

**Committee on Trade and Development
Special Session**

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

Report by the Chairman, Ambassador Burhan Gafoor (Singapore),
to the Trade Negotiations Committee

I. STATUS OF WORK

1. Since the last report to the Trade Negotiating Committee (TNC) on 28 April 2006, the Special Session has held two formal meetings (1 June and 7 July 2006) and a number of informal plurilateral consultations. In these meetings and consultations, I have continued to focus the process on a text-based discussions of the 16 remaining Agreement-specific proposals (eight from Category I and eight from Category III), bearing in mind that the Committee was mandated by the Ministers at Hong Kong to make clear recommendations for a decision on these proposals by December 2006.

2. Overall, Members have made some progress on six of the sixteen remaining Agreement-specific proposals. The formal and informal consultations have led to revised texts on four of the proposals, three relating to Article 3.5 of the Agreement on Import Licensing and one proposal relating to Article XVIII of the GATT. On two of the proposals relating to the SPS Agreement, informal discussions have continued on the basis of alternative texts proposed by some Members. While the revised language on these six proposals provides a basis for further discussions, it is clear that work on these proposals is far from complete and further progress will require Members to show greater flexibility. As for the other ten proposals, the divergences are considerable and Members have not yet been able to prepare any revised or alternative texts. If there is to be convergence on these proposals, Members need to be flexible and the proponents have to reach out to other stakeholders to convince them of the merit of their proposals.

3. In the discussions on the Agreement-specific proposals, the LDCs have continued to stress the importance they attach to a quick and effective implementation of the duty-free quota-free (DFQF) market access decision adopted in Annex F at Hong Kong. The LDCs have formally tabled two submissions in the Committee, one on rules of origin and the other on market access.¹ The paper on the rules of origin points to the need for the DFQF decision to be accompanied by a single set of simple rules of origin and makes reference to the LDCs' preferred criteria for conferring origin. The paper on market access points to how the LDCs would like to see the DFQF market access decision implemented. It urges Members, including developing country Members declaring themselves to be in a position to do so, to make their positions known as early as possible, on how they intend to implement the decision. In the preliminary discussions that have taken place, Members, while reiterating their commitment towards implementing the decision, have sought certain clarifications on the two papers. Some Members have expressed the view that further work on the DFQF decision should be undertaken in the Regular Session of the CTD, and not in the Special Session. However,

¹ TN/CTD/W/30 and W/31 respectively.

the LDCs have maintained their position that further work to set out the means by which Members will implement this decision should be carried out in the Special Session of the CTD. Given this divergence in views, I have urged Members, particularly the key stakeholders, to hold bilateral consultations amongst themselves.

4. The cross-cutting issues were considered in the formal meeting held on 7 July 2006. In the discussions that have been held, Members have generally emphasised the importance of a Monitoring Mechanism. While a number of elements have been mentioned in the context of the cross-cutting issues, it is clear that the Monitoring Mechanism is viewed by many as an important step in the continuing review of the effectiveness and operationalization of the S&D provisions. Members have stressed the need to reach an understanding on the scope of the Mechanism and have agreed that further discussions on the Monitoring Mechanism take place in informal meetings. To facilitate these discussions, and at the request of Members, the Secretariat is preparing a compilation of all the earlier proposals made on the Monitoring Mechanism. As Chairman, I intend to convene informal meetings to bring greater focus and precision to the discussions on the Monitoring Mechanism. However, if we are to make progress on this issue, Members themselves need to clarify their thoughts and ideas as to what they expect from a Monitoring Mechanism.

II. FUTURE WORK

5. In the few months that remain from now till December, my intention would be to continue and intensify the text-based discussion with a view to making clear recommendations on all the remaining Agreement-specific proposals. The aim is to build convergence on as many proposals as possible, and construct a package of proposals that will bring this long-standing issue to a closure. The Special Session will continue to coordinate its efforts with those of other negotiating groups and WTO bodies to which the Category II proposals have been referred, to try and ensure that the December 2006 deadline for completing work on these proposals is met. On the cross-cutting issues, I will continue and intensify informal consultations with a focus on the Monitoring Mechanism.
