sps_e/sps_e.htm).

36. In collaboration with the Organization of Economic Co-operation and Development (OECD) the STDF held a workshop on good practice in SPS-related technical co-operation, just prior to the October 2008 meeting of the SPS Committee in Geneva. The presentations made at the workshop, and the report of the event, are available from the SPS gateway on the WTO web site.

37. At an Expert Working Group meeting organized by UNIDO in Kigali, Rwanda from 8-9 September 2008, the STDF presented a study on SPS constraints, which impede export opportunities for eight LDCs (Benin, Cambodia, Lao PDR, Lesotho, Rwanda, Senegal and Yemen). The STDF will participate in an LDC Ministerial Conference on Aid for Trade: Industrial Agenda for LDCs in Cambodia from 19-20 November. The objective is to set the scene for further reflections on how to mobilize and streamline Aid for Trade resources to improve SPS systems in LDCs.

38. The STDF plans to organize a meeting in the first half of 2009 on initiatives to combat fruit flies in West Africa. The meeting will provide an opportunity for concerned national and regional organizations, donors and other stakeholders to discuss mechanisms to control fruit flies and mobilize funds for a multi-year Action Plan for this purpose.

Information dissemination

39. The STDF is developing a short film to raise awareness about the importance of SPS capacity for international trade and economic development. The film will provide an introduction to SPS issues and their impact on trade and showcase examples from three countries that have been affected by SPS issues. The film should be available by mid-2009.

Project development

40. As a financing mechanism, the STDF provides grant funding to public and private sector organizations in developing countries seeking to comply with international SPS standards and hence gain or maintain market access. Two types of grants are available through the STDF: project preparation grants (PPGs) and project grants.

¹⁰ Aid for Trade aims to help developing countries, particularly least-developed countries, develop the trade-related skills and infrastructure that is needed to implement and benefit from WTO agreements and to expand their trade. The Aid for Trade initiative was launched at the Hong Kong Ministerial Conference in December 2005.

¹¹ G/SPS/GEN/812.

41. PPGs aim to turn good ideas into projects. As such, they can help overcome constraints faced by developing countries in the articulation of their needs. To date, a total of 28 PPGs have been approved. A target of 12 PPGs to be funded through the STDF has been set in the Operating Plan for 2008-09.

42. PPGs are also a mechanism for ensuring synergy with other on-going initiatives. For example, they can support project development for priority actions in the SPS area which have been identified in Diagnostic Trade Integration Studies (DTIS) conducted through the Enhanced Integrated Framework programme (EIF).

43. The main criterion in awarding preparation grants is the likelihood that the project developed may receive funding. Final project funding may be provided by the STDF or from another funding source (e.g. a bilateral donor). Much greater emphasis is being placed on the use of PPGs to provide a basis for donor interventions and as a vehicle for mobilizing funds for projects developed by the STDF.

Project funding

44. The STDF funds technical co-operation activities which:

- address underlying issues of SPS capacity building in beneficiary countries (in particular in low income countries, or on a regional basis), ideally through innovative, preventative and / or pilot projects which may be replicated by other donors; and
- which aim to address gaps in SPS information, training materials or which aim to improve co-ordination among SPS technical co-operation providers through collaborative projects.

45. The STDF aims to fund a total of 12 projects in the period 2008-2009. Applications for project funding are encouraged and requests from food safety authorities will be considered. Annex 1 provides information on STDF projects focused on food safety as well as SPS issues in general.

46. Applications for STDF funding may be made at any point in the year but should be received 45 days prior to each Working Group meeting to be considered at that time. Forthcoming deadlines for submission of applications to be considered at the STDF Working Group meetings in 2009 are 19 December 2008, 24 April 2009 and 14 August 2009.

47. Detailed information on eligibility criteria for projects and PPGs can be found in the [STDF Operational Rules](#). Application forms can be downloaded from the [STDF website](#) (<http://www.standardsfacility.org/funding.htm>).

Annex 1

Table 1: STDF Projects Addressing Food Safety Issues

Project Title	Status	Budget (US\$)
STDF 100: Strengthening the national food control system for the fisheries sector in Cape Verde	Assist the fish processing sector in Cape Verde to comply with international food safety standards. Pending.	To be confirmed
STDF 62: Strengthening the food safety system in Cameroon	Project approved in November 2007. The objective is to reactivate a national committee on food safety and train public and private sector stakeholders in Cameroon. Pending.	461,359
STDF 48: Quality control for shea and cashew nut products in Benin	Project approved in November 2007. The objective is to apply good agricultural practices to overcome problems of mycotoxin contamination in shea and cashew nut production. Pending.	470,575
STDF 173: Strengthening capacity in assessing food control systems in developing APEC Member Economies	Project approved in March 2007. The objective was to train food safety regulators from developing Asia Pacific Economic Cooperation (APEC) countries in the use of FAO's food safety capacity evaluation tools to enable them to assess food safety capacity needs in their countries. Implementation ongoing.	96,500
STDF 69: Improved capacity to ensure safety and quality of Yemeni seafood products	Project approved in June 2007. The objective is to assist the Yemen Seafood Exporter's Association to improve the quality and safety of Yemeni seafood products. Implementation ongoing.	462,804
STDF 134: Capacity building to improve fish trade performance of selected West African countries	Project approved in March 2007. The objective is to improve knowledge and awareness of SPS issues in the fisheries sector in five West African countries. Implementation ongoing.	469,000
STDF 114: Effective aflatoxin management in Brazil nut production	Project approved in February 2006. The purpose was to conduct research on factors affecting aflatoxin contamination in Brazil nut production and provide training to meet international standards. Results will be shared with other producers in the region. Implementation ongoing.	619,664
STDF 65: Support compliance with official and commercial standards in the fruit and vegetable sector in Guinea	Project approved in September 2005. The objective is to assist the public and private sector in Guinea to meet official and commercial standards for fruit and vegetable exports. Implementation ongoing.	600,000
STDF 56: Capacity building for implementation of the Codex Code of Practice for Good Animal Feeding	Project approved in March 2005. The objective was to support implementation of the Codex Code of Good Practice on Animal Feeding through a series of regional training workshops in Africa, Latin America and Asia. Completed.	150,000
STDF 9: Model Programme for Developing Food Standards within a Risk Analysis Framework	Project approved in November 2003. The objective was to strengthen capacity of low income countries in the Asia Pacific region to develop food standards based on international requirements and participate in Codex. Completed.	70,848

Table 2: STDF Projects Addressing General SPS Issues

Project Title	Status	Budget (US\$)
STDF 155: Nicaragua market oriented training service on market application	Project approved in October 2008. Pending	537,435
STDF 246: Development of SPS Action Plan for Cambodia	Project approved in June 2008. Identify actions to be taken to enhance the SPS system in Cambodia. Pending.	250,000
STDF 113: Strengthening SPS controls in Burundi	Project approved in March 2007. Enhance the capacity of the Burundi Bureau of Standards (BBN) including training on SPS compliance for public and private sector officials. Pending.	513,000
STDF 170: Strengthening capacity of government SPS officials in Nepal	Project approved in March 2007. The objective of the project is to train government officials on SPS implementation issues. Implementation ongoing.	321,600
STDF 127: Support for SPS information systems in Benin	Project approved in November 2007. The aim is to improve information flow on SPS requirements and coordination among stakeholders, particularly in the private sector in Benin. Awaiting FAO implementation.	363,858
STDF 108: Institutional capacity of countries in the Americas	Project approved in October 2006. A peer review of SPS compliance structures and practice in IICA countries. Implementation ongoing.	585,588
STDF 79: Quality information on SPS issues, a prerequisite for capacity building	Project approved in September 2005. It aims to improve the sharing of information on official standards through the International Portal on Food Safety, Animal and Plant Health. Implementation ongoing.	470,000
STDF 120: Risk analysis and risk assessment training in India	Project approved in February 2006. Provided training on risk analysis procedures for key Indian officials. Completed.	244,050
STDF 20: Country-based plans for SPS-related development	Project approved in September 2003. The objective was to undertake baseline studies of SPS capacity and apply cost-benefit analysis to examine returns on investment in terms of foreign trade and an improved SPS situation. Completed.	170,862
STDF 19: Model arrangements for SPS stakeholder involvement at the national level	Project approved in September 2004. The project examined national arrangements for circulation of SPS information and make recommendations of general applicability on how co-ordination could be improved. Fieldwork in Paraguay and Sri Lanka. Completed.	291,218
STDF 10: International Portal on Food Safety, Animal and Plant Health project	Project approved in September 2003. Establishment of national windows to the International Portal on Food Safety, Animal and Plant Health. Fieldwork was undertaken in Turkey and Uganda. Completed.	59,400
STDF 5: STDF Database	Project approved in June 2003. Establish a database covering the period 2001-03 to: i) help reduce duplication and gaps in activities; and ii) track SPS-related technical assistance flows and trends. Completed.	73,474