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Committee on Trade and Development Twentieth Special Session

NOTE ON THE MEETING OF 6 APRIL AND 10 MAY 2005

Chairman: Mr. Faizel Ismail (South Africa)

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A. ADOPTION OF THE DRAFT AGENDA

1. The Chairman indicated that the draft agenda for the meeting was contained in Airgram WTO/AIR/2537 of 21 March 2005.

2. The representative of India said that though he did not wish to add anything to the agenda, he wanted to address an important issue in this regard. He said that no informal consultations had been held to discuss the agenda on which his capital had strong views. He said that a detailed fax had been sent highlighting the manner in which the Chairman, rather than the Members, wished to structure the work of the Special Session of the Committee on Trade and Development (Special Session) in the coming months. His delegation regretted that the Chairman had not deemed it appropriate to consult Members before laying down the "roadmap". If consultations had been held on the issue, his delegation would have made it clear that while it was willing to go along, and strongly supported a discussion on the Agreement-specific proposals, it was not, at that stage prepared to get into a discussion on the cross-cutting issues. He said that while the July Decision mandated the Special Session to address "other outstanding work including on the cross-cutting issues", it did not call for any recommendations, and did not indicate any timeline for completing work on those issues. It merely instructed the Special Session to "report, as appropriate, to the General Council". On the other hand, the July Decision instructed the Special Session "to expeditiously complete the review of all outstanding Agreement-specific proposals and report to the General Council, with clear recommendations for a decision, by July 2005". It was therefore clear that the priority accorded to the Agreement-specific proposals was higher than that accorded to the cross-cutting issues. However, the proposed agenda in the Chairman's fax seemed to accord parity in priority to the two issues, by providing for a discussion on the Agreement-specific proposals at that day's meeting, and on the cross-cutting issues at the meeting scheduled the following day. That, in his delegation's view, was a clear misreading of the mandate given to the Special Session.

3. He continued by saying that for the past several months a lot of time and effort had been spent in discussing the Chairman's conceptual approach, which in effect related to the cross-cutting issues. As a result, progress on the Agreement-specific proposals had languished. That was not in keeping with the priorities laid out in the July Decision. His delegation could not therefore agree to a discussion on the cross-cutting issues until there was clear progress on the Agreement-specific proposals, especially on those tabled by the least-developed countries (LDCs). He recalled that as

reflected in the minutes of the last meeting of the Special Session held on 8 February 2005, "it was suggested by the LDCs and endorsed by other Members that the work begin by addressing the remaining LDC Agreement-specific proposals as a matter of priority". It was clear there had been no agreement to start discussing the cross-cutting issues. He therefore proposed that the agenda for the meeting be restricted only to the Agreement-specific proposals. Only after all the Agreement-specific proposals had been discussed and clear progress achieved, at least on the LDC Agreement-specific proposals, could the cross-cutting issues be taken up. He said that his delegation was willing to engage constructively in the discussions on all the Agreement-specific proposals with a view to reaching agreement on language that would be acceptable to all Members. In that context, his delegation looked forward to suggestions from other Members to help reach consensus on the proposals. However, to ensure that progress on special and differential treatment (S&D) was not limited only to the Category I and Category III proposals which were being addressed in the Special Session, his delegation wished to see a clear link between the work of the Special Session and those bodies to which the Category II proposals had been referred. He said that a clear priority would need to be assigned to the work in those bodies in order for work to gain momentum.

4. He said that paragraph 44 of the Doha Ministerial Declaration referred to the review of all S&D provisions with a view to strengthening them and making them more precise, effective and operational. The reference was to the existing structures of S&D provisions. However, the ideas enumerated in the Chairman's conceptual approach seemed to suggest a new classification of the proposals focusing only on flexibility and capacity building. Interestingly, improving market access for developing countries, a vital component of S&D measures, had been left out of that classification. He said that in the G-20 Ministerial Declaration issued after their recent meeting held in New Delhi on 19 March 2005, "Ministers cautioned against any move that would create divisions among developing countries, including through further categorization". That clear statement from the G-20 Ministers needed to be borne in mind while proceeding with the work of the Doha Development Agenda (DDA) on S&D. If Members were to achieve progress on S&D, they needed to focus on those proposals which were meaningful and of real commercial value to developing countries and LDCs. In fact, Members needed to take advantage of the presence of the non-resident WTO Members in Geneva that week, to have a substantial discussion on the LDC Agreement-specific proposals with the objective of ensuring better market access for their products. He reiterated that the Agreement-specific proposals were a crucial element in ensuring progress in the ongoing negotiations. Unless there was significant and visible progress on those issues by July, it would be difficult to visualize progress on other issues, in the build up to the Hong Kong Ministerial Conference.

5. The representative of Malaysia agreed with the concerns expressed by the representative of India and supported the suggestion that Members address the LDC proposals at that meeting and the meeting scheduled for the following day. Clearly, there were divergent views on the approach to the work on S&D and the Chairman would have to hold further consultations on that. She suggested that if Members could not agree on the agenda for that meeting, then the Special Session should suspend any discussion on the cross-cutting issues and only discuss the LDC proposals. Since there was no consensus on the proposed roadmap and not much time was left for fulfilling the mandate in the July Decision for making recommendations by July 2005, it was best that Members proceed as suggested by the representative of India. She said that her delegation was not comfortable with the clustering of proposals into the two clusters of flexibility and capacity building. A large number of Members had initially not been comfortable with the previous categorization of proposals into Categories I, II and III and further clustering was not going to help Members in making progress. She hoped that the Chairman would take her comments into account when considering how to move forward.

6. The representative of China said that the July Package gave a different weightage to the Agreement-specific proposals than to the cross-cutting issues. Though his delegation was open to discussing the agenda, there was no doubt that priority should be given to the Agreement-specific proposals.

7. The representative of Thailand supported the points made by the representative of India, especially the fact that the Agreement-specific proposals made by the LDCs be discussed first, and the other proposals be addressed after that. According to the July Decision, the cross-cutting issues had not been given the same priority so it was best for those issues to be addressed after the Agreement-specific proposals. His delegation also agreed that the clustering approach, although helpful in certain ways, was missing an important component related to market access which would help to fulfil the mandate of making S&D more precise, effective and operational.

8. The representative of Kenya said that her delegation wished to make it clear that the LDC Agreement-specific proposals should also include proposals tabled by other Members, but which contained an LDC component. She said that the African Group preferred a simple and straight forward work plan, given that there was not much time left before the Hong Kong Ministerial Conference, and it also hoped to have substantive and economically valuable results by that time. Her delegation's preference was therefore to address all the Agreement-specific proposals before embarking on the cross-cutting issues. That was the mandate contained in the July Decision which had stipulated that the Special Session expeditiously complete the review of all Agreement-specific proposals and report to the General Council with clear recommendations for a decision by July 2005. She said that the Special Session should not be seen to be deviating or modifying the Doha Mandate. Therefore, it was important that the work on S&D be guided not only by the July Decision but also by paragraph 12 of the Decision on Implementation-Related Issues and Concerns and paragraph 44 of the Doha Ministerial Declaration. She said that the African Group expected the work on the Agreement-specific proposals to be completed by July 2005.

9. The Chairman pointed out that the LDC Agreement-specific proposals could be addressed as a matter of priority and the other Agreement-specific proposals taken up thereafter, and suggested that Members should now move on to the substance of the meeting.

10. The representative of Colombia said that the fax sent out detailing the programme of work was not available in Spanish and therefore she was not clear how work was to proceed. It seemed that a number of doubts had been raised with respect to the fax. She said that although the fax highlighted the fact that priority would be given to the LDC Agreement-specific proposals, it did not seem clear that Members would proceed in that way. She said that her delegation supported a discussion on the Agreement-specific proposals with priority being given to the LDC Agreement-specific proposals. That discussion should involve a review of how each of the proposals had evolved through the course of the negotiations as a lot of time had elapsed since the proposals had first been tabled. After that work was completed, Members could move on to addressing the cross-cutting issues, in line with the July Decision.

11. The representative of Mexico said that her delegation supported, like many other Members, addressing the remaining LDC Agreement-specific proposals as a matter of priority. She reiterated Members' commitment in paragraph 44 of the Doha Ministerial Declaration and the July Decision which called upon the Special Session to make "clear recommendations for a decision" by July 2005. She said that her delegation had concerns about some of the elements in the Chairman's approach for future work that had been put before Members in December 2004. Those informal suggestions seemed to be shaping the work of the Special Session, and in that context her delegation agreed with the representative of India regarding both the procedure and substance of the work to be carried out. With respect to the substance, she said that the Chairman's fax of 16 March 2005, divided the remaining proposals into two clusters, one on flexibility and the other on technical assistance and capacity building. It was not clear how Members would address the issue of market access for products of export interest to developing countries, which in her delegation's view was one of the elements included in the Chairman's informal suggestions for future work. It was clear that the highest priority for developing country Members was to reduce the barriers that affected the exports of goods and services from their countries. If the Doha Development Round was to be successful, it was necessary to provide effective market access, not seek solutions through concepts such as

"situational approach", which had thus far shown little or no relevance to reality, and therefore did not need to be further discussed. She said that it was important for Members to focus on an approach that would allow them to fulfil the mandate and not burden the negotiations which could be counterproductive. She reiterated her delegation's willingness to fulfil the mandate, and requested that it be involved in any consultations that may be held to explore ways to take the work forward.

12. The representative of Canada said that in the past Members had engaged in many discussions on how to take the work on S&D forward. From her delegation's perspective it was important for Members to address the Agreement-specific proposals. However, it was also important that either separately or in parallel, as had been outlined in the Chairman's fax, Members had a chance to discuss the underlying issues being raised by the proposals. Her delegation was willing to engage fully in the process but it wished to ensure that the many submissions relating to the cross-cutting issues that had been tabled in the Special Session, and had not yet been addressed, were discussed. She suggested that Members begin work based on the proposed agenda. She said that the informal consultations held by the Chairman had led him to conclude that that was the best way to proceed. All proposals that were outstanding, except those in Category II, were included in what the Chairman had suggested should be taken up. If Members wished to add another category, that was not a problem. What was important was that Members begin their work.

13. The representative of Brazil supported what had been said by other developing country Members. Though the Chairman's fax mentioned that priority would be given to the LDC Agreement-specific proposals, it would still be premature to start discussing the cross-cutting issues after the LDC proposals at that meeting. His delegation was open to a discussion on the cross-cutting issues but at a later stage. It would also be useful to be informed on how the Category II proposals were being addressed in other bodies before proceeding with a discussion on the cross-cutting issues.

14. The representative of Zambia said that at the last meeting of the Special Session held on 8 February 2005, her delegation had requested that Members address without further delay, the existing LDC Agreement-specific proposals. She said that it was her delegation's firm conviction that Members were committed to a full, effective and meaningful integration of the LDCs into the international trading system. To that end, the decision to give priority to the LDC proposals would need to be followed up with concrete actions by agreeing on language that made S&D provisions mandatory and operational so as to allow for their full and effective utilization. Her delegation therefore anticipated prioritization of all LDC Agreement-specific proposals. She requested that all the LDC Agreement-specific proposals, which included proposals no. 23, 36, 38, 84 and 88 as contained in the Chairman's fax, be treated on a fast-track basis.

15. The representative of Egypt said that his delegation supported the points raised by the representative of India and the representative of Kenya on behalf of the African Group. His delegation felt that though it was premature to embark on a discussion of the cross-cutting issues, that did not mean that those issues should be removed from the agenda. He said that achieving progress on the Agreement-specific proposals would provide comfort for delegations to start discussing the cross-cutting issues. Moreover, discussing the two issues in parallel would be complicated. Hence, his delegation could accept the amendment suggested by the representative of India.

16. The representative of the United States said that all Members were attempting to achieve progress and fulfil the mandate contained in the July Decision, even though Members may have different views on how best to do that. One of the concerns that her delegation had was that Members had followed, for the past three years, an approach which a number of Members were putting forward, but which had not resulted in real progress. It was in light of that that Members had been attempting to explore an alternative approach to the work on S&D. It was clear that all Members were prepared to focus on the LDC proposals. Addressing those proposals, in the context of different ways in which the WTO could solve some of the problems, was a useful way ahead. Her delegation would find it difficult to proceed by simply focusing on the individual proposals, since it saw no utility on focusing

solely on the individual proposals without having a discussion on how those proposals might be addressed in the context of the broader underlying issues.

17. The representative of Switzerland said that her delegation supported what had been said by the representative of Canada. Her delegation wished to see progress being made so that the mandate contained in the July Decision could be fulfilled. She said that in preparation for the meeting, her delegation had worked through all the 17 proposals contained in Annex I of the Chairman's fax. Her delegation had come up with some proposed amendments to the proposals, including methodologies which could be applied to the Monitoring Mechanism, which was clearly a cross-cutting issue. She said that if the negotiations on S&D excluded discussions on the cross-cutting issues until all the Agreement-specific proposals had been addressed, Members would not be able to make any constructive suggestions on how to address the remaining proposals. If Members wished to be constructive, they needed to be open to a discussion on the cross-cutting issues. Her delegation was ready to work and had ideas and text on each of the 17 proposals. With respect to clustering, she said that her delegation was open to how this would be done.

18. The representative of Ecuador said that his delegation agreed with, among others, the representatives of India, Mexico, Colombia and Brazil. He said that the Chairman's fax of 16 March presumably reflected the consultations that had been held. However, his delegation had not been invited to take part in any of those consultations and therefore the fax was not fully reflective of all Members' views. That did not mean to say that his delegation did not consider S&D to be important. His delegation, however, felt that discussing the cross-cutting issues at this stage was rather premature. Members needed to first address the remaining Agreement-specific proposals and then ensure that proposals referred to other WTO bodies were being addressed. With respect to the clustering of the proposals, he agreed that market access was just as important as flexibility and capacity building.

19. The representative of Argentina said that his delegation shared the concerns that had been expressed by the representative of India and other Members, particularly with respect to completing work on the Agreement-specific proposals before taking up the cross-cutting issues. That of course did not mean that the cross-cutting issues should be removed from the agenda. The July Decision mandated that these issues also be dealt with in the Special Session. There was also the possibility that while addressing the Agreement-specific proposals, some cross-cutting issues could be raised and enable Members to make progress on some of the proposals. If that was the case, then the two would not need a separate item on the agenda. He said that perhaps continuing work along those lines could solve the agenda issue. In any case, his delegation did not think that the cross-cutting issues should be included in the agenda of that meeting.

20. The representative of Peru said that for his delegation it was important that all the Agreement-specific proposals were addressed, taking up those by the LDCs as a matter of priority. His delegation was not ready to address the cross-cutting issues at that meeting and was therefore not in a position to accept the item on cross-cutting issues on the agenda. With respect to the issue of clustering, he said that it was important not to lose sight of the importance of market access which was essential for Peru.

21. The representative of Australia said that his delegation had always made it clear that it was flexible on how best to proceed, in order to make as much progress as possible. In that regard, his delegation had been prepared to go along with the Chairman's approach which was a new and different way of tackling the work on S&D and something that could help take the discussions forward. His delegation had been keen to avoid going back to addressing the proposals as had been done in the past as that had not resulted in much progress. The Agreement-specific proposals were important and therefore, his delegation had a problem in addressing them on priority, especially those by the LDCs. However, the question of the cross-cutting issues was something that Members could not hide from. Even as Members addressed the Agreement-specific proposals, some of the cross-cutting issues would become apparent and would come out through the discussions on the

Agreement-specific proposals. In his delegation's view, the July Decision clearly required Members to give some attention to the cross-cutting issues. He reiterated that his delegation felt that the benefits from issues related to market access would come out of the negotiations on agriculture, services and non-agricultural market access (NAMA) and not only through the S&D Work Programme. This had been recognised in how the Chairman had put forward his approach.

22. The representative of the European Communities said that her delegation was surprised by some Members' reaction to the Chairman's proposed structure of work for the meeting. She said that at the February meeting of the Special Session, Members had been positive and there had seemed to be an understanding that it was important to make progress in order to fulfil the July 2005 deadline. It was therefore surprising that as Members were about to begin addressing the individual proposals, some Members suddenly had a number of concerns. The cross-cutting issues were part of the July Package and needed to be addressed. Her delegation did not mind whether they were addressed in parallel or after the discussions on the Agreement-specific proposals, but it was important to discuss the Agreement-specific proposals as well as the cross-cutting issues.

23. The representative of Japan said that it was regrettable that after lengthy discussions, both informal and formal, Members, at the last moment, could not reach consensus on how to proceed with the work. His delegation had repeatedly stated that while addressing the Agreement-specific proposals, Members would need to be flexible, and discussing the Agreement-specific proposals along with the cross-cutting issues would help in making progress. His delegation was willing to address the Agreement-specific proposals, giving priority to the LDC proposals, but could not go along with the suggestion that the cross-cutting issues be taken up only after the Agreement-specific proposals had been addressed.

24. The representative of Korea said that his delegation shared the concerns raised by the representative of India and others. However, that was not to say that the cross-cutting issues should not be addressed. It was just that there was not too much time until the July 2005 deadline and it would be best to begin discussing the Agreement-specific proposals. After that, Members could decide how best to deal with the cross-cutting issues.

25. The Chairman said that his fax of 16 March 2005 clearly stated that Members would focus on the Agreement-specific proposals, addressing the LDC proposals as a matter of priority and could then discuss the cross-cutting issues. He said that the remaining Categories I and III Agreement-specific proposals had been re-clustered into two groups, one on flexibility and the other on capacity building. As Members were aware, the 88 proposals that had been tabled on S&D dealt with three issues; flexibility, capacity building and market access. He said that he was aware that some Members had questioned why a cluster on market access had not been included and that was something that could be created if Members so wished. However, Members needed to remember that most of the proposals relating to market access had been referred to the relevant bodies. He said Members should also note that among the proposals in the flexibility cluster there was only one proposal tabled by the LDCs, which specifically related to market access and there were two more proposals relating to market access under the Agreement on Textiles and Clothing (ATC). It was his understanding that Members might wish to drop the proposals made on the ATC as that Agreement was no longer relevant. However, Members were free to take these up if they so wished. He hoped that Members would reflect over the market access proposals and whether these should be discussed in the Special Session, because in the past many Members had felt that the appropriate forum to deal with those proposals was in the negotiating groups. The only exception was perhaps the proposal by the LDCs which related specifically to the issue of market access. Apart from that, he did not feel that the proposals fell under any grouping other than that of flexibility and capacity building. He said that after going over all the proposals it seemed that they were calling for three things: increased flexibility; increased capacity; and deeper market access than what existed through the existing S&D provisions. He said that if Members wished to just discuss the proposals without clustering them, then that too was not a problem.

26. He went on to say that over the past year he had held intensive consultations with Members, during which some Members had emphasised the need to address the Agreement-specific proposals, while other Members had emphasised the need to address the cross-cutting issues. He said that there had been an impasse because both sides could not agree on how to proceed, including because of the fact that there were a number of cross-cutting issues that Members had serious disagreements about. Those related to the issues of graduation and differentiation. He said that he had, in a number of consultations, made it clear that he would not discuss graduation because it was a very divisive issue. He had also mentioned that the question of differentiation had been substantially addressed during discussions on the development section of the July Decision, deliberations on which he had facilitated. That discussion related to how to address the different challenges that small, vulnerable countries faced, without creating a sub-category of Members. Therefore, some of the difficult issues had in a way been addressed and Members were attempting to move forward and resolve the remaining Agreement-specific proposals. It was clear that Members had reached an understanding that they were all going to work together to address the proposals without being confrontational. He had all along urged Members to contribute positively to the discussions and propose new language and, where necessary, redraft some of the proposals so as to make progress. He said that Members had agreed that the LDC proposals should be addressed as a matter of priority. However, Members would have to discuss the cross-cutting issues even though the Agreement-specific proposals could be discussed first. It was clear from consultations and minutes of past meetings, that the discussions had basically highlighted the need for greater flexibility and the need for increased capacity. Both these issues were as relevant as the Agreement-specific proposals and there could be significant delivery for developing countries, particularly the more needy among them, if these underlying issues were addressed. He said that unfortunately Members were repeating positions that they had made in consultations over the past several months. He had over time consulted all the groups including, the African Group, the LDCs, the Caribbean countries, some Ambassadors individually and collectively, and some Ministers. However, he had not received any serious objections to the approach that he had proposed. Even now, he was willing to go back and take up these issues with the Ambassadors. It was his feeling that Members did not have a serious objection to taking up the Agreement-specific proposals and discussing the cross-cutting issues as work moved forward. That was his understanding of the views expressed in the consultations. Some Members no doubt, would prefer to discuss the cross-cutting issues after July, or the Hong Kong Ministerial, or even after the Round had been concluded. However, that would not assist Members in moving forward as it was important to have a discussion on those issues. Members needed to come to an understanding that even though the priority was on the Agreement-specific proposals, beginning with those by the LDCs, which had highlighted five proposals that they wished to address, the cross-cutting issues would also need to be discussed.

27. The representative of India said that it was particularly distressing to hear some delegations say that Members had, over the past three years, followed an approach which had failed. That was disconcerting because S&D was at the heart of the DDA and if Members failed to address the Agreement-specific proposals it would send a wrong signal. He said that Members had not really engaged in the past and it was therefore not correct to say that work on S&D had failed. His delegation was aware that the Chairman intended to give priority to the LDC Agreement-specific proposals. What his delegation was attempting to stress was that priority should mean progress. That was essential before moving on to the cross-cutting issues. Otherwise, Members would just engage in discussions, stick to their same positions, there would be no change of language, and then discussions would move on to the cross-cutting issues. That was what his delegation was objecting to and what it felt was unacceptable. He said that he was pleased to hear the Chairman state that Members discuss all the Agreement-specific proposals before moving on to the cross-cutting issues. He therefore suggested that under agenda item B, the reference to the "1st Thematic Cluster on Flexibility" be deleted, so that it just read Agreement-specific proposals. That would then mean that all the remaining Agreement-specific proposals including those included in the thematic cluster on capacity building would be taken up, before discussing the cross-cutting issues.

28. The representative of Djibouti agreed that lack of progress on S&D would affect the negotiations. He said that although it was important for Members to agree on what issues to address first, he did not see that to be a problem. Members needed to be flexible in order to move forward. It was important for the Geneva Week participants to leave with some sense of the negotiations on S&D. He said that it was true that Members had been consulted on how to move forward. However, it was clear that some Members still had concerns. The problem was in understanding what S&D really was. In that context, he suggested that perhaps the Secretariat could provide an analysis on the basic principles and objectives of S&D. His country had always been aware that there were conditionalities on S&D, although at times these were not mentioned. Merely because a country was an LDC or part of the African Group it would not be automatically granted special treatment. He said that all Members needed to assume their responsibilities so that consensus-based solutions could be found and so that the negotiations could move forward.

29. The representative of Kenya said that the African Group was willing to engage constructively in the negotiations on S&D. However, they wished to finalize all the remaining Agreement-specific proposals before moving on to address the cross-cutting issues. The mandate in the July Decision clearly directed the Special Session to make clear recommendations on the remaining Agreement-specific proposals to the General Council by July 2005. However, with respect to the cross-cutting issues, the July Decision stated that the Special Session should report as appropriate to the General Council, without specifying any deadline. She therefore urged that the Special Session address the Agreement-specific proposals in accordance with the mandate contained in the July Decision.

30. The Chairman reiterated that what he had proposed was that Members address the remaining Agreement-specific proposals, beginning with those by the LDCs, and the other issues taken up after that. He said that the thrust of the consultations held over the past several months had been on how to unlock the impasse, and one of the compromises that Members had suggested was that the cross-cutting issues should be discussed along with the Agreement-specific proposals, albeit with priority being given to the latter. That was also his understanding of the mandate contained in the July Package. He said that if some Members were now suggesting that the cross-cutting issues be discussed only after discussions on the Agreement-specific proposals had been concluded, then there was clearly a divergence of views on the proposed agenda.

31. The representative of Malaysia accepted that her delegation had a problem with the agenda and suggested that for that particular meeting, the agenda item relating to cross-cutting issues be deleted and that consultations be held to discuss the agenda for the next meeting. She also said that there should be no clustering and that all the proposals be addressed as they were.

32. The representative of Canada said that her delegation was willing to proceed on the basis that if a Member, during the debate on the Agreement-specific proposals, wished to raise anything relating to the proposal, it would be allowed to do so. She said that Members would obviously have to deal with the cross-cutting issues at some stage as that too was part of the mandate contained in the July Decision.

33. The representative of Pakistan said that the practice generally was to exhaust the discussion on an agenda item before moving on to the next item. Therefore, her delegation could go along with the proposal related to the deletion under agenda item B of "1st Thematic Cluster on Flexibility" and urged other Members to do the same.

34. The Chairman said that if Members were going back on the understandings that he believed had been reached during the consultations on the way forward, then it was perhaps best to suspend the meeting and meet with Heads of Delegation to seek guidance on how to move forward. He said he had earlier had a positive meeting with the LDCs and felt that Members would have been able to make progress on the LDC proposals during those two days.

35. The representative of Rwanda said that though her delegation was looking forward to a substantive debate on the LDC proposals, listening to the debate that had taken place she supported the Chairman's suggestion to suspend the meeting in order to allow him to consult Ambassadors. She did not believe that the situation was as negative as it seemed since it was clear that Members agreed that the Agreement-specific proposals, beginning with those by the LDCs, be addressed as a matter of priority. Members' positions on the cross-cutting issues were not hard and fast but rather conditional in terms of first completing work on the Agreement-specific proposals. Finally, she said that discussions on the cross-cutting issues should not only include flexibility and capacity building, but also market access.

36. The representative of India clarified that his delegation was ready to begin substantive discussions on the Agreement-specific proposals, beginning with the LDC proposals as priority.

37. The representative of Djibouti said that he agreed with the representative of Rwanda that the Chairman consult Ambassadors on how to proceed. He also said that it was regrettable that Members were moving backwards after all the work that had been done over the past months.

38. The representative of Egypt said that Members had made progress since the July Decision and he did not agree that Members had reached an impasse. It was clear that Members had reached a point where they understood each other more than before. He did not believe that discussions at that meeting had been negative; what Members were attempting to address was the sequencing and timing of the remaining work. He agreed that it would be useful to suspend the meeting in order to allow Members to consult among themselves and for the Chairman to meet the Ambassadors. He reiterated that when discussing the Agreement-specific proposals any Member should be able to raise any issue that it felt was relevant to that proposal.

39. The Chairman said that it seemed that some Members had reviewed the positions they had expressed at the informal consultations, unless his own interpretation of those positions was not correct. He believed that the best way to go forward was to allow Members time to consult among themselves. That would also allow him to consult Ambassadors in order to ascertain how best to move forward.

40. The meeting was accordingly suspended and thereafter reconvened on 10 May 2005.

41. At the outset, the Chairman recalled that Members had been unable to engage in a substantive discussion on 6 April due to concerns with the agenda. However, he was pleased that after intense consultations with Members, it had been agreed to take up the LDC Agreement-specific proposals on priority. He said a lot of time had been lost and if Members were to make tangible progress by July, which he was convinced they wished to do, they needed to be flexible and address the work with the requisite political will.

42. He added that at the last meeting, the LDCs had highlighted the proposals that they wished to be taken up as a matter of priority. Those included proposals no 23, 36, 38, 84 and 88 which had been made available to Members prior to the meeting, and which included, in cases where the proposals had been discussed earlier at length, the last language considered. He urged Members to remain open and engage in the discussions in a constructive manner so as to deliver on the commitments made at Doha, as well as those contained in the July Decision. He suggested that the proposals be taken up one by one, in an informal mode, in the order in which they appeared in the document.

43. The meeting thereafter continued in an informal mode.

44. During the informal consultations Members considered the five remaining LDC Agreement-specific proposals, which included, a proposal relating to the Understanding in Respect of Waivers of Obligations under the GATT 1994; a proposal relating to the Agreement on Trade-

Related Investment Measures; a proposal relating to the Decision on Measures in Favour of Least-Developed Countries, tabled by the African Group for the benefit of LDCs; and two proposals relating to the Enabling Clause.

45. While introducing their proposals, the proponents highlighted some of the problems they faced and which they felt needed to be addressed, including problems relating to coherence, the need for flexibility that took into account their trade and development needs, as well as credit for autonomous liberalization. While Members were sympathetic to the problems faced by the LDCs, they remained concerned about the open-ended exemptions that were being sought in a number of the proposals. Some Members felt that seeking such exemptions would not necessarily lead to development and would instead lead to a derogation from the rules to which even the LDCs had agreed. Some Members also pointed out that a lot had happened since the proposals were first tabled in 2002, including the fact that some of the issues contained in the proposals were now being addressed as part of the ongoing negotiations. In that context, it was suggested that the LDCs redraft some of their proposals. While the LDCs agreed that some issues were being dealt with in the ongoing negotiations, they felt that a redressal of these issues would only be for a limited period of time and that longer-term solutions would only come about through the S&D Work Programme. However, they expressed their willingness to continue working on their proposals and to try and formulate language that would be acceptable to all Members.

46. At the end of the discussions the Chairman thanked Members for the constructive manner in which they had engaged and hoped that the suggestions would provide a useful basis for the LDCs to redraft their proposals. He did, however, point out to Members that it was not just the responsibility of the LDCs, but also that of the other Members to work towards coming up with possible language that took into account the different views that had been expressed. In that context, he suggested that Members work with the LDCs to assist them in redrafting their proposals. He would hold further informal consultations based on the revised language, after which Members could decide on the agenda for the next meeting.

B. OTHER BUSINESS

47. Since no issue had been proposed for discussion under "Other Business" the meeting was adjourned.
