

**PREPARATORY COMMITTEE
FOR THE
WORLD TRADE ORGANIZATION**

RESTRICTED

PC/SCS/W/5

15 September 1994

(94-1863)

SUB-COMMITTEE ON SERVICES

PARTICIPATION OF OBSERVERS

Note by the Secretariat

1. At its meeting on 15 July 1994, the Sub-Committee on Services requested the Secretariat to provide background information on the participation of observers during the Uruguay Round negotiations, as well as on the participation of non-governmental and regional organizations. This Note is prepared in response to that request.

2. With respect to the participation of observers in the Uruguay Round negotiations, the relevant information is provided in paragraphs 13 to 19 of the Note prepared by the Secretariat for the Sub-Committee on Institutional, Procedural and Legal Matters (PC/IPL/W/3). Those paragraphs are reproduced in Annex A to this Note. It will be noted that no observer status had been granted to any non-governmental organization. The Annex also indicates that some regional organizations were invited to participate as observers in the Marrakesh Ministerial meeting.

3. In so far as the Sub-Committee on Services and the Negotiating Groups are concerned, the current situation is as follows:

- (a) The Sub-Committee on Services has granted observer status to the World Bank, IMF, UN and UNCTAD. A request from the International Chamber of Commerce is still pending.
- (b) The Negotiating Group on Basic Telecommunications has granted observer status to the ITU and UNCTAD. Requests from the World Bank and the Asia-Pacific Telecommunity are under consideration.
- (c) The Negotiating Group on Maritime Transport Services has granted observer status to UNCTAD. Requests from the World Bank, the OECD and the Council of European and Japanese National Shipowners Associations are under consideration.
- (d) The Negotiating Group on Movement of Natural Persons has not granted observer status to any international organizations so far. Requests from the World Bank and the International Organization for Migration are under consideration.

4. In so far as governments are concerned, the Sub-Committee on Services has decided in its first meeting, on 19 May 1994, that those governments which had been associated with the work of the Trade Negotiations Committee of the Uruguay Round will be invited to attend formal meetings of the Sub-Committee as observers. Any further requests for observership will be addressed on a case by case basis. With respect to the Negotiating Groups on Basic Telecommunications and Maritime Transport, observership is open to those governments which have signed the Final Act but have not announced their intention to participate in the negotiations. Requests of other governments will be addressed on a case by case basis. In the Negotiating Group on Movement of Natural Persons, where all signatories to the Final Act are participants in the negotiations, requests from other governments are to be addressed on a case by case basis. A list of Members and Observers to the Preparatory Committee is in Annex B to this Note (PC/INF/1). It also applies to the Sub-Committee on Services.

ANNEX AIII. Arrangements for observer status of international organizations in the Uruguay Round

13. At its meeting on 3 July 1987, the Trade Negotiations Committee (TNC) adopted the following Decision¹ concerning attendance of international organizations in the proceedings of the Uruguay Round:

"1. In recognition of the fact that the attendance of international organizations could facilitate the attainment of the objective of strengthening the interrelationship between trade policies and other economic policies affecting trade and development, representatives of international organizations would be invited to attend formal meetings of negotiating bodies during the initial phase as indicated below. It is open to negotiating bodies to recommend the attendance of other international organizations. Since the negotiations are taking place among participants, the sole purpose of such attendance is to enable negotiating bodies to seek appropriate technical support in the field of expertise of these organizations, to complement the expertise primarily available from participants. This technical support might take the form of oral responses during the meetings to requests through the Chairman for factual information on and clarification of matters concerning the relevant instruments and activities of any such organization, and factual papers to be prepared at the request of the body.

2. It is understood that the rules on the confidentiality of the proceedings of the negotiating bodies will also apply to such representatives and that the content of discussions and documents would not be available for use outside international secretariats attending meetings.

3. It is also understood that support by invited international organizations would be given in a manner which does not affect the negotiating positions of participants and information obtained would be used only for the purpose indicated in paragraph 1 above.

4. It is also understood that, following normal practice, negotiating bodies may decide to hold closed meetings when they consider them necessary."

14. The Decision was accompanied by the following listing:

<u>Negotiating Group</u>	<u>Area</u>	<u>Organizations</u>
Group 1	Tariffs	CCC
Group 2	Non-Tariff Measures	CCC, UNCTAD
Group 3	Natural Resource-Based Products	None
Group 4	Textiles and Clothing	None
Group 5	Agriculture	FAO
Group 6	Tropical Products	FAO
Group 7	GATT Articles	IMF
Group 8	MTN Agreements and Arrangements	CCC when valuation code is discussed. ISO and IEC when TBT code is discussed.
Group 9	Safeguards	None
Group 10	Subsidies and Countervailing Measures	None

¹MTN.TNC/3, Annex.

Group 11	Trade-Related Aspects of Intellectual Property Rights including Trade in Counterfeit Goods	CCC, UNCTAD, WIPO
Group 12	Trade-Related Investment Measures	IBRD, IMF
Group 13	Dispute Settlement	None
Group 14	Functioning of the GATT System	IBRD, IMF, UNCTAD
Surveillance Body		None
GNG		IBRD, IMF, UN, UNCTAD
GNS		IBRD, IMF, UN, UNCTAD
TNC		IBRD, IMF, UN, UNCTAD

15. Following the restructuring of the Uruguay Round negotiating groups in April 1991, the question of participation of international organizations was again considered. At a TNC meeting in June 1991, the Chairman noted that the re-allocation of negotiating subjects in some of the new groups would mean that international organizations would either be invited to only parts of formal meetings of the relevant negotiating groups dealing with areas of specific concern to them, or to the entire meetings. For practical reasons, the latter course of action was agreed to. The list below indicates the international organizations invited to meetings of the individual negotiating groups in the new structure, in keeping with the basis of their participation in the former negotiating groups.²

<u>Negotiating Group</u>	<u>Organization</u>
Agriculture (ex NG 5)	FAO
Institutions (ex NG 13 and 14)	IBRD, IMF, UNCTAD
Market Access (ex NG 1, 2, 3 and 6)	CCC, FAO, IBRD, IMF, UNCTAD
Rule Making and TRIMS (ex NG 2, 7, 8, 9, 10, and 12)	CCC, IBRD, IEC, IMF, ISO
Textiles and Clothing (ex NG 4)	None
TRIPS (ex NG 11)	CCC, UNCTAD, WIPO, UNESCO
Surveillance Body	None
Services	IBRD, IMF, UN, UNCTAD
GNG	IBRD, IMF, UN, UNCTAD
TNC	IBRD, IMF, UN, UNCTAD

16. The question of the participation of international organizations was also raised in the context of the preparations for the Marrakesh Ministerial meeting. It was agreed that the four organizations that had regularly attended meetings of the TNC, namely the UN, UNCTAD, IMF and the World Bank, as well as those that had participated in the earlier Negotiating Groups, namely the CCC, FAO, ISO, IEC, UNESCO and WIPO, would be invited. The Chairman said he proposed to respond positively to likely requests from various regional intergovernmental organizations to attend the Marrakesh Ministerial meeting as observers, and that such organizations would not, in principle, be invited to speak unless sufficient time was available, although they could, if they wished, circulate written statements for inclusion in the record.³ The organizations he had in mind were regional economic

²MTN.TNC/21, Annex, pages 5 and 6, and Corr.1.

³MTN.TNC/W/135.

intergovernmental organizations which had demonstrated a continuing interest in the work of the GATT and the Uruguay Round either through their observer status at GATT CONTRACTING PARTIES' sessions or meetings of the Council, or which had made useful technical contributions to the discussions among the participants throughout the negotiations. On this basis, the Inter-American Development Bank (IDB), the European Free-Trade Association (EFTA), the Latin American Economic System (SELA), the International Textiles and Clothing Bureau (ITCB) and the Arab Monetary Fund would be invited in response to their request or expressed interest, as also would the International Trade Centre (ITC).

17. The Chairman added that in order to maintain a balance between regions, the UN regional economic commissions, namely the Economic Commissions for Africa (ECA), for Europe (ECE), for Latin America and the Caribbean (ECLAC), and the Economic and Social Commissions for Asia and the Pacific (ESCAP) and for Western Asia (ESCWA), and regional development banks should be invited. As the Inter-American Development Bank (IDB) had already been invited, one would also need to invite the African and Asian Development Banks. The Chairman's suggestions were agreed to.

18. On the basis of the above understandings, the following organizations were invited to the Marrakesh Ministerial meeting:

ACP Secretariat, African Development Bank, ALADI, Arab Monetary Fund, Asian Development Bank, CCC, EBRD, ECA, ECE, ECLAC, EFTA, ESCAP, ESCWA, FAO, IEC, ILO, IMF, Inter-American Development Bank, ISO, ITC, ITCB, OECD, OIC, SELA, UN, UNCTAD, UNESCO, WIPO, World Bank, World Tourism Organization.

19. The degree of participation of international organizations in the Uruguay Round negotiations varied considerably according to which negotiating group they participated in. Some organizations made contributions in the form of technical briefs, e.g., in the negotiations on the functioning of the GATT system, others by association with various negotiating areas, such as in agriculture and sanitary and phytosanitary measures (Codex Alimentarius Commission, International Office of Epizootics and the Secretariat of the International Plant Protection Convention), customs valuation (CCC), rules of origin (CCC), technical barriers to trade (ISO and IEC), TRIPS (WIPO and UNESCO), coherence in global economic policymaking (IMF and IBRD), balance of payments (IMF), and services (IMF, IBRD and UNCTAD). In most of these cases the provisions of the relevant WTO Agreements and arrangements reflect this situation.

ANNEX B**PREPARATORY COMMITTEE
FOR THE
WORLD TRADE ORGANIZATION****PC/INF/1**

2 August 1994

(94-1565)

**PREPARATORY COMMITTEE FOR THE
WORLD TRADE ORGANIZATION**MEMBERS AND OBSERVERS OF THE PREPARATORY COMMITTEE
AND ITS SUB-COMMITTEES¹

(as at 1 August 1994)

MEMBERS (114):

ALGERIA	FRANCE
ANGOLA	GABON
ANTIGUA & BARBUDA	GERMANY
ARGENTINA	GHANA
AUSTRALIA	GREECE
AUSTRIA	GUATEMALA
BAHRAIN	GUINEA BISSAU
BANGLADESH	GUYANA
BARBADOS	HONDURAS
BELGIUM	HONG KONG
BELIZE	HUNGARY
BENIN	ICELAND
BOLIVIA	INDIA
BOTSWANA	INDONESIA
BRAZIL	IRELAND
BRUNEI	ISRAEL
DARUSSALAM	ITALY
BURKINA FASO	JAMAICA
BURUNDI	JAPAN
CAMEROON	KENYA
CANADA	KOREA, REP. OF
CENTRAL AFRICAN REP.	KUWAIT
CHILE	LIECHTENSTEIN
CHINA	LUXEMBOURG
COLOMBIA	MACAU
CONGO	MADAGASCAR
COSTA RICA	MALAWI
COTE D'IVOIRE	MALAYSIA
CUBA	MALI
CYPRUS	MALTA
CZECH REP.	MAURITANIA
DENMARK	MAURITIUS
DOMINICA	MEXICO
DOMINICAN REP.	MOROCCO
EGYPT	MOZAMBIQUE
EL SALVADOR	MYANMAR
EUROPEAN COMMUNITIES	NAMIBIA
FIJI	NETHERLANDS
FINLAND	NEW ZEALAND
	NICARAGUA
	NIGER
	NIGERIA

20. OBSERVERS:ASSOCIATED
GOVERNMENTS (19)

ALBANIA
ARMENIA
BELARUS
BULGARIA
CROATIA
ECUADOR
ESTONIA
JORDAN
LATVIA
LITHUANIA
MOLDOVA
MONGOLIA
NEPAL
PANAMA
RUSSIAN
FEDERATION
SAUDI ARABIA
SLOVENIA
UKRAINE
CHINESE TAIPEI

ORGANIZATIONS (4)

IMF
UN
UNCTAD
WORLD BANK

¹The Sub-Committee on Budget, Finance and Administration has no observers.