



2019/2918(RSP)

21.11.2019

DRAFT MOTION FOR A RESOLUTION

to wind up the debate on the statement by the Commission

pursuant to Rule 132(2) of the Rules of Procedure

on the crisis of the WTO Appellate Body
(2019/2918(RSP))

Bernd Lange

on behalf of the Committee on International Trade

**European Parliament resolution on the crisis of the WTO Appellate Body
(2019/2918(RSP))**

The European Parliament,

- having regard to the Marrakesh Agreement of 15 April 1994 establishing the World Trade Organisation (WTO),
- having regard to Article 17 of the Understanding on Rules and Procedures Governing the Settlement of Disputes, establishing the Standing Appellate Body of the Dispute Settlement Body of the WTO,
- having regard to the Communication from the European Union, China, Canada, India, Norway, New Zealand, Switzerland, Australia, Republic of Korea, Iceland, Singapore, Mexico, Costa Rica and Montenegro¹ and the Communication of the European Union, China, India and Montenegro to the General Council of the WTO from 11 December 2018²,
- having regard to the interim appeal arbitration arrangement between the EU and Canada, pursuant to article 25 of the DSU, of 25 July 2019, as well as a similar arrangement with Norway, agreed on 21 October 2019,
- having regard to the informal process on matters relating to the functioning of the Appellate Body under the auspices of the General Council and to the reports provided by New Zealand Ambassador David Walker to the General Council of the WTO on 28 February 2019³, 7 May 2019⁴, 25 July⁵, and 15 October 2019, as well as to the draft General Council Decision on Functioning of the Appellate Body presented by Ambassador Walker to the General Council on 15 October 2019, as annexed to his report⁶,
- having regard to the statement by the Commission of [26] November 2019,
- having regard to Rule 132(2) of its Rules of Procedure,
- having regard to the motion for a resolution of the Committee on International Trade,

¹ Communication to the WTO General council (WT/GC/W/752/Rev.2) of 10 December 2018

² Communication to the WTO General council (WT/GC/W/753) of 10 December 2018

³ Informal Process on Matters Related to the Functioning of the Appellate Body - Report by the Facilitator H.E. Dr. David Walker (New Zealand) (JOB/GC/215) of 28 February 2019

⁴ Informal Process on Matters Related to the Functioning of the Appellate Body - Report by the Facilitator H.E. Dr. David Walker (New Zealand) (JOB/GC/217) of 7 May 2019

⁵ Informal Process on Matters Related to the Functioning of the Appellate Body - Report by the Facilitator H.E. Dr. David Walker (New Zealand) (JOB/GC/220) of 23 July 2019

Informal Process on Matters Related to the Functioning of the Appellate Body - Report by the Facilitator H.E. Dr. David Walker (New Zealand) (JOB/GC/222) of 15 October 2019

⁶ Annex to (JOB/GC/222)

- A. whereas the WTO was created to strengthen multilateralism, promote an inclusive world economic order and foster an open, rules-based and non-discriminatory multilateral trading system;
 - B. whereas the WTO dispute settlement system, through its binding character, two levels of adjudication and independence and impartiality of adjudicators, has successfully contributed to ensuring the respect of WTO rules and to the security and predictability of the multilateral trading system, so as to avoid resorting to unilateral measures;
 - C. whereas the WTO Appellate Body plays a fundamental role in the WTO dispute settlement system;
 - D. whereas since 2017 the United States is blocking the replacement of any Appellate Body members on the seven-member Appellate Body and has rejected numerous proposals to launch the selection process to fill the remaining vacancies;
 - E. whereas on 10 December 2019, the mandates of two of the three remaining Appellate Body members will expire and the Appellate Body will no longer be able to hear any new appeals, as three members are necessary to do this;
1. Is deeply concerned that, without a solution, the Appellate Body will cease to be operational after 10 December 2019, which could have very serious consequences for the rules-based multilateral trading system;
 2. Deplores that the ongoing discussions between the Members of the WTO have not yet yielded positive results;
 3. Fully supports the informal process facilitated by Ambassador Walker and considers his proposals a very good basis for finding a satisfactory solution that addresses the shared concerns over the functioning of the Appellate Body and the necessity of its reform; invites all Members to engage constructively in these discussions so that the vacancies can be filled as soon as possible, while ensuring that the WTO is equipped with financial and human resources in accordance with its needs;
 4. Calls upon the European Commission to continue its engagement with all Members of the WTO, including the United States, in order to unblock the appointments procedure as a matter of priority, also after 10 December 2019, if necessary;
 5. Recalls the importance of inter-parliamentary dialogue as a way of contributing to the ongoing discussions and to achieving a positive conclusion;
 6. Instructs its President to forward this resolution to the Council, the Commission, the governments and parliaments of the WTO Members, and the Director-General of the WTO.