

**Committee on Trade and Development
Special Session**

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

Report by the Chairman, Mr. Faizel Ismail (South Africa),
to the Trade Negotiations Committee

I. STATUS OF WORK

Since the last report to the Trade Negotiating Committee (TNC), three formal meetings and a number of plurilateral consultations have been held in an attempt to take the work on special and differential treatment (S&D) forward. Based on these consultations I had, early in December 2004 put forward a conceptual approach in line with the Doha Mandate and the July Decision to advance the remaining work on S&D. This approach is built along a number of elements, namely:

- That effective market access for products of export interest to developing countries into world markets remains a critical objective of developing countries in the Doha negotiations and an important means of enhancing their economic development;
- That enhanced flexibility in WTO rules, with appropriate transitional arrangements, should enable the development of developing countries. These additional flexibilities should be made available to those Members that are in need of them to address particular development challenges whilst ensuring that there is no a priori exclusion of any developing country from such a situational flexibility. There should be multilateral monitoring of the use of these flexibilities;
- That these flexibilities in the rules would need to be consistent with a multilateral rules-based system that can effectively manage the trading relationships between all WTO Members. The disciplines of a strengthened multilateral rules-based system also remain important for supporting developing countries' efforts to build their competitiveness and integration into the world economy; and
- That enhanced capacity-building programmes would need to be developed to assist countries to implement WTO rules and address supply-side constraints.

This approach envisages that within the overall context of these elements, Members should re-examine each of the remaining Agreement-specific proposals with two possible non-exclusive options in mind. The first option being that the proposal being addressed could be redrafted or merged with other similar proposals in accordance with the above approach. The second option would be that Members identify the underlying development issues that the different Agreement-specific proposals have raised and to then address those issues in the context of some of the cross-cutting issues. It has also been suggested that since many of the cross-cutting issues would be effectively included in the broad approach, they could be clustered into the following four thematic groups:

- a) Addressing the issues of enhanced flexibility in WTO rules called for by the S&D proposals.
- b) Fleshing out the concept of a Monitoring Mechanism and its implementation that has been called for by various Members.
- c) Addressing the need for enhanced capacity building raised by various S&D proposals.
- d) Building the concept of coherence of policy making and implementation that could effectively assist the WTO to harness the specialist expertise of other multilateral agencies in giving effect to the proposals arising from the thematic clusters 1, 2 and 3 above.

The intention is not to try and get Members to agree to the suggested approach as a consensus document, but instead to use the elements of the approach to broaden the perspective of the discussion in order to identify the underlying developmental issues that the proposals are attempting to address.

Though Members have been cautiously positive about the suggested approach, they have raised a number of concerns and sought clarifications. Most Members feel that any approach on future work should be in line with the mandate of paragraph 44 of the Doha Ministerial Declaration and paragraph 12 of the Decision on Implementation-Related Issues and Concerns. In recent consultations, Members have also stressed that it is important for the Special Session to begin examining the remaining Agreement-specific proposals, especially if "clear recommendations for a decision" are to be made by the July 2005 deadline. In the context of these discussions, the LDCs have proposed, and most Members seem to agree, that the Agreement-specific proposals tabled by the LDCs be addressed as a matter of priority.

II. FUTURE WORK

It is intended to hold further small group consultations with those Members who still have concerns with the approach and to begin work on the remaining Agreement-specific proposals, giving priority to the LDC proposals. The future work, in keeping with the mandate in the July Decision, would combine discussions on the Agreement-specific proposals and the underlying cross-cutting themes of the clusters in which these proposals fall, so as to enable a dynamic interaction between the two. A number of informal consultations are being scheduled, to be followed by a formal meeting of the Special Session on 7 April 2005.
