

**Committee on Trade and Development
Special Session**

**SPECIAL SESSION OF THE COMMITTEE ON
TRADE AND DEVELOPMENT**

Report by the Chairman, Mr. Faizel Ismail (South Africa),
to the Trade Negotiations Committee

I. STATUS OF WORK

Since the last report to the Trade Negotiating Committee (TNC), the Special Session has held two formal meetings and a number of plurilateral consultations.

As reported earlier, during the consultations held on how to take the work on S&D forward, a number of Members had stressed the need to begin examining the remaining Agreement-specific proposals. In that context, Members had agreed to address the remaining LDC Agreement-specific proposals. Based on this understanding, Members have, during the past few weeks been considering the remaining LDC proposals, which include proposals on the Understanding in Respect of Waivers of Obligations under the GATT 1994, the Enabling Clause, the Agreement on Trade-Related Investment Measures and the Decision on Measures in Favour of Least-Developed Countries.

Members have generally been sympathetic towards the problems faced by the LDCs. At the same time, many Members have expressed concern about the automaticity, open-ended and self granted exemptions being sought by the LDCs in some of their earlier proposals. While Members agree that it is important to provide the LDCs with a certain degree of flexibility and assistance to implement the WTO Agreements, it is clear that there is a difference in perception about the nature and extent of this flexibility. A number of Members feel that any flexibility should be transitional and should be provided on the basis of a need that is assessed collectively by Members. Other Members, including the LDCs themselves, believe that there must be a degree of automaticity in granting the LDCs these flexibilities. The LDCs have also proposed that where they have difficulty in implementing obligations, it should be mandatory for the developed country Members to provide technical assistance. While most developed country Members accept the importance of providing technical assistance to the LDCs, they do not agree that this should be mandatory.

Despite these concerns, Members have been able to make progress and there has been a definite and discernible progress during the consultations towards greater convergence of positions, especially from Members' initial positions. This progress can be attributed to the constructive and flexible approach adopted by Members, especially the LDCs which have been willing to redraft their proposals on the basis of the concerns that have been expressed. Members have, as a result, been able to bridge many of their differences on most of the LDC proposals. However, despite Members' flexibility some issues remain unresolved and consequently the Special Session is not in a position to make specific recommendations on any of the remaining Agreement-specific proposals. But I am hopeful that we should be able to bridge most of the differences in the coming months, especially since Members have time and again expressed a strong commitment towards finding solutions to the development challenges faced by LDCs.

In addition, some work has also been done on the remaining Agreement-specific proposals, beginning with those tabled by the African Group; a first reading of which took place in an informal meeting held on 17 June 2005. From the comments made at that meeting, it is clear that there is a wide divergence of views on most of the proposals, especially with respect to those in Category III. The proponents have indicated their willingness to redraft their proposals in a manner that would take into account some of the views expressed on their proposals.

II. FUTURE WORK

I intend to report to the General Council that while significant progress has been made on the Agreement-specific proposals tabled by the LDCs, the Special Session will need to continue to work on the LDC proposals and other remaining Agreement-specific proposals and report on them with "clear recommendations for a decision" to the General Council by the Hong Kong Ministerial Conference. This work shall continue within the parameters of the mandate contained in paragraph 44 of the Doha Ministerial Declaration, paragraph 12 of the Decision on Implementation-Related Issues and Concerns and the July 2004 Decision.

The Special Session will also need to continue to monitor and coordinate its efforts with that of the negotiating groups and other WTO bodies to which the Category II proposals have been referred by the General Council.

Furthermore, as mandated in the July Decision, the Special Session should also continue, within the parameters of the Doha mandate, to address all other outstanding work, including on the cross-cutting issues, the monitoring mechanism and the incorporation of S&D treatment into the architecture of WTO rules, as referred to in document TN/CTD/7 and report, as appropriate, to the General Council.
