

**Committee on Trade and Development
Special Session**

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

Report by the Chairman, Ambassador Thawatchai Sophastienphong (Thailand),
to the General Council

I. INTRODUCTION

1. At the Hong Kong Ministerial Conference, Ministers adopted five decisions in favour of the least-developed countries (LDCs).¹ In addition, they mandated the Special Session of the Committee on Trade and Development (Special Session) to:

- expeditiously complete the review of all the outstanding Agreement-specific proposals and report to the General Council, with clear recommendations for a decision by December 2006; and
- resume work on all other outstanding issues, including on the cross-cutting issues, the Monitoring Mechanism and the incorporation of special and differential treatment (S&D) into the architecture of WTO rules and report on a regular basis to the General Council.

2. The bodies to which the 38 Category II proposals had been referred, were also instructed to complete consideration of these proposals and report to the General Council, with the objective of ensuring that clear recommendations for a decision are made no later than December 2006. In this regard, the Special Session was directed to continue to coordinate its efforts with these bodies, so as to ensure that this work was completed on time.

II. STATUS OF WORK

3. Since the last report to the General Council in July 2007², the Special Session has held two formal meetings (28 September and 7 December 2007)³ and a number of informal plurilateral consultations at which Members continued work on both the Agreement-specific proposals and the Monitoring Mechanism.

4. On the Agreement-specific proposals, Members have continued to focus their text-based discussions on seven of the 16 remaining Agreement-specific proposals. Work on the proposal relating to Article XVIII of the GATT, the two proposals on Article 10.3 of the Agreement on Sanitary and Phytosanitary Measures (SPS Agreement) and the three proposals on Article 3.5 of the Agreement on Import Licensing continued on the basis of the revised text contained in Annex II of the Special Session's last report to the General Council. Discussions on the proposal relating to

¹ Annex F of WT/MIN(05)/DEC.

² TN/CTD/20.

³ TN/CTD/M/31 and TN/CTD/M/32 (to be issued).

Article 10.2 of the SPS Agreement have taken place on the basis of the revised text tabled by India in July 2007.

5. Based on these text-based discussions, Members have been exploring possible alternate language on the two proposals relating to Article 10.3 of the SPS Agreement. While this is a welcome development, the alternate language represents work in progress and the text is yet to be agreed. However, it is encouraging to see that Members are nearing a common understanding on the proposal. The challenge remains in coming up with language that will be acceptable to all. On the proposal relating to Article 10.2 of the SPS Agreement, Members' positions still remain apart and until Members can agree at the conceptual level, it remains to be seen whether textual changes will bring about the necessary convergence that will lead us to an agreement.

6. With respect to the proposal relating to Article XVIII of the GATT, the proponents informed Members at the formal meeting held in September that they intended to table revised language on their proposal. As a result, Members have not engaged in substantive discussions on this proposal and will do so once the revised language has been tabled. Similarly, Members have not engaged in discussions on the three proposals relating to Article 3.5 of the Agreement on Import Licensing Procedures as there appears to be a greater degree of convergence with only one outstanding issue remaining in brackets. However, at the formal meeting held in December, there was a call to revisit these proposals in order to iron out the remaining differences.

7. On the nine remaining Agreement-specific proposals that have been set aside, Members have yet to put forward new ideas or alternate language that would enable us to make progress. These proposals will therefore, not be addressed until such a time that new ideas or new language is tabled.

8. With regard to the Category II Agreement-specific proposals, I had sent a letter on 14 November 2007 to all the Chairpersons of the various bodies to which these proposals have been referred. In my letter, I reiterated Members' concern on the lack of progress on these proposals and requested the Chairs to indicate whether they believed that the issues that have been raised in the proposals would be addressed as part of the work currently underway in their respective bodies. The majority of the reports revealed that there has been very little development on these proposals since the Chairs last reported in July. However, some of the Chairs of the negotiating bodies have indicated that a number of the issues raised in the proposals form an integral part of the ongoing negotiations. In addition, there are a number of bodies in which discussions on the proposals are continuing on the basis of revised language tabled by the proponents. The Chairpersons of the different bodies to which the Category II proposals have been referred will be making a more detailed report of the status of the proposals at the General Council meeting. I intend to continue working closely with these Chairpersons to see how we can expedite progress on the proposals.

9. During discussions on the duty-free quota-free (DFQF) market access issue, the LDCs have continued to reiterate their concern over the lack of engagement on their earlier submissions tabled on rules of origin and market access.⁴ The LDCs have stated that implementation of the DFQF market access decision agreed to at the Hong Kong Ministerial Conference must form a part of the final Doha Development Agenda (DDA) package. While efforts to facilitate a dialogue among the various stakeholders have been appreciated by the LDCs, they have requested me to continue to facilitate such a dialogue, so as to take the issue forward and ensure effective implementation of the decision. At the formal meeting held in December, the LDCs informed Members that they are currently pursuing issues related to the decision in the Committee on Agriculture and the Negotiating Group on Market Access. In addition, they are meeting bilaterally with the other stakeholders on the issue of rules of origin, something which I continue to encourage. The LDCs have stated that providing DFQF market access for 97 per cent of LDC exports at the tariff-line level is the minimum and it is important that

⁴ TN/CTD/30 and 31, respectively.

Members work towards phasing in the remaining 3 per cent. This is also something that the LDCs are pursuing with the various stakeholders.

10. As part of the work on the other outstanding issues, Members have continued their consideration of the possible elements of a Monitoring Mechanism on the basis of the non-paper contained in Annex III of the Special Session's last report to the General Council. These discussions have been focusing on further fine-tuning some of the elements contained therein. The discussions have enabled Members to slightly revise the non-paper. However, before Members can reach an agreement, further fine-tuning of the possible elements of the Monitoring Mechanism will be necessary. During discussions, Members have continued to emphasize the need for the mechanism to be simple, practical and forward looking. In this respect, a number of Members are not in favour of introducing a new bureaucratic structure through which the mechanism would function. Others, however, believe that creating a new structure would give the mechanism the visibility it deserves. Some concerns have been raised with respect to the scope of the Mechanism, which some Members feel is too broad and should be guided by the mandate contained in paragraph 44 of the Doha Ministerial Declaration. However, other Members believe that for the Mechanism to be forward looking, its scope should be broader and include monitoring the implementation and effectiveness of those S&D provisions that may result from future rounds of negotiations. During past discussions, the need to ensure that the Mechanism does not duplicate work already being carried out in other WTO bodies was highlighted. In this context, Members requested the Secretariat to compile information on all monitoring and review mechanisms on S&D that are currently in place or that have been proposed in other WTO bodies. This compilation was made available at the formal meeting held on 7 December.⁵

III. FUTURE WORK

11. I intend to continue text-based discussions on both the Agreement-specific proposals and the Monitoring Mechanism in the new year. On the Agreement-specific proposals, I will continue text-based consultations and will try and build on the progress already made with a view to making clear recommendations to the General Council in the shortest time possible. On the Category II proposals, I will continue to work closely with the Chairpersons of the bodies to which these proposals have been referred, and which have to come up with recommendations. I will also continue to fine-tune the possible elements of a Monitoring Mechanism and will try to work towards convergence on the scope and structure of this Mechanism.

⁵ JOB(07)/215.