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Committee on Trade and Development Thirty-first Special Session

NOTE ON THE MEETING OF 28 SEPTEMBER 2007

Chairman: Ambassador Thawatchai Sophastienphong (Thailand)

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A. ADOPTION OF THE AGENDA

1. The draft agenda for the meeting as contained in airgram WTO/AIR/3069 of 18 September 2007 was adopted.

B. CONFIRMATION OF THE APPOINTMENT OF THE CHAIRPERSON

2. The Chairman-designate proposed that, following the consensus for him to replace former Chairman, Ambassador Burhan Gafoor, the Special Session of the Committee on Trade and Development (Special Session) confirm his appointment as Chairperson. Ambassador Thawatchai Sophastienphong's Chairmanship was accordingly confirmed.

3. On behalf of all Members and the Secretariat, the Chairman thanked the former Chairman, Ambassador Burhan Gafoor, for his tireless efforts and hard work in taking the work of the Special Session forward. Without his guidance, Members would not have made the kind of progress that they had. He wished him well in his future endeavours. Members which took the floor during the meeting also expressed their gratitude to Ambassador Gafoor for his dedication and commitment to the work of the Special Session. In particular, the representative of Singapore, on behalf of ASEAN, stated that she was confident that the newly appointed Chairman would ably steer the work of the Special Session which was vital to achieving a balanced and fruitful outcome in the Doha Development Agenda (DDA), not just for developing and least-developed countries, but for all WTO Members.

4. Before moving on to the substance of the agenda, the Chairman went on to brief Members on how he intended to proceed with the meeting. He said that the mandate for the Special Session was contained in paragraphs 35 to 38 of the Hong Kong Ministerial Declaration. That mandate, which would continue to guide the work of the Special Session, focused on three main areas. First, completion of the review of all the outstanding Agreement-specific proposals with a view to reporting to the General Council, with clear recommendations for a decision, second, coordinating efforts with the other WTO bodies in order to complete work on the Category II proposals, and third, resuming work on all other outstanding issues, including on the cross-cutting issues and reporting on a regular basis to the General Council. Members had on the agenda consideration of the Agreement-specific

proposals and the Monitoring Mechanism. He said that while it was not his intention to get into substantive discussions on any of the agenda items, he did intend to give Members the opportunity to make any comments that would help him better understand their positions on the different issues. He was aware of Members' current preoccupation with the negotiations on non-agricultural market access (NAMA) and agriculture, and while the focus was currently on those negotiating areas, he echoed the sentiments of his predecessor that the Special Session must keep up with the wider process and not get left behind. At the time when agreement would be reached on the other negotiating areas, the Special Session needed to be prepared to table something. Therefore, work in the Special Session needed to continue, albeit at a different pace.

C. AGREEMENT-SPECIFIC PROPOSALS

5. The Chairman said that the Special Session had been mandated to complete the review of all the outstanding Agreement-specific proposals. It was his understanding that there were 16 remaining Agreement-specific proposals under consideration in the Special Session and that Members had, for the past year and a half, been concentrating their efforts on seven of these proposals. These included proposal no. 13 on Article XVIII of the GATT, two proposals on Article 10.3 of the Sanitary and Phytosanitary (SPS) Agreement, one proposal on Article 10.2 of the SPS Agreement and three proposals on Article 3.5 of the Agreement on Import Licensing. At the last formal meeting held on 11 July, the Chairman had put forward revised language on proposal no. 13 on Article XVIII and proposal nos. 24 and 25 on Article 10.3 of the SPS Agreement. He had been given to understand that these revised texts were a result of informal consultations, as well as language proposed by some Members. India had also tabled revised language on its proposal, proposal no. 79 relating to Article 10.2 of the SPS Agreement. No revised language had been put forward on proposal nos. 28, 29 and 30 relating to Article 3.5 of the Agreement on Import Licensing Procedures because the Chairman had felt that there was a fair degree of convergence on these proposals. As mentioned at the last formal meeting, the revised texts that the Chairman had put forward on Article XVIII and Article 10.3 of the SPS Agreement were in no way definitive or final. The texts were an attempt to capture the progress that had been made over the past year and a half, and his aim was to take that work forward. The texts would, therefore, be used as a basis for the Special Session's work over the coming months and it was his hope that Members would build on it and reach convergence.

6. He went on to provide Members with the opportunity to give their views on the remaining Agreement-specific proposals one at a time. He said that the language on proposal no. 13 on Article XVIII of the GATT provided an interpretation of the provisions therein and sought to ensure that these provisions were implemented in a manner that would facilitate the attainment of the goals contained in Article XVIII. It stated that, while taking account of other Members' rights, developing and least-developed country Members would not be expected to undertake measures that would undermine the attainment of these goals. The proposal also sought a review and simplification of the procedures for recourse to Article XVIII.

7. On behalf of the African Group, the representative of Uganda said that special and differential treatment (S&D) was crucial for Africa's development. All the 28 Agreement-specific proposals, as well as the remaining 16 Agreement-specific proposals were important to the African Group. In particular, it was important to carry out a review of Article XVIII in order to address the needs and concerns that the African Group was attempting to address. In light of the developments that had taken place in the negotiations to reduce and bind tariffs, the African Group felt that it was now necessary to revise the language currently on the table. These developments related to the need for developing and least-developed countries, as well as small and vulnerable economies, to bind their tariffs both in the industrial and agricultural sectors. That would lead to complete elimination of the flexibilities which these countries presently enjoyed. As a result, developing countries wishing to promote the development of new or recently established industries would no longer have the flexibility to do so. Most African countries exported primary products and the only way to promote

the development of new industries was to add value to those products. That was one of the areas where Article XVIII could help. The present procedures for recourse to Article XVIII were complex and rigid, which was the reason why the African countries had not been able to seek recourse to these provisions. The adoption of simplified procedures for recourse to Article XVIII was important, and the African Group felt that should be addressed in the context of the current negotiations to take into account the additional obligations that developing countries were going to be undertaking.

8. The representative of Norway said that the mandate of the Special Session was important and integral to the Single Undertaking. His delegation agreed with the Chairman that, when there was a breakthrough in other areas of the negotiations, the Special Session should not be found wanting. A lot of work had been carried out on the remaining Agreement-specific proposals and his delegation felt that it should be possible to agree on a package of decisions that would make S&D provisions more precise, effective and operational. He agreed with the representative of Uganda that Article XVIII was lengthy and complicated. However, his delegation had struggled to see what the practical implications of the different textual proposals that had been tabled would be. To ensure predictability and credibility of the multilateral trading system, it was necessary to uphold the principle of due process. It was also important to avoid purely unilateral decisions from a Member that believed it was entitled to use the provision and to take the rights of other Members into consideration, particularly developing and least-developed county Members.

9. The representative of the United States pledged her delegation's continued engagement in fulfilling the mandate given by Ministers at Doha to make the S&D provisions more precise, effective and operational. On the proposal relating to Article XVIII of the GATT, she said that her delegation wished to remain practical. Her delegation had strong concerns with respect to launching an open-ended time-consuming review of Article XVIII, and was concerned that no information had been provided as to why Article XVIII had not been invoked. Her delegation's criteria for evaluating the proposal remained to ensure that the text was consistent with the drafting records of Article XVIII, including the related legal decisions. The proposed flexibility would also need to be consistent with demonstrated need. The goals of Article XVIII included both the provision of precise flexibilities for developing countries and the protection of Members' rights as secured by the GATT. It was important that that balance be maintained.

10. With respect to the way forward, the representative of Egypt said that his delegation recalled that the texts relating to proposals no. 13 on Article XVIII of the GATT and 24 and 25 on Article 10.3 of the SPS Agreement were circulated at the meeting held on 11 July 2007. As far as his delegation was concerned, those texts were not the basis for negotiations. The basis to continue discussions should be the language that was being discussed before 11 July. His delegation had not agreed on either of the languages as a basis for further work.

11. The representative of Canada said that the Chairman's summary had provided a good sense of where Members were and where they were headed in the future. He said that Members had made good progress and had been able to adopt some proposals at the Hong Kong Ministerial Conference. There were proposals that remained to be addressed and he believed that Members could make progress on some of those proposals. He said that his delegation had had difficulties with the proposal no. 13 relating to Article XVIII of the GATT because it was not clear what the concerns over its functioning were. He noted that Members had faced the same challenge in 1987 when they were reviewing Article XVIII. The challenges, then and now, remained the same. The Article had been rarely invoked and the reasons on the need to strengthen and clarify it remained unclear. His delegation continued to see a need to maintain an inherent balance between the rights and obligations implicit in Article XVIII.

12. The representative of Lesotho associated the LDCs with the statement made by Uganda on behalf of the African Group.

13. The representative of the European Communities shared the Chairman's view that while the focus was on the agriculture and NAMA negotiations, the Special Session should not be left behind. His delegation agreed that the work of the Special Session was integral to the DDA and was committed to reaching an agreement on the outstanding work. In order to reach agreement on a pro-development package, all Members would need to exercise the flexibility necessary to reach consensus. He said that on the proposal relating to Article XVIII of the GATT, his delegation believed that the text went in the right direction. However, that did not mean that more work was not needed. Members needed to review how the procedures for recourse to Article XVIII could be applied in order to address the concerns of the proponents. His delegation remained committed to finding a solution on that issue.

14. The representative of Hong Kong, China said that the African Group seemed to have some new ideas to put forward on Article XVIII and, if that was the case, it would be useful if that could be circulated in advance. Article XVIII was complex and Members would need time to understand what was being proposed, and its implications, and then be able to respond accordingly.

15. The representative of Uganda said that the African Group intended to circulate language on Article XVIII in the coming weeks.

16. Moving on to proposal nos. 24 and 25 on Article 10.3 of the SPS Agreement, the Chairman said that the language on these proposals related to two proposals tabled by the African Group and a group of developing countries on the SPS Agreement. It sought flexibility in providing time-limited exceptions in whole or in part for developing country Members from their obligations under the SPS Agreement. The language incorporated an idea tabled by New Zealand for the SPS Committee to take a decision by the third meeting at which a request was considered. It went further by including a time-limit of 12 months in which a decision should be taken. In this regard, the process of considering such requests would take into account the individual financial, trade and development needs of the requesting Member. The proposal also stated the need for Members to facilitate the provision of technical assistance if requested by a developing country Member in relation to its request.

17. The representative of New Zealand said that as noted by the Chairman, her delegation had suggested alternative language on the proposal with the intention to provide greater clarity for developing countries in making use of the mechanism that already existed under Article 10.3. Her delegation's proposal contained three elements: first, to make it more explicit that developing country Members had the right to make requests pursuant to Article 10.3; second, to ensure that the SPS Committee would consider any requests it received; and third, that a decision would be made within an explicitly reasonable time-frame. Prior to the summer break, the former Chairman had tabled a revised text which drew, in part, on her delegation's proposal specifically regarding the time-frame. Her delegation was pleased to see that addition. However, other elements remained on which her delegation continued to have fundamental concerns. As previously stated, her delegation could not support proposals that would amend or interpret the Article to make it mandatory to grant exceptions on request. Her delegation also shared the concern of other delegations regarding the use of the term "positive consideration". However, it was good to see that other Members, including Egypt and Hong Kong, China had made suggestions and proposals that, in part if not in whole, contained elements with which her delegation could work. Her delegation looked forward to more detailed discussion on the proposal.

18. The representative of Costa Rica said that in the past, his delegation had expressed concerns with certain elements contained in the proposal. He agreed with New Zealand that there were elements contained in the language that were workable. His delegation supported the language that had been proposed by New Zealand and felt that the current language went in the direction of automaticity.

19. The representative of Japan said that the language on proposal nos. 24 and 25 still required further clarification. While the proposals belonged to Category I, it was important to coordinate and consult with the SPS Committee on its wording and content. It was important to receive further clarification on the issue of facilitating technical assistance if requested by a developing country Member in relation to its request for a specific time-limited exception.

20. The representative of Argentina said that his delegation had always supported the mandate contained in paragraph 44 of the Doha Ministerial Declaration. S&D signified the recognition of the difficulties faced by developing and least-developed countries in fully benefiting and participating in the multilateral trading system. S&D was an instrument to overcome those limitations. Many of the proposals that had been tabled were important and served to promote economic development and his delegation was willing to consider them further. With respect to the proposal relating to Article 10.3 of the SPS Agreement, he said that it was important to maintain the current balance in the SPS Agreement in order to ensure an effective instrument for development.

21. The representative of the European Communities said that some of the elements that his delegation was not comfortable with in the proposal had already been raised by other Members. With respect to the notion of facilitating technical assistance, it was not clear what was being expected from Members. He underlined the need to work in conjunction with the SPS Committee in order to reach a more coherent and realistic outcome.

22. The representative of Australia said that in the past his delegation had queried the need to clarify, interpret or amend Article 10.3 of the SPS Agreement, which as far as his delegation was concerned had never been invoked. Nevertheless, his delegation had listened to some of the concerns raised, for example, that there was no certainty that the SPS Committee would, in fact, consider any request and do so within a reasonable period of time. In this context, his delegation had found the suggestions made by New Zealand as useful in seeking to address those concerns without going too far and prejudging the outcome of the Committee's consideration of the request. His delegation considered New Zealand's ideas as a good basis for any agreement on that proposal.

23. On proposal no. 79 relating to Article 10.2 of the SPS Agreement, the Chairman said that the language tabled by India sought to ensure that where the appropriate level of sanitary or phytosanitary protection allowed scope for the phased introduction of new SPS measures, developing countries be provided with a period of at least six months to comply with these new SPS measures.

24. The representative of India reiterated that the objective of tabling their proposal was based on practical problems faced by exporters when the time-frame for complying with onerous and expensive SPS measures had led to restrictions. At the time the proposal was tabled, his delegation had clarified that its intention had been to provide at least six months to comply with restrictive and non-liberalizing SPS measures. Furthermore, the conditions for the introduction of emergency measures were different from what his delegation was seeking and were separately provided for under the SPS Agreement. Article 10.2 of the SPS Agreement allowed for phased introduction of new SPS measures and it was important to accord longer time-frames for compliance on products of export interest to developing country Members, so as to maintain export opportunities. He said that several developing country Members had noted that Article 10.2 had not been implemented in a satisfactory manner. In its review of the operation and implementation of the SPS Agreement, the SPS Committee only took cognisance of this problem but had not suggested any concrete measures to overcome the situation which developing countries had been facing. A number of countries were involved in protracted discussions over tolerance limits for pathogens' test, be it pesticides or residues. It was discouraging to see that these issues came up primarily in cases where importing countries had set their own limits which exporting countries found difficult to meet. In reality, these acted as non-tariff barriers. That was all the more so when importers introduced measures that went beyond

health concerns and established SPS norms. After consultations with some Members, his delegation had tabled revised language in June 2007.

25. The representative of Australia said that the proposal on Article 10.2 of the SPS Agreement continued to be of great concern to his delegation. Phased or otherwise, SPS measures were science-based and for that reason, as it had stated in previous meetings, it could not accept the idea of a mandatory minimum time-frame for compliance with Members' SPS measures. That would undermine the right of Members to set their own scientifically-based SPS measures and implement them in a manner consistent with the risks identified. That applied regardless of whether the measures were emergency in nature, or otherwise. The existing flexibility in Article 10.2 of the SPS Agreement, together with paragraph 3.1 of the Decision on Implementation Related Issues and Concerns, was as far as his delegation could go on the issue.

26. The representative of Pakistan said that her delegation supported the proposal tabled by India and believed that reaching an agreement on the proposal would enable developing countries to address some of the problems their exporters experienced when having to comply with SPS measures.

27. The representative of the United States said that her delegation believed that it was already meeting its obligations under Article 10.2 of the SPS Agreement. Best efforts were always made to allow Members time to comply with new SPS measures. Her delegation did not think that the problem could be addressed through textual proposals. Her delegation could not support making the notion of granting longer time-periods for compliance with phased SPS measures mandatory, because Members should never be put in a position where safety would have to compete with mandatory requirements for delayed implementation of necessary SPS measures.

28. The Chairman said that the last three proposals, 28 to 30 related to Article 3.5 of the Agreement on Import Licensing. The language on these proposals related to three separate proposals tabled by the African Group, Thailand and India on Article 3.5 of the Agreement on Importing Licensing Procedures. The language stated that while all Members would endeavour to provide import statistics for products subject to import licensing, for purposes of Article 3.5 (a) to (iv), developing country Members would not be expected to provide these statistics unless they could do so without taking on additional administrative or financial burdens that went beyond their capacity. It also sought to define the obligations in Article 3.5(j) and attempted to address the concerns expressed regarding the allocation of licenses. One alternative was provided in brackets.

29. The representative of Thailand pointed out that the fact that no one had taken the floor on the proposals relating to Article 3.5 of the Agreement on Import Licensing, confirmed what the Chairman had stated earlier, that there was relatively more convergence on these proposals. Having seen that over the past year there had been considerable progress made on those proposals, one of which had been tabled by his delegation, he did not underestimate the effort that Members still needed to make in order to reach an agreement on these proposals. His delegation did, however, consider the proposals as being among those on which there was a greater likelihood of reaching convergence. He reiterated his delegation's commitment to listening to new textual ideas on the proposals.

30. The Chairman said that the discussions had certainly helped him to get a better idea of Members' positions on the different proposals. It was clear that he would need to hold small group consultations at which Members would have the opportunity to provide more substantive comments. He said that he would maintain a transparent process and communicate any developments to the wider Membership. He also intended to maintain the text-based approach that Members had been engaged in, so as to avoid broad, repetitive discussions. He believed that would enable Members to build on the progress already made. He reiterated that the language which Members had before them on the different proposals was in no way agreed but it was useful in that it provided a basis on which Members could continue their work. Members were, of course, free to suggest or table alternate

language that would help move the process forward. He said that he was aware that there were a further nine Agreement-specific proposals on which Members were yet to reach an agreement. These proposals had been set aside by his predecessor because he was of the view that it would be difficult to reach convergence on these proposals on the basis of the existing language. While he was willing to address these proposals, he felt that it would be worthwhile for him to do so only after Members had put forward new language or ideas. He did not see any value in continuing discussions on the basis of the existing language, if it was just to repeat well-known positions. He, therefore, intended to keep those proposals aside until such a time that Members wished to take the discussions forward by tabling new language and ideas.

31. He went on to say that the Hong Kong Ministerial Declaration had also mandated the Special Session to continue coordinating its efforts with the other WTO bodies to which the Category II proposals had been referred in order to ensure that progress was made on these proposals. He was aware of Members concerns with the lack of progress in this area, and he would shortly contact the various Chairs, to see how progress could be made on these proposals. It was clear from some of the reports already received, that a number of the proposals were being dealt with as part of the ongoing negotiations. The challenge would be to find a way to expedite progress on those proposals that were not being addressed as part of the ongoing negotiations.

32. Members went on to address the duty-free quota-free (DFQF) market access issue under the agenda item relating to the Agreement-specific proposals. The Chairman said that the Hong Kong Ministerial Decision to provide LDCs with DFQF market access was a significant one. However, its significance would only be truly realised once it was effectively implemented. He was aware that there were a number of issues, including on rules of origin as well as market access, that the LDCs wished Members to address in order to ensure effective implementation of the decision. As a result, the LDCs had tabled two submissions on which engagement had been rather minimal. He was also aware that a number of concerns had been raised with respect to addressing these issues in the Special Session. As Chairman, he would listen to Members and ensure that he served the process as best as he could. He was aware that the former Chairman had encouraged the stakeholders to meet among one another to resolve their differences. This was something that needed to continue. At the same time, he knew of the LDCs' desire for him to become more involved in facilitating dialogue among the stakeholders. He was willing to facilitate such a dialogue but it was important not to forget that Members themselves needed to be willing to engage and find the solutions.

33. On behalf of the LDCs, the representative of Lesotho said that the LDCs fully recognized the vital contribution that trade could play in alleviating poverty, as well as in promoting economic growth and development. However, to attain such noble aspirations, a pragmatic trigger was necessary to stimulate the flow of investment, expansion of production and exports. It was for these reasons and in order to ensure effective implementation of the DFQF market access decision adopted at the Hong Kong Ministerial Conference that the LDCs had tabled two submissions, one on rules of origin contained in document TN/CTD/W/30 and the other on market access contained in document TN/CTD/W/31. Unless the DFQF market access decision was implemented in line with the two LDC submissions, the development dimension of the Doha Round would not be realised in its true sense. For the LDCs, putting development at the centre of the negotiations entailed paving the way for meaningful and effective participation of LDCs in the multilateral trading system. This would be realised first, through enhanced market access for both goods and services of export interest to LDCs in both developed and developing country markets, and second, by levelling the playing field by removing trade distorting support and effectively addressing non-tariff barriers. While the LDCs were cognisant of the efforts that had been made by a few Members to pave the way for implementation of the decision, they also noted that the current state of the negotiations had so far not lived up to the LDCs' expectations. Instead, Members lacked enthusiasm to engage positively on key issues of interest to the LDCs, such as on the LDC modalities in the services negotiations, the DFQF market access decision, including the accompanying simplified rules of origin. He stressed the need

to ensure that the implementation of the modalities of the DFQF market access decision were integral to the final modalities of the DDA package and stated that that was the reason why the LDCs strongly believed that the outstanding elements relating to the decision should be addressed in the Special Session. The ultimate goal for the LDCs was to attain DFQF market access for 100 per cent of LDC exports accompanied by simplified and transparent rules of origin, which would prevent trade deflection and address more accurately the LDCs' actual manufacturing capacities and enhance efficiency in their production processes. The LDCs appreciated the willingness of some Members to grant DFQF market access for 100 per cent of LDC exports from the start of the implementation period as provided for in the Hong Kong Ministerial Decision. However, there was a need to fulfil the other part of the mandate, which was to provide simplified and transparent rules of origin. The LDCs urged those Members not in a position to immediately provide DFQF market access for 100 per cent of LDC exports, to ensure that the key products of export interest to the LDCs were included in the initial lines to be offered DFQF market access and to give an indication of when and how the remaining products would be offered such market access. Developing countries in a position to provide DFQF market access to LDCs were urged to do so in accordance with the Hong Kong Ministerial Decision. He concluded by urging developed and developing country Members to honour the commitment they made at the Hong Kong Ministerial Conference in a manner that would translate into concrete deliverables for the LDCs, the marginalized countries in the WTO. He assured the Chairman that the LDCs remained ready to engage constructively.

34. The representative of Bangladesh said that the Special Session had a crucial role to play in ensuring that the Doha Development Round lived up to its nomenclature. He supported the statement made by Lesotho on behalf of the LDCs. He was certain that the Chairman was aware of the LDC concerns with respect to the DFQF market access decision. The LDCs had tabled two submissions to the Special Session in parallel with the Negotiating Group on Agriculture and the Negotiating Group on Market Access. Unfortunately, there had been no initiative or engagement by any Member except for one on the submission on market access. The LDCs were seeking faithful implementation of the DFQF market access decision. He said that the LDCs had repeatedly requested Members to engage on their key concerns. The previous Chairman had made efforts to initiate meaningful engagement but, unfortunately, due to inadequate responses from other Members, his efforts had not succeeded. His delegation appreciated the previous Chairs' efforts, however, he urged the newly elected Chair to make more intense efforts to facilitate engagement among the stakeholders. He reiterated that since the DFQF market access issue was part of the Single Undertaking, it should be discussed in the negotiating bodies, including in the Special Session. The Regular Session of the CTD would review and monitor the implementation of the decision as per the Hong Kong Decision. He said that the LDCs were the most marginalized group of countries in the multilateral trading system and providing them with DFQF market access, along with simple and transparent rules of origin, would not have any adverse effect on the economies of developed and emerging developing countries. Instead, the LDCs would benefit and hopefully be successful in integrating into the multilateral trading system.

35. The representative of Zambia associated her delegation with the statement made by Lesotho on behalf of the LDCs. As alluded to in that statement, the LDCs considered the Special Session as playing a critical role in helping the LDCs integrate into the multilateral trading system. Her delegation welcomed the Chairman's willingness to facilitate dialogue among the stakeholders and she urged other Members to make use of the time that the Chairman would avail to them to address the issue.

36. The representative of Turkey said that her Government attached great importance to building trade capacity for the LDCs and that her Government had been providing DFQF market access for industrial goods originating from all LDCs from 1 January 2006. Moreover, Turkey had recently taken a decision to contribute US\$1 million to the Trust Fund of the Enhanced Integrated Framework (EIF) for trade-related technical assistance for the LDCs. In addition, Turkey was supporting debt relief initiatives for the LDCs. As a donor country, Turkey would continue to support the Poverty

Reduction and Growth Facility of the IMF. It was also committed to the advancement of bilateral commercial relations with the LDCs and the Turkish private sector was actively encouraged to invest in the LDCs. An additional US\$5 million had been allocated to finance small- and medium-scale regional development projects in the LDCs. Official Development Assistance provided by Turkey had steadily increased over recent years and reached US\$750 million in 2006. A fund of US\$15 million had recently been allocated for the implementation of projects through the Turkish International Cooperation and Development Agency (TİKA) in the LDCs, landlocked developing countries and small island developing states.

D. THE MONITORING MECHANISM

37. The Chairman said that the Monitoring Mechanism was one of the outstanding issues on which Members had been able to agree to begin work. At the last formal meeting, discussions on the Monitoring Mechanism were based on the revised non-paper put forward by the former Chairman. While the majority of Members felt that the revised non-paper provided a good basis for further work, clarifications were sought on a number of elements contained therein and the need to further fine-tune some of these elements was emphasized. While it was clear that work would need to continue in small group meetings, he wished to hear Members' views on the non-paper. He informed Members that the Secretariat was in the process of collating information received from other WTO bodies and negotiating groups on the monitoring mechanisms that were currently in place in their respective areas. This was a request that had been made by a number of Members and once that information was received, it would be made available.

38. The representative of Switzerland said that the Monitoring Mechanism was important and the non-paper contained in the last report to the General Council was a good basis on which to continue work. The language contained therein was precise enough, yet leaving necessary room for future developments. Some minor refinements would perhaps be required before Members could reach convergence.

39. The representative of Norway said that his delegation believed that the Special Session had made substantial progress during 2007. His delegation favoured a simple and practical structure anchored in the CTD – whether in dedicated sessions, a Sub-Committee, or in the Regular Session of the CTD, with periodic debates in the General Council. When deciding on the format of the mechanism's structure, it would be important to consider all the different monitoring arrangements that were being developed in the WTO, such as in the area of Aid for Trade and Trade Facilitation, where different forms of monitoring were being considered. Since the mechanism would be new, it should be allowed to "evolve" in the future and would need to have clear terms of reference from the outset. With respect to the scope, his delegation believed it needed to be "forward-looking" and monitor both the existing S&D provisions from the Uruguay Round and those S&D provisions that would result from future negotiations.

40. The representative of Costa Rica said that in principle the non-paper on the possible elements of the Monitoring Mechanism had been useful in spurring discussions on the mechanism. His delegation agreed that the Monitoring Mechanism should be simple and practical and not duplicate other existing mechanisms. As stated by Norway, it needed to have clear terms of reference from the outset. His delegation had some concerns on a number of elements contained in the non-paper. The two main concerns related to bullet 4 in the structure, which related to the mechanism giving sufficient visibility to the importance of S&D issues in the WTO. It was not clear what that meant and his delegation was not certain how that would be implemented within the proposed Monitoring Mechanism. Addressing that would probably be tied in with discussions on what S&D itself actually meant. His delegation was also concerned about how bullet 5 of the structure on the levels at which the mechanism would function, would relate to bullet 2 of the scope which related to the effectiveness of S&D provisions that would result from the Doha Round of negotiations. The mandate contained in

paragraph 44 of the Doha Ministerial Declaration referred to making the existing S&D provisions more precise, effective and operational.

41. The representative of Argentina said that his delegation considered the Monitoring Mechanism to be important and that the non-paper provided a good basis to continue work. His delegation believed that the Monitoring Mechanism should not constitute a parallel structure and that Members should focus on the effective monitoring and implementation of existing S&D provisions, as well as those arising from the Doha Round of negotiations. The mechanism should facilitate consultations among Members and come up with appropriate recommendations. Information on other mechanisms in place in the WTO would give Members a better idea of what was currently in place, and would help inform the discussions, and would avoid duplication.

42. The representative of Hong Kong, China said that it was useful to keep in mind that when Members had started their work on the Monitoring Mechanism, they had begun on the basis of a list of possible elements of a Monitoring Mechanism. Discussions had of course evolved, but it was important to ensure that the terms of reference were specific and that greater clarity and detail was provided to the existing elements. While the non-paper was a useful basis to continue work, what may be finally agreed could be in a different form.

43. The representative of the European Communities said that his delegation believed that the non-paper was a good basis for further work. In his delegation's view, the Monitoring Mechanism needed to be flexible and forward-looking. It also needed to be practical and result-focused. He agreed with other Members that had stated the need to avoid duplication with similar monitoring taking place in the house. With respect to structure, he said that it would be useful to channel the exercise through the CTD, which of course would not prevent Members from making their views directly known to the General Council.

44. The Chairman said that the discussions had provided him with a better idea of the elements on which further work would be required. Members would of course get an opportunity to provide more detailed comments in the upcoming consultations that he intended to hold. He said that the scheduling of future meetings would largely depend on the wider process. He had, however, tentatively scheduled an open-ended meeting in the last week of October. In the meantime, he intended to hold informal consultations on all elements of the mandate, especially on the Agreement-specific proposals and the Monitoring Mechanism. As he had mentioned earlier, he intended to contact the Chairpersons of the bodies to which the Category II proposals had been referred, to consider additional ways in which to expedite progress on these proposals. The meeting dates, once finalized, would be communicated to Members well in advance to give them adequate time to prepare themselves.
