

WORLD TRADE ORGANIZATION

RESTRICTED

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Committee on Specific Commitments

ANNOTATED PROVISIONAL AGENDA FOR THE FIRST MEETING OF THE COMMITTEE ON SPECIFIC COMMITMENTS

Note by the Secretariat

As stipulated in WTO/AIR/333, the following items are proposed for discussion at the first meeting of the Committee on Specific Commitments to be held on 24 May 1996.

1. Participation of observers

1. It is suggested that the Committee adopt the same approach as the Council for Trade in Services regarding observership by governments and international organizations. This would mean following the Decision taken by the General Council on 31 January 1995 granting observer status to a number of governments and separate customs territories. Regarding international organizations, pending the approval of the guidelines on observer status for international organizations in the WTO, the General Council has agreed on an *ad hoc* arrangement whereby the World Bank, the IMF, the UN and UNCTAD are invited to participate as observers.

2. Organization of work

2. The mandate for the Committee is contained in the *Decision on the Terms of Reference for the Committee on Specific Commitments* (document S/L/16) which was adopted by the Council for Trade in Services on 22 November 1995. According to the terms of reference, the Committee has a three-fold function in relation to all services sectors except those sectors for which a standing body had been established. The three areas of responsibility, for which some consideration of work priorities would be desirable, are the following:

- (a) Oversee the implementation of specific commitments in all modes of supply, including specific commitments relating to movement of natural persons, contained in Members' schedules

3. There are no formal reporting requirements for Members regarding the implementation of their scheduled commitments. This is different in the case of GATS Articles which give rise to a number of implementation obligations, e.g. the notification of changes in relevant legislation under Article III.

4. In the absence of formal requirements Members might wish to consider what is entailed by overseeing the implementation of commitments. Do Members see any regular or continuous monitoring function or would issues be handled on an *ad-hoc* basis? Do they see, for example, the Committee as a forum to discuss specific problems that may arise concerning the implementation of their specific commitments?

- (b) Examine, at the request of Members, schedules of specific commitments and lists of exemptions from Article II of the GATS, particularly with a view to improving their technical accuracy and coherence in the future

5. Members have considerable experience in examining the technical accuracy of schedules and MFN exemption lists. The first and largest verification exercise took place in February 1994 when all the Uruguay Round schedules and MFN exemption lists, in preparation for the Marrakesh Ministerial meeting, were subjected to an intensive process of verification and, in many cases, to rectification on a voluntary basis. A number of verifications have been carried out since then for schedules that were submitted in the post-Uruguay Round period. The purpose of such exercises has been to verify the accuracy and clarity of schedules and exemption lists as a reflection of the agreed results of negotiations and their consistency with the guidelines established for their presentation. These are the agreed guidelines for the scheduling of commitments contained in MTN.GNS/W/164 and Add.1 and the guidelines on the drafting of exemption lists in the Secretariat Note of 15 September 1993.

6. In the light of the experience of past verification work, and also in the context of commitments that have been submitted since the entry into force of the GATS, Members of the Committee might wish to raise technical issues which would be helpful in trying to ensure that future commitments are set down as clearly and accurately as possible. An example of such a technical question might be the definition of the sectoral coverage. The legal nature of a schedule, as well as the need to evaluate commitments, require the maximum degree of clarity in the description of each sector and sub-sector that is scheduled. Possible issues arising from the initial round of services liberalisation which the Committee might wish to address include:

- In order to aid countries in the negotiation and scheduling of specific commitments, the Secretariat issued a sectoral classification list¹ in 1991 which, across eleven broad sectors, gives a practical indication of what is currently regarded as a service. Do Members think that the list is still an adequate basis for classifying commitments? If not, which aspects of the list² possibly need rethinking or amendment? Would it be useful to consider modifications of parts of the list on the lines of what was done in the *Air Transport Annex* for certain aviation-related services or the development of a new classification in the maritime transport sector?
- Each sector contained in the Secretariat list is annotated with the corresponding Central Product Classification³ (CPC) number. The CPC describes what should be covered by the services listed. Do Members consider that this approach is adequate in order to describe service activities which are the subject of commitments? What should be done, if anything, to improve the operational effectiveness of using the Secretariat list backed up with the CPC?

¹*Services Sectoral Classification List - Note by the Secretariat* (document MTN.GNS/W/120 dated 10 July 1991).

²For example, surveying services do not have an individual entry in the *Sectoral classification list* and the wide range of surveying services supplied by the profession - including measurement and mapping, operation of land and geographic information systems, valuation of land and property investment and construction economics - are not grouped together in the CPC list. How could the economic realities of surveying be better reflected in a revised classification?

³*Provisional Central Product Classification*, United Nations, 1991, (document ST/ESA/STAT/SER.M/77)

- Schedules differ considerably in the degree of detail with which they define the sectoral coverage of their commitments, most using the Secretariat classification list and the CPC while others have used their own definitions. It is of course not obligatory for countries to use the list, but it is clear that variations between countries in defining the sectoral scope of commitments can render a serious evaluation of schedules difficult. In view of this, how can the comparability of sectoral descriptions used in schedules be improved?

7. Members might also wish to discuss other technical matters relating to the distinction between modes, the use of columns, the wording of entries in the columns, or other issues. Members could also consider the form that the results of such work could take e.g. a further addendum to the scheduling guideline.

- (c) Oversee the application of the procedures for the modification of schedules pursuant to Article XXI of the GATS

8. Members might wish to consider how the Committee could facilitate the modification process, for example, by ensuring transparency at various stages of the process by which documents are required to be communicated to all Members. In this respect, the Committee could address issues relating to, for example, distributing the notification from the modifying Member indicating the modification to all other Members, distributing notifications of claims of interest by affected Members or distributing reports on the results of compensation negotiations. The Committee could also be a forum for discussing procedural issues or problems as they arise.

3. Establishment of priorities and the need for technical work

9. Members might consider establishing priorities for future work in the light of the number of technical and other issues that are proposed for discussion in the Committee. The frequency of meetings could also be discussed. Members might also wish to consider what kind of technical work could be carried out after the first meeting of the Committee in order to prepare for more detailed discussion of particular issues.

4. Other business

10. One matter of potential interest to all participants is how to facilitate the handling of schedules and MFN lists which, already quite voluminous, will continue to grow in size. In this regard, one question Members may wish to consider is the introduction of a loose-leaf binding system for the schedules and MFN exemption lists which would make it easier to integrate new or improved commitments as well as make it easier to handle any modifications to schedules that may arise.

11. If Members wish to raise other issues that they consider relevant to the work of the Committee, they are invited to so inform the Secretariat which could notify other delegations in advance of the meeting.