



21 October 2021

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### **Council for Trade in Goods**

## MINUTES OF THE MEETING OF THE COUNCIL FOR TRADE IN GOODS 31 MARCH AND 1 APRIL 2021

CHAIRPERSON: HE MR LUNDEG PUREVSUREN

#### Addendum

In a communication dated 23 July 2021, the Chairperson of the Council for Trade in Goods (CTG), HE Mr Lundeg Purevsuren (Mongolia), announced that the CTG would reconvene on 26 July 2021 the meeting that had been suspended on 31 March and 1 April 2021<sup>1</sup>, with the purpose of addressing Agenda Item 3, "Appointment of Officers to the Subsidiary Bodies of the Council for Trade in Goods".

# 3. APPOINTMENT OF OFFICERS TO THE SUBSIDIARY BODIES OF THE COUNCIL FOR TRADE IN GOODS

- 3.1. The <u>Chairperson</u> recalled that, at the CTG meeting of 31 March and 1 April 2021, Agenda Item 3 on the Appointment of Officers to the Subsidiary Bodies of the Council for Trade in Goods had been suspended until further notice pending the consultations of the outgoing Chairperson of the CTG. It had also been agreed that the former CTG Chairperson, Ambassador Mikael Anzén (Sweden), would hold further consultations on this matter.
- 3.2. On 23 June 2021, Ambassador Anzén had sent a communication to the Regional Group Coordinators indicating that, despite his numerous meetings and consultations, it had not been possible to reach agreement on a slate of names, and that two Group Coordinators had recommended that he request the Chairperson of the General Council, Ambassador Dacio Castillo (Honduras) to seek a solution to the current impasse. Ambassador Anzén had made this request and Ambassador Castillo had accepted to oversee the process. On 2 July 2021, after consulting with the Regional Group Coordinators, Ambassador Castillo had sent a communication informing Members that the Group Coordinators had reached an agreement. In the same communication, he had transmitted the agreed slate of names to Members for their consideration.
- 3.3. As part of Ambassador Castillo's consultations, a further understanding had been reached, namely, that the CTG and CTS Chairs would undertake consultations on the overall exercise of the appointment of officers to avoid a repeat of such a situation in the future. Furthermore, Ambassador Castillo had noted that there had been an additional understanding regarding the allocation of chairpersonships for 2022, and that he would inform the succeeding General Council Chair accordingly. Finally, he had noted that it had been an extremely difficult process and that the proposed slate of names had reflected a very delicate balance. For this reason, he had requested Members' collaboration and utmost flexibility with a view to adopting the slate and allowing the 14 subsidiary bodies to continue operating normally in the coming months.
- 3.4. On 7 July 2021, Ambassador Castillo had sent a second communication, noting that it had been brought to his attention that additional time was needed for further consultations, and that, as a result, the issue of the appointment of officers would remain suspended to allow those consultations to take place. He had further indicated that the item would be resumed at the appropriate moment by the CTG Chair.

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<sup>&</sup>lt;sup>1</sup> See documents WTO/AIR/CTG/18 and G/C/W/793.

- 3.5. On 14 July 2021, Ambassador Castillo had held another meeting with Group Coordinators, but agreement had still not been possible. That same evening, the CTG Chairperson had reconvened an informal CTG meeting with the objective of reporting on the situation, although it was then drawn to his attention that further consultations were needed. Ambassador Castillo had followed up with additional consultations with Group Coordinators on 22 and 26 July but, unfortunately, it had still not been possible to reach consensus on a slate of names. In a communication dated 23 July 2021, the CTG Chairperson had also informed the Membership that the EU member State nominee nominated to chair the Committee on TRIMs, Mr Tamás Vattai (Hungary), was in the process of moving jobs and would no longer be available to chair the Committee for which he had been nominated. In consequence, the EU member States had nominated Ms Vilma Peltonen (Finland) to chair the Committee on TRIMs.
- 3.6. The CTG Chair had also drawn Members' attention to the fact that there were already two subsidiary bodies, the Committee on Agriculture and the Committee on Import Licensing, that lacked a Chairperson. He warned that Members ran a high risk of facing serious organizational problems regarding regular committee work as a result of this situation. Furthermore, the problem had been compounded by it being a ministerial year.
- 3.7. Immediately preceding the Council's resumed formal meeting, the CTG Chair had held an informal meeting, as required by Rule 7.3 of the Guidelines for Appointment of Officers to WTO Bodies (WT/L/510), where he had reported to Members on the process that had been held until that moment to reach consensus on a slate of names for the CTG's subsidiary bodies. Unfortunately, Members had not been able to reach consensus. Several Members also took the floor at this informal meeting to comment on this unfortunate situation, and the Chair had given those delegations the opportunity at the Council's formal meeting either to take the floor again or else to request that their statement made during the informal meeting be reflected in the minutes. In terms of next steps, the CTG Chair's intention was to report on this matter to the General Council at its meeting of the following day, and to conclude Agenda Item 3.
- 3.8. The representative of Chile, speaking on behalf of the GRULAC, stated the following:
- 3.9. The GRULAC appreciates the efforts made by the CTG and General Council Chairs to facilitate a speedy resolution to the issue of chairpersons. Nevertheless, the GRULAC regrets that Members have not been able to find a solution to this issue. As Members know, the GRULAC presented three candidatures for this process, and only two were reflected in the current slate. Nevertheless, members of the GRULAC are of the view that they can live with this slate in the spirit of compromise. The GRULAC expects others to show the same spirit of compromise. The GRULAC made a sacrifice last year to step back from chairing the TBT Committee. This was done as the GRULAC's genuine contribution to resolving the impasse in last year's appointments process. In turn, it was agreed and understood that GRULAC would, therefore, take up the TBT chairpersonship this year.
- 3.10. The current slate of chairpersonships includes two GRULAC candidates, for the TBT and Agriculture Committees, who are excellent candidates and extremely experienced in their fields; they are also known among their peers by virtue of the quality of their interventions and their active and constructive participation in those committee meetings. Members have spent several months on this "housekeeping" issue, which affects the functioning of the WTO bodies and the credibility of the Organization as a forum to generate consensus. The GRULAC believes that it is time for the WTO to move on to more pressing matters, especially in the middle of a pandemic and Ministerial year.
- 3.11. The GRULAC calls on the delegation of India to show flexibility and constructiveness in this process. The GRULAC understands that India is the only Member not joining the consensus to solve this procedural issue. Finally, the instructions made by the General Council Chair to the Chairperson of the CTG and the Chairperson of the CTS to find criteria to avoid this situation in future processes goes in the right direction. The GRULAC region will contribute constructively to this process and expects others to do the same.
- 3.12. The representative of the  $\underline{\text{Russian Federation}}$  stated the following:
- 3.13. The Russian Federation observes the unprecedentedly low level of transparency in this year's nominations process for Chairs of the subsidiary bodies of the CTG. This is a matter of substantial concern for Russia. The Russian Federation would like to ask two questions. First, Russia would like

to refer to the GC Chair's letter of 2 July mentioning some "additional understanding for the 2022 allocation of chairmanships of subsidiary bodies". For the sake of transparency, Russia suggests that the Chair let us know the details of that "understanding" or, otherwise, to confirm that such an understanding does not exist. Russia had partially understood the answer to this question based on the statements that were made by Latin American delegations during the informal meeting; nevertheless, Russia considers that the information should be provided. Such understandings or agreements were not visible, which was probably one of the reasons for the problem now being faced. The problem is that such understandings are not formally foreseen by the enacted Guidelines for the Appointment of Officers to WTO Bodies; furthermore, they are made in a non-transparent manner, which creates problems for all. Second, in the same letter, the GC Chair informed Members that he had instructed the CTG Chair, together with the CTS Chair, to launch consultations with interested Members aimed at making improvements to the nomination procedure. When does the Chair plan to launch those consultations? Finally, independently of the outcome of this process, Members face a serious systemic problem, and the Russian Federation is looking forward to the discussion at the forthcoming meeting of the General Council, including the proposal to launch consultations on clarifying the rules of procedure.

### 3.14. The representative of India stated the following:

- 3.15. India thanks the Chairperson for his explanation of the process that was followed. India has conveyed its concerns, both with respect to the specific committee for which India is interested and also the overall selection process, to our interlocutors, namely the AGDC Chair, the outgoing CTG Chair, and the GC Chair, on various occasions. These concerns have never been addressed, and sometimes not communicated to the relevant interlocutors, which only created more confusion and frustration among Members. Therefore, India's delegation is not in a position to accept the proposed slate of names for the CTG subsidiary bodies.
- 3.16. India is concerned that, due to the deficiencies in the current selection process system, Members are likely to be in the same situation in the coming years. Therefore, India believes that it is high time that Members fix the problem by putting in place a robust system to avoid the recurrence of this scenario in the future. Therefore, at the following day's General Council meeting, India would be making a statement on this issue that would highlight the shortcomings of the current system and offer India's suggestions to strengthen it. Therefore, India requests patience from Members as well as their attention to the discussion on this issue at the General Council's meeting the following day.
- 3.17. Regarding the proposal that Mexico take over the Chairpersonship this year, and India next year, India would like to state that India's concerns have been about the systemic issue concerning the process and India believes that this impasse has brought to everyone's attention the urgent need to address the problems in the process that exists presently. Taking into consideration that only four to five months are left of this year, India will be happy to accept the Chairpersonship of the TBT Committee this year and the same can be offered to Mexico for the full year next year. India would also like to reiterate that the issue will be discussed at the General Council's meeting the following day.

### 3.18. The representative of the **Philippines** stated the following:

3.19. The Philippines is concerned for the system and encourages further consultations among regional coordinators and Members. is the Philippines also expresses its support for improving the chair selection process. At the same time, the Philippines would like to ask the Chair whether there are any rules in place, should consensus fail, for calling in voting, and whether this has been considered in the consultations. The Philippines understands that, under the General Council rules, which are applicable to the various committees, there is also a default rule for voting, and hopefully this can be discussed with the General Council Chair in order to ensure that the system continues to function.

3.20. The  $\underline{\text{Chairperson}}$  announced that the discussions under Agenda Item 3 had been concluded.<sup>2</sup>

3.21. The meeting was  $\underline{\text{closed}}$ .

 $<sup>^2</sup>$  The General Council agreed on a slate of names of the CTG subsidiary bodies at its meeting of 27-28 July 2021. See document WT/GC/M/192, paragraphs 22.1-22.31.