

**PREPARATORY COMMITTEE
FOR THE
WORLD TRADE ORGANIZATION**

RESTRICTED

PC/IPL/M/2

13 July 1994

(94-1450)

SUB-COMMITTEE ON INSTITUTIONAL,
PROCEDURAL AND LEGAL MATTERS

MINUTES OF THE MEETING HELD ON 4 JULY 1994

1. The Sub-Committee on Institutional, Procedural and Legal Matters held its second meeting on 4 July 1994 under the Chairmanship of Mr. K. Kesavapany (Singapore).

2. The Chairman drew attention to the proposed agenda in PC/AIR/9/Add. 1, and suggested that the Sub-Committee begin with the consideration of items 1 and 2, which concerned its mandate in regard to paragraph 8(b)(ii) of the Decision establishing the Preparatory Committee, followed by the consideration of item 2, and that under "Other Business", the Sub-Committee take up a request by the Food and Agriculture Organization for observer status. With these modifications, the agenda contained in PC/AIR/9/Add.1 was adopted.

Paragraph 8(b)(ii) of the Decision establishing the Preparatory Committee

3. The Chairman recalled that the Sub-Committee had requested the Secretariat to prepare a background note on terms of reference and rules of procedure for the WTO bodies in order to assist in its discussion on this part of its mandate. A first exchange of views on the Secretariat's paper (PC/IPL/W/1) had taken place at an informal meeting on 22 June, following which the Secretariat had been requested to prepare a follow-up paper in which standard terms of reference for WTO bodies and a common set of rules of procedure applicable to all WTO bodies would be suggested. This had been circulated as a non-paper, dated 28 June. As indicated in the non-paper, work on body-specific terms of reference was being pursued separately in respect of three WTO bodies, namely the Committees on Balance-of-Payments Restrictions, Budget, Finance and Administration, and Trade and Development. He would be consulting with the Chairmen of the existing GATT 1947 bodies on this matter, and would report on the outcome of those consultations to the Sub-Committee. The rules of procedure proposed in the non-paper represented a straightforward adaptation of the current rules for the Sessions of the CONTRACTING PARTIES to GATT 1947. As such, they would not apply across the board to all the WTO bodies, and further refinements might be necessary to take into account the work of the General Council and other particular aspects of WTO bodies. The non-paper had also indicated those areas that would require advance work to be undertaken in order that the Agreements concerned could be implemented on day one of the entry into force of the WTO. In this regard, it had appeared that work relating to the Agriculture Agreement had had to be undertaken. TRIPS and Anti-dumping and Subsidies were two other areas in which such action might be required. On agriculture, the contact group that had been established earlier had been working on the specific topic of notification requirements in respect of the Agreement on Agriculture. That contact group had found no need to touch upon the questions of terms of reference and rules of procedure. On the issue of TRIPS, approaches had been made by a number of delegations for work to commence on this subject, and he had suggested that in order that work commence as soon as possible, a multilateral process in the form of a contact group be established. On the question of anti-dumping and subsidies, it was again his suggestion that any work that needed to be undertaken should also be undertaken in the context of a contact group. These two additional contact groups would operate on the same basis as that on agriculture, namely, they would be informal and open ended. All three groups would function under the aegis of the Sub-Committee and would submit periodic reports to it. With their establishment, he would suggest that

a moratorium be placed on the formation of further such groups for the present. Moreover, as soon as their particular tasks had been completed, the contact groups would cease to exist.

4. The representative of Egypt, referring to the contact groups, said that the arrangements proposed by the Chairman in this regard were satisfactory. His delegation believed, however, that the contact group on anti-dumping and subsidies should also address the question of safeguards.

5. The Chairman said that delegations had approached him with very specific requests for work in the area of anti-dumping and subsidies. On Egypt's request to include safeguards in this work, he would wish to be guided by the Sub-Committee.

6. The representative of India said that the WTO Agreement was self sufficient with regard to the terms of reference for such bodies as the Ministerial Conference, the General Council, the Council for Trade in Goods, the Council on Trade in Services and the Council on TRIPS, and that it had set out the powers, functions and the scope of these bodies. He wondered, therefore, whether it was at all necessary for the Sub-Committee to define standard terms of reference for most, if not all, of these bodies. The Sub-Committee would avoid a number of unnecessary problems by not going down that route. As regards rules of procedure, a more detailed examination was necessary. India favoured standard rules, although a distinction would need to be made between those for the Ministerial Conference and those for the General Council. Rules for the General Council should be drawn up along the lines of the practices followed by the GATT 1947 Council, for example with regard to the notice required for the convening of meetings, which was five weeks in the case of Sessions of the CONTRACTING PARTIES. Parallels should be drawn between the CONTRACTING PARTIES to GATT 1947 and the Ministerial Conference, and between the GATT 1947 Council and the General Council. Further consideration would need to be given to rules regarding decision making and voting procedures, which had already been set out in detail in the WTO Agreement.

7. With regard to contact groups, his delegation would have preferred them to have been appointed by the Sub-Committee as sub-groups with specific terms of reference. In the process thus far, it was his understanding that the contact group on Agriculture had tentatively come to the conclusion that it was not necessary to draw up terms of reference or rules of procedure for the WTO Committees on Agriculture and on Sanitary and Phytosanitary Measures, although work would need to be done on notification procedures, with priority being given to notifications required as of day one of the entry into force of the WTO. On TRIPS, it was his understanding that the contact group thereon would address only notification obligations that would enter into force on day one of the WTO, and nothing more. Furthermore, it was his understanding that if the TRIPS contact group came to the conclusion at its first meeting that nothing further needed to be done, then that group would be discontinued. On these understandings, his delegation was a party to the decision to establish these groups. On Egypt's proposal, he said that if there was anything in the Agreement on Safeguards concerning notifications that were necessary to enable the Agreement to be operational from day one, then India would support it. It was his understanding that in the other areas too, work would be limited only to what was necessary on day one of the WTO. By and large, this work related to formats for the notifications pursuant to the notification obligations under the various Agreements.

8. The Chairman said that the Secretariat's note paper had been intended to be factual, and to leave the decision on whether or not to define any standard terms of reference for WTO bodies to the Sub-Committee itself. Defining standard terms of reference for each WTO body might not be necessary because it would, in many instances, be stating the obvious. However, that would be for the Sub-Committee to decide. On rules of procedure too, the Secretariat had been asked only to adapt the current rules for Sessions of the CONTRACTING PARTIES to GATT 1947. He would agree that separate rules of procedure should be drawn up for the Ministerial Conference and the General Council. That, however, would be the next step. He would propose, in this regard, that the

Secretariat draw up separate rules of procedure for the Ministerial Council, the General Council, and a third set that would be applicable to all subsidiary bodies. These rules of procedure could then be collated into a WTO handbook on rules of procedure. As to notification obligations, he agreed with India that only those that were required in order for an Agreement to be implemented immediately would be taken up.

9. The representative of Hong Kong said that his delegation was not convinced of the need for standard terms of reference for WTO bodies. The roles and functions of these bodies had been clearly provided in their respective Agreements, most of which had been heavily negotiated. Moreover, some comparable existing bodies under the Tokyo Round Codes did not have any terms of reference. Assigning standard terms might either expand or limit the negotiated roles and functions of the WTO bodies and thereby create confusion. There were problems as well with the wording of some of the proposed standard terms of reference as set out in the Secretariat's non-paper. Also, the standard terms of reference did not reflect the hierarchy of bodies in Annex 1A of the WTO Agreement, namely that the Council for Trade in Goods shall oversee the functioning of all Multilateral Trade Agreements in Annex 1A and that the other bodies under these Agreements shall operate under the general guidance of that Council. Hong Kong did not favour the creation of new WTO bodies, such as for Pre-shipment Inspection and Market Access, as the need for such bodies was not foreseen during the Uruguay Round negotiations. There was no reason why the Council for Trade in Goods could not oversee the implementation of these Agreements. Hong Kong agreed to further examine the appropriate terms of reference for the Committees on Trade and Development, Balance-of-Payments Restrictions, and Budget, Finance and Administration. With regard to rules of procedure, Hong Kong believed that the practice of decision-making by consensus in the GATT 1947 should be preserved, and that in the event of inconsistency or conflict between the WTO Agreement and the Rules of Procedure, the former should prevail. Hong Kong was not clear as to the legal status of the set of rule of procedures.

10. With regard to additional arrangements, Hong Kong noted that most of the arrangements listed in the Secretariat's non-paper referred to notification formats and procedures, and could see no problem in starting work in this area. Hong Kong assumed that the three contact groups established could follow up on these issues in their respective areas. It was, however, unclear as to the forum in which the work for TRIMs, and textiles and clothing would be carried out. Although Hong Kong saw no problem in asking the contact group on anti-dumping and subsidies to start work on matters relating to the Permanent Expert Group under the Subsidies Committee, it doubted whether matters covering membership, election of Chairman and dates of the first meetings could be dealt with at this stage. The membership of the WTO could only be known by the end of the two-year window as provided in Article XIV of the WTO Agreement. Finally, Hong Kong believed that issues relating to outstanding dispute settlement cases arising from the Tokyo Round Agreements on anti-dumping and subsidies could only be dealt with by the Tokyo Round Committees and not by the contact group on anti-dumping and subsidies.

11. The Chairman, addressing Hong Kong's question as to the status of the proposed handbook on rules of procedure, said that once the proposed rules of procedure had been approved by the Sub-Committee and subsequently the Preparatory Committee, they would be submitted to the General Council of the WTO. Once the General Council had accepted those rules of procedure, they would become legal, in the sense of having been adopted by the General Council.

12. The representative of Canada said that India had raised interesting questions with regard to terms of reference, in particular as to whether in some cases one needed any terms of reference at all. However, one would indeed need terms of reference for the Committees on Trade and Development, Budget, Finance and Administration, and Balance-of-Payments Restrictions, and Canada looked forward to receiving proposals in this regard. If general terms of reference were to be drawn up for other bodies, a key guiding factor should be that there be no change in substance. On rules of procedure, Canada

believed that standard rules would be a good idea. However, rules for the Sessions of the CONTRACTING PARTIES to GATT 1947 did not translate readily to WTO Councils and Committees. One would have to be careful to preserve any special rules of procedure for specific bodies so that these were not overturned, such as for example the procedures of the Dispute Settlement Body. With regard to contact groups, Canada believed that there might be a need in the future for other such groups, and that this option should not be foreclosed by a permanent moratorium on their establishment. Canada had an open mind on including safeguards in the ambit of the contact group on anti-dumping and subsidies.

13. The representative of Australia said he agreed with India that there did not seem to be any utility in attempting to touch what was already quite adequately covered in the WTO Agreement with regard to terms of reference for the Ministerial Conference and the Councils, and indeed for the bodies under the Agreements on Services and TRIPS and the Annex 1A Agreements. The possible exception was agriculture, for which a one-sentence entry under Article 17 of the Agriculture Agreement stated simply that the Committee on Agriculture was thereby established. Also, the terms of reference of the GATT Committees on Trade and Development, Balance-of-Payments Restrictions, and Budget, Finance and Administration might need to be amended to take into account the new responsibilities of their counterpart bodies under the WTO. As regards other bodies, there already existed agreed terms of reference in the Uruguay Round Agreements. The Sub-Committee's main work in respect of the WTO bodies related to the additional arrangements necessary to set up notification procedures in various areas of the WTO Agreement prior to its entry into force, and for which various contact groups had been established. Australia had no objections to Egypt's proposal that work be done also in respect of safeguards in the contact group on anti-dumping and subsidies. On rules of procedure, Australia agreed with others that such rules should be as generic as possible. Australia also agreed with the Chairman's suggestion that the Secretariat draw up revised rules of procedure in the three categories that the former had mentioned.

14. The representative of the European Communities said that the Community wished to revert to the question of terms of reference and rules of procedure at a later date, after having examined the Secretariat's non-paper more closely. The Community therefore had some difficulty with asking the Secretariat at this stage to draw up a revised paper along the lines suggested by the Chairman. It appeared that there was already a good basis in the agreed WTO texts as regards terms of reference, in particular in Article IV of the WTO Agreement. The Community did not wish to repeat what was in the WTO texts. There was a related question of who would adopt these terms of reference and how. With regard to rules of procedure, one would need to examine how generic rules might work in the different bodies that had been established in the framework of the WTO. Any rules relating to decision making would have to take into account the provisions in Article IX of the WTO Agreement, and the Community wondered whether it was necessary to go beyond the provisions of that Article and to have any further rules in the chapter on voting. The Community needed more time to reflect on these matters. With regard to additional arrangements, in particular on notification procedures that needed to be in place as of day one of the WTO, or immediately thereafter, the Community had no reservations on the establishment of contact groups to examine these questions. The Community did not object either to Egypt's proposal on including safeguards in the ambit of the contact group on anti-dumping and subsidies.

15. The representative of Brazil said his delegation agreed with India that, with a few exceptions, the WTO Agreements were self sufficient with respect to terms of reference for the bodies established thereunder. Among the exceptions, mention had already been made of the Committees on Budget, Finance and Administration, Balance-of-Payments Restrictions, and Trade and Development. As regards contact groups, Brazil had no reservations concerning their establishment, and agreed that they should discuss the question of additional arrangements. However, these arrangements should be defined clearly because, as Hong Kong had mentioned, there were some specific tasks that the Tokyo Round Committees

on anti-dumping and subsidies had to take upon themselves and which had nothing to do with arrangements for the WTO Agreements. With regard to rules of procedure, Brazil believed that standard rules should be adopted, and found interesting the idea that at some point the Sub-Committee could examine a handbook on such rules which would be approved and later forwarded to the General Council of the WTO for adoption.

16. The representative of Poland sought a clarification with respect to the time-frames mentioned in rules 1 and 2 of the Rules of Procedure in the Annex to the Secretariat's non-paper. As regards contact groups, Poland fully endorsed them.

17. The Chairman said that the time-frames in Rules 1 and 2 differed simply because Rule 1 referred to Sessions other than regular ones, while Rule 2 dealt with regular Sessions.

18. The representative of Tunisia sought a clarification as to the "Multilateral Trade Agreements" mentioned in the standard terms of reference for the Ministerial Conference. With regard to the work being done in the existing GATT Committees on Budget, Finance and Administration, Balance-of-Payments Restrictions, and Trade and Development concerning terms of reference for their counterpart bodies in the WTO, his delegation hoped that the Sub-Committee would in due course have the opportunity to examine their proposals. On rules of procedure, his delegation sought clarification as to the interpretation of "Secretary" in Rule 2 in the Annex to the Secretariat's non-paper, and on the powers and duties of the Chairman. Like earlier speakers, Tunisia believed that reference to the practice of decision-making by consensus should be made in Rule 28. With respect to contact groups, he expressed the hope that there would be transparency, and that the Chairman would report to the Sub-Committee on the questions considered by the groups.

19. The Chairman said that the "Multilateral Trade Agreements" mentioned in the standard terms of reference for the Ministerial Conference referred only to the Agreements in the Annexes to the WTO Agreement. As regards the contact groups, he recalled that they were open-ended. Furthermore, the outcome of the discussion in these groups would be reported to the Sub-Committee.

20. The representative of the United States said that the question raised by India as to whether standard terms of reference were really needed for all WTO bodies needed careful reflection. On rules of procedure, the United States agreed with previous speakers and with the Chairman on the apparent inadequacy of the rules for the sessions of the CONTRACTING PARTIES to GATT 1947 as the basis for the rules of all WTO bodies, and on the usefulness of establishing different sets of rules along the lines suggested by the Chairman. More specifically, the United States questioned whether rules 8 and 9 on observers went far enough, and noted that they made no mention of non-governmental organizations. Such organizations, however, were mentioned specifically in Article V:2 of the WTO Agreement and in the mandate of the Sub-Committee, and observer status for these organizations in the WTO would facilitate the objective of co-operation with them. Furthermore, the Sub-Committee needed to consider what participation by observers really entailed. The United States shared others' concern at the formulation of the voting procedure in Rule 28, in light of Article IX:1 of the WTO Agreement. With regard to rules 35 and 36 on records, the United States believed that ongoing discussions in the GATT 1947 Council about the flow of documents should be considered and reflected in these rules. As to the rules on publicity of meetings, in rules 37 and 38, the United States wondered whether they expressed adequately the need for efficiency and openness in the new organization. Furthermore, if there were to be a handbook of rules, one could consider whether that should also include Staff Rules, in which previously raised concerns about the avoidance of the appearance of impropriety and the conflicts of interest in ethical issues could be addressed. The United States agreed with the Chairman on the question of additional arrangements and the use of contact groups, and had no objection to the addition of safeguards to the work of the contact group on anti-dumping and subsidies. While priority had to be

given to the immediate needs of the WTO as of its entry into force, in the work of the contact groups, there should be some flexibility so that needs in the beginning phase of the WTO could also be addressed.

21. The representative of Uruguay agreed with India and others that terms of reference should be drawn up only for those WTO bodies for which they were really required, such as the Committee on Balance-of-Payments Restrictions, Budget, Finance and Administration, and Trade and Development. Uruguay shared Hong Kong's concerns on the wording of some of the proposed standard terms of reference, which did not reflect the hierarchy of bodies in Annex 1 A of the WTO Agreement. With regard to rules of procedure, Uruguay believed that separate rules for the Ministerial Conference, the General Council and for subsidiary bodies would be the most complete approach since the separate needs of each of these bodies would have to be provided for. On voting procedures in rule 28, Uruguay believed, like others, that the present wording would need to be altered in light of Article IX of the WTO Agreement. Uruguay supported the Chairman's proposals on contact groups, and his endeavour to provide for the complete transparency of that process. Uruguay was not opposed to safeguards being included in the work of the contact group on anti-dumping and subsidies. In establishing these groups, however, the difficulties of smaller delegations in participating in meetings of various groups held at the same time should be kept in mind, as well as the need for a calendar of meetings.

22. The Chairman said that a schedule of meetings of the Preparatory Committee and its Sub-Committee would be made available to members soon, which would include schedules of meetings of this Sub-Committee and of the contact groups operating under its aegis. To the greatest extent possible, clashes between meetings of different bodies would be avoided.

23. The representative of Argentina said that his delegation, like others, wished to give further consideration to India's concern about not unnecessarily creating additional texts on terms of reference. As Australia had indicated, however, the Agreement on Agriculture had established a body without clearly specifying its terms of reference, which might therefore have to be elaborated, in addition to those for the Committees on Balance-of-Payments, Budget, Finance and Administration, and Trade and Development. As regards additional arrangements, the Secretariat's non-paper had referred to an understanding to be reached concerning the "participation" of the three organizations referred to in the Agreement on Sanitary and Phytosanitary measures. His delegation wished to make clear, however, that one had not spoken of the participation of other organizations in this Agreement, but rather of "relations" with other organizations. As regards rules of procedure, he said that insufficient attention had been given to the difference between the Ministerial Conference and the General Council and to the relations between the latter and the other three main Councils on Goods, Services and TRIPS. More work, therefore, was needed on the proposed rules. As to observers, this issue had been discussed elsewhere and should perhaps be considered in another forum.

24. The representative of Mexico said that whatever had been set out in the negotiated Agreements with regard to terms of reference should be followed as closely as possible. His delegation wished to reflect further on the question of different rules of procedure for the Ministerial Conference, the General Council and for subsidiary bodies. As regards additional arrangements, his delegation agreed with Hong Kong and Brazil that a distinction should be made between issues concerning notification procedures necessary for the immediate implementation of the WTO Agreement, and those other issues which concerned Tokyo Round Agreements, and therefore required a decision by the Committees established thereunder.

25. The Chairman said it appeared, by and large, that members wished to leave the question of standard terms of reference alone. Some members had indicated the need for more time to reflect on this matter. While he did not wish to rush the process, he wished to see the Sub-Committee far advanced over the coming two weeks in this part of its work. On rules of procedure, Hong Kong has raised a number of issues that would need to be considered. He proposed, however, that the

Secretariat be requested in the meantime, and in consultation with delegations, to draw up draft rules of procedure for the Ministerial Conference, the General Council and subsidiary bodies, which could be considered at the next meeting of the Sub-Committee. On additional arrangements, members appeared to be in agreement that the work on agriculture should continue and that that on TRIPS go ahead. With regard to anti-dumping and subsidies, he suggested that the Chairmen of the existing Tokyo Round Committees continue with their work in this area, and that the Sub-Committee revert to this issue at a later date. As to the inclusion of safeguards in the work on additional arrangements, he would wish to consult further with delegations.

26. The Sub-Committee took note of the statements and agreed to the Chairman's proposals.

Paragraph 8(b)(iii) of the Decision establishing the Preparatory Committee

27. The Chairman drew attention to a background note by the Secretariat on the WTO and other inter-governmental organizations, in document PC/IPL/W/2. The note included only inter-governmental organizations that were global in nature and whose membership was open-ended. There were two exceptions to this, namely the ISO and the IEC, which were non-governmental organizations. These were included in the note, however, owing to the fact that they were specifically referred to in the texts pertaining to the Agreement on Technical Barriers to Trade. Secretariats of regional economic groupings and other inter-governmental organizations with a limited membership, which might be interested in being associated with the work of the WTO, but whose membership was not open-ended, were not included in the note, even though they might have been associated with the work of GATT 1947 or of the Uruguay Round in one form or another. These organizations could be looked at, if this were considered appropriate, at a later stage. As indicated in the note, the list of organizations reviewed in Section III was not exhaustive and did not prejudice the organizations that the Sub-Committee might wish to include in its consideration of this part of its mandate.

28. The representative of India said that his delegation would need more time to reflect on the approach to this part of the Sub-Committee's mandate. At a later date, it might be necessary to establish smaller groups to address relations with specific institutions as well as specific issues.

29. The representative of Egypt said that, in addition to the organizations mentioned in the Secretariat's paper, relations with the International Textiles and Clothing Bureau (ITCB) should also be considered. The ITCB had been granted observer status in the Textiles Committee, and should be associated with the work of any overseeing body under the Agreement on Textiles and Clothing. The Sub-Committee should also address the question of the status, and rights and obligations, of international organizations to be granted observer status in the WTO, as well as the question of relations with non-governmental organizations (NGOs).

30. The Chairman said that the Sub-Committee would have occasion, at a subsequent meeting, to address the issues raised by Egypt, including that of relations with NGOs.

31. The representative of the European Communities said that a distinction should be made between the organizations mentioned in Article III:5 of the WTO Agreement, namely the IMF and the World Bank, and those mentioned in the Agreements annexed to the WTO Agreement. The WTO had a specific interest in the IMF and the World Bank which would justify reciprocal arrangements with these organizations. The other organizations mentioned in the Final Act texts were in a different situation, and the Community wondered whether there was any urgency to the establishment of relations with them, in particular the sectoral organizations, and whether this matter might not be left to the WTO bodies themselves to consider. The question was whether relations with such organizations were needed as of day one of the WTO. It was perhaps too soon as yet, with the WTO not yet in force, to discuss in detail which of these organizations should be accorded some status in the WTO. The Community

believed it would be helpful if some information could be provided as to the existing arrangements between the GATT and the inter-governmental organizations mentioned in section III of the Secretariat's note.

32. The Chairman said that, in addition to the IMF and the World Bank, there were some other organizations, such as the WIPO and the FAO, with which relations might need to be in place as of day one. In the case of the UNCTAD, too, relations might need to be established as soon as possible, in view of the nature of that organization's work, which would overlap that of the WTO. He noted, in this connection, that at a recent meeting in New York of all inter-governmental bodies, concern had been raised as to the need to avoid overlap and the duplication of resources. It should be recognized that there were some things the WTO could do well, and some things that other organizations could do well. There were, however, avenues for interaction such that the strengths of all organizations could be used for the benefit of the international community. The question of the WTO's links with other organizations should therefore be looked at from a broader point of view rather than that of its requirements as of day one.

33. The representative of New Zealand said that a paper setting out the existing relations between the GATT and the Uruguay Round bodies on the one hand, and other international organizations on the other, would be useful.

34. The Chairman said that the suggestion by New Zealand and the European Communities for a paper by the Secretariat were useful.

35. The representative of Malaysia agreed with the Community and the Chairman that there were some international organizations in respect of which there was a need for an immediate relationship. The problem was the nature of the relationship, and his delegation agreed that with the IMF and the World Bank there would need to be reciprocal arrangements. There were other organizations with which it would be useful to have a consultative relationship immediately, such as the UNEP. Other organizations were the UNCTAD, the sectoral organizations in services, and the WIPO. There was certainly a need to determine which organizations would be relevant as of day one, and those with which relations would need to be developed in the long term. His delegation agreed with the Chairman that one had to accept the fact that some organizations had proven capabilities in certain areas, and that there was a need for close collaboration between the WTO and other organizations.

36. The representative of Argentina agreed that there was a need to establish relations with some organizations as soon as possible. His delegation would include in this list the organizations mentioned in the Agreement on Sanitary and Phytosanitary Measures, as also the WIPO in respect of the TRIPS Agreement. One would have to work on a case-by-case basis to establish clearly and precisely the requirements in respect of each of the organizations.

37. The representative of Australia said that a discussion on the question of relations with other organizations should be held sooner rather than later. One needed to have an idea of what the WTO's relationship was going to be with key international organizations such as the IMF, World Bank, FAO, WIPO, UNCTAD and the organizations in the sanitary and phytosanitary area. Consideration should be given in the discussion not only to establishing relations with and granting observer status to some of these organizations, but also to having reciprocal arrangements with them as well. His delegation supported the suggestion by New Zealand for a paper by the Secretariat spelling out the terms of the present relationships with various organizations.

38. The Chairman said he believed that most organizations would respond positively to a request for observer status from the WTO, and that this was an issue that the Sub-Committee might take up.

39. The representative of the United States agreed that special attention would need to be given to relations with the IMF and the World Bank, particularly in light of the Declaration on the WTO's contribution to achieving greater coherence in global economic policy-making. His delegation hoped that at its next discussion on relations with organizations, the Sub-Committee would also address the issue of NGOs, because of the language of Article V:2 of the WTO Agreement. If this was an issue the Secretariat found awkward to reflect in a background note, then his delegation would attempt to provide an input in the work of the Sub-Committee.

40. The Chairman welcomed the United States' offer to provide an input to the Sub-Committee's work. He said it was clear that more time was required to discuss this part of the Sub-Committee's mandate. He proposed that in the meantime the Secretariat prepare a paper setting out the existing relations between the GATT and the Uruguay Round bodies on the one hand, and other international organizations on the other. While there was a whole range of international organizations with which the WTO might envisage relations, the Sub-Committee would have to establish priorities among organizations and to determine, at its next meeting, those that were essential, and try to be as selective as possible. Organizations such as the World Bank, IMF, UNCTAD, UNEP, WIPO and FAO were some that he could suggest.

41. The representative of Argentina said that his delegation would suggest that priority also be given to relations with the organizations referred to in the Agreement on Sanitary and Phytosanitary Measures.

42. The Sub-Committee took note of the statements and agreed that the Secretariat be requested to prepare a paper setting out the existing relations between the GATT and the Uruguay Round bodies on the one hand, and other international organizations on the other.

Observers

43. The Chairman said that he had received a communication from the Food and Agriculture Organization (FAO) requesting observer status at meetings of the Sub-Committee in view of the FAO's responsibilities related to those of the WTO. The communication stated that: "The areas of FAO responsibility related to those of WTO include close working relationships on sanitary and phytosanitary matters, especially in relation to the new Committee on Sanitary and Phytosanitary Measures which expressly mentions collaboration with FAO/WHO Codex Alimentarius Commission and the International Plant Protection Convention, the Secretariats of which are mainly in FAO. These responsibilities also include collaboration on food aid issues, especially the involvement of our Consultative Sub-Committee on Surplus Disposal, which oversees the application of FAO's Principles on Surplus Disposal and the System of Usual Marketing Requirements, also cited in the Agreement on Agriculture. There are in addition areas of mutual interest on food security and environmental measures ...".

44. The representative of the European Communities said that the FAO was a sectoral body, and that his delegation wished to reflect on whether this justified its observer status in the Sub-Committee. The Sub-Committee might find itself faced with further requests of this kind from a number of sectoral organizations and would need to decide where to set the limit. He asked whether the Chairman had received requests from any other organizations for observer status in the Sub-Committee.

45. The Chairman said that no other organization had thus far made a request for observer status in the Sub-Committee. If there were such requests, and if those organizations could indicate clearly their interests and the specific Agreements in which their cooperation might be needed, then the Sub-Committee could examine each request on a case-by-case basis. He would hesitate to take an overall approach.

46. The representative of the European Communities requested that his delegation be allowed to reflect on this matter until the next meeting of the Sub-Committee.

47. The representative of India said it was worth reflecting on the issue raised by the Community. If most of the sectoral issues were going to be decided in contact groups or in informal consultations, there would be no point in inviting sectoral organizations as observers in the Sub-Committee. He suggested that the Chairman might wish to consult with delegations before proposing a decision on the request by the FAO.

48. The Chairman suggested that the Sub-Committee revert to this matter at its next meeting.

49. The Sub-Committee took note of the statements.