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Committee on Trade and Development Twenty-Second Special Session

NOTE ON THE MEETING OF 12 & 27 OCTOBER; 14, 18 & 21 NOVEMBER 2005

Chairman: Mr. Faizel Ismail (South Africa)

A.	ADOPTION OF THE AGENDA	1
B.	AGREEMENT-SPECIFIC PROPOSALS	1
C.	OTHER BUSINESS	27

A. ADOPTION OF THE AGENDA

1. The draft agenda for the meeting as contained in airgram WTO/AIR/2671 of 27 September 2005 was adopted.

B. AGREEMENT-SPECIFIC PROPOSALS

2. Before moving on to the substance of the agenda, the Chairman briefed Members on the work that had been carried out since the last informal meeting. He had held small group consultations to ascertain what Members felt should be the objectives and ambitions on special and differential treatment (S&D) for the Hong Kong Ministerial Conference. At those consultations, Members had felt that it was important to achieve a positive result on all the five remaining LDC Agreement-specific proposals. They also felt that some progress needed to be made on the African Group proposals. In so far as it was possible, Members also highlighted the need to address the other outstanding issues. They also impressed upon him the need to consult and coordinate efforts with that of the Chairpersons of those bodies to which the Category II proposals had been referred. At a subsequent meeting held with a group of Ambassadors, Members had reiterated the need to give priority to the LDC Agreement-specific proposals.

3. The Chairman added that at the informal meeting held on 26 September, the LDCs had requested more time to consult bilaterally. He was therefore interested to hear whether the bilateral consultations had resulted in some progress. Subsequently, at the meeting held on 12 October 2005, the LDCs had not been in a position to continue discussions on their proposals and Members had therefore had preliminary discussions on the African Group proposals. At that meeting, the African Group sought further information on comments that had been made on their proposals. The Secretariat had also been requested to assist the African Group in providing further information on earlier comments made by Members on the African Group proposals. He was pleased that the African Group had been provided with the requested information and he now wished to get a sense of where the African Group was with its work and whether it was in a position to begin work on its proposals.

4. On the question of how to proceed, Ministers had, at the meeting held earlier that week, expressed a sense of urgency and a need to intensify work on the Agreement-specific proposals. He also reminded Members of the mid-November deadlines that the Director-General had set for the various Chairpersons to provide inputs for the draft Hong Kong Ministerial text. Unless Members

made real progress it would be difficult to provide such an input, especially when considering that little time was left. He impressed upon Members the need to begin negotiations and fulfil their commitment to delivering both on the LDC proposals as well as on as many of the African Group proposals.

5. The representative of Egypt said that the African Group had not been able to hold bilateral meetings with other Members on its proposals. However, the comments that had been provided by Members and the help given by the Secretariat on the African Group proposals was appreciated. However, the African Group had not been able to formulate responses to the comments made on their proposals. The reason was that there were many other areas of the negotiations which were at a critical stage and which made it technically difficult to meet as a group and engage substantively on the S&D proposals. The African Group would therefore need more time to frame responses to the questions made. He suggested that perhaps the informal meetings scheduled for 26 and 27 October 2005 be set aside to discuss possible elements for the draft Ministerial text and urged that as many African Group members as possible be involved in the process. Perhaps Members could then provide guidance on how to move forward and structure its work before Hong Kong.

6. The Chairman said that it would have helped make progress if the African Group had been in a position to begin discussions on its proposals. As far as the inputs for the draft Ministerial text were concerned, the Special Session could simply reflect the progress made in the negotiations. He hoped that Members would be able to make some progress on the five remaining LDC Agreement-specific proposals, and on as many of the African Group proposals as possible. That was the objective he hoped the Special Session was working towards. He was not keen to undertake any discussions on elements of the draft Ministerial text until some progress had been made. The Hong Kong text would be a reflection of where the Special Session was in terms of the negotiations and would give some sense of direction for future work. He was therefore looking to get guidance on how to restart the work and make as much progress as possible so that the Special Session would have something substantive to report when providing elements for the draft Ministerial text.

7. The representative of Djibouti said that he agreed that Members needed to make progress in the negotiations as well as begin considering elements for the draft Ministerial text. However, it was not clear how they would do that. The African Group was not yet in a position to reconvene discussions on its proposals because either the proposals that it had initially tabled had not elicited the kind of response they expected or the African Group did not know on what basis to reconvene discussions given the lack of progress in other negotiating areas. The African Group should not be rushed to take positions in areas where there was no substance. A concrete basis on which to make decisions would enable Members to participate in future declarations.

8. The representative of Zambia said that shortly after the summer break, the LDC Group had engaged in bilateral consultations on its proposals which had provided the Group with a clearer understanding of the challenges that still remained. Following those consultations the LDC Group had discussed those issues and decided to undertake further work. That work was still continuing and once completed the Group would revert to the wider Membership and resume discussions on the proposals. In that regard, she sought Members' indulgence in giving the LDCs more time to continue their internal consultations. However, it was also important that other Members reflect on the issues raised by the LDCs and come up with some new ideas. While the LDCs were the proponents, it was Members' collective responsibility to revisit their positions on the proposals.

9. The representative of Rwanda said that he had been encouraged by the level of ambition on the need to deliver on issues of importance to LDCs as reflected in Commissioner Mandelson's letter circulated to a number of Ministers. In that context, he asked whether the representative of the EC could inform Members on the level of ambition that the EC had for the LDCs. He was also interested to hear what other Members' levels of ambition were. Perhaps it would then be easier to consider how they could reach substantive results by mid-November.

10. The representative of Tanzania said that the LDC Group was waiting for concrete responses from other Members on their proposals. It would be useful for other Members to indicate those areas that were still problematic for them as that would assist the LDCs in ascertaining how to move forward.

11. The representative of Djibouti said that Members were finding it difficult to find solutions to issues of importance to the LDCs which had a minimal share in world trade. While it was important for LDCs to ensure that situations in their countries were stable, it was just as important to ensure that others also played their part. It led one to ask what could really be achieved for the LDCs through the negotiations when minimal requests by LDCs could not be agreed upon.

12. The representative of the European Communities said that the letter that had been referred to by the representative of Rwanda had been circulated to a number of Ministers at the mini-Ministerial meeting held in Zurich on 4 October 2005. He was certain that the letter would be shortly circulated to the wider Membership. *Inter alia*, the letter presented a set of suggestions and ideas in the perspective of the Hong Kong Ministerial on development issues and more particularly, issues of concern to the LDCs. It was not an exhaustive list of issues, nor a waterfront survey of all developmental issues. It essentially highlighted a number of important points that the EC felt were relevant in ensuring that the Ministerial Conference was a success. It reiterated the EC view that Members must make clear cut and concrete commitments for the LDCs at Hong Kong in terms of providing them duty-free and quota-free (DFQF) market access. That should be a commitment undertaken by developed country Members and to a lesser degree, and possibly over a longer timetable, by more advanced developing countries. It was however essential in the first place for developed country Members to translate the political commitments made in the past, including those made at the Doha Ministerial Conference, into action. Commissioner Mandelson had also reiterated EC's support for a broader package of LDC Agreement-specific proposals based on the five remaining proposals with the view that they should be agreed upon at, if not before, the Hong Kong Ministerial Conference. Therefore, it was important for Members to begin substantive work on the proposals. Time was limited and while Members had the benefit of the intensive work that had been carried out on the LDC proposals before the summer break, work remained to be done in terms of clarifying precise language, addressing the technical aspects, as well as preparing the ground for Ministers on the decisions that Members had in mind. Therefore, the sooner Members began that work the better, and while his delegation appreciated the need for the proponents to prepare themselves, it hoped that that work would be completed soon.

13. As for the remaining African Group proposals, he could confirm that following discussions in informal meetings, his delegation had put down the concerns and questions that it had raised in order to delineate the issues. Those concerns and questions had been shared with the African Group and his delegation hoped that they had been useful in preparing their responses. Again the objective was to try and reach an agreement on as many of those proposals by the Hong Kong Ministerial Conference. However, unlike the LDC proposals, Members did not have the benefit of having already done intensive work. Therefore, in relative terms there was less time to work on the African Group proposals. If Members were only going to discuss process issues through the month of October, it was difficult to see how they could get into the substance of the proposals and bring them to fruition in the time that remained before Hong Kong. He therefore impressed upon the African Group to resume work on their proposals and offered to provide any additional clarifications that could be of assistance. In his delegation's view, discussions on the language for Hong Kong should only take place once Members were certain that there were concrete deliverables to offer Ministers. His delegation therefore preferred to work on the substance of the Agreement-specific proposals and then discuss the language for the draft Ministerial text in light of the progress that Members made on the proposals.

14. The Chairman said that it was clear that Members were not in a position to resume work on either the LDC or African Group proposals at that meeting. He reiterated the need for Members to

resume work on those proposals. A list of tentative meetings to carry out work had been circulated, and he hoped that at the formal meeting scheduled for 27 October 2005, he would be able to report on the progress made in the informal discussions. As a result of work in other negotiating areas, there were limited time slots for meetings. He urged those Members engaged in bilateral and internal consultations to intensify their consultations in preparation for the informal consultations scheduled for 18 October. He hoped that by that time, the LDC Group would be in a position to resume discussions on their proposals and that Members would be in a position to engage constructively in those discussions. In his view, considerable progress had been made on those proposals in the run up to July and based on that work Members could work towards further narrowing the gaps. If the political will existed it would not take much time to make progress on those proposals. Members needed to keep the African Group proposals in mind and provide the African Group the opportunity to advance work on its proposals. The informal consultation scheduled for 20 October could then be dedicated to discuss those proposals and if the African Group was still not in a position to discuss its proposals, then Members could continue discussions on the LDC proposals.

15. The representative of India recalled that in a previous meeting some Members had raised the issue of the Category II proposals. At that meeting, the Chairman had informed Members that he would meet with the various Chairpersons of the bodies to which the Category II proposals had been referred to find out if any progress had been made on those proposals. His delegation believed that the Category II proposals sought to address substantive issues and that it was important to make progress on them. In that context, he wanted to know the result of those consultations.

16. The Chairman said that he had not yet had the opportunity to discuss the issue with the various Chairpersons, but had scheduled a meeting with them on 24 October. He would report on the progress made on the Category II proposals at the meeting scheduled for 27 October.

17. The representative of Hong Kong, China said that her delegation supported resuming work on the Agreement-specific proposals as soon as possible. She requested the Secretariat to provide Members with the relevant documentation prior to any scheduled meetings as it would be difficult, especially in light of the large number of meetings, to attend all the Special Session meetings.

18. The representative of Rwanda said that his delegation agreed that Members needed to continue meeting bilaterally. In that context, he requested other Members to consider language that reflected their ambitions, and which could result in possible solutions.

19. The meeting was adjourned and thereafter reconvened on 27 October.

20. The Chairman said that he intended to inform Members about the discussions that had taken place on the various proposals, as well as brief them on the feedback received from the Chairpersons of the bodies to which the Category II proposals had been referred. He had convened a number of formal and informal meetings since the summer break with the intention of expediting the consideration of the remaining Agreement-specific proposals. He also stressed that time was limited and Members would need to resume their consideration of the proposals as soon as possible. However, despite the various meetings that had been convened to resume discussions on the proposals, neither the LDCs nor the African Group were ready to resume discussions. At the meeting reconvened on 12 October, the African Group had requested Members to provide, in writing, their views on the African Group proposals. A number of Members had provided the African Group with their comments, which was also assisted in this regard by the Secretariat. He had mentioned his disappointment at the requests for repeated adjournments, but since the proponents were not ready he had had no option but to further postpone the discussions. Subsequently, limited informal consultations were held on 18 and 20 October and again on 24 and 25 October. Unfortunately, Members had only been able to take up the remaining LDC proposals, since the African Group continued to signal that they were not ready and had not yet been able to formulate their final position on their proposals. It was his understanding that the African Group were still working on their

proposals and provided there was still time before the Ministerial meeting, he was willing to facilitate consultations on their proposals as soon as the African Group was ready to do so.

21. He went on to brief Members on the deliberations on the LDC proposals. The consultations that had been held over the past few weeks had helped move the discussions on the LDC proposals forward. However, Members were still not quite there in terms of building the necessary convergence to reach agreement on the proposals. The consultations, at the request of the proponents, had focused mainly on proposal no. 36 on DFQF market access, and proposal no. 84 in flexibilities from the TRIMS Agreement. Initially, the discussions on both proposal nos. 36 and 84 were based on the language of 25 July. The LDCs, in an attempt to address some of the concerns that had been expressed on that language, had put forward revised language on 20 October. On proposal no. 36, Members had acknowledged that that was an area in which they would need to deliver some positive results for LDCs. However, there continued to be a number of issues on which Members still remained far apart. Those included whether DFQF market access should be accorded for all products, to all LDCs, and on the issue of binding that market access in the WTO. Despite the fact that there was new language on the table, the general feeling was that unless Members agreed on those three issues, drafting changes were unlikely to help Members reach an agreement. Some Members felt that a decision on those issues could only be taken at the political level, either before or at Hong Kong. While that might be the case, he felt that Members should attempt to put forward some language that was simple and reflected where the differences existed and leave it up to Ministers to take the necessary political decisions. On proposal no. 84 relating to the TRIMs Agreement, he was pleased that Members seemed to be moving closer to convergence. Members had acknowledged the need to provide flexibility in the TRIMs Agreement for LDCs. However, a number of them continued to stress the need for some checks and balances. They also felt that ultimately there needed to be an end date for any flexibility in the TRIMs Agreement for the LDCs, both for new and existing measures. Some alternate language had been tabled by Members in the last few days and he was attempting, in consultation with different Members, to find a formulation that could be acceptable to all. Members had also discussed some of the other LDC proposals. Discussions on proposal no. 88 relating to paragraph 1 of the Decision on Measures in Favour of Least-Developed Countries were based on the 25 July language. Some Members still seemed concerned that the proposal implied an opt out by the LDCs from their obligations. Other Members pointed out that that might have been the impression if the first sentence of the proposal was read in isolation. Those Members believed that the second sentence in the proposal clearly provided Members the opportunity to discuss and decide in the General Council, whether the LDC in question had legitimate problems in fulfilling particular obligations. Concerns had also been raised about the link between the need for technical and financial assistance to fulfil obligations. However, he believed that with a little more work, Members could reach an agreement on the proposal. Members had not been able to discuss proposal no. 23 relating to waivers, since the LDCs were still consulting, on a bilateral and plurilateral basis, with Members who had raised concerns on the proposal. It was his understanding that some of those consultations had taken place the previous day and on that morning, and he hoped to hear whether there had been any further progress. Proposal no. 38 relating to the Decision on Measures in Favours of Least-Developed Countries had not been taken up since there seemed to be broad convergence on the language contained in the 25 July 2005 text. It was his feeling that on that proposal Members were close to consensus.

22. He went on to brief Members about the meetings that he had had with the Chairpersons of the bodies to which the Category II proposals had been referred. He had met a number of those Chairpersons on 24 October to get a feedback on the current status of the work on the Category II proposals; to ascertain how that work could be expedited and whether it would be possible to make any recommendations on those proposals by the Hong Kong Ministerial Conference.

23. He said that the Chairman of the Committee on Agriculture in Regular Session, had informed him that in light of earlier inconclusive discussions on the African Group proposal on the framework of the Decision on Measures Concerning the Possible Negative Effects of the Reform Programme on

Least-Developed and Net Food-Importing Developing Countries, Members had agreed to pursue the proposal on the basis of a revised proposal, as envisaged in the Committee's report to the General Council on Implementation-Related Issues (G/AG/16). A revised proposal had not yet been tabled but he had been informed, that at the meetings held in May and June 2005, the representative of Kenya had indicated that the African Group was in the process of preparing a follow-up proposal. The next meeting of the Committee was scheduled for January 2006, in which the proposal, if submitted by then, would be taken up.

24. The Chairman of the Special Session of the Committee on Agriculture had reported that various aspects of S&D remained subject to considerable debate in the ongoing negotiations and that the Category II proposals were being addressed as part of the wider discussions in the negotiations on S&D. Members had highlighted the difficulties in taking a decision on any of the referred proposals in isolation of the ongoing negotiations. The negotiations were currently focusing on developing the rules and formulae. The Chairman had also indicated that the manner in which S&D would fit into the final outcome would depend on how the basic structure of commitments, rules and formulae was agreed.

25. The Chairman of the Committee on Safeguards had informed him that the African Group proposal had been discussed at a meeting held in July 2005. The discussions revealed an apparent lack of consensus on the substance of the proposal and while the proposal remained on the table, progress was not likely unless the proponents were willing to redraft the proposal. The Chairman of the Committee on Safeguards had been in contact with the African Group in order to see how to move the issue forward.

26. The Chairman of the Committee on Sanitary and Phytosanitary Measures had reported that Members had been able to address the underlying concerns raised in the proposals and in order to address those concerns, the Chairman had put forward a possible approach contained in paragraph 43 of document G/SPS/35. One of the bullet points in that paragraph identified elements for further discussion in the Committee. The Committee was likely to discuss those points in its meeting in February 2006.

27. He said that the Committee on Trade-Related Investment Measures had held several formal and informal meetings to consider the S&D proposals. At an informal meeting held on 9 May 2005, the African Group had presented a revised version of its proposals, which were more specifically targeted to the concerns of African countries. The Committee discussed the revised proposals at its July 2005 meeting but could not reach a consensus on them and at its meeting held on 10 October 2005, Members' positions did not seem to have changed on those proposals.

28. The Chairman of the Special Session of the Council for Trade in Services had reported that the numerous discussions dedicated to the consideration of the GATS-specific S&D proposals had remained at the exploratory level, with Members seeking clarification about the scope, nature and implications of the proposals. At the Council's formal meeting held on 21 February 2005, the proponents had indicated that they were preparing a written document for Members to consider. The African Group had also informed the Special Session that text-based discussions were underway in small groups and that it would, at the appropriate time, be responding to the Chairman's invitation to use his offices to further the discussions. The Chairman had informed him that he intended to hold informal consultations the following week at which Members were likely to discuss the substance of the S&D proposals again.

29. The Chairman of the TRIPs Council had reported that the S&D proposals referred to the Council were on the agenda of the Council's meetings in March and June 2005. Unfortunately, no discussions had taken place on any of the proposals at any of those meetings. At the July meeting, the African Group proposal was discussed but differences in Members' views remained. The Chairman had also reported that the LDCs were unable to pursue their proposal relating to the transition period

under Article 66.1 at that meeting. The proposals were on the agenda of the Council's meeting held during that week.

30. The Chairman of the Special Session of the Dispute Settlement Body had reported that a number of contributions put forward by various Members on issues relating to the participation of developing country Members in WTO dispute settlement had been the subject of ongoing discussions in the Special Session. Those proposals had also been on the agenda of the Special Session held on 24 October 2005. However, no substantive discussions had taken place on the proposals and the main proponents, the African Group and India, had requested that the consideration of the proposals be postponed until after the Hong Kong Ministerial Conference.

31. The Chairman of the Negotiating Group on Rules, had informed him that since December 2004 he had had a number of direct personal contacts with the coordinators of the African Group and the LDCs. Most recently, and in response to invitations sent by the Chairman to the coordinators of the LDCs and the African Group, the Chairman had attended a meeting of the African Group at Ambassadors' level on 22 June 2005 at which he had briefed the Ambassadors on issues of interest to the Group regarding the rules negotiations. The Chairman had also informed him that at the series of meetings held by the Negotiating Group during the week of 26 September, "no Member sought to pursue any of the Category II proposals". On a number of occasions the proponents had not been present at the meetings to advance discussions on their proposals.

32. He had emphasised to the Chairpersons, the importance of making progress on the Category II proposals. He also conveyed the importance that Members attached to the proposals and the concerns that they had expressed on the lack of progress on them. However, it was his sense that things had not changed dramatically since the last time those bodies had reported to the General Council in July 2005. He also got the impression from most of the Chairs that, in their view, progress was unlikely to come about unless and until the proponents became more active in those bodies and pushed the process forward themselves. He assured Members that he would continue to maintain a close liaison with the Chairpersons and would report to Members as often as possible.

33. He wished to hear from the Members that had been involved in the consultations on the progress that had been made and their views on how Members could close some of the existing gaps on the proposals. Members were supposed to have completed their work by that meeting and he had intended to begin work on possible language for the draft Hong Kong Ministerial text. Unfortunately, that would not be possible as Members were still some way from convergence. Given the general will that existed to make progress on the proposals, and in particular the five LDC Agreement-specific proposals, he intended to continue his consultations and try and make further progress on the proposals. The negotiations were in overtime and a great degree of flexibility would be required. He said that he would suspend the meeting so that as soon as progress was made, he could resume the meeting. This would also allow him to keep Members briefed on the status as well as to obtain further guidance on how to proceed. He recalled that at the last meeting, the representative of Pakistan and some other Members, had requested the Secretariat to provide a list of the 88 Agreement-specific proposals indicating in which bodies those proposals were being addressed. That list was available for Members at the back of the room.

34. The representative of Zambia, speaking on behalf of the LDCs, said that in the Doha Ministerial Declaration, Ministers had agreed that all S&D provisions would be reviewed with a view to strengthening them and making them more precise, effective and operational. The July Package had taken that a step further and instructed the Special Session to address all other outstanding work including on the cross-cutting issues, the Monitoring Mechanism and the incorporation of S&D into the architecture of WTO rules. In March 2005, Members had agreed that priority should be given to the five LDC proposals. Since then, Members had been negotiating those five proposals. The LDCs had been fully engaged in the process and had continued to put forward new suggestions in an effort to meet other Members' concerns. That had meant continually reducing their level of ambition.

Unfortunately, other Members had not provided the level of political commitment that could bring about an agreement on the proposals.

35. He went on to address each of the five LDC proposals. He said that the intent of proposal no. 23 on the Understanding in Respect of Waivers of Obligations under the GATT 1994 (TN/CTD/W/4/Add.1) was to grant waivers to LDCs and avoid the complex system outlined in the Understanding in Respect of Waivers of Obligations under the Marrakech Agreement. Some developing countries were concerned about this proposal. The LDCs saw no way to resolve the issue. Agreeing to the inclusion of text which insured that a waiver would not be granted unless it took into account the interests of other developing countries or which had a negative impact on other countries, would weaken the proposal to the extent of making it meaningless. Additionally, replacing the words 'shall' by 'should' would not only further weaken the proposal but would erode the rights of LDCs contained in Article IX of the Marrakech Agreement. On proposal no. 36 on the Decision on Measures in Favour of Least-Developed Countries (TN/CTD/W/4/Add.1), the LDCs had proposed a number of alternative texts. However, none of them had seemed close to satisfying the demands of some Members. At the heart of the discussions on that proposal, was whether DFQF market access should be provided to all LDCs for all products and whether that access should be bound to ensure security, predictability and sustainability. The LDCs appreciated the political and technical problems posed by a bound zero tariff for LDCs, however the proposed alternative text that took that aspect into consideration had not been accepted. The LDCs also appreciated the difficulties that some Members had with agreeing to DFQF access for all products from all LDCs. Again, the LDCs had suggested a phase down mechanism to take those concerns into account, but that had not been accepted. While the LDCs had attempted to meet the concerns of other Members, short of dropping all three demands which would nullify the benefits of providing DFQF market access, it had been difficult to reach an agreement. He said that no delegation seemed to have a problem on proposal no. 38 relating to the Decision on Measures in Favour of Least-Developed Countries (TN/CTD/W/4/Add.1). In fact most delegations did not believe that the proposal added value to what had already been previously agreed in the WTO. The language of the proposal simply reaffirmed existing commitments. On proposal no. 84 on the Agreement on Trade-Related Investment Measures (TN/CTD/W/4), the LDCs had made major concessions. Initially the LDCs had been seeking complete exemption from the TRIMs Agreement and during consultations had constantly attempted to take Members concerns on board. To that end the LDCs had modified their proposal to capture the separate treatment of existing and new measures; the notion of a time frame for the notification for existing measures as well as a time frame for the duration of a TRIM with the provision for an extension from the Council for Trade in Goods; the notion of a time frame for the notification of a new TRIM through the CTG and the use of a process of negative consensus; and a time frame on new measures with a provision for applying for an extension. Despite taking those issues on board, Members seemed just as far from reaching an agreement on proposal no. 84 than when the LDCs had been seeking total exemption from the TRIMs Agreement. On proposal no. 88 on paragraph 1 of the Decision on Measures in Favour of Least-developed Countries (TN/CTD/W/3/Rev.2), the intention had been to provide LDCs with some flexibility in complying with the WTO provisions in line with their individual development, financial and trade needs as well as their administrative and institutional capacities. The LDCs were still open to discussing language that would make the proposal meaningful and add value while recognizing the need to comply.

36. He went on to say that the LDCs were concerned that time was running out. Given that Members were having difficulties reaching consensus on the five remaining proposals, the prospect of reaching any agreement on the remaining S&D proposals looked bleak. The reason why it had seemingly taken a long time to resume discussions was due to the LDCs continued efforts to revise their language. Members were aware of the LDCs' concerns and attempting to address those while at the same time taking into account Members' concerns was not an easy task. He believed that the technical difficulties could be resolved if there was sufficient political will to do so. However, the LDCs did not detect the political will to strengthen and make the S&D provisions more precise, effective and operational as agreed to at Doha. In other words, the LDCs saw a lack of commitment

by some Members to the letter and spirit reflected in the Doha Ministerial Declaration and the July Package. The LDCs had, in their view, exercised a great deal of flexibility which had its limits.

37. The representative of Djibouti said that efforts had been made to clarify the S&D provisions in order to enable Members to have a clearer picture of things. As Members made some progress on the proposals, new problems arose. This left one wondering what was the point in continuing the negotiations on S&D. The LDCs were a specific group recognized by the international community as such, and therefore needed to be accorded differential treatment. But this would require political will and recognition by other Members that the LDCs constituted a vulnerable group. He was certain that Members were familiar with the concerns of the LDCs which constantly faced difficult situations. If they could reach a certain level of development then that would also benefit developed countries. The more developed LDCs became, the more their involvement in the world economy would be. They could then attract investment, contribute to the development of world trade and in turn control and eradicate poverty.

38. The representative of Rwanda said that his delegation supported the statement made by the representative of Zambia on behalf of the LDCs. As mentioned in the Chairman's report on the Category II proposals, the proponents had not been present in many of the meetings. That was not because they were not interested in the discussions, but rather because they had constraints and could not attend all the meetings. That would determine their strategy for Hong Kong in terms of how to proceed with the Category II proposals. At that very moment, a meeting on S&D in the TRIPS Council was taking place and his delegation could not attend. He asked how the Chairman intended to proceed at that meeting, whether Members would have a general discussion or whether they would focus on some of the proposals. He was aware that while at times it was better to negotiate in smaller informal groups, if the wider membership understood the concerns there could be broader support for the proposals. He said that the LDCs had not seen the gains from the Doha negotiations. The level of gains between developed and developing Member countries would vary, with the LDCs losing out, as a result of adjustment costs or loss in preferences. The LDCs therefore wished to balance their losses and gains, for example gains from DFQF market access and policy space in the TRIMs area. The LDCs really needed Members to recommit to the Doha Development Agenda. That would give the WTO a positive image by demonstrating that Members were genuinely willing to support weak countries.

39. In response to the representative of Rwanda, the Chairman said that he was willing to get into discussions on the LDC proposals.

40. The representative of Nepal said that his delegation fully associated itself with the statement made by the representative of Zambia on behalf of the LDCs. His delegation hoped that the Doha Round, which was considered to be a development round, would include an S&D component. The LDCs' share in world trade was small and declining. The LDCs therefore aspired to integrate their economies into the multilateral trading system. He hoped that Members could rethink their positions by helping the LDCs to address their difficulties and reach a successful conclusion to the negotiations.

41. The representative of Tanzania said that her delegation associated itself with the statements made by various LDC Members. The representative of Zambia had spoken on behalf of 34 LDCs, all of which could not be present due to parallel meetings. LDC concerns were considered to be at the heart of the WTO and therefore Members needed to demonstrate that practically. The Doha Round was a development round and the proposals tabled by the LDCs were for development. If Members really wished LDCs to integrate into the multilateral trading system and graduate, which the LDCs themselves were aspiring to do, they needed to demonstrate the political will by agreeing to what the LDCs were seeking.

42. The representative of Uganda said that gauging from the Chairman's report, it seemed Members may not be able to deliver on any of the LDC issues, including in other bodies, by

Hong Kong. He therefore did not see why Members were going to Hong Kong as that would be a waste of money. That money could be put to better use in the LDCs. The LDCs had hoped that Members would deliver in two areas, S&D and agriculture. The LDCs were hoping to see a reduction in domestic support on the part of the major trading partners so that commodity prices would rise, LDCs could export at higher value, improve their balance of payments, and have some surplus to use for development purposes. However, there did not seem to be hope in that area because what had happened at the Zurich mini-Ministerial gave the impression that the LDCs were not going to get anything. In Zurich, some Ministers had stated that developed countries would need time to reduce their bound support. For instance, if they had agreed in the Uruguay Round to provide \$100 in support, they were requesting that they be given time to consider, perhaps lowering that support to say \$95. However, the applied support in some of those countries was below 50 per cent. So the question was whether they were really giving anything. They were not reducing on green, amber or blue box support, nor on de minimis. There was clearly going to be no harvest in that area. Members were merely going to Hong Kong to spectate and return with nothing achieved in terms of market access for LDC products. The LDCs had hoped that since they were not going to harvest anything in agriculture, they may be able to harvest something on S&D. However, Members had rejected whatever the LDCs had proposed. From 88 proposals, down to 28 that had been agreed to in principle but not adopted, then to just five, and still Members could not reach an agreement. Members were aware that LDCs were extremely poor. The share of LDC exports on the world markets was below 1 per cent. Even if LDCs tripled their exports this would not even affect the market. They were seeking positive results so that they could continue to stay afloat and not sink, so that they could graduate from low levels of poverty, add value to what they produced and obtain better access to other Members' markets. It appeared to him that Members did not care and wished to see the LDCs remain where they were. Perhaps Members assumed that LDCs liked the position they were in and were proud of being there. The LDCs were not proud of where they were, they aspired to graduate. When seeking DFQF market access, the LDCs were seeking the opportunity to attract investment into their countries and add value to their products. Binding that market access would give LDCs the security and predictability to attract investment. LDCs did not have the capacity to take advantage of preferential schemes such as EBA or AGOA as they did not have money to invest, or the skills or the expertise to do so. However, binding market access would hopefully attract investors and enable them to integrate into the international market.

43. The representative of Lesotho said that her delegation supported the statement made by the representative of Zambia on behalf of the LDCs and those statements made by other LDC Member countries. It was true that the LDCs had moved considerably from their original positions and had always attempted to accommodate other Members' concerns. However, patience had its limits and the LDCs were merely seeking to be given the chance to help themselves. They were not proud to be seeking differential treatment from others.

44. The representative of Brazil said that it was not completely fair to say that there had been no progress on the LDC proposals. There had been a willingness on the part of all Members, particularly the LDCs, to consider new formulations that could help Members reach an agreement. What had been missing was the decisiveness to get to the goal line. Sometimes, there had been too much emphasis on the issue of the principle and sanctity of the WTO objectives and general principles. He believed that it was unfair that those principles be raised when it came to the LDCs, because someone familiar with the international economy but not familiar with the WTO Agreements, could see that the WTO Agreements contained S&D for least-developed, developing and developed countries. Once one took away the preambles, which were in most cases in favour of LDCs and developing countries, it appeared that there were specific S&D provisions only for developed countries. In his view, it was not fair to ask the LDCs to bear the weight of the integrity of the principles of the WTO, when in fact what they needed was a certain degree of policy space. It was also not fair to impose on any Member one's own views on what was best for development. The purpose of development was also a learning process and countries had to go through their own experiences. Members needed to continue working with a sense of urgency and demonstrate more flexibility for the LDCs. It was important to have

meaningful results on at least some of the LDC proposals and not a restatement in preambular language of general principles.

45. The representative of the European Communities said that the Chairman's report on the informal consultation process was fair and accurate. It was clear that the LDCs attached a lot of importance to finding a solution to the proposals of concern to them. The picture presented by the LDCs was a little exaggerated, but understandably so, given the situation that the work was in. On proposal no. 84 on TRIMs, he did not think that the situation was as polarised as had been implied. It was true that the LDCs had shown flexibility in moving from their initial proposals. However, other Members had also shown flexibility in moving towards middle ground and, in his view, Members were getting closer to what could be a mutually acceptable outcome. The key issues that Members needed to bear in mind and that had been mentioned by a number of LDC Members, included integration into the multilateral trading system and how Members could ensure that S&D in the WTO and in combination with other policy instruments, supported the efforts of LDCs to integrate into the multilateral trading system; and, as had been mentioned, the need to raise the levels of welfare and economic development in LDCs so that they could eventually graduate. He agreed that the LDCs belonged to a distinct group and needed to be accorded the necessary flexibility to address their needs. However in doing so, the objective had to be the eventual integration rather than detachment of the LDCs from the WTO. There was always a risk in some of the proposals that the result would be separation rather than integration into the trading system. Members had gone a long way on all the proposals and they were getting closer to outcomes that would strongly support integration and not the opposite. He reiterated that the EC remained fully committed to the objective of reaching an agreement on the package of LDC Agreement-specific proposals. His delegation believed that it was still feasible and realistic to aim for an agreement that would provide added value for the LDCs on all the proposals. While he fully acknowledged that some of the proposals, particularly the proposal on DFQF market access, raised political issues which were important, significant and problematic for some Members, his delegation believed that those difficulties could be addressed and resolved at the political level.

46. The representative of Bangladesh said that his delegation supported the statement made by the representative of Zambia on behalf of the LDCs as well as those statements made by other LDCs. LDCs were the weakest and poorest Members of the WTO with a meagre share in global trade of 0.6 per cent. He implored upon all Members to support the integration of LDCs into the multilateral trading system. The Doha Round was a development round and, to make it meaningful, the LDCs wished to see the five S&D proposals agreed upon.

47. The representative of Cambodia associated his delegation with the statement made by the representative of Zambia on behalf of the LDCs as well as those statements made by other LDCs. Members were aware of the LDCs constraints such as, supply-side constraints, institutional constraints, export constraints as well as constraints in implementing the WTO obligations. It was not clear whether the implications of the Round would be positive or negative for the LDCs. In terms of preference erosion, there would be a reduction in LDCs competitiveness since they had very few exports. The Round could even result in more obligations for the LDCs to implement. He said that the five proposals were important for the LDCs to gain in several areas including in terms of predictable market access, flexibility, policy space and technical and financial assistance to implement their obligations. In that context, he asked Members to demonstrate more flexibility and reach an agreement on the five LDC proposals.

48. The representative of the United States said that like some of the other previous speakers, her delegation did not share the discouragement that a number of the LDCs had expressed. She understood their frustration but was not as discouraged with regard to Members' ability to make progress on the LDC proposals. Her delegation saw real possibilities on a number of the proposals and was willing to work on all of them to see if the differences could be bridged. The new language tabled by the LDCs had been helpful but still required some clarification. Members were working in

good faith to try to sort out their differences. With respect to what had been said by the representative of Brazil on the principle of the WTO and on what was best for development, she said that there were legitimate differences in that regard, and Members needed to find a pragmatic solution. In many cases, LDCs were seeking flexibilities that they were already granted de facto in some areas. It was more a question of what was the right way forward. Her delegation was willing to be flexible but believed that it was important to ensure that LDCs remained within the system. Integration required that all Members work together. It was a matter of degree and emphasis and she was certain that Members were moving closer to strike the right balance. Her delegation was prepared to continue working on the proposals.

49. The representative of Paraguay said that the language on proposal no. 23 on waivers did not reflect his delegation's view. His delegation was aware that the text had been submitted by the Chairman, however it was important to keep in mind that his delegation had different wording for the last sentence of the proposal. His delegation had met, on several occasions, with the LDCs to try to bridge their differences. His delegation had submitted more flexible language. In spite of that, the LDCs were still not satisfied with the proposal and had not come up with any alternative language. His delegation was ready to work on language that would be acceptable and enable Members to reach an agreement. He reiterated his delegation's commitment to adopting specific measures for LDCs. His delegation was small and had other commitments in and outside the WTO. However, it had made efforts to be present at those meetings where the LDC proposals had been addressed. The only way to make progress and achieve results in the WTO was to negotiate by submitting proposals and repeatedly attempting, with patience and perseverance, to make progress. Nevertheless, there was always great satisfaction when at the end of such efforts, agreements were reached that met the essential needs of all parties involved. He reiterated his delegation's commitment to achieve results on the LDC proposals, as well as its commitment to S&D in general.

50. The Chairman reminded Members that the text that he had made available to Members on 25 July was in no way an agreed text. It was a working draft to help Members move forward.

51. The representative of Senegal associated his delegation with the statement made by the representative of Zambia on behalf of the LDCs. He said what the LDCs were seeking was the ability to implement the WTO Agreements in a flexible and differentiated manner. That was based on the principles of solidarity and sovereignty which all Members needed to be mindful of. Members needed to discuss and negotiate those principles, with the knowledge that the LDCs were seeking flexibility which was necessary for their development process. That flexibility would strengthen the LDCs' supply capacity and enable them to play a more prominent role in international trade.

52. The representative of Madagascar said that her delegation supported the statement made by the representative of Zambia on behalf of the LDCs. Although the situation was extremely disappointing, her delegation was optimistic that Members could, between then and Hong Kong, come up with a solution that would benefit the LDCs.

53. The representative of India said that his delegation had been involved in the process of addressing the LDC proposals and shared, not just the frustration, but some of the disappointment that had been expressed by the LDCs on the lack of real progress on their proposals. Members were getting close to the deadline and things were unfortunately not looking too good. Members needed to remain optimistic and while his delegation was willing to continue working intensively with others to achieve some results, Members needed to keep in mind that the LDCs had made tremendous efforts in being practical, rationalizing their proposals as well as revising them in order to meet the concerns of other Members. In his delegation's view, the proposals were reasonable, valid and could go a long way in assisting the LDCs improve the living standards of their people as well as help them to further integrate into the multilateral trading system. One factor which had changed over the last few weeks, and which he considered to be the only ray of hope, was that some of the Members which had had concerns, more specifically on proposal no. 36 which for the LDCs was the key proposal among the

five, had tabled specific concerns making it clear what issues needed to be addressed. He hoped that that process would give Members a realistic idea of what could be achieved. His delegation supported the Chairman's call for pragmatism on the part of all Members. The five proposals were crucial and his delegation remained hopeful that Members could reach an agreement on them by Hong Kong. His delegation was among those that had requested the Secretariat to compile all the Agreement-specific proposals. That would certainly help Members focus on what they felt were the most crucial proposals. Unfortunately, the feedback from the various Chairpersons had not left his delegation feeling very positive about the situation. As had been mentioned by the representative of Rwanda, there was considerable concern that many of the proponents had not been able to participate in the meetings. At some stage, Members would need to consider how they should deal with this issue which was one of genuine capacity constraints not a lack of interest. It was important for Members to consider how progress could be made on the Category II proposals.

54. The representative of Canada said that his delegation believed that some progress had been made. At the very least, Members could say that they had a better understanding of what the fault lines were and where significant differences existed. That was the first step towards bridging the differences. Members were clearly closer on some issues than on others, for e.g. they were farther away on proposal no. 36 and to a lesser extent on proposal no. 84. Members needed to have a better understanding of what the differences were and assess how those could be bridged through better language. It was not an easy task and there needed to be compromise on both sides. Realizing that time was short, his delegation was committed to finding a way forward on all the proposals.

55. The representative of Singapore said that Members needed to reach an agreement on the LDC proposals at Hong Kong. The adoption of the LDC proposals could in fact become the major outcome at Hong Kong since nothing else in the negotiations seemed to be moving. As Members were probably aware, the Chairperson of the General Council had been holding consultations and had met with some Ambassadors where the issue of the LDCs had been discussed. At those consultations, his delegation had expressed strong support for an outcome for the LDCs at Hong Kong. There had been a sense among other Ambassadors that the LDC issues were important and there needed to be some outcome on the LDC proposals at Hong Kong. Members would perhaps need to consider how they could intensify and elevate the discussions and streamline them with what the Chairperson of the General Council was doing. He was optimistic that Members could find solutions that would address the needs of the LDCs, without weakening the system.

56. The representative of Japan said that there were three key words he wished to raise, sincerity, flexibility and urgency. As regards sincerity, as a donor both in and outside of the WTO, Japan was committed to help LDCs to get out of the situation that they were facing. In terms of flexibility, he did not share the view that there had been unilateral concession on the LDC side. Other Members, besides the LDCs, had attempted to close the gaps. As far as proposal no. 84 was concerned, his delegation had attempted to show additional flexibility on the proposal. With respect to urgency, all Members understood that time was limited and like others, his delegation was intensifying dialogue with his capital, especially on the more difficult proposals. He believed that as work intensified in the coming weeks, Members could narrow the existing gaps.

57. The representative of China said that from listening to the discussion he wondered what the WTO's role was. When he first came to Geneva, he had seen many demonstrators at the entrance to the WTO, displaying different banners against the multilateral trading system. Most of the demonstrators were probably from developed and developing countries as the LDCs could probably not afford the airfare. He felt that the Hong Kong Ministerial Conference was important for the WTO to demonstrate to the world that it was sensitive to certain issues. Although his delegation understood that some Members had difficulties, there was no doubt that the LDCs faced many difficulties and it was important that Members showed flexibility to their concerns. He reiterated his delegation's commitment to working with others to reach agreement on a meaningful package for the LDCs.

58. The representative of Argentina said that it was clear that some progress had been made since the Doha Ministerial Conference. However, one wondered whether this was substantive, given the disenchantment among the LDCs. The report on the feedback from the Chairpersons of the bodies to which the Category II proposals had been referred, gave the impression that progress had not been made and his delegation therefore shared the frustrations and concerns of the LDCs, as well as those raised by the representative of Uganda with respect to agriculture. The issue of agriculture also included the issue of cotton which was of interest not only to developing countries but more particularly to the LDCs. Within that framework, it did not seem possible to continue to negotiate in closed groups. Members were aware of what had happened with the African Group proposals on TRIPs and Health which had a direct impact on developing countries and LDCs. Therefore, all those issues needed to be considered in a more global manner. Some delegations had made reference to integration rather than segregation from the system. The dilemma was not integration versus segregation, it was more a question of comprehension, solidarity and flexibility. If there was flexibility in some areas, it was inadequate. At the Cancún Ministerial Conference it was clear that issues that should have been resolved earlier were not. That was hopefully something that Members had learnt from.

59. The Chairman said that there seemed to be political will for Members to deliver on the five remaining LDC proposals by Hong Kong. He would continue to work with Members and attempt to use the pragmatism that Members had said was necessary to bridge the gaps and reach convergence on the package of five proposals. In his own assessment, Members had made some progress on the five proposals. The most difficult was proposal no. 36 on DFQF market access because of the complex realities most of the OECD countries would face in fulfilling the objective of DFQF for LDCs. He sensed a will among those countries to provide DFQF market access but there were concerns whether their constituencies could be convinced to commit on the basis of the LDC proposal. He also sensed a willingness on the part of the LDCs to work on the language of their proposal in order to find a way forward and he looked to Members to show the necessary flexibility to move forward in a way that demonstrated their commitment to meeting LDC needs and concerns. On proposal no. 23 relating to waivers, although some Members continued to have some significant concerns, he felt that considerable progress had been made and that there was sufficient goodwill among Members to provide support to the LDCs. On proposal no. 84 on TRIMs, he believed that Members were close and had made a great deal of progress from their initial positions. Members were now attempting to find language that was acceptable to all but there was still a need for pragmatism before the necessary convergence could be reached. On proposal no. 88, he felt that Members were very close to an agreement. It was just a question of some additional language that would give greater comfort to some Members. On proposal no. 38, it was his sense that Members had reached convergence and could agree to that proposal. He concluded by saying that he would intensify his consultations, as well as attempt to meet with Ambassadors to find ways to bridge the final gaps. In the meantime, he would call on Members at short notice to brief them on how the negotiations were progressing.

60. The meeting was adjourned and thereafter reconvened on 14 November.

61. The Chairman welcomed the non-resident Members to the meeting. He said that in the previous week Ministers had participated in the negotiations in Geneva in an attempt to make progress. He informed Members that he had held informal consultations with different groups of Members. He had met with the LDCs to discuss how they felt Members could move forward and suggested to Members that they begin building bridges between the divergent positions on which basis he would attempt to build a compromise language. He had explained to the LDCs where he felt the difficulties existed on each of their proposals. While he could attempt to draft some alternate language for some proposals, on others there were wide divergences. The best way to proceed could be to reflect those differences in brackets, and allow Ministers to make the final decision. He had also engaged in discussions with small groups of Members to consider compromise language and had, on 2 November, put forward a draft text. He was aware that some Members had some concerns on that language and it

would require all Members to make some compromises on their original positions to reach convergence. He was aware that a number of Members had strong views on some of the proposals. Some Members wished to see language included which was not agreeable to others and it was clear that to go forward Members would need to show flexibility. Members had stated their willingness to keep working towards harvesting the LDC proposals at Hong Kong. The LDCs had stated that while they were committed, they did not wish to dilute the language any further. However, if the language was drafted in a way that retained the meaningfulness of the proposal as well as reflected a firm commitment and resolve by Members to deliver on the objectives set out therein, then they would consider any compromise language. He said that it was on that basis that he had drafted the language of 2 November. On 3 November he had held further consultations at which the LDCs had stated that they still needed time to consult on the newly proposed language and as a result wished to retain brackets on those parts of the text that they were not comfortable with. The 3 November language therefore contained several brackets which were not included in the 2 November language. At that meeting, other Members had also requested brackets on words they could not accept. He also pointed out that the language of 3 November included, at the request of the LDCs, the word 'bound', 'all' products and 'all' LDCs in brackets. Subsequently, the US had said that the word 'shall' in the chapeau was difficult for it to accept, especially if the LDCs were insisting on including their preferences, albeit in brackets. The US also felt it was important to include the words 'in accordance with the Enabling Clause' in paragraph 36(a).

62. He went on to say that Members had three options. The first was to continue negotiations on the five LDC proposals in an attempt to secure an agreement; the second was to stop work on the LDC proposals and begin discussions on the Ministerial text which would reflect the progress made in the Special Session; and the third option was to begin discussions on the possible language for the draft Ministerial text as well as try to make further progress on the five LDC Agreement-specific proposals. Any progress on the LDC proposals, would be reflected as amendments to the 2 November text and then included as an Annex to the draft Ministerial text. Differences could be reflected in brackets. That would enable Ministers in Hong Kong to have a text on the basis of which they could close the existing gaps. He reminded Members that they had already missed many deadlines. It was important to provide inputs for the first draft Ministerial text which the Director-General was to bring out by the end of that week.

63. The representative of Zambia sought clarification on the text that the discussions would be based on.

64. The Chairman recalled that he had put forward a text on 2 November. Based on suggestions made by some Members at the consultations on that text, he had incorporated some changes. What Members had before them was the 2 November text including those changes. The LDCs had raised a number of concerns with respect to that text and those concerns had been reflected in the 3 November text put before Ambassadors. However, as he had mentioned earlier, he was happy to bring those back as well as include any further amendments that Members wished to include. The 2 November text was an attempt to help Members move forward and in no way represented his personal views. He had drafted text that he felt Members could live with. Where he could not find compromise language he had included brackets. If Members insisted on including more brackets and new text, then it would become increasingly difficult, if not impossible, to reach a consensus and the text would no longer be his text.

65. The representative of Zambia said that his delegation had a procedural difficulty in that the text presented to Ambassadors on 3 November was not the text presented on 2 November. The 3 November text was something that the LDC Group Ambassadors could work with. The problem was that the 2 November text did not contain the brackets as well as some of the words that were included in the 3 November text. What might have been helpful was if Ambassadors had been given the 2 November text. It was difficult for the LDCs to revert to the 2 November text when discussion at the meeting with Ambassadors was based on the 3 November text.

66. The Chairman said that he had met with Ambassadors on 3 November and explained his 2 November text. He also informed them that the LDCs had stated that because they had not had the opportunity to consult as a group, they would have to include their preferred language in the 2 November text. When he had met with Ministers the following week, he had explained to them how the language had evolved. He was certain that some Members would need to consult further on his language and were not in a position to give their final positions on it. He was aware that the LDCs would need to consult on the text. When he had met with Ministers on 8 November he had provided them with a text to help them understand where things were. However, he did explain that his text was the 2 November text. If Members insisted on including words that were important to them, then that could be done. However, Members needed to understand that once one Member insisted on including language in brackets, then all Members would need to be allowed to do the same. That text would then form the basis on which Ministers would continue the negotiations in Hong Kong.

67. The representative of Argentina said that he was a little confused with the explanation that had been given regarding the different texts. Taking into account the timelines that had been given by the Chair of the General Council and the Director-General, he was not sure of the best way to proceed. As he understood it, the 2 November language, which he would now refer to as the 14 November text contained several options. He wondered whether continuing the negotiations implied, in the light of the present discussion, including more brackets. It was of course up to Members to decide whether that was what they wished to do. Given the limited time and the status of work in other negotiating areas, he asked whether it would not be more practical to work on the report to the General Council after which Members could continue working on the 14 November text.

68. The Chairman agreed that discussions would continue on the basis of the 2 November text which he agreed should now be referred to as the 14 November text.

69. The representative of Switzerland said that it was clear to her delegation that Members needed to pursue the third option, that was to work on possible language for the draft Ministerial text as well as continue work on the five LDC proposals. Her delegation always felt that making progress on the five LDC proposals should be Members' priority and that they therefore needed to do whatever was necessary to reach an agreement in Hong Kong. Whether the Chairman's 14 November text was satisfactory or not was something that the LDCs needed to decide. Nevertheless, her sense was that during the consultations, despite brackets being removed and reintroduced, Members had not really been able to move. That was why her delegation had put forward new language on proposal nos. 36 and 84. With respect to proposal no. 36, removing or reintroducing brackets implied that political decisions needed to be made on either side, and it was not clear how that could be done in a week. The different options for language that had been tabled, for example by the LDCs on 20 October and by her delegation on 2 November, demonstrated that other approaches were still possible and should be discussed in order to maximize chances for reaching an agreement in the coming weeks. In her delegation's view, Members should not spend time removing or reintroducing brackets, but rather considering other approaches as had been done on proposal no. 23 by the delegation of Paraguay. If Members were not able to reach an agreement on the LDC proposals before Hong Kong, a scenario her delegation did not wish to see, then Members would need to prioritise addressing the LDC proposals after Hong Kong.

70. The Chairman said that he was willing to further negotiate on the LDC proposals and as he had mentioned earlier, Members needed to continue work towards either removing the existing brackets or reaching a compromise through further discussions amongst themselves. It was up to Members to either work on the basis of his compromise text, or work on the basis of a text that contained everybody's language. He was still willing to work with Members in small groups to see whether they could narrow down the differences and make some progress. But there needed to be some clear direction because he hoped that in the week that followed, Members could decide on language for the draft Ministerial text.

71. The representative of Kenya recalled that the African Group proposals had been on the table since early 2002 and it was only in the middle of 2005 that they had received questions on their proposals. It had therefore taken about three years for Members with resources, to put forward written questions. The African Group with its limited resources, was being expected to respond almost instantly. Given their resource constraints, that was not possible. In fact the African Group was trying to provide the right responses to the questions raised. He said that having listened to the representative of Zambia, he was wondering whether the three options on how to proceed were still valid. The question that Members needed to ask themselves was whether the Chairman's 14 November text responded to the mandate contained in paragraph 44 of the Doha Ministerial Declaration and whether it strengthened the provisions or made them weaker. If the provisions were being strengthened then Members needed to continue with their work, if not then they had to consider other options. Nevertheless, whatever text was forwarded to Hong Kong needed to represent the positions of all Members. Proposal no. 36 of the Chairman's 14 November text, did not include the word 'bound' which was important to the LDCs. Without the inclusion of that word he wondered whether the LDCs would wish to continue discussing that proposal. He reminded Members that there were ongoing discussions on the possibility of having a permanent moratorium on duties on e-commerce and he did not see the difference in principle with proposal no. 6. The main beneficiaries of the moratorium were well known just as the main beneficiaries of proposal no. 36 were well known. If Members wished to see the LDCs graduate, then they needed to improve their situation and avail them of the necessary flexibilities.

72. The Chairman said that Members had attempted on many occasions to discuss the LDC and African Group proposals and had not been able to do so for various reasons, including the fact that at many meetings, the proponents had not been in a position to do so. With respect to the 14 November text, he had not included the word 'bound' because it was clear that many Members could not agree to that. All the OECD Members as well as many other developing countries had objected to including that word. He had therefore not included it because he knew that Members would not agree to it and he would not be helping the process if he simply included words that were supportive of LDCs but had no chance of being agreed to. It was his sense that even if Ministers at Hong Kong had the greatest political will to help LDCs they may find it difficult to agree to the word 'bound'. That was why he had not included certain words in the text as they would simply create divergence and political tension between Members.

73. The representative of the European Communities said that his delegation's view was essentially that Members should continue to work on the five LDC agreement-specific proposals as well as begin discussions on the language for the draft Ministerial text for Hong Kong. His delegation also remained of the view that it was both realistic and desirable to reach an agreement on the five LDC proposals by Hong Kong. Members therefore need not give up. It was also worth remembering that what was potentially on offer would be meaningful to the LDCs. At least two of the five LDC proposals were on issues that the LDCs had really emphasised and Members were not too far from reaching an agreement. One of those was on DFQF market access and Members should not be distracted by arguments on words such as 'bound'. What was actually on the table was a step forward in terms of actual market access that the LDCs could enjoy and that was something that should not be treated lightly. It was a serious issue of benefit to the LDCs. The second was on TRIMs which would effectively give LDCs the flexibility to operate measures which at present they could not introduce without being in breach of their WTO obligations. That was something that the LDCs had requested, saying that that would help their development objectives as it would enable them to attract investment on a more stable and predictable basis and would be free from legal challenge in the WTO. So if the LDCs felt that that would support their developmental needs, then Members should attempt to find some compromise text. He reiterated that it was important to strive towards reaching an agreement on the five LDC proposals at Hong Kong. Accordingly, his delegation would work with the Chairman to move the process forward in the time that remained. There was still some time for work in Geneva and there would be time in Hong Kong. What Members needed to do was to clean the text by moving towards something which was either agreed, or clearly reflected the political choices that Ministers

would need to make. Members needed to also begin work on the text for the Special Session's report to the General Council, based on the assumption that they would agree to the five LDC proposals. That could easily be reflected in the text. Members could then continue to work on the language of those proposals. The remaining input for the draft Ministerial text would be a report in terms of what Members had done since the Doha Ministerial Conference, as well as on how the Special Session would complete its mandate in the remaining course of the negotiations. Members would need to consider how to draft and express the necessary ideas. He was certain that that work could be carried out in parallel and would probably require Members to meet in smaller groups in order to identify and resolve the remaining issues. With respect to the comments made by the representative of Kenya on the African Group proposals, it was true that some Members had provided written comments expressing their views and concerns. However, those concerns were not really new because they had been raised earlier when those proposals had been discussed, including before Cancún when the proposals were last under active consideration. Putting those concerns in writing was in a way a revision process to assist the proponents. His delegation was also ready to resume work on those proposals and was willing to do so whenever the possibility presented itself.

74. The representative of China said that he had been personally involved in the negotiations on the five LDC proposals and was aware of the efforts that had been made, both on the part of the Chairman and other Members in those negotiations. He was also aware that the negotiations were very difficult. His delegation understood the LDCs concerns. Since the beginning of the negotiations on the five proposals, many developing countries including his own, had supported the LDCs and believed that the LDC requests needed to be considered carefully, seriously and generously. However, Members had to recognize that some Members had real difficulties with some of the proposals, particularly with regard to proposal nos. 36 and 84. He recalled that on proposal no. 36 in addition to the word 'bound' there were a number of other words which his delegation believed were very important to the LDCs but, on the other hand, very sensitive to other Members, for example the words 'all' products originating from 'all' LDCs. Those two words were not included in the Chairman's 14 November text which therefore fell short of the LDCs original demands. However, he agreed with the Chairman's assessment that he had had to strike a balance between Members' demands in order to find a solution to the problem. It was not possible to satisfy every Member. As a general principle, his delegation felt that the text submitted to Ministers should contain as few brackets as possible so as to facilitate Ministers' work in coming up with a final decision on the proposals. It would be undesirable not only for the Special Session, but also for other negotiating bodies, to forward Ministers a text that contained too many brackets. To his understanding, that was the general feeling amongst all Chairpersons. His delegation agreed with the representatives of Switzerland and the EC that Members still had time to continue negotiations on the five proposals. Members needed to do as much as possible to reach consensus on as many of the proposals by Hong Kong. He supported the Chairman's suggestion to begin considering language for the Ministerial text in the following week. At the same time, Members needed to continue and spend as much time as possible negotiating the five LDC proposals. However, if continuing the negotiations resulted in too many additional brackets, then his delegation would support the Chairman producing a text to be forwarded to Ministers in Hong Kong.

75. The representative of Colombia said that the discussions had shown that political decisions needed to be taken on the proposals. Apparently, discussions at the technical level were not going to result in a consensus text for Hong Kong. Consequently, the Special Session would need to forward a text on which the Ministers would have to take a political decision. The 14 November text was qualitatively different from previous texts because it contained brackets. In view of the little time that was left until Hong Kong, his delegation preferred it if Members could work on a text that had as few brackets as possible. It was unlikely that Members would finish all the work before Hong Kong and the text forwarded to Ministers would therefore contain brackets. Members needed to work towards reaching a consensus. Members could, at the same time, work on possible language for the draft Ministerial text.

76. The representative of Hong Kong, China asked whether the Chairman's discussions with Ministers at the recently held meeting had provided any guidance on how to proceed. Her delegation did not dispute the suggestion that the text forwarded to Ministers contain as few brackets as possible. However, it was important that whatever text that was forwarded to Ministers, represent as much consensus as possible. Some Members had also made reference to a report from the Special Session to the General Council. She was not certain whether that was the Chairman's intention or whether he intended to present a text on the proposals which would perhaps need to be supplemented with some observations for the TNC meeting. Whatever Members came up with would need to be first put to the TNC. She asked whether the Chairman had given any thought to what could possibly constitute the language for the draft Ministerial text, other than continuing work on the Agreement-specific proposals.

77. The representative of Japan said that his delegation shared the view that Members needed to continue work on the five LDC proposals as well as begin discussions on language for the draft Ministerial text. A number of Ministers at the mini-Ministerial meeting held the previous week, had instructed Members to work expeditiously on the LDC proposals with a view to reaching a consensus. Members needed to therefore work towards that end. With respect to the text on the proposals, he said that given the time constraints, Members needed to continue discussions on as clean a text as possible. If Members could make progress and remove some of the brackets in the text, they might be able to reach consensus. His delegation still had some problems with the 14 November text and had some comments to make on that.

78. The representative of the United States said that, as had been expressed by both her Minister and her Ambassador, her delegation was fully prepared to keep working to find solutions on the LDC proposals. It was also important to begin work on language for the draft Ministerial text. She was aware that that was going to be a difficult task given the time constraints, but her delegation was prepared to keep working. She agreed with the representative of the EC that Members needed to consider how they would address aspects of the mandate in the following year. At the Ambassadors meeting held on 3 November, her delegation had indicated that it preferred to work on the basis of the Chairman's 2 November text. Though there were still some challenges and difficulties with some aspects of that language, her delegation felt that the language represented a good basis for possible agreement. At that meeting, in response to the LDC request to introduce brackets, her delegation had also indicated that it wished to include certain phrases in brackets. However, her delegation felt it would be more productive to work with a clearer text rather than a text containing all the brackets that different Members wanted. She recalled the challenge Members faced in Seattle where there were so many brackets that it had been impossible for Ministers to actually address the main issue. With regards to the comments made by the representative of Kenya on the African Group proposals, she shared the EC's view that Members had not had the kind of dialogue on the African Group proposals that they would have liked. However, her delegation hoped to have that dialogue soon and that was why it had repeatedly made efforts to provide written questions and comments over the past few years. Her delegation appreciated the responses that it had received on some of the questions that it had posed and looked forward to answers to the questions posed by other Members. All that would form the basis for constructive discussions. She reiterated that her delegation was prepared to keep working and that although there were still some tough issues, Members would need to keep things simple. She said that it would be important to consider the Chairman's judgement, at least to some degree, on the progress that could be made. Bridging some of the differences could perhaps be accomplished without necessarily following a bracket approach but rather focusing on alternative ideas as had been suggested by the representative of Switzerland.

79. The representative of Costa Rica said that for his delegation the 14 November text was balanced and included brackets that reflected difficulties that had been repeatedly raised by his and other delegations during the discussions. Therefore, removing brackets where solutions had not been found would only result in those difficulties being brought up at a later stage which was risky. In his delegation's view, having a clean text did not necessarily reflect a higher level of understanding.

Concealing the differences from the text would not help as the Ministers were aware of the problems. In that context, he recommended that the exercise of cleaning the text not go too far. The mandate that Members had agreed to in the Doha Declaration and the July Package was to assist developing and least-developed countries in addressing their concerns. In his view, the Chairman's mandate was to be fair, neutral, and objective on all the proposals. It was for Members to decide what was acceptable. Based on that affirmation, he was concerned about giving the Chairman the autonomy to put out a text. He agreed that the text should have as few brackets as possible, but he did not think that Members should force reality. He disagreed with the delegation that had mentioned that there had been understanding among Ministers on the development issues at the mini-Ministerial meeting held during the previous week. Apart from market access for non-agricultural goods, the development issues had probably been the most divisive ones. He therefore stressed that care should be taken when considering language relating to development and that other development-related work be also taken into account when addressing that text.

80. The Chairman said that his objective was to be fair to all Members and that was what he had attempted to do when drafting the 14 November text. He hoped that Members were being faithful to the mandate of finding ways to provide support to the LDCs. With respect to the language on proposal no. 23, he knew that he could not draft language that would bridge the position between a number of Members including, Costa Rica and the LDCs. That was the reason why those positions were reflected in brackets and would remain that way until the concerned Members reached a compromise.

81. The representative of Canada said that his delegation agreed that Members needed to move forward by continue working on the LDC proposals as well as considering language for the draft Ministerial text. However, his delegation preferred Members to focus their efforts on the LDC proposals and, if successful, the language for the Ministerial text would flow from that. Although different texts had been circulated, Members had not really had substantive discussions on the 14 November text. That could be done during the course of the week.

82. The representative of India said that his delegation supported the option of working on the proposals as well as on the language for the draft Ministerial text. However, he agreed with the representative of Canada, particularly on the point that the language for the Ministerial text would flow from the discussions on the proposals depending on what would be achieved. He believed that Members had made some progress even though some fundamental differences needing political direction still existed. He asked the Chairman whether he had managed to receive any political direction from his interaction with Ministers at the meeting held in the previous week. His delegation was willing to proceed on the basis of the 14 November text. However, judging from some of the comments that had been made by Members and the amount of work that had been put in by the LDCs in terms of rationalizing and revising their proposals, it would be useful for the Chairman to ascertain where exactly the LDCs stood. Members needed to continue their work on the basis of a text that the LDCs were comfortable with.

83. The Chairman said that he was particularly looking to get guidance from the LDCs on what their preferences were.

84. The representative of Australia said that his delegation agreed with the representative of India that it was vital for the LDCs to be comfortable with where Members were heading and on how they would proceed until Hong Kong. His delegation felt that it was important for any text forwarded to Ministers on the LDC proposals to contain as few brackets as possible. For his delegation, the 14 November text formed an acceptable basis of forwarding work to Ministers. That said, his delegation was prepared to engage in further discussions, but at the same time Members needed to remain realistic. As it was, Members had already had many discussions and were aware of the political decisions that were required to be taken. He was aware that Members felt that they needed to keep working because to say otherwise would give the impression that they were not committed. He

was of the view that Members were getting to a stage where intensive discussions were not really going to change the text much. In that regard, he agreed that the language on proposal nos. 36 and 84 in the Chairman's text could be of value to the LDCs. Members needed to keep in mind the reason why the Chairman had not included the word 'bound' in the language on proposal no. 36. Australia provided DFQF market access for all products from all LDCs without any phase-in or exclusion. It had also changed its rules of origin and provided market access in a manner that ensured stability, security and predictability. However, for reasons that his delegation had mentioned in the past, the inclusion of the word 'bound' was difficult for it to accept. He therefore hoped that the LDCs could consider the Chairman's text as a basis for an agreement. With respect to language for the Ministerial text, he did not feel that it should be taken up only after work had been completed on the LDC proposals. It was not something that would be done easily and it was likely there would be different views on the elements of that language. It was therefore useful to set aside sufficient time to have a better understanding of the process that the Chairman had in mind for accomplishing that. He asked the Chairman if he could inform Members on what had been transpired at the mini-Ministerial in Zurich.

85. The Chairman said that the reason he had not commented on the mini-Ministerial meeting was precisely because of the point raised by the representative of Costa Rica. Ministers who had attended that meeting would have already spoken about the deliberations and, if asked, would probably all have different perceptions of the status of the different issues. He therefore did not wish to summarize what had been quite a complex discussion. One session on development was held at which about 25 Ministers attended. That session incorporated issues which related to development in each of the core areas of the negotiations, namely, market access, agriculture, NAMA, services and rules. Additionally, there was a long list of issues which Ministers felt related to development in a very specific way, or reflected specific concerns of different groups of developing countries. Those included cotton, commodities, small economies, LDC issues and S&D. Since only two hours were allocated to those discussions, Ministers could only make limited progress. He had therefore not received any real guidance on how to proceed. However, from what he had read from the politics, Ministers suggested that Members needed to make as much progress as possible on development issues at Hong Kong, especially those which were of direct interest to some of the poorest countries in the world. There had been very little discussion on the LDC proposals, however the general sentiment had been that Members should reach an agreement on them. There were different views on the state of affairs on the LDC proposals. Some Members felt that some progress had been made, others felt that there were some existing divergences amongst Members and amongst the developing countries, while others felt that whilst some progress had been made, their views had not been adequately reflected and that the Chairman's 2 November text did not go far enough. The discussion at the meeting had not been detailed enough to provide him with adequate guidance on how to move forward.

86. The representative of Pakistan said that her delegation agreed that reaching consensus on some of the proposals had been difficult since Members had to consider what certain words implied. Her delegation was willing to work towards reaching consensus on all five LDC proposals and supported continuing work on them as well as considering possible language for the draft Ministerial text.

87. The representative of Zambia said that the LDCs had remained engaged throughout the process and had repeatedly revised their language in an attempt to make progress. It was not the LDCs' intention to stop negotiating and it was certainly in their interests to work towards a satisfactory outcome. The issue was on what basis should that work resume. The LDCs were concerned that the 14 November text did not include some of the key elements that the LDCs had been reiterating over the past several months. The LDCs were not wedded to any particular words but they were concerned about certain concepts that must be included. Therefore, resuming work on the basis of the 14 November text, was problematic to that extent. For them, the 3 November text was preferable.

88. The representative of Malaysia on behalf of the ASEAN members present at the meeting, said that her delegation understood the difficulty in striking a balance when coming up with text that would be amenable to all Members. Her delegation supported the 14 November text and considering the time constraints, Members needed to remain realistic. As other Members had mentioned, it was important not to lose sight of the mandate to provide LDCs with improved market access for their exports. Her delegation would remain engaged and supported the option of continuing work on the LDC proposals as well as considering possible language for the draft Ministerial text.

89. The Chairman said that the discussions had been useful in guiding him on how to proceed. It seemed that Members agreed that they needed to move on the basis of the third option, which was to make further progress on the five LDC Agreement-specific proposals and simultaneously begin discussions on language for the draft Hong Kong Ministerial text. In line with those suggestions, he would continue to consult with Members in smaller groups and attempt to report back either by the end of the week or early the following week on progress made on both issues. He had heard various suggestions on both the issues. With respect to the negotiations on the LDC proposals, he was in Members' hands and would keep working towards making progress. If there was a better way to build consensus he was ready to work with Members towards achieving it before the end of the week. In his view Members could work on the basis of the 14 November text. However, during discussions Members could table language which he would work with. He reiterated his concern that if Members insisted on including their own language then the text would contain numerous brackets and would not provide an ideal basis for Members to make progress in Hong Kong. His text already contained some brackets reflecting areas on which there were clearly difficulties. He was aware of the strong political views some Members had on those issues and he had to respect that by including those views in the text. However, the text would no longer be the Chairman's text. He said that as a basis for the language for the Ministerial text he would use the language contained in the July 2004 Decision, which recorded progress made and suggested the way forward. There would of course be a possible Annex to include, with the five LDC proposals, and if Members so wished, a reference to the 28 proposals that had been agreed to in principle. The first step would be to meet with the LDCs as soon as possible in order to get a full appreciation of what their views were on how to go forward. He reminded Members that it was as much in their hands as in his own to take the process forward. In order to complete their work, Members would need to cooperate and come up with clear positions on the proposals.

90. The meeting was adjourned and thereafter again reconvened on 18 November.

91. The Chairman recalled that when Members had last met, he had informed them that he would continue to work in the course of that week to make further progress on the five LDC Agreement-specific proposals. Initially, consultations had been held to discuss whether there was still room to continue discussions on the five LDC proposals. In that context, he had first met with the LDCs to find out how they felt Members should proceed with the negotiations and what could constitute possible language for the draft Ministerial text. He had informed the LDCs that he had drafted language on his own responsibility as a basis for further negotiations. The LDCs had expressed strong views about the substance of the proposals and expressed concern that although a lot of time had been spent on negotiating the proposals, Members had still not been able to reach an agreement. Subsequently, discussions were held with a small group of other Members to discuss the remaining five LDC Agreement-specific proposals, both in terms of substance and the form in which Members wished to reflect the differences that still existed on a number of the proposals. While it was not an easy discussion, Members had been able to make some progress. There were several ways in which Members could reflect the differences that existed on the proposals. One way was to prepare a report explaining the options that different Members preferred on each proposal and the differences that existed. The second possibility was to include brackets in the text that would show where the differences were instead of preparing a report. The third possibility was to do so in the way that he had presented to Members, i.e. to reflect the different options along with the names of the Members that supported those options. The decision to present the text in the form that was before Members

had been taken at the request of the LDCs. On proposal no. 23, Members could see that the language was the same as the one contained in the 14 November text, except that the differences had been reflected in a different way. On proposal no. 36, the LDCs had separated their own text so that their position could be shown clearly. That text did not reflect their original position; it was a compromise based on the Chairman's earlier proposed language. The options of the other proposals included the Chairman's text as well as language reflecting other Members' views, which would be helpful as Members engaged further. On proposal no. 38, Members had made progress and as mentioned earlier, there were no objections to the language on the table. On proposal no. 84, the language put forward by the LDCs was largely built around the language that he had earlier proposed. Although views were initially far apart, Members had managed to build some common ground in the course of the negotiations. Proposal no. 88 included the LDCs' option as well the option put forward by some other Members. Unfortunately, Members had not been able to significantly engage on that proposal. He hoped that when discussions resumed Members would be able to close the remaining gaps.

92. The meeting continued in an informal mode and thereafter reverted to a formal mode.

93. The Chairman said that in the language for the draft Ministerial text, he had specifically not mentioned the 28 Agreement-specific proposals but had made provision for Ministers to decide on the matter. At that stage, Members had no time to engage in substantive discussions on the issue. He said that since the last meeting, Members had made significant progress on reaching an agreement on the text to be provided to Ministers on the LDC proposals. Since the last formal meeting, Members had been concentrating on two issues; the first related to the text that would reflect the status of the negotiations on the five LDC proposals, and the second related to the language that would form part of the Ministerial text. On the five Agreement-specific proposals, he was pleased to report that there was an agreed text that would constitute part of the Annex to the Ministerial text. That text simply reflected the status of the negotiations and there was room for Members to provide any additional suggestions. On the language for the draft Ministerial text, Members had had discussions in various consultations and he would revise the language based on the suggestions made and make the language available to Members at the next meeting which would hopefully be held early in the following week.

94. The representative of Kenya addressed the questions that had been raised with respect to the African Group's proposed language for the draft Ministerial text. With respect to bringing back the Category II Agreement-specific proposals to the Special Session, his delegation had in the past explained that it had not been possible to follow those proposals in the subsidiary bodies due to the African Group's capacity constraints. He hoped that that was an adequate enough reason to bring the proposals back for consideration in the Special Session. If Members intended to complete work on those proposals, then they would need to be brought back and addressed in the Special Session. As long as those proposals remained under consideration in those subsidiary bodies they would not be completed anytime soon and his delegation did not want them to end up like the implementation issues. Once the Category II proposals were brought back to the Special Session, the African Group would be ready to engage. He recalled that the Special Session had been established by the TNC as a negotiating body and that Members had faced a number of problems addressing the Category II proposals forwarded to regular bodies, also because those were not negotiating bodies. All those issues needed to be kept in mind. With respect to the sequencing of work, the African Group was not suggesting that the outstanding issues be discarded, after all those issues included the Monitoring Mechanism which was an African Group proposal. However, the African Group wished to see the Agreement-specific proposals addressed as a matter of priority. He disagreed with those Members that had mentioned that the African Group's suggestion of 'incorporating a Trade and Development framework into the architecture of WTO rules' was introducing a new element to the work of the Special Session. As the African Group understood it, S&D provisions were meant to address some of the developmental concerns and since the Doha Round was a development round, there should be no problem in considering a trade and development framework. Such a framework could help Members resolve some of the Agreement-specific proposals. Alternatively, Members could pick out those provisions that related to development and consider whether they could all be put together in

developing a framework. Referring to the 28 Agreement-specific proposals which had been agreed to before Cancún, he said that Ministers had not been able to make a decision on them because they had felt that the proposals were not of much commercial value. Members would need to add proposals of more meaningful commercial value before any decision could be taken on those proposals. That had not happened and the Chairman's suggested language for the draft Ministerial text recommended the adoption of those proposals which was unlikely. He wondered whether there was any reason to adopt them since those proposals had not been revisited. In that regard, he made reference to the African Group's submission titled 'Analysis of the twenty-eight agreement-specific proposals' which he suggested Members consider before making any decision on those proposals.

95. The representative of Guatemala said that his delegation wished to be associated with the second option on proposal no. 23 along with the delegations of Costa Rica and Paraguay and the third option on proposal no. 36 along with Costa Rica and the US for reasons that had already been mentioned.

96. The representative of the Philippines on behalf of the ASEAN, expressed regret that Members would proceed on the basis of text that contained the different options on the proposals, rather than a unified text with brackets. His delegation felt that the options would make it complicated for Ministers. He recalled that paragraph 44 of the Doha Mandate instructed Members, among other things, to be precise in their efforts to clarify and strengthen S&D. The Chairman's option for proposal no. 36 effectively fulfilled that mandate because it provided clarity as to how developing countries would participate if and when they were in a position to contribute to the objective of DFQF market access.

97. The representative of Peru said that her delegation wished to associate itself with the second option of proposal no. 23 and the third option on proposal no. 36.

98. Since no other Members wished to take the floor, the Chairman said that he would adjourn the meeting and reconvene it as soon as was possible. He said that while the 18 November text might not have been ideal, it did seem to be a good basis for negotiation. It clearly reflected the LDCs' views, as well as those of other Members. The explanation that would be included in the TNC and General Council reports, would enable Members to appropriately brief their Ministers. He would, however, make efforts to ensure that Members continue work on the proposals. On the Ministerial text, he said that Members' suggestions had been useful and he would need their goodwill to allow him to revise the language in a way that would not create controversy. He would incorporate as many suggestions as possible in the language, though he may not be able to reconcile the substantive differences.

99. The meeting was adjourned and thereafter reconvened on 21 November.

100. The Chairman said that Members had discussed how they would present the language of the five LDC Agreement-specific proposals to Ministers, as well as how to deal with discussions on the Ministerial text. He was pleased to state that since then Members had agreed on a text that reflected the state of play on the five LDC Agreement-specific proposals and which would form part of the Annex to the draft Ministerial Declaration. The final version of the text was available for Members and would provide a basis from which Ministers could work. He had incorporated some of the changes that had been suggested by some Members at the last meeting. Subsequently, a few other Members had associated their delegations with proposal nos. 23 and 36. He said that with respect to language for the Ministerial text, Members had had quite substantive discussions and provided specific suggestions and views on the language. He had reflected carefully on those suggestions in order to incorporate as many of them as possible. As Members were aware, there was not enough time to debate conceptual issues and find a negotiated agreement on them. Therefore, insofar as the suggestions were of a nature that could be incorporated without further conceptual debate, he had included them in the text. He hoped that he had done justice to Members' suggestions. In the first paragraph he had attempted to incorporate the views reflected in the African Group's submission on

possible language for the draft Ministerial text. That was the inclusion of a reference to the mandate contained in paragraph 44 of the Doha Ministerial Declaration which was consistent with the Special Session's mandate. In the second paragraph of his text, he had distinguished between the LDC Agreement-specific proposals and the other proposals and had reflected, as some Members had suggested, that progress had been made on both the LDC Agreement-specific proposals and on the remaining Agreement-specific proposals. He had retained the option for Ministers to adopt the decisions contained in the Annex. Those decisions could include the five LDC Agreement-specific proposals, and any other decisions that Members might wish to include. As had been suggested by some Members, he had included a reference that substantial work remained to be done. He had also included a political statement which reflected Members' continued commitment to addressing the concerns and interests of developing countries, especially LDCs. The third paragraph related to the issue of the Category II proposals, and had been amended to read "We instruct the Special Session to continue to coordinate its efforts". He believed that that was the best possible compromise he could come up with. There were differing views among Members, with some Members suggesting that the Category II proposals be brought back to the Special Session for consideration and others arguing that it was best to continue consideration of those proposals in those bodies. As Chairman, he was not in a position to change the Mandate. What he could do was to report those views to the General Council and request that the Chairperson of the General Council consult on the question of recalling the Category II proposals to the Special Session. However, the Special Session would, in the meantime, be urged to coordinate its efforts with other bodies in order to ensure that progress was made on those proposals. How the Special Session chose to do that was up to Members to decide once discussions resumed the following year. In the last paragraph, he had included the need to reinvigorate work on the outstanding issues, because a number of Members had stressed the need to do something more on those issues. Those included issues of a general nature which were not of the Agreement-specific type, one of which was the issue raised by the African Group on the need for an overarching framework agreement on trade and development, which he felt could be easily included under the mandate of incorporating S&D into the architecture of WTO rules. Discussions on developing such a framework could therefore be addressed under that part of the Mandate. He hoped that he had done justice and struck a balance between Members' views. Those Members who felt their views had not been effectively reflected in the text, would have the opportunity to make that known when the text was being discussed in the General Council. However, he still wished to get Members' comments and suggestions on ways that the text could be improved.

101. The representative of Egypt said that he would make a few comments on the suggested language and while his delegation would have the opportunity to express its views at the General Council meeting, he reserved the right for the Chairman's report to reflect those views. First, with respect to the second paragraph, his delegation had maintained that it did not believe that some progress had been made on the remaining Agreement-specific proposals. His delegation had in fact stated that it was concerned about the lack of progress. He therefore hoped that would be taken on board. With respect to the Category II proposals, it was clear what the African Group's position was. He said that the African Group would consider circulating its suggested language for the draft Ministerial text as a way to reserve its right to revert to the issue. His delegation had expressed concerns about the inclusion of the word 'reinvigorate' in the third paragraph because it assumed a kind of priority on the outstanding issues while sidelining other issues. Also, in that paragraph there did not seem to be the inclusion of the African Group's suggestion of a trade and development framework, instead there was a mention of incorporating S&D into the architecture of the WTO rules. If the Chairman wished to maintain the word 'reinvigorate' in the text, then perhaps the notion of a trade and development framework could be included instead of the notion of incorporating S&D into the architecture of the WTO rules. While the present draft was clearly an improvement from the first one, his delegation reserved its right to revert to some of the issues he had raised.

102. The representative of Zambia commented on the second paragraph. He said there were two possible scenarios that Members could be faced with at the Ministerial Conference. The first was that Members would not reach an agreement on the Annex in which case the first sentence making

reference to the progress made on the LDC Agreement-specific proposals would not be valid. If Members did reach an agreement, then that reference would be adequate. Therefore, taking that into account, his delegation suggested that the first sentence be modified to read "We take note of the work done on five of the LDC Agreement-specific proposals". He sought clarification as to what progress the Chairman was referring to in the second sentence which read "We also note that some progress has been made on the other remaining proposals".

103. The representative of India said that he had three brief comments. First, his delegation like the delegations of Egypt and Zambia, was not certain what progress the Chairman was referring to in the second paragraph. The idea that Members had achieved some progress on the other proposals was perhaps stating more than had been actually achieved on the other proposals. Second, the issue of DFQF access for LDCs needed to be reflected somewhere. He recalled that the Chairman had, at another meeting, mentioned that it was possible to reflect the issue somewhere else in the draft Ministerial text. If that was the case, then it did not matter but if not, then it would need to figure somewhere in the language. He agreed with the representative of Zambia that if Members did not agree on the five LDC proposals, stating that progress had been made was overstating the case. Including the notion that work had been done would capture what Members had done more accurately. Third, it was important to come up with a more neutral expression for the outstanding issues. The outstanding issues were part of the Mandate and his delegation intended on working on them, but a more neutral expression would be helpful.

104. In response to the representative of Egypt's view on the inclusion of the word 'reinvigorate' in the last paragraph, the representative of the United States said that she believed that 'reinvigorate' was the appropriate word to use since Members had had no discussion on that element of the Mandate for a year and a half. There was therefore a need to resume work on those issues and that meant reinvigorating the discussions as appropriate. With regard to the third paragraph, it was not fair to say that there had been a total lack of progress on the Category II proposals. She recognized that in some areas there had been more discussion than in others, but there had been serious engagement in some of the negotiating groups as the Chairman had pointed out. Therefore, one possibility was to include language along the lines of 'the relative lack of progress'. With respect to the suggestion made by the representative of Zambia of including the notion of 'work done', she said that even if no agreement was reached on the LDC proposals, there had been a rather dramatic shift in the WTO in terms of the need to address issues of importance to the LDCs as a matter of priority and therefore merely stating that work had been done did not quite capture that notion.

105. The representative of the European Communities said that his delegation agreed with what had been mentioned by the representative of the United States. In particular, his delegation felt that it was fair to convey the idea of reinvigoration in the last paragraph because Members had prioritized the Agreement-specific proposals which had resulted in no work on all other elements of the Mandate. It was therefore a question of conveying the message that that situation needed to change if Members were to complete all elements of the mandate in the course of the negotiations. He also agreed that it was inaccurate to convey the impression that no progress had been made whatsoever, particularly on the LDC proposals where the debate had considerably progressed in terms of narrowing down the positions. His delegation remained hopeful that those positions would continue to be narrowed down in order to enable Members to reach an agreement in Hong Kong. However, even if that did not happen, positions were much closer than they had been during discussions in the run up to the July Decision.

106. The representative of India asked whether Members could consider including the word 'resume' instead of 'reinvigorate' as that would make the intention of getting back to work on the outstanding issues clearer.

107. The representative of Canada said that his delegation wished to maintain some stronger language in the last paragraph. Even the word 'reinvigorate' seemed to indicate that at some point the

work was active which was not the case. His delegation preferred a word along the lines of 'reinvigorate' rather than 'resume'.

108. The representative of Egypt agreed that 'resume' would be a better option.

109. The representative of Brazil said that he was a bit struck by the sentence that stated that some progress had been made on the other remaining proposals. He agreed with the suggestion of replacing 'reinvigorate' with 'resume'.

110. The Chairman suggested that the final drafting be left to him. He had heard Members' views and it would not be possible to negotiate every word. There were clearly differences of emphasis reflecting different Members' perceptions. He was not going to make too many changes to the draft, he would simply attempt to strike a balance. He would then submit the text to the General Council as the final draft on which Members would have the right to comment on. As long as Members did not have fundamental objections, the text could be forwarded to the General Council. There were clearly some differences in perception and emphasis, but he had not heard any fundamental objections to the text.

111. He thanked Members for their support and contribution to the process. The debate had been enriching and he had, in spite of the difficult moments, found it helpful that Members had always worked towards fulfilling the Mandate contained in paragraph 44 of the Doha Ministerial Declaration. Although he was disappointed that Members had not made sufficient progress, he was mindful that there was still time to do so. He hoped that in Hong Kong, Members could use the text on the five LDC proposals as a basis to make progress. He believed that although Members had not reached consensus on all five proposals, they had made good progress. At least Members had agreed on one proposal and were close to agreement on another three proposals. He thanked the LDCs for not accepting to continue on the basis of the Chairman's proposed text. Members were still far apart on the issue of DFQF market access for LDCs. He said that his overall sense was that the Special Session was not just dealing with Agreement-specific proposals but rather dealing with very complex, abstract and conceptual issues which struck at the heart of the WTO and the values that it held. It was for that reason that the negotiations had been so complex and difficult. He looked forward to the discussions that would take place in Hong Kong and subsequently on some of the issues. He felt that the proposal that the African Group might table on the development framework could contribute to the debate that Members had begun earlier that year.

C. OTHER BUSINESS

112. Since no issue had been raised under "Other Business" the meeting was adjourned.
