INTERNATIONAL DAIRY PRODUCTS COUNCIL

DRAFT RULES OF PROCEDURE

Note by the Secretariat

The Secretariat has been requested to draft Rules of Procedure that could be considered by the International Dairy Products Council (IDPC) and presented, upon entry into force of the new International Dairy Agreement, to the new International Dairy Council. For this draft, the Secretariat has based itself upon the Rules of Procedure now in force for the IDPC (DPC/1), as well as some modifications that have previously been considered (DPC/W/115).

The proposed draft Rules of Procedure are presented below. Substantive changes from the existing IDPC rules have been highlighted, and explanatory comments given. These "comment" sections are for discussion purposes only and would not remain in the final text. Textual changes required by the new Agreement, such as changes to the names of the Committees or substitution of "party" for "participant", have also been made but not highlighted. Provisional numbers have been assigned to proposed new rules; the rules will be numbered consecutively in the final text.

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INTERNATIONAL DAIRY AGREEMENT

DRAFT RULES OF PROCEDURE

Rule 1

Each party to the Agreement shall indicate to the Secretariat the name of one (or more) representative(s) at Geneva to whom communications are to be addressed. Any party may make other arrangements for this purpose.

Rule 2

The International Dairy Council (hereinafter referred to as "the Council") shall elect a Chairman and a Vice-Chairman. The election shall take place at the beginning of the first regular session of the year and shall take immediate effect. The Chairman and the Vice-Chairman shall be elected for a one-year term which may be renewed once.
Rule 3

The Council shall normally meet in March and in September in the spring and autumn of each year, at a date to be determined by the Chairman in consultation with the parties. The convening notice, together with a draft agenda prepared by the Secretariat in consultation with the Chairman, shall be dispatched at least three weeks before the date of the session.

COMMENT: This is to provide greater flexibility in setting actual meeting dates, to take into account other activities of the WTO and other relevant bodies.

Rule 4

The Chairman may call a special session of the Council with less than three weeks’ notice. Any request by the Committee on Certain Milk Products for a special session to be convened must be made by the Chairman of that Committee.

Rule 5

Unless the Council decides otherwise, all its meetings shall be private and its records treated accordingly.

Rule 6

At any time, the Council may decide to amend the agenda or to give priority to certain matters.

Rule 7

The text of Council decisions must be adopted in the course of the session at which the said decisions are made.

Rule 8

After each session of the Council, a draft report shall be sent to the parties. Any party wishing to make corrections to the draft shall present them to the Secretariat within thirty-five working days following the date of distribution of the draft. If within that period the Secretariat receives no corrections, the report shall be deemed to be approved. The Secretariat shall communicate to the parties any substantive corrections received by it within that period. If no further remarks are made by any party within fifteen working days following the date of circulation of such corrections, the revised report shall be deemed to be approved. Any new amendment proposal shall be subject to the same procedure.

COMMENT: In practice, the Secretariat receives very few corrections to its draft reports, and most are editorial rather than substantive. There is no justification for current long delays in the issuing of the final report.

Rule 9

The Council and the Committee on Certain Milk Products may establish any subsidiary organs that may be necessary.
Rule 10

Representatives of members of the World Trade Organization which are not signatories may follow the proceedings of the Council and the Committee on Certain Milk Products in an observer capacity.

Rule 11

Representatives of non-signatory countries not members of the World Trade Organization which are interested in following the proceedings of the Council and the Committee on Certain Milk Products in an observer capacity, should communicate a request to the Director-General of the World Trade Organization indicating their desire to do so. The Council shall decide on each request.

Rule 12

Observers may participate in the discussions but decisions shall be taken only by signatories.

Rule 12bis

The Council shall decide what information should be requested of observers to the Agreement, including whether it would be appropriate to require that they submit responses to the questionnaires according to Rule 23 of the Rules of Procedure.

COMMENT: It has been suggested that observers to the Arrangement should be required to also contribute to the exchange of information, either through submission of responses to questionnaires, presentation of reports at meetings on their domestic dairy situations, or, at a minimum, by responding to questions posed by members. Such requirements of observers could be explicitly stated in full in the Rules of Procedure. The suggested formulation, however, would provide greater flexibility for the Council to decide how much and what sort of information should appropriately be requested of each observer. This request could, for example, differ between developed country observers and those from developing countries. It has been suggested that the Council should take a decision on this issue during the first year of operation of the new Agreement.

Rule 13

The Council and the Committee on Certain Milk Products may deliberate on confidential matters in special restricted sessions.

Rule 14

The Council may invite, as appropriate, international organizations to participate in sessions follow particular issues of the Council or the Committee on Certain Milk Products in an observer capacity. In addition, requests from international organizations to participate in sessions of follow particular issues within the Council or the Committee on Certain Milk Products, in an observer capacity, shall be considered on a case-by-case basis by the Council.

COMMENT: In practice, international organizations are not invited only to follow particular issues, but to participate in all un-restricted meetings of the Council and
Committees. Should the Council wish to limit their participation to some particular issues, the ability to invite them "as appropriate" would be sufficient to provide this flexibility.

Rule 15

The Committee on Certain Milk Products (hereinafter referred to as "the Committee") shall elect a Chairman and a Vice-Chairman. The election shall take place at the beginning of the first regular session of the year and shall take immediate effect. The Chairman and the Vice-Chairman shall be elected for a one-year term which may be renewed once.

Rule 16

The Committee shall normally meet in March, June, September and December once during each quarter of each year, at a date to be determined by the Chairman in consultation with the parties. The convening notice, together with a draft agenda prepared by the Secretariat in consultation with the Chairman, shall be dispatched at least fifteen days before the date of the session.

COMMENT: This would provide greater flexibility while maintaining the objective of quarterly meetings.

Rule 17

The Chairman may call a special session of the Committee with not less than two working days' notice.

Rule 18

Unless the Committee decides otherwise, all its meetings shall be private and its records treated accordingly.

Rule 19

At any time, the Committee may decide to amend the agenda or to give priority to certain matters.

Rule 20

The text of Committee decisions must be adopted in the course of the session at which the said decisions are made.

Rule 21

After each session of the Committee, a draft report shall be prepared by the Secretariat. The report shall be approved by the Committee at its next session.
Rule 22

At its second and fourth regular sessions of the year, the Committee shall adopt a summary report to be submitted to the Council under Article VII.2(a) of the Agreement. The summary report may be submitted either orally or in writing, and may be supplemented orally at the session of the Council.

COMMENT: This modification would reflect current practice, in which the Chairman of the Committees makes an oral report to the Council when the Council session immediately follows that of the Committees (March and September). When no Council meeting follows the Committees sessions (June and December), a summary written report is submitted instead (see DPC/PTL/43 for example).

Rule 23

(a) The parties are agreed that the information to be furnished under Article III of the Agreement will be communicated on the basis of questionnaires. These questionnaires have been adopted on a trial basis and may be revised in the light of the data provided or as necessary to fulfil the objectives of this Agreement.

COMMENT: The "trial basis" of the questionnaires is not relevant (the last "trial" lasted 14 years!), but it should be clear that the Committee can modify the questionnaires at will to suit its needs.

More importantly, it has been suggested that a small task force, open to all signatories, be established to undertake a revision of the questionnaires. Some of the questionnaires, such as Q.5 on policies, are out of date. Others seem to require much more data than is normally provided, or perhaps even desired (i.e. Q.4). Among the issues to be considered should be the possibility of submission of responses electronically or on diskette; provision of information on deliveries (and production?) on a quarterly basis; and submission of forecasts for the coming 6 to 12 months. Given the limited sources of information on food aid, it might also be desirable to request submission of information on food aid (as required by Article V.1(b) and Rule 24 below) in accordance with an agreed format (questionnaire).

Replies to these questionnaires are to be furnished as follows:

- Questionnaires 1, 2 and 3 - quarterly, i.e.:

  - data for January-March: 15 June at the latest
  - April-June: 15 September at the latest
  - July-September: 15 December at the latest
  - October-December: 15 March at the latest

- Questionnaire 4: annual data shall be furnished two and a half months at the latest after the end of the period concerned. Six months after these data have been furnished, information on developments therein shall be communicated.
- Questionnaire 5: within four months following the entry into force of the Agreement or, for new parties, within four months following their acceptance. Any changes in domestic policies and trade measures likely to affect international trade in dairy products shall be communicated as early as possible, and in any case in July of each year.

(b) Information not furnished within the context of these questionnaires can be exchanged between parties.

Rule 24

In accordance with the provisions of Article V:1(b) of the Agreement, the parties agree to furnish as soon as possible information regarding their proposed contributions of food aid and likewise any proposed amendments to food-aid programmes.

COMMENT: This information, when provided, is often incomplete. The development of a questionnaire format for submission of this information should be considered.

Rule 25

In the event that any party has recourse to the possibility provided under Article V:3 of requesting information on the transactions defined in that paragraph, the party concerned by such request shall furnish to the Secretariat, within fifteen days, detailed information regarding those transactions.

Rule 26

In accordance with the provisions of Article 4 of the Annex on Certain Milk Products, i.e. in cases where prices in international trade of the products covered are approaching the minimum prices, parties shall notify, within not more that twenty days, all the relevant elements for evaluating their own market situation and, in particular, those listed in the said Article.

Rule 27

The Committee shall determine any additional information that it may need, in particular to take account of the evolution of prices in international trade in other products of the dairy sector having implications for the trade in products covered by the Annex on Certain Milk Products.

Rule 28

The Committee shall establish a summary table of the information in its possession; the table shall be distributed every three months to all the parties to the Agreement.

Rule 29

The status report on the world market for dairy products, to be prepared by the Secretariat every six months in pursuance of Article IV:1(a) of the Agreement, shall be distributed not later than 1 March and 1 September of each year. [sufficiently in advance of the regularly scheduled meetings of the Council to permit its full consideration at those meetings.] [not less than two weeks in advance of the regularly scheduled meetings of the Council.]
The second status report of each year, as updated and modified in light of its consideration by the Council and on the basis of new information available to the Secretariat, shall be published as the Annual Report on the World Market for Dairy Products. [The Annual Report should be publicly available, whenever possible, during the first quarter of each calendar year.]

The status report prepared subsequent to the publication of the Annual Report may be limited to a summary of the significant changes which have occurred in the interval.

**COMMENT:** It has, for practical reasons, proven increasingly difficult to adhere to the scheduled deadlines for submission of the status reports. It is also often apparent that distribution of the reports by the deadlines does not ensure that they will be used as the basis for discussion at the subsequent Committees/Council meetings. Currently the Annual Report is distributed during November. This means that the 1994 Annual Report, for example, will contain information on calendar year 1993 and the first six months of 1994. It might be preferable to distribute an annual report early in the calendar year, which could include (at the least) estimates for the entirety of the previous year. Preparation of the Annual Report requires at least two months following consideration of the status report. The interval between distribution of the Annual Report and of the following status report is thus relatively short and normally there is little new information to report. It has been suggested that this status report (March) could most usefully focus only on the changes, rather than repeat the mass of unchanged data.

Alternatively, the number of reports which the Secretariat is required to prepare could be reduced to two. A status report could continue to be issued in September/October of each year. A second status report could be issued in March or April, to serve as the basis for discussion at the subsequent meetings of the Council and Committee, but made publicly available at the same time as an Annual Report. This report would contain whatever information was available for the previous calendar year.

**Rule 29 bis**

The Secretariat shall likewise draw up, and keep up to date, an inventory of all measures affecting trade in dairy products, including commitments resulting from bilateral, plurilateral and multilateral negotiations; the full text of the inventory shall be distributed to parties at the beginning of each three-year period and partially revised meanwhile to take account of any changes, as and when made.

**COMMENT:** This rule gives the impression that a separate document on policies in the dairy sector should be prepared. In practice, however, the Secretariat has not prepared a separate inventory of policies, but has merely circulated the submissions made by participants on the basis of Questionnaire 5. The Secretariat has made an effort to include an increasing amount of information on policies in the Status Reports. Given current resource limitations, it is unlikely that the Secretariat could prepare a separate inventory of policies unless a major portion of the necessary background information were provided by the parties.
Rule 30

The Secretariat shall likewise keep up-to-date information regarding food aid and transactions other than normal commercial transactions, and shall inform the Council thereof.

COMMENT: Available information on food aid and other than normal commercial transactions is extremely limited. It may likewise be necessary to indicate that parties must submit the relevant background information to the Secretariat via questionnaires (see suggestions to Rule 23), which the Secretariat could then supplement with respect to non-parties.