

**Workshop on WTO Sanitary and Phytosanitary (SPS) Measures  
Asian Development Bank Institute (ADBI), Tokyo, Japan (9-12 December 2008)  
Organized by ADBI in Cooperation with FAO**

**Executive Summary of the Workshop Proceedings**

Introduction

1. The Asian Development Bank Institute (ADBI), in cooperation with the Food and Agricultural Organization (FAO) of the United Nations (UN), sponsored and organized a workshop regarding World Trade Organization (WTO) Sanitary and Phytosanitary (SPS) Measures and Technical Barriers to Trade (TBT) in Tokyo, Japan. Officials of various relevant ministries from different developing member countries (DMCs), who are also members to WTO, in Asia participated in this Workshop to discuss the dynamics of international food safety regulations, especially in relation to the WTO SPS and TBT agreements and related agreements and international standards. The coordinator of the Workshop was Teruo Ujiie, Senior Capacity Building Specialist, Capacity Building and Training Department, ADBI.

2. The main thrust of the workshop was to foster better understanding and collaboration on WTO SPS and TBT agreements as the framework for food safety regulations and for expansion of trade in agricultural products with special emphasis on food standard setting, which is currently being implemented in the participating countries. The workshop was also directed towards greater understanding of the agriculture and food-related issues and standards, to address the challenges and difficulties experienced by many countries in Asia and the Pacific region, particularly on food safety regulation and its impact on trade.

3. The workshop was divided into 6 Sessions: International Framework for Food Safety System; SPS Related Topics (I); SPS Related Topics (II); Food Safety Compliance and Roundtable Discussions; Sharing Experiences in SPS Measures; and Japan's Contribution to SPS Area and Evaluation/Next Steps, with experts sharing their knowledge and expertise on the subject under consideration. During each session, participants were able to obtain additional information specifically on the international frameworks for food safety, including Codex, SPS requirements on farming, issues on traceability, and the main activities of the WTO and food standards. Roundtable discussions were also held, discussing the impact of private food safety standards on global trade with food and agricultural products including the sharing of experiences in SPS measures by the People's Republic of China (PRC), Japan and Viet Nam.

**DAY 1**

**Welcome Address and Opening Remarks**

4. Participants were welcomed to the Workshop by Hiroyuki Konuma, Mission Leader and Deputy Representative, FAO Regional Office for Asia and the Pacific (FAORAP), Bangkok, Thailand. Mr. Konuma, in his welcome address, warmly welcomed all participants on behalf of the FAO and expressed his sincere gratitude to ADBI for the excellent arrangement of the workshop.

5. After welcoming the participants, he then proceeded to introduce issues and concerns related to food safety and SPS Measures. He articulated that trade of food and agricultural products in Asia and the Pacific is crucial for the development of the region which contributes to the Millennium Development Goals (MDGs) of eradicating food insecurity and rural poverty. He further noted that serving the markets for food and agricultural products requires strict compliance with a growing body of food safety requirements. SPS and TBT measures are therefore increasingly important determinants of market access not just for developing country markets, but also for regional trade relations.

6. He explained that the workshop is an extremely important event which is very timely considering that many countries in Asia and the Pacific are currently experiencing difficulties in meeting the SPS standards set by importing countries, due to their inability to assess the implications of SPS requirements on their export markets and having limited capacity to participate effectively in the dispute settlement procedures and to demonstrate that domestic SPS measures are equivalent to those implemented by their trading partners. He stated that after the workshop, participants are expected to have a better understanding of food safety regulations and SPS measures which will lead to greater cross-border trade in food and agricultural products. Mr. Konuma concluded by wishing everyone a fruitful and successful workshop.

7. The Opening Remarks were delivered by Worapot Manupipatpong, Director, Capacity Building and Training Division, ADBI. Mr. Manupipatpong welcomed the participants to the Workshop and mentioned additional observations on food safety. He noted that with the present trend towards greater regional integration in Asia as highlighted in a recent ADB publication on “Emerging Asia Regionalism”, countries in the region are becoming increasingly integrated and their current shares of agricultural imports and exports are also expected to increase. He also emphasized that since most agricultural products are produced for human and animal consumption, they are normally subject to health and sanitary standards and certification to ensure that they are safe. To facilitate international trade in food and agricultural products and minimize non-tariff measures affecting them, the SPS measures were adopted.

8. Mr. Manupipatpong however, cited a FAO report noting that instead of facilitating trade, SPS measures were found to be actually impeding trade not only because they are financially challenging for least developed countries (considering the compliance cost with SPS related obligations as well as the investment in testing facilities which can exceed governmental developmental budgets) but also because of lack of access to scientific and technical expertise and the development of domestic SPS control system that are effective and appropriate to local circumstances. However, he is positive that with regional cooperation including the sharing of country practices and lessons learned in their compliance with the SPS Agreement, some of the challenges can at least be partially addressed. He further noted that regional cooperation and integration is in fact one of the ADBI's three key priority themes and also one of the five core specializations of the ADB's new long term strategic framework called “Strategy 2020”.

9. In closing, Mr. Manupipatpong expressed the sincere gratitude of the ADBI to FAO for its contributions and support. He also recognized all the resource speakers from ADB head office, PRC, Philippines, Thailand and Viet Nam for sharing their expertise and experiences on various aspects of food safety standards and systems.

10. An orientation to the workshop was also made by Mr. Teruo Ujiie, Coordinator for the workshop.

### **Keynote Speech: Significance of Agricultural Trade in the Asia Region and Non-Tariff Measures**

11. The Keynote address of the workshop was delivered by Mr. Upali Wickramasinghe, Regional Policy and Programme Officer (Trade) FAORAP. He declared that the global agriculture trading environment remains a major stumbling block for multilateral trade negotiations under the WTO. The dissatisfaction in agricultural trade stems from many sources, including non-tariff measures, where SPS and TBT measures have become a major area of concern.

12. Non-tariff measures (NTMs) refer to any measures other than tariffs which restrict or distort international trade. They are often classified into five categories, namely:

- Quantitative restrictions;
- Customs procedures and administrative procedures;
- Non-tariff charges and related policies;
- Government participation in trade, restrictive practices; and
- TBT (regulations and standards related to health, sanitary, safety, industrial, packaging, labeling, advertising and media).

13. It is noted that all the above forms of NTMs, by themselves, should not restrict trade; these measures become trade barriers only when they go beyond the legitimate levels of protection and regulations to protect consumers. Some of the observations noted in the presentation related to NTM were as follows:

- Frequency of NTM is generally higher for agricultural products than for manufacturers, minerals, and fuels
- Developed countries and Quad countries have higher frequency of NTMs for agricultural products from developing countries than that of other countries.
- SPS and TBT measures do not significantly affect trade between developed countries but negatively affect exports from developing countries to developed countries
- Certain products and export items within agriculture such as crustaceans and other fish have higher frequency of NTMs and therefore those countries' exports that depend on these commodities are particularly vulnerable to increased changes in standards.
- TBTs including SPS, constitute the most crucial NTMs for agricultural exports, particularly from developing countries.
- The cost of achieving compliance with the new standards or testing facilities is quite high.
- Asia finds it difficult to use agricultural trade as a supporting element of economic development and growth, despite effort at liberalizing markets and opening up for trade and global integration although they have comparative advantage in production.

14. To address the above constraints, it is important to understand the present global standards or the manner in which the global standards framework is organized. At

present, there are two sets of standards being applied in the global market. The first set consists of international voluntary standards which can be termed as “public standards” such as those prepared by CODEX, OIE, IPPC, and public standards formulated and implemented by national governments. While the second set consists of standards that are governed by the private sector, including multinational companies and large corporations along with national counterparts which can be termed as “private standards” such as those prepared and prescribed by private buyers.

15. For public standards, national governments are ultimately responsible for creating regulations and maintaining standards for the benefit of their citizens. With that in mind and to establish international standards acceptable to all governments for smooth functioning of the global trading system, coordination with international organizations becomes a necessary factor for food safety, consumer protection, and trade facilitations. On the other hand, private standards are those imposed by companies or corporations intended to improve their competitiveness. These private standards are often much higher than the public standards. Some of the arrangements on private standards include: the use of agro-chemicals, eco-friendliness, fair trade practices, ethical trading initiative or rainforest preservation. In addition, there are also private standards with public involvement such as those standards setting arrangement prescribed by: (i) International Standard Organization (ISO), which is a network of national standards institutions; (ii) Hazard Analysis at Critical Control Points (HACCP), which provides systematic analysis for potential food safety hazards; and (iii) Good Agricultural Practice (GAP), which attempts to promote basic safety principles to minimize biological, chemical and physical hazards associated with food crops from seed through storage.

16. With the implementation of the two sets of standards, it is expected that national governments will be forced to more carefully review their food regulations and justifications and procedures of establishment because changes in regulations are subject to international scrutiny and challenge by other countries. It would at least improve the procedures for notifying the change in standards and regulations due to transparency requirements, and there will be progress in regionalization efforts. Note however, that there are some countries that have more relaxed SPS requirements while others introduce more stringent regulations. The last topic in Mr. Wickramasinghe’s keynote speech is the emerging challenges for developing countries. He acknowledged that developing countries have a number of concerns on the way the agreements are implemented and their impact on agriculture trade, particularly on the following areas:

- Market access limitations or their capacity for exports to other countries
- Fast changing products standards in developed countries
- Lack of adequate financial and human resources skills, expertise to deal with the changes
- Losing “niche” markets
- Slow process of adopting standards in international organizations
- Unresolved disputes
- The need to meet both private and public standards, where private standards may be more stringent
- Standards have become a never ending battle with new waves of standards by the time old standards have been dealt with
- Standards have become part of the new rule of the game.

17. Mr. Wickramasinghe, despite the concerns mentioned above, is still optimistic about the future and suggested some of the options available for Asia and the Pacific regions. He noted that multilateral lending institutions like ADB and the World Bank (WB) and UN organizations are working hand in hand to enhance the capacity of developing countries to meet the challenges. Further, regional associations have begun to take issues related to standards seriously and proposed to set up accreditation mechanisms, including regional mechanisms to get accreditation for laboratories from international accreditation associations like the ISO which can save cost and lead to better outcomes. In addition, there are also arrangements like special economic or production zones and pre-inspection arrangements which can supplement national efforts in meeting global products and process standards. He ended his speech by stating that the development of strong human resource capacity in developing countries should be an ongoing effort and can help developing countries better understand the dynamics of the global trading environment and adapt fast enough to reap the benefits of a freer international trading environment.

### **Session 1: International Framework for Food Safety System**

#### **Introduction to the WTO's SPS and TBT Agreements as the Framework for Food Safety Regulations**

18. Mr. Anthony A. Abad, Managing Director, Trade Advisory Services, Law School Professor, Ateneo de Manila University, Former Administrator, National Food Authority, Department of Agriculture, Philippines, in his presentation provided participants with an overview of the WTO SPS and TBT Agreements as a framework for food safety regulations.

19. The Uruguay Round negotiations produced two relevant binding agreements namely: The Agreement on the Application of Sanitary and Phytosanitary Measures (SPS Agreement); and The Agreement on Technical Barrier to Trade (TBT Agreement). The basic distinctions of the two Agreements were included in the discussion:

- As to coverage: SPS Agreement covers life or health of human, animal and plant protection and that which ensures food safety and prevents the spread of disease among animal and plant life. While, TBT Agreement has wider application and applies to all products including industrial and agricultural products.
- As to rule: SPS and TBT Agreements differ in four main aspect: (i) use of scientific evidence; (ii) measure to be applied on an MFN basis; (iii) deviation from international standards; and (iv) application of provisional measures.

20. The Agreement on SPS Measures sets out the basic rules for food safety and animal and plant health standards. It allows countries to set their own standards. But it also says regulations must be based on science. They should be applied only to the extent necessary to protect human, animal or plant life or health, and they should not arbitrarily or unjustifiably discriminate between countries where identical or similar conditions prevail. Member countries are encouraged to use international standards, guidelines and recommendations where they exist. However, members may use measures which result in higher standards if there is scientific justification. They can also set higher standards based on appropriate assessment of risks so long as the approach

is consistent, not arbitrary. The agreement still allows countries to use different standards and different methods of inspecting products. Key SPS principles includes:

- Harmonization - The establishment, recognition and application of common sanitary and phytosanitary measures by different Members.
- Scientific risk assessment - The evaluation of the likelihood of entry, establishment or spread of a pest or disease within the territory of an importing Member according to the sanitary or phytosanitary measures
- Appropriate level of protection- The level of protection deemed appropriate by the Member establishing a sanitary or phytosanitary measure to protect human, animal or plant life or health within its territory.
- Equivalence - Members shall accept the sanitary or phytosanitary measures of other Members as equivalent, even if these measures differ from their own or from those used by other Members trading in the same product, if the exporting Member objectively demonstrates to the importing Member that its measures achieve the importing Member's appropriate level of sanitary or phytosanitary protection.
- Transparency - Members shall ensure that all sanitary and phytosanitary regulations which have been adopted are published promptly in such a manner as to enable interested Members to become acquainted with them.

21. The TBT Agreement aims to ensure that technical regulations and standards (including packaging, marking and labeling), and assessing conformity with these regulations and standards, are not formulated and applied in order to create technical barriers to trade. The WTO Agreement on TBTs encourages countries to use international standards in formulating technical regulations and voluntary standards, and in trade. It also requires that countries use guidelines and recommendations developed by international standardization organizations as the basis for their conformity assessment procedures. If countries use international standards, guidelines or recommendations as bases for technical regulations and conformity assessment procedures, these will not be regarded as creating unnecessary barriers to trade. Key TBT principles includes:

- Non-discrimination – members shall ensure that...xxx products imported from the territory of any Member shall be accorded treatment no less favorable than that accorded to like products of national origin and to like products originating in any other country.
- The measure shall be “No more trade restrictive than necessary” and to fulfill legitimate objectives: (i) national security requirements; (ii) prevention of deceptive practices; (iii) protection of human health or safety; (iii) protection of animal and plant life or health; and (iv) protection of the environment
- No unnecessary obstacles to trade taking into account the following: objective, risk of non-fulfillment, relevant factors such as scientific and technical information, processing technology, intended end-users of products
- Harmonization – measures should be based on international standards except when inappropriate or ineffective: (i) climatic, geographic or technological problems; or (ii) national security, health and safety
- Equivalence and Mutual reorganization - accept as equivalent, technical regulations of other members' even if these differ from their own, if they are satisfied that these adequately fulfill the objectives of their own regulations. And accept other Members' conformity assessment results.

- Transparency - notification, establishment of enquiry points and TBT Committee. Notification must be made with respect to the: a) Implementation and administration of the Agreement; b) Draft technical regulations, and adopted urgent measures; c) Bilateral and multilateral agreements; and d) Adherence or withdrawal to the Code of Good Practice and work program.

22. After Mr. Abad's presentation on the introduction to the SPS and TBT Agreements as the Framework for Food Safety regulations, participants were able to ask questions and discuss concerns relating to their work for their respective governments. There were lengthy discussions on the distinctions between SPS and TBT, legal remedies for problems involving the implementation of SPS and TBT measures, and private standards.

## **DAY 2**

### **Session 2: SPS Related Topics (I)**

#### **Institutional Arrangement to Facilitate Smallholder Farmers to Fulfill SPS Requirements: Contract Farming and Food Safety**

23. On the second day of the Workshop, Ms. Sununtar Setboonsarng, Senior Agriculture Economist, South East Asia Department, ADB Headquarters, Manila, delivered two presentations.

24. The first presentation was on the Institutional Arrangement to Facilitate Smallholder Farmers to Fulfill SPS Requirements: Contract Farming and Food Safety. She noted that about 800 million or 75% of the world's poor are living in Asia-Pacific Region and up to 90% are subsistence farmers living on traditional crops, NTFP, and small-scale fisheries. In meeting food safety standards, additional capital investment and expertise become necessary and this could leave the poor farmers without effective facilitation. It has been stated that government and donor resources are limited and providing agri-services to small farmers becomes an issue because it requires enormous public resources.

25. Contract farming is intended to alleviate the issues of providing agri-services to small farmers. It is a system in which agro-processing or trading units enter into a contract with farmers to produce a specified quantity and quality of agricultural commodity at predetermined prices. The said system is said to have dual benefits or advantages to both farmers and trading units that contracted the farming. For the farmers, benefits include: (i) assured market for output; (ii) increase & stabilize income; (iii) employ surplus labor; (iv) provision of credit for production; (v) managerial and technical advice; and (vi) certification/traceability system. On the other hand, for trading units, benefit include: (i) facilitates quality control or SPS compliance; (ii) ensures constant supply of raw materials; (iii) reduces production cost through vertical integration; and (iv) elps meeting traceability requirements. Contract partners of farmers are usually traders or exporters, agro-processing firms, supermarkets, NGOs, and local governments. Ms. Setboonsarng has also included in her discussion the disadvantages of contract farming like the reality that it is an agreement between unequal parties and sometimes contractors may be even biased toward large-scale farmers and the fact that the technology promoted by contractors merely leads to short term gains. She therefore noted that to overcome the issues and challenges of contract farming, it was

recommended that strong farmer organizations should be promoted as well as sustainable technologies. Contract partners should also promote corporate social responsibility among themselves to ensure success of the system.

26. Ms. Setboonsarng then gave a discussion on Organic Contract (OA) farming. She articulated that the OA meets the requirements of SPS and TRT which also works on comparative advantages of the disadvantages of poor farmers. It un-contaminates land suitable for producing safe food, indigenous knowledge of low-external input agriculture, availability of labor, and minimal need for credit. She emphasized the advantages of OA in terms of higher profitability on the crops produce and overcoming trade barriers. With OA she believes hitting many birds with one stone which means that not only the SPS requirements will be address but could also increase long term food security, investing in preventive health, reducing poverty and inequality, and could mitigate GHG: N2O, CH4, and CO2, and thus could reverse climate change and address issues on water and water waste management.

27. With OA, public sector participation is necessary for rural infrastructure, land tenure and R&D extension. Moreover, the public sector plays an important role in providing an enabling environment for private sector not only to compete but also to promote corporate social responsibility and support farmers' organizations.

### **Role of IT in Food Safety & Traceability Requirements: Lessons from Japan**

28. The second presentation of Ms. Setboonsarng was the Role of IT in Food Safety & Traceability Requirements: Lessons from Japan. In the outline of her presentation she mentioned the topic of traceability systems, information requirements, and the role of ICT, the lessons and recommendations for developing countries.

29. Traceability is defined as the ability to follow the movement of a feed or food through specified stages of production, processing and distribution. In the Food Traceability System, the players are: the producer processors, wholesalers, retailers and down to consumers i.e. from upstream to downstream vice versa. The market trend includes: the increased international food trade; global concerns on food safety and quality; increased requirement of documentation; and developing countries need to comply with food traceability requirements. Exported food must also conform to the GAP, GMP and HACCP standards under the WTO. Different importers may have varying traceability requirements which could increase the burden for producing countries. As a consequence, small scale farmers are further marginalized in the traceability system. Also, there are information requirements which must be met such as:

- Keeping of record and documentation on food product,
- Labeling,
- Requirements related to product removal,
- Recall and notification.

30. In conclusion, she emphasized the lessons and recommendations for developing countries and stated that the traceability system is essential to gaining market access since it promotes consumer confidence plus it improves business efficiency throughout the supply-chain.

## **Main Activities of Codex and Associated Activities of FAO**

31. The fifth Workshop presentation was delivered by Mr. Hiroyuki Konuma, Deputy Regional Representative of FAORAP. He gave a brief background on the history of the Codex Alimentarius (a Latin word for “food code”) and what it is about including its objectives, organizational structure of the Codex Alimentarius Commission, the prescribed standards and its importance to food safety as well as areas of concerns. He also gave insights on the current activities undertaken by FAO relating to food safety.

32. The FAO was founded in 1945 and the World Health Organization (WHO) in 1948, with both taking the responsibility for covering food and health related issues, in the light of the international food standards. At the World Health Assembly, held in 1953, it was confirmed that the broad usage of chemicals in food production and processing imposed itself as a new public health problem that required special attention. Experts from FAO and WHO noted that “food regulations in different countries are often conflicting and contradictory. Legislation governing preservation, nomenclature and acceptable food standards often varies widely from country to country. New legislation not based on scientific knowledge is often introduced, and little account may be taken of nutritional principles in formulating regulations”

33. To address the above issues, FAO in 1961 and WHO in 1963 passed a resolutions to establish the Codex Alimentarius Commission which would be responsible for the joint FAO/WHO food standard program. In October 1962, a joint FAO/WHO Conference on Food Standards was held at the Palais des Nation in Geneva, which resulted in the establishment of the framework for cooperation between the two agencies. The Codex Alimentarius is a collection of food standards, guidelines and codes of practices developed by the Codex Alimentarius Commission. In 1963, the first session of the Codex Alimentarius Commission was held and attended by 120 delegates from around 30 countries in the world.

34. The Codex Alimentarius Commission has 176 member countries and 1 member organization (EU) and 200 observers from the United Nations (UN) including other intergovernmental and non-governmental organizations. The needs of the member countries of FAO and WHO for harmonization of the national legislation, protection of the consumers and their health, and facilitation of multilateral trade, are just few of the contributions that lead to the long term strengthening of the role of Codex Alimentarius. Corollarily, the legal basis for the operation of the Codex Alimentarius Commission is determined by the Commission's statute. According to article 1 from the Statute of the Codex Alimentarius Commission, its obligations are:

- Protecting the health of consumers and ensuring fair practices in food trade;
- Promoting coordination of all food standards work undertaken by international governmental and non-governmental organizations;
- Determining priorities and initiating and guiding the preparation of draft standards through and with the aid of appropriate organizations;
- Finalizing standards elaborated after their acceptance by governments,
- Publishing the standards in a Codex Alimentarius either as regional or international standards,
- Amending published standards, after appropriate survey in the light of developments.

35. The organizational structure of the Codex Alimentarius Commission consists of:
- Executive Committee – compose of the Chairperson, 3 Vice-Chairpersons and 6 Regional Representatives
  - Regional Coordinating Committees – There are 6 regional Committees – for Africa, Asia, Europe, Latin America & Caribbean, North America & Southwest Pacific, Near East with the task of:
    - Defining the problems and needs of the region,
    - Promotion of cooperation and exchange of information,
    - Development of world-wide food quality and safety standards of regional interest,
    - Development of regional food safety and quality standards,
    - Coordination and promotion of the activities of the Codex Alimentarius Commission,
  - Secretariat – A high-level FAO body responsible for the formulation and development of FAO and WHO standards and programs. It provides full administrative support to the Commission and coordinates the activities as well as prepares the work for the committees. At the same time, the Secretariat is responsible for maintaining relations with the National Codex Contact bodies/institutions (Codex contact points). The Secretariat is composed of six representatives working time, situated at the head office of FAO in Rome.

In addition, the Codex Alimentarius has also subsidiary bodies namely:

- Codex Committees
  - Codex Committees for general principles - The work of the Committees on general issues is related to the work of the committees on foodstuff products. They coordinate their activities in the development of standards for all products and their further adoption. The committees for general principles are also known as Horizontal Committees. There are nine committees of this type: Committee on general principles, Codex Committee on Food Labeling, Codex Committee on Methods of Analysis and Sampling, Codex Committee on Food Hygiene, Codex Committee on Pesticide Residues, Codex Committee on Food Additives and Contaminants, Codex Committee on Import/Export Inspection and Certification Systems, Codex Committee on Nutrition and Foods for Special Dietary Uses, and Codex Committee on Residues of Veterinary Drugs in Food.
  - And Codex Committees for special types of foodstuff products- The Committees for separate types of foodstuff products have the responsibility to develop standards for different types of food or groups of foodstuff products. In order to differentiate them from the Horizontal Committees and to recognize their exclusive responsibility they are often called Vertical Committees. There are 11 vertical committees: Codex Committee on cocoa products and chocolates, Codex Committee on sugars, Codex Committee on processed fruit and vegetables, Codex Committee on fats and oils, Codex Committee on meat and animal meat hygiene, Codex Committee on fish and fishery products, Codex Committee on fresh fruit and vegetables, Codex Committee on meat milk and milk products, Codex Committee on natural mineral waters, Codex Committee on vegetable proteins, and Codex Committee on cereals, pulses and legumes.

- Ad-hoc Intergovernmental Special Work Groups – The terms of reference of ad hoc Intergovernmental Task Forces shall be limited to the immediate task at hand and normally shall not be subsequently modified; The terms of reference shall clearly state the objective(s) to be achieved by the establishment of the ad hoc Intergovernmental Task Force. The terms of reference shall clearly state either (i) the number of sessions to be convened, or (ii) the date (year) by which the work is expected to be completed, which in any case shall not exceed five years. Examples of Ad-hoc intergovernmental task forces include the ones on Biotechnologically produced food, Animal feeds and Fruit juices

36. The Codex Alimentarius standards are established by different governments through the Codex Alimentarius Commission. The focus of the standards is to ensure food safety. Although voluntary in application, the WTO encourages countries to adopt the Codex standards. As a result of the effort of the Codex Alimentarius Commission there were over 240 food standards passed, 40 hygienic and technological practice codes, 700 food additives and contaminants evaluated, 50 veterinary drugs evaluated, 3,200 maximum pesticides residue limits and more than 1,000 maximum limits for food additives and contaminants prescribed.

37. Mr. Konuma in his presentation stressed that food safety standards are vital component of a national food safety control systems because they provide the basis for inspection, testing and certification activities in a particular country. Food standards also provide guidance to industry, consumers, government and other players in the food supply chain for determining if they have a safe food product. At the same time they provide a common view of requirements for international trade in food and can be referred to in international trade disputes. Codex plays a prominent role in the development of international standards and in bringing about harmonization of food safety standards. This is very important at a time when both private and public standards for food safety are becoming stricter and new ways of production, testing and sampling are being introduced. He also articulated that food safety is a shared responsibility of all stakeholders along the food supply chain including farmers, processors, traders, distributors, consumers and governments.

38. The process of developing new codex standards, guidelines and codes of practice includes:

- Country proposes development of a standard in a committee;
- Followed by an approval from the Commission of the new work to be undertaken;
- Proponent of new work leads the effort to get the standard adopted;
- Standards development requires extensive collection of scientific data including risk assessment information provided by FAO/WHO expert bodies and others and is an important part of the process.
- A Codex committee serves as the risk manager in the standards development process

39. Some of the food safety areas of concern which are also areas where Codex is doing substantial work in developing food standards include: Un-allowed chemicals / proper use of allowed chemicals, environmental &/or processing contaminants, microbial toxins, residues of pesticides & veterinary drugs, use of food additives and microbial contaminations:

- Food-borne pathogens

- Development of antimicrobial resistance

40. Moreover, to facilitate compliance with Codex standards, Codex develops codes of practice which provide guidance on producing safe food products. These codes include: Good Agricultural Practices (GAP), Good Manufacturing Practices (GMP), Good Hygiene Practices (GHP), HACCP, prevention and control of contaminants, import/export certification systems, methods of analysis and sampling, and labeling.

Areas of particular concern when it comes to food safety are the use of new technologies and their impact on food safety. These technologies include: (i) Biotechnology; (ii) Genetically engineered foods; (iii) Food irradiation; and (iv) Nanotechnology.

41. The FAO assists member countries in conducting risk assessment, performing risk communication and taking risk management decisions. Recently, the melamine incident in PRC had a great impact on countries in Asia. The FAO assisted member countries to deal with the issue with included assistance with:

- Provision of guidance to member countries on standard setting for melamine based on international risk assessments
- Risk communication to member countries through the International Food Safety Network (INFOSAN) network (notifications)
- Conducting sampling and testing. For countries without the appropriate equipment, FAO has assisted countries with having samples tested abroad.
- Assessing needs for technical assistance and capacity building in selected countries in Asia. Particularly in Bangladesh, Lao PDR and Viet Nam

42. Another form of assistance provided by the FAO is the assistance to member countries to combat dangerous animal diseases. FAO offers the Emergency Centre for Trans-boundary Animal Diseases (ECTAD) platform to donors as a highly visible operational and strategic instrument for international action at the source. ECTAD resources were used to develop mapping capabilities within FAO to interpret disease information in conjunction with ecological, soil use, or social factors in order to gain understanding of disease dynamics and possible intervention measures.

43. Drawing lessons from various evaluations and building on existing structures such as ECTAD, Senior Management initiated more than a year ago an inter-departmental process aiming to streamline the Organization's response to Food Chain Emergencies (animal diseases, plant pests and food safety). A first major result of this process was the new Crisis Management Framework for the Food Chain. In line with the Director General's instructions, substantial progress has since then been made towards its full implementation. Building on the existing TCE ECTAD desk and within the framework of this new Crisis Management Framework for the food chain (CMC-FC), a Food Chain Emergencies Management Unit has been established within TCE (TCE-FCEMU) and is the operational arm for the new Framework. One of the major comparative advantages of the new Crisis Management Framework for the Food Chain is the capacity of the TCE, through its FCEMU, to partner very closely with the concerned technical divisions (AGP for plant pest, AGA for animal health, AGN for Food Safety) and therefore to make sure the highest possible degree of technical expertise available in support of field activities.

44. These examples from Asia and the Pacific region have highlighted the limitations in understanding the risk assessment process and results. Participating in the risk management processes can impose a considerable burden on the capacity of a country to participate effectively in Codex.

45. For many countries in Asia, the availability of scientific data is inadequate and makes it very difficult for countries to base their food standards on sound scientific grounds and to provide scientific justification for SPS measures implemented. Communication skills become very important considering the precaution as well as social and economic concerns among consumers and other stakeholders along the food supply chain. In addition, the Codex trust fund and FAO capacity-building programs play an important role in strengthening food safety in Asia. The Codex Trust Fund provides financial assistance for member countries to attend Codex meetings and provides training programs for understanding the work of Codex and its procedures. The latest training course held was the “Codex Training Course for Asia and the Pacific” which was held from 13 to 15 November 2008 prior to the Codex Coordinating Committee for Asia (CCAsia). Participants learned about Codex’ work and procedures and were able to apply their new knowledge in the subsequent Codex Session of CCAsia.

46. In closing, Mr. Konuma concluded that all countries have an interest in ensuring that Codex standards protect human health and achieve this without hindering trade and economic development. External assistance by organizations and the internal commitment by countries to provide the needs for effective participation in Codex are both essential to achieve this.

### **Regulatory Trend towards Food Safety Challenges in Asia**

47. The last presentation for Session 2 was by Mr. Peter Sousa Hoejskov, Food Quality and Safety Officer of FAORAP. Mr. Hoejskov discussed the context of food safety, food control challenges in Asia, and the current trend towards food safety.

48. In the context of food safety, there are certain issues under consideration. First, with increasing food trade, there is a corresponding increase in the risk of cross-border transmission of infectious agents (increases risk to human health and implications for international trade). Second, not only is there an increase in global trade but also in the globalization of the food supply chain. Third, the new trading environment created by WTO SPS and TBT Agreements provides greater opportunity for trade, but requires the application of the rules in a transparent and non-discriminatory manner. Fourth, with the inadvertent introduction of pathogens into new geographic areas, travelers, refugees, and immigrants are more exposed to unfamiliar food-borne hazards. Lastly, there are now many changes in microorganisms and changes in food consumption patterns and lifestyles.

49. With the food safety risks and recent food safety incidents in different parts of the world, consumers are now becoming less confident in the ability of national food control systems to provide the necessary protection. So governments are pressured to do more to ensure food safety and the traditional food control systems which focus on the testing of food samples at the end of the chain have proved ineffective in protecting the consumer.

50. Potential food safety hazards are biological, chemical, and physical. Their presence in the food supply chain may be due either intentional or unintentional. Thus, food control systems become an important consideration:

- Codex Alimentarius Commission
  - Harmonization of food quality and safety requirements
  - Standards, guidelines, and codes of practice
- WTO SPS and TBT Agreements
  - National and/or regional SPS measures
  - Documentation and risk assessment
- Introduction of private food quality and safety standards and requirements
- The common challenges in the food control system in Asia are as follows:
  - Introduction of risk based food control systems
  - Promotion of bio-security and a food chain approach to food safety control
  - Integration of science and scientific approaches in food control
  - Implementation of pre-requisite programs for food quality and safety including HACCP along the food supply chain.
  - Other challenges: Population growth, urbanization, natural environments, informal sectors, and emerging food safety issues

51. Mr. Hoejskov further noted that some of the challenges related to implementation of the SPS and TBT agreements are:

- Political commitment towards implementing the SPS agreement at national level is in many cases limited
- Many ministries and institutions at different administrative levels are involved in applying SPS measures and their responsibilities are not clearly defined
- Limited awareness of impacts and effects of the SPS and TBT agreements on ministries, regulatory authorities, laboratories, certification, inspection, standardization bodies, accreditation services, and the private sectors etc.
- The available human resources are often inadequate
- Unnecessary power play between interested parties
- Private sector stakeholders are not sufficiently involved
- Limited financial resources allocated
- Ownership of the needed change processes is lacking
- Understanding of the overall process of adapting to the SPS agreement is often lacking

52. Food safety and quality is the responsibility of everyone along the food chain. To control food safety, two approaches were suggested, namely: (a) the Food Chain Approach; and (b) the Risk-based approach to food control:

- Food chain approach – defined by FAO as the “recognition that the responsibility for the supply of food that is safe, healthy, and nutritious is shared along the entire food chain - by all involved with the production, processing, trade, and consumption of food”. The basis of a food chain approach are:
  - Risk analysis
  - Traceability
  - Harmonization of food safety standards
  - Equivalence in food safety systems
  - Application of preventive measures

Ensuring safe food to protect the consumer is to prevent food safety incidents from happening by either:

- Proactive approach - Building food safety in the supply chain from farm to table to control or eliminate hazards; versus
- Reactive approach - Testing (for) food safety in products

Advantages of a food chain approach includes: (i) Better economic sense; (ii) Structured and preventive approaches are preferred methods to improve food quality and safety; and (iii) The responsibility for food safety is entrusted to and divided between all the actors along the food chain

- Risk based approach - Food safety systems should focus on controlling risk factors for food-borne illnesses. Risk factors are determined through: (i) Epidemiological surveillance (what makes people sick?); (ii) Monitoring of contaminants in the food supply (finding disease agents in foods); (iii) Environmental considerations (e.g. the quality of irrigation water); (iv) Product and producer history; and (v) Studies to determine frequency of non-compliances and violations. Furthermore, risk analysis is the preferred approach for establishing food safety control measures which should make the foundation on which food control policy and consumer protection measures are based. In addition, the role of risk assessment in food control are as follows:
  - A tool to evaluate and improve food safety control measures
  - A requirement for applying SPS measures under the SPS Agreement
  - Risk assessments allow us to make informed, science-based regulatory decisions
  - Facilitate trade and maintain market access
  - Important in the food standards development process

53. In an enabling environment, policies, institutions, and support services that establish the setting in which enterprises operate should involve all stakeholders along the food supply chain including private sector, academia, government, and consumers. Consequently, the critical factors for enabling a sound business environment for production and trade with food and agricultural products should take into account:

- Measures to assure the safety of all food in the market;
- Comprehensive and rational food control systems;
- Science based food safety standards;
- Guidelines for farmers, manufacturers, handlers, and others on how to improve food safety; and
- Training and education of all stakeholders.

54. Promotion of food quality and safety assurance schemes in food businesses should take into account the following: (i) pre-requisite program; (ii) HACCP; and (iii) voluntary certification schemes. A food safety management system that identifies, evaluates and controls hazards that are significant for food safety should be considered including a systematic and preventive approach that addresses hazards through anticipation and prevention rather than through end-product inspection and testing

55. Coordination between stakeholders could strengthen the organizational structure of national food safety systems; clarify roles and responsibilities between food control agencies; develop operational mechanisms to promote and facilitate effective

coordination and information exchange between all stakeholders; and also could strengthen monitoring and surveillance of the performance of the food safety system. On the other hand, transparency assures integrity and effectiveness of the food control system as well as strengthens the involvement of all relevant stakeholders in decision-making processes.

56. The utilization of experiences makes use of international standards, guidelines and codes of practice; strengthens cross-border collaboration between governments, academia, industry and consumers; shares and considers lessons learned from other countries; makes use of international organizations to assess needs for capacity building and technical advice; and increases regional cooperation in the area of food safety.

57. The drivers for implementation of private food quality and safety standards are as follows:

- Disharmony in public standards and SPS measures
- The demand for standards has out-paced the supply of public standards
- Reduce transaction costs while maintaining quality and safety
- Strengthen control of the supply chain by using standards as a tool to supply chain coordination
- Increase safety and consistency of the safety in products
- Improve product image and consumer confidence

58. In conclusion, Mr. Hoejskov stated that food safety is an increasing concern for developed and developing countries. All stakeholders along the whole food chain need to address food safety challenges and coordination and collaboration is needed at all levels (nationally, regionally and internationally). Stakeholders must aim at prevention rather than correction taking into accounts the context of food safety.

### **DAY 3**

#### **Session 3: SPS Related Topics (II)**

##### **Japan's Contribution to the WTO-SPS/TBT Area**

59. One of the scheduled resource speakers for the third and fourth days of the Workshop, Mr. Makoto Shimoaraiso, Deputy Director, International Trade Division, Economic Affairs Bureau of the Ministry of Foreign Affairs (MOFA) in Tokyo, was unable to attend the Workshop due to a conflict in schedule. Since Mr. Shimoaraiso had to attend the WTO Ministerial Meeting in Geneva, he was unable to deliver his presentations on "Main Activities of the WTO Committee on SPS Measures, and Sources to Obtain Information on SPS Measures" scheduled on the third day of the Workshop, as well as his presentation on "Japan's Contribution to SPS Area" scheduled on the fourth day. In his stead, Mr. Ujiie delivered a presentation on Japan's Contribution to WTO-SPS/TBT Area on the third day of the Workshop.

60. Mr. Ujiie first discussed the organizational structure of the SPS/TBT System in Japan by presenting a flow chart of the SPS/TBT Notification procedure, as well as the government agencies involved under the WTO-SPS/TBT Agreement in Japan. The National Enquiry Points are as follows:

(a) SPS

- Standard Information Service of MOFA

(b) TBT

- Standard Information Service of MOFA, excluding enquiries handled by the Japan External Trade Organization (JETRO)
- Standard Information Service of JETRO – enquiries in the field of electric equipment, gas appliances, measurement scales, etc.

61. The government agencies responsible for Notification are the Ministry of Environment (MOE), Ministry of Economy, Trade and Industry (METI), Ministry of Agriculture, Forestry and Fisheries (MAFF), Ministry of Health, Labor and Welfare (MHLW) and Ministry of Land, Infrastructure, Transport and Tourism (MITT).

62. The procedure and timeline for Notification are as follows: drafting of the measure, notification to the members who are given 60 days to comment, at the end of which, the measure will be adopted then published. After 6 months from publication, the measure will enter into force.

63. From January to December 2008, there were 20 SPS Notifications from Japan (including 2 additions) and 50 TBT Notifications (including 2 additions and 1 revision) to WTO Members. Some examples of SPS Notifications from Japan are the Revision of Quarantine Measures for Plant Protection (MAFF), Designation of Food Additives (MHLW) and Designation of Invasive Alien Species (MOE). Some examples of TBT Notifications from Japan are Regulations for Safety of Electric Shredders (METI), Revision of Test Methods for Containers for Retort Pouch Foods (MAFF), Designation of Poisonous and Deleterious Substances (MHLW), Regulations on Running Noise of Vehicles (MLIT), Revision of Test Methods for Fire Foam Concentrates (Fire and Disaster Management Agency) and Revision of the Labeling Standards for Liquor (National Tax Agency). An example of Standards from the Japan Agricultural Standards is the Revision of Standards for Margarine (MAFF) while an example of Standards from the Japan Industrial Standards is the Revision of Railway Applications-Electric Equipment for Rolling Stock (MLIT).

64. Mr. Ujiie also presented the number of requests for related documents from/to WTO Members as well as the number of comments from/to WTO Members for the period of January to December 2008.

65. At SPS/TBT Official Meetings, Members should participate actively, raise/reply to specific trade concerns and propose and submit papers. There are 22 SPS specific trade concerns so far raised by Members, including Pesticide Maximum Residue Level Enforcement System raised by PRC and the US, and Restrictions on Exports of Plant and Animal Products raised by the EC and Brazil. There are 2 SPS specific trade concerns so far raised by Japan, i.e., EC's Regulation on Wood Packing Material and Thailand's Public Health Regulation 11. There are 11 TBT specific trade concerns so far raised by Members, including Labeling Guidelines on Wagyu raised by the U.S. and New Zealand, and Amendments to Regulation on Industrial Safety and Health raised by PRC. With respect to Japan, there have been more than 10 TBT specific trade concerns raised at every meeting, including the EC's Regulation on Chemical Products ("REACH") and PRC's Regulation on IT Security Products.

## **National Bureau of Agricultural Commodity and Food Standards (ACFS)**

66. Mr. Visetrojana Anut, Chief SPS Officer, National Bureau of Agricultural Commodity and Food Standards (ACFS) of the Ministry of Agriculture and Cooperatives in Thailand delivered a presentation on the National Bureau of ACFS.

67. Mr. Anut gave a brief background on the National Bureau of ACFS, which was established in 9 October 2002 through the Ministerial Regulation of the Ministry of Agriculture and Cooperatives. The Bureau is working under the direction of the National Committee on ACFS, a body reporting directly to the Prime Minister.

68. The mission of the Bureau is to develop standards and processes for production of agricultural commodities and food products; inspect and certify product standards at farm-level production and processing stages as well as authorize both public and private agencies to certify the standards for exported agricultural produce and food products; monitor and evaluate on-going programs and measures on food safety; engage in international negotiations on technical aspects at the bilateral level and with the international organizations to ensure fairness of the use of SPS Measures and other Non-Tariff Measures; and function as the Central Information Center and Traceability on food standards of agricultural commodities.

69. The functions of the Bureau are to develop standards for primary and processed agricultural commodities as well as food products; supervise, monitor and keep surveillance over food safety issues; issue operating licenses for technically qualified agencies to function as the accreditation body for standards and labeling of primary and processed agricultural produce and food products; coordinate and engage in international level negotiations which addresses the technical aspects of standards, Non-Trade Barriers and the establishment of international standards; function as the Central Information Center on primary and processed agricultural produce as well as food products; and serve as the Secretariat to the National Committee on Agricultural Commodity and Food Standards.

70. To ensure Thailand's commitment to the relevant international agreements which are responsible for agricultural and food standards development, the AFCS is also designated as a national focal point for the WTO/SPS and WTO/TBT, the Joint FAO/WHO Food Standards Program (CODEX), OIE and the IPPC.

71. In 29 November 2003, through a Cabinet Resolution, AFCS was designated the National Accreditation Body for Agricultural Commodity and Food Standards while the National Accreditation Council (NAC) retains its standard conformity assessment responsibilities on all other areas except the above mentioned areas.

72. Mr. Anut also presented the ACFS Organization Chart and the Road Map of Food Safety.

73. The laws and regulations governing Food Safety are the Agricultural Commodity Standards Act B.E. 2551 (2008); Plant Quarantine Act B.E. 2507 (1964), Revised B.E. 2542 (1999); Feed Quality Control Act B.E. 2525 (1982); Hazardous Substance Act B.E.

2535 (1992); Consumer Protection Act B.E. 2522 (1979); and the Food Act B.E. 2522 (1979).

74. Mr. Anut went on to discuss Food Safety and Conformity Assessment in Thailand. The principles of food safety in Thailand are that there be equivalent food safety for domestic and foreign consumers and that Thai agricultural and food products must be acceptable and conform to international standards. To implement these principles, Thailand has to put in place an effective import control system focusing on target chemical residues, plant and animal diseases and pests; promote farm registration and certification; encourage good hygienic practices and HACCP in the industry; strengthen the capabilities of inspection and analysis services of food and agricultural products; and apply Traceability throughout the food chain.

75. The Food Safety System in Thailand is composed of the following:

Farm	Department of Agriculture Department of Fisheries Department of Livestock Development	GAP Organic COC
Slaughterhouse	Department of Livestock Development	GMP
Packing House	Department of Agriculture	GMP
Processing	Thai Food and Drug Administration Thai Industrial Standards Institute Department of Agriculture Department of Fisheries Department of Livestock Development	GMP HACCP  Product Certification
Restaurant	Bangkok Metropolitan Department of Health	
Domestic	Thai Food and Drug Administration	
Export	Ministry of Agriculture and Cooperative	

76. The Accreditation and Certification System in Thailand was also discussed. The following are the Conformity Assessment Bodies (CABs) which were accredited by ACFS:

- Organic Agriculture Certification Thailand (Organic)
- SGS (Thailand) Limited (GMP/HACCP)
- Global Certification Service Limited (GMP/HACCP)
- AJA Registrars Limited (GMP/HACCP)
- Thailand Institute of Scientific and Technological Research Office of Certification Body (GMP/HACCP)
- Bureau Veritas Certification (Thailand) Ltd. (GMP/HACCP)
- Management System Certification Institute (Thailand) (GMP/HACCP)

77. The Thailand Quality Mark is the Q-Mark. It is a single, unique symbol for Certification by the Agricultural Commodity and Food Standards. It is the mark of quality and food safety, which is the responsibility of everybody in the food chain.

**Session 4: Food Safety Compliance and Roundtable Discussions**  
**Impact of Private Food Safety Standards on Global Trade with Food and Agricultural Products**

78. The presentation on the Impact of Private Food Safety Standards on Global Trade with Food and Agricultural Products was delivered by Mr. Peter Sousa Hoejskov, Food Quality and Safety Officer, FAORAP.

79. "Private food safety standards" is defined by the FAO as the standards for the production, processing, handling and distribution, set by the private sector and/or organizations, to ensure that food will not cause harm to the consumer when it is prepared and/or eaten according to its intended use.

80. Private food safety standards are categorized as follows:

- Standards developed by NGOs or farmer groups  
Focus: Environment, social issues, ethics, etc.
- Standards developed by food processing and retailing industries  
Focus: Food safety, traceability, implementation of prerequisite programs, HACCP, etc.

81. As part of the backgrounder, Mr. Hoejskov also discussed the rise of private standards, the new trading environment under the WTO, new social movements and shifting supermarket strategies. One of the drivers for developing private food safety standards is the devolution of the state. Some of the key developments are as follows: national food control systems have developed into risk based preventive systems with increased self-control rather than state control of food quality and safety; audit inspection rather than products or premises inspection; and pressure from food industry and retailers has reduced the role of the state in official food control.

82. Other drivers for developing private standards are:

- Global sourcing of food products – concerns about inconsistency of quality and safety
- Concentration tendencies among retailers and food processing industry – increasing power to dictate requirements for food quality and safety
- Corporate responsibility – retailers and food industry are kept responsible for the products they sell
- Consumer awareness and concerns related to food safety

83. Private food standards are implemented by retailers and the food industry as a result of recent developments. They are flexible standards that are negotiated between buyers and sellers, and dynamic standards that can rapidly be changed on the basis of demand. Private food standards tend to be more stringent, more rigorously enforced, and wider in scope than public standards.

84. The benefits for the "standard setter" are: enhance reputation and engage non-price competition; compare costs of various products purchased from a variety of suppliers; reduce transaction costs while maintaining quality and safety; strengthen control of the supply chain by using standards as a tool to supply chain coordination; increase consistency of the safety in products; and improve product image and consumer confidence.

85. The drivers for implementation of private food quality and safety standards are: disharmony in public standards and SPS measures across countries; the demand for

standards has out-paced the supply of public standards; advancement in food safety science and growing public awareness of health safety issues; following food scares, consumers expect retailers, through their purchasing practices, to supplement Government regulations for ensuring food safety; and consumers and retailers are demanding more transparency, traceability and quality assurance in the food chain.

86. Private standards, when taken in relation to the SPS agreement, show that the SPS agreement is negotiated by government representatives to protect human, animal and plant health. SPS measures can be used only if necessary for health protection. Scientific evidence is required to demonstrate this necessity.

87. Private standards, when taken in relation to Codex, show that Codex standards are science-based and internationally approved. Governments assist producers to comply with Codex standards and guidelines. Private standards often build on Codex but may be more stringent and/or broader in scope.

88. The WTO SPS Agreement recognizes Codex standards as a reference for global food standards. It highlights that Codex standards are regarded as the norm in trade dispute settlements. The WTO SPS Agreement aims at eliminating the use of unjustified, unscientific regulations to restrict trade. On the other hand, the WTO TBT Agreement ensures that regulations, standards, testing and certification procedures do not create unnecessary obstacles to trade.

89. When private standards are checked against their conformity with the SPS Agreement, it will be observed that private standards often, but not always, comply with national SPS measures. The SPS and TBT Agreements concern only government regulations and not private standards. Governments are responsible for ensuring that non-governmental entities accept and comply with the relevant provisions of the agreements.

90. Private standards have been on the SPS Committee's agenda since 2005. During SPS Committee discussions, developing countries have raised concerns of private standards working as trade barriers. A working group has been formed to assess the impact of private standards on global trade.

91. The following are the global challenges of multiply food safety standards: inconsistency among various sets of standards; multiple reporting and documenting systems; market requirements differ from Government work on standard setting; private standards undermine international forums for standard setting (risk of establishing parallel standard systems); not necessarily any private incentive of compliance with private standards.

92. The impact of private standards on market access is: require compliance if not exclusion from certain markets; and tend to impact the number of suppliers to a particular purchaser. With respect to the impact of private standards on global trade, the impact varies from country to country and between product sectors; the impact may be positive or negative, in terms of market access, natural resource management, rural development, overall food safety level in a country, environmental protection, etc.

93. One of the benefits from private standards is that they raise consumer awareness in developing countries on food safety issues. The use of higher standards

and stricter codes of practice should serve as catalysts to raise the overall safety of domestic markets. Private standards have contributed to ensuring consumer protection and providing incentives for improvement of product quality and safety. Since the enforcement and control of compliance with private standards is very strict, industry standards have led to improved farming practices, implementation of traceability systems and better natural resource management.

94. Private standards have a positive impact on suppliers and producers. Compliance has given the food producers the opportunity to strengthen their position in the supply chain and improve market access. Private standards may give higher return to producers and suppliers and offer new income streams and confidence to smallholders. With private standards, there is a better understanding of expectations of buyers, as well as an integration and strengthened position of resource-poor, small-scale farmers and processors and governments in the supply chain.

95. There is, however, a negative impact of private standards on developing countries. The costs of compliance and certification make it difficult for smallholders to comply with the requirements. Smallholders and small-scale agribusinesses typically cannot produce large volumes of homogenous, high-value produce as required by the purchasers. In certain markets and for certain products, private standards are acting as de facto mandatory schemes because they are dominating the market. The inconsistency among various sets of private food safety standards makes it difficult for producers to comply with multiple standards. Due to institutional and technical weaknesses, some countries/producers are excluded from export opportunities.

96. There are numerous concerns related to private standards. They tend to undermine the operation of the SPS Agreement. They can be perceived as de facto technical barriers to trade. There are no provisions for dispute settlement, notification and consultation with trading partners. Scientific justification is often insufficient. They practically exclude small-scale producers from developing countries. Private standards do not always conform to national legislation. Private standards are not developed and applied in a participatory and transparent way. Many standards are perceived as overly stringent or complex. The requirements and costs of compliance and certification pose as a barrier. There are frequent changes to the standards. The way a measure is implemented may discriminate (WTO dispute settlement mechanism). HACCP is often a requirement but may be expensive for small producers. MRL levels in food products are often too stringent for tropical conditions. Compliance verification and testing of end products is very expensive and requires modern technology and skills. Quality attributes and safety requirements are often combined in private standards.

97. Developing countries have structural weaknesses which affect their ability to comply with private standards. These are: the lack of awareness of food safety standards and procedures; management of information; dominance of smallholders and SMEs; lack of finance, institutional capacity and organization; insufficient access to technology and equipment; developing countries tend to be "standard-takers" rather than "standard-setters"; inadequate human resources; and insufficient public service functions.

98. The concerns of developing countries with respect to private standards are as follows: exclusion from lucrative export markets; standards and requirements are dictated upon them, which often fail to take into account their current condition;

developing countries encounter difficulties in meeting international standards, which in reality are not even enough to gain market access.

99. There are international initiatives to harmonize private standards. These initiatives are retailer collaboration and development of joint standards (GlobalGAP, BRC), adoption of international private standards (ISO standards) and development of benchmark models (GFSI).

100. The Global Food Safety Initiative (GFSI) is a benchmark model with three key elements for food safety standards, namely, food safety management system, prerequisite programs (GAP, GMP, GHP) and HACCP system based on Codex principles. There are four standards which comply with the GFSI benchmark model, namely, BRC Global Standard, International Food Standards (IFS), Dutch HACCP Code and SQF 2000 Code.

101. In closing, Mr. Hoejskov discussed the following priorities for developing countries:

- To coordinate and harmonize national food safety regulations including SPS measures with international standards;
- To strengthen cross-border collaboration and coordination between Government, private sector, organizations and universities;
- To ensure that national food safety systems are strengthened and supportive to exporters to meet international requirements including the ones from private sector;
- To develop and implement specific strategies, policies, investment and programs to ensure that private standards do not only benefit a small segment of suppliers;
- To assist smallholders and SMEs in implementing “good practices” and assure provision of appropriate capacity building activities.

102. The team of experts and participants entered into a Roundtable Discussion, with Mr. Abad as the moderator. During the Roundtable Discussion, the participants were able to pose questions to the experts regarding their presentations. The participants discussed mostly the concerns of developing country exporters dealing with private standards.

## **DAY 4**

### **Session 5: Sharing Experiences in SPS Measures**

#### **Strategies for Handling Notifications at National Level – the Experience of PRC**

103. Mr. Yang Song, Division Director, WTO/SPS National Enquiry Point of PRC, State Administration of Quality Supervision, Inspection and Quarantine of the People’s Republic of China presented the Strategies for Handling Notifications at National Level – the Experience of PRC.

104. Under the SPS System of PRC, the government authorities involved are the General Administration of Quality Supervision, Inspection and Quarantine (AQSIQ), Ministry of Commerce, Ministry of Agriculture, Ministry of Health, Certification and

Accreditation Administration of PRC, The State Food and Drug Administration and The State Forestry Administration.

105. The Coordination Mechanism at the Ministry Level on TBT and SPS Measures was established in 2002 and led by AQSIQ, to promote coordination on the implementation of SPS Agreement, SPS related training and commenting on notifications that have a crucial effect on the exports of PRC (Positive List, Anti-terrorism, etc.).

106. The SPS National Enquiry Point was established in AQSIQ to coordinate the notification, enquiry and comment issues domestically. The Notification Authority was established in the Ministry of Commerce to submit notifications.

107. The procedure for Notification is as follows: drafting of a new SPS measure (competent authority), deciding whether to notify or not (competent authority), filling out the notification form in both English and Chinese (competent authority), submitting the notification and full text to SPS Enquiry Point, reviewing the notification (SPS Enquiry Point), submitting to the Notification Authority, submitting to WTO through the Permanent Mission of PRC in Geneva. After notification, the SPS Enquiry Point has the responsibility of providing full text to members who so request, receiving comments from other members, transferring comments to the competent authority to seek responses and receiving, translating and sending responses.

108. To date, there have been 241 SPS notifications from PRC, including 140 notifications according to the Accession Commitment, 110 notifications on new SPS measures and 7 addendum notifications. The awareness of the importance of notification is increasing among competent authorities.

109. The procedure for handling notifications from other countries is as follows: receiving and translating notifications (SPS Enquiry Point), selecting notifications to comment on (SPS Enquiry Point), distributing notifications to relevant authorities (both electronic and paper versions), SPS Notification Newsletter (including all notifications, published every two weeks), Notifications and their Chinese translation also available on the website of the SPS Enquiry Point, studying and making comments on notifications (expert group established by all PRC government authorities related to SPS issues), collecting comments (SPS Enquiry Point), examining comments (AQSIQ), translating the final comments into English and submitting to the notification Member (SPS Enquiry Point), coordination (important notifications and disagreement on comments), receiving responses (SPS Enquiry Point) and feedback for reference or further comment.

110. In dealing with SPS enquiries, the SPS Enquiry Point is responsible for answering reasonable questions asked by domestic and foreign government authorities, industries and other stakeholders. During the 7 years after the Accession, PRC has received and answered more than 2500 enquiries, and the number of enquiries is increasing year by year.

111. The website of SPS Notification and Enquiry of PRC ([www.tbt-sps.gov.cn](http://www.tbt-sps.gov.cn)) was established in 2003 and is available to government authorities, industries and other stakeholders. The website is informative and useful as it provides information on proposals notified by all WTO Members, including PRC, and information on SPS measures of PRC and other Members, including laws, regulations, decrees, standards,

etc. The website is a channel for online comments and online enquiries. The website contains database, including notifications from PRC, notifications from other members, laws, regulations, decrees, standards, etc., risk alert information and analysis reports on notifications and SPS Agreement. The website has had 1,000,000 visits in total.

112. In closing, Mr. Yang discussed the difficulties faced by PRC in relation to its Notifications System. These difficulties are three-fold: (a) translation (large amount of notifications and full texts, costly and time-consuming, unpopular languages), a possible solution to which is to share informal translations, however, this is not a common practice; (b) comment period (some notifications require comments within less than 60 days, requests for extensions are left unanswered); and (c) active participation in commenting on notifications (as a new member of the WTO, there is not much awareness in PRC of the importance of making comments on notifications from other Members).

### **Sanitary and Phytosanitary Management System in Vietnam – The Way Forward**

113. Mr. Hoa Thanh Le, Expert, National Notification and Enquiry Point of SPS, International Cooperation Department, Ministry of Department, Ministry of Agriculture and Rural Development, Hanoi gave a presentation focusing on the Sanitary and Phytosanitary Management System in Viet Nam.

114. Mr. Hoa discussed Vietnam's geographic and social economic background, its international integrations and the role of agriculture, forestry and fishery in Vietnamese economy.

115. In compliance with the WTO/SPS Agreement, Vietnamese commitment to its SPS measures is based on the necessity of protecting human, animal and plant life and health, non-discrimination and scientific justification.

116. The organizational structure of Vietnamese SPS System and Vietnamese SPS Portal ([www.spsvietnam.gov.vn](http://www.spsvietnam.gov.vn)) were also discussed. To show the food safety regulation framework in Vietnam prior to January 2007, ordinances and decrees were enumerated, relating to the Standing Committee of the National Assembly on Food Safety, Implementation of the Provisions of Food Safety Ordinance, Establishment of the National Committee on Food Safety and the National Action Plan on Food Safety.

117. The government bodies concerned with food safety are the Ministry of Health, Ministry of Agriculture and Rural Development, the Ministry of Trade and Industry and the Ministry of Science and Technology.

118. Mr. Hoa made further discussion on Vietnamese regulation framework for food safety, animal health, poultry, cattle, hygiene on animal processing, plant health and fishery, the harmonization of legislation and standards on food safety, plant health and animal health, risk assessments, as well as the SPS measures and bilateral agreements concerning plant health, animal health, food safety, and fishery.

119. In order to raise awareness of the Sanitary and Phytosanitary System, Viet Nam has conducted 3 training courses for competent authorities of Ministries involved in SPS and 7 training workshops for provinces. For capacity building purposes, 5 training

courses on risk assessment (2 on plant health and 3 on animal health) were organized in Viet Nam. Moreover, there have been 40 government officers and technicians who have been sent to international workshops and training courses on risk assessment, food safety inspection, pest and disease diagnosis, in cooperation with the U.S., Australia, PRC, Republic of Korea and ASEAN countries like Malaysia and Singapore.

120. To strengthen the infrastructure for technical assistance, 2 plant post quarantine centers, 5 animal post quarantine centers, testing equipment for animal and plant quarantine stations have been set up and the laboratories for testing residues have been upgraded.

121. The policy issues concerning SPS were likewise subject of discussion, particularly, on agricultural, forestry and fishery production and processing, effects in aquaculture and processing, as well as the effects in aquaculture production and trade.

122. In closing, Mr. Hoa discussed SPS in relation to market access, giving as an example the fruit fly and dragon fruit pest list.

#### **Session 6: Evaluation and Next Step**

123. Aside from the written evaluations that the participants were asked to complete and submit, the team of experts and participants were also given an opportunity at the end to comment on the entire workshop and discuss the next steps, taking into consideration the presentations and the discussions that followed. There was a consensus that this was a good and useful workshop and that there should be a series of follow-up activities to this. The group emphasized that the presentations and the network that was created by this workshop should be maximized and utilized for these additional follow-up activities. The group also commended Mr. Ujiie and the ADBI staff for doing a good job. To wrap-up and conclude, Mr. Konuma of FAO and Mr. Manupitpong of the ADBI gave closing remarks.