

WORLD TRADE ORGANIZATION

RESTRICTED

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PROCEDURES FOR AN ANNUAL OVERVIEW OF WTO ACTIVITIES AND FOR REPORTING UNDER THE WTO

The following letter from the Chairman of the General Council is circulated for information of Members.

As you are aware the GATT CONTRACTING PARTIES maintained the practice of carrying out an overview of the activities under the GATT at their annual session at the end of each year. It would seem useful if a similar practice were adopted for the WTO. Furthermore, the WTO Agreement provides in Article IV that the sectoral councils of the WTO shall oversee the functioning of the respective multilateral trade agreements under their purview. Article IV also states that the sectoral councils shall operate under the general guidance of the General Council.

In order to ensure the efficient operation of the system and to ensure that the Agreement functions as a single undertaking, it therefore appears indispensable to establish clear reporting procedures for the main WTO bodies as well as their subsidiary organs.

With these considerations in mind, I have consulted with the Secretariat and other Chairpersons and have prepared the attached paper on WTO reporting procedures. I now wish to present this text for your consideration, before submitting it to the General Council at its meeting on 15 November 1995.

Delegations are invited to address any questions or comments to the Council Division, telephone 739.51.37.

PROCEDURES FOR AN ANNUAL OVERVIEW OF WTO
ACTIVITIES AND FOR REPORTING UNDER THE WTO

The Marrakesh Agreement Establishing the WTO deals with the question of reporting procedures between WTO bodies in a varied manner. In some instances, there is no mention of any reporting requirement. It is therefore urgent to determine what, if any, reporting procedures should be established within the system.

The Multilateral Agreements on Trade in Goods (Annex 1A of the WTO Agreement), provide for reporting procedures from some of the respective Committees to the Council for Trade in Goods, although the provisions are not drafted in a uniform manner. It may be noted that Article IV:5 of the WTO Agreement provides that the Council for Trade in Goods shall oversee the functioning of the Multilateral Trade Agreements in Annex 1A. Similarly, Article IV:5 stipulates that the Council for Trade in Services shall oversee the functioning of the GATS and that the Council for TRIPS shall oversee the functioning of the Agreement on TRIPS. Article IV:8 of the WTO Agreement states that "the bodies provided for under the Plurilateral Trade Agreements .. shall keep the General Council informed of their activities on a regular basis."

The WTO Agreement contains no provisions on reporting procedures between the three sectoral Councils and the General Council, although it provides, in Article IV:5, that the sectoral Councils shall operate under the general guidance of the General Council. The WTO Agreement also does not provide for any reports from the General Council to the biennial Ministerial Conference.

The Agreement is also silent regarding periodic reporting procedures for other subsidiary bodies of the General Council, i.e. the Committees on Trade and Development,¹ Balance-of-Payments Restrictions, and Budget, Finance and Administration.²

It would appear that the establishment of appropriate procedures for subsidiary bodies to report annually to the General Council is essential in order to enable the General Council to carry out a regular overview of the functioning of the multilateral trading system under the WTO.

In the light of the above, the following procedures might be examined:

1. Reporting procedures for sectoral Councils and their subsidiary bodies³

All bodies constituted under Annex 1A Agreements shall be required to submit a factual report to the Council for Trade in Goods. The same shall apply to the subsidiary bodies established by the Council for Trade in Services and the Council for Trade-Related Intellectual Property Rights. The reports of the sectoral councils would be factual in nature, containing an indication of actions and decisions

¹Article IV:7 only stipulates that as part of its functions the Committee on Trade and Development shall periodically review the special provisions in the Multilateral Trade Agreements in favour of least-developed countries and report to the General Council.

²It may be noted, however, that pursuant to the procedures and customary practices followed by the CONTRACTING PARTIES to the GATT 1947, both the Committee on Balance-of-Payments Restrictions and the Committee on Budget, Finance and Administration submit regular reports to the General Council following any consultation or meeting held.

³It should be noted that the Marrakesh Ministerial Decision on Trade and Environment, which decided on the establishment of a Committee on Trade and Environment, directed that Committee to report to the first biennial meeting of the Ministerial Conference "when the work and terms of reference of the Committee will be reviewed, in the light of recommendations of the Committee." This Committee is therefore not referred to in the reporting procedures set out below.

taken, with cross references to reports of subordinate bodies and could follow the model of the GATT 1947 Council reports to the CONTRACTING PARTIES. The respective sectoral councils should report in November each year to the General Council on the activities in the Council as well as in the subsidiary bodies.

2. Reporting procedures for the Committees on Trade and Development, on Budget, Finance and Administration and on Balance-of-Payments Restrictions

The Committee on Trade and Development shall submit a report to the General Council at the end of each year. The Committee on Budget, Finance and Administration and on Balance-of-Payments will also submit a comprehensive report at the end of the year in addition to reports which may be submitted during the course of the year on specific issues.

3. Reporting procedures for the Committees on Plurilateral Trade Agreements

The Committees on the Plurilateral Trade Agreements referred to in Article IV:8 of the WTO Agreement shall be invited to report annually to the General Council.

4. Action by the General Council and the sectoral councils

The sectoral councils will take note of reports of their subsidiary bodies.

The General Council will take note of the reports by the sectoral councils, which would serve as a basis for an overview of the activities of the WTO in the course of the year. The reports of the other subsidiary bodies mentioned in item 2 above would be duly adopted.

The General Council would also take note of the reports by the Committees on Plurilateral Trade Agreements referred to in Article IV:8 of the WTO Agreement.

5. Overview by the Ministerial Conference

The General Council will prepare a report on its activities every year which would contain a first section of a factual nature, summarizing actions and decisions taken by the General Council during the year; a section on dispute settlement; a section on trade policy reviews; and a cross reference to the reports of sectoral councils and the Committees mentioned in item 2 above.

The Ministerial Conference would carry out an overview of the activities of the WTO over the previous two years on the basis of the annual reports of the General Council. In years when the Ministerial Conference does not meet, the General Council would carry out an annual overview of the WTO activities as mentioned in item 4 above.

The overview of activities of the WTO based on these reports could be part of an Agenda item for general statements at the Ministerial Conference, which could read as follows: "Overview of WTO Activities."