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Committee on Trade and Development Sixteenth Special Session

NOTE ON THE MEETING OF 1 APRIL 2004

*Chairperson: H.E. Mr. Ransford Smith (Jamaica) for items A-B
and Mr. Faizel Ismail (South Africa) for items C-D*

Subjects discussed:

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A. ADOPTION OF THE DRAFT AGENDA

1. The draft agenda for the meeting as contained in airgram WTO/AIR/2273 of 17 March 2004 was adopted.

B. ELECTION OF THE CHAIRPERSON

2. The Chairman informed Members that the consultations held by the outgoing Chairman of the General Council on the slate of officers for the different WTO bodies had resulted in the proposal to nominate Mr. Faizel Ismail, Head of the South African delegation to the WTO, as chairperson of the Special Session of the Committee on Trade and Development (Special Session) in 2004, and proposed his election.

3. The Committee accordingly elected Mr. Faizel Ismail of South Africa as Chairman of the Special Session.

4. Introducing Mr. Ismail, the outgoing Chairman said that he had been Head of the South African Delegation to the WTO since April 2002. His background in law and development had led to his holding of a large number of prominent positions, including in the Department of Trade and Industry in South Africa. He had been a consultant to the Minister of Trade during the period 1994 to 1995 and had been co-ordinator of a large number of projects including the ANC Policy Team on International Trade; the Department of Trade and Industry team to the National Economic, Development and Labour Committee (NEDLAC); the restructuring and building of the new South Africa international trade relations and export promotion divisions; and the South African Substance Team responsible for hosting UNCTAD IX. He said that, as many Members were aware, Mr. Ismail

had also been the chief negotiator for South Africa for a number of important negotiations. In 2003, he was the Chairman for the Annual General Meeting of the International Trade Centre. He added that Mr. Ismail's experience would be invaluable in his work as Chairman of the Committee and that he would provide strong leadership in taking the work on special and differential treatment (S&D) forward.

5. The Chairmanship of the Committee was handed over by Ambassador Smith of Jamaica to Mr. Ismail of South Africa.

6. In his opening remarks, the incoming Chairman thanked Ambassador Smith for his tireless efforts and perseverance in steering the work of the Special Session and said that it was a pleasure for him to take forward that challenge. He recalled the effort put in by Ambassador Smith and Members in the Special Session before the issue was referred to the General Council in February 2003. In what had been a difficult process it was clear that Members would not have made the progress that they had, had it not been for Ambassador Smith's dedication and perseverance. He expressed the hope that the Special Session would continue to benefit from his knowledge and experience on S&D in the months ahead. He said that for many Members, S&D was at the heart of the Doha Development Agenda (DDA) and the proposals that they had tabled conveyed their expectation and hope that the WTO would continue to build a positive relationship between trade and development. In essence that would require all Members to continue to build the multilateral trading system into an equitable, balanced rules based system that was supportive of the economic development and integration of developing countries into the multilateral trading system. He said that he was dedicated to working with Members to advance that objective and that Members needed to continue to build and nurture the WTO and the multilateral trading system into a global public good that was valuable to all.

C. WAY FORWARD AND STRUCTURE OF FUTURE WORK

7. The Chairman said that, as indicated by the Airgram, he intended to largely devote the meeting to discussing the way forward and the structure of the Special Session's future work. He said that he would initially give an overview of where the work programme stood; share some thoughts with Members; and then listen to their views on how the Special Session should structure its work in the coming months so as to ensure progress in that area. It went without saying that the Work Programme on S&D was an important component of the DDA and movement in that area would have a positive impact on the Doha negotiations as a whole. He was certain that Members realised that aspect of their work. He said that as Members were aware, paragraph 44 of the Doha Ministerial Declaration reaffirmed that "provisions for special and differential treatment are an integral part of the WTO Agreements" and directed that "all special and differential treatment provisions shall be reviewed with a view to strengthening them and making them more precise, effective and operational". In addition, paragraph 12 of the Decision on Implementation-Related Issues and Concerns had mandated Members "to report to the General Council with clear recommendations for a decision by July 2002". However, Members could not bridge their differences on most of the proposals by that time and failure to meet that deadline had led to a further extension of the deadline to 31 December 2002. However, by that time Members could agree to make recommendations on only 4 Agreement-specific proposals. Lack of agreement on most of the other Agreement-specific proposals and on the 'way forward' resulted in the deadline being further extended to 10 February 2003, by which time Members could agree to make recommendations on a further eight Agreement-specific proposals, bringing the total number of recommendations on which there was an in-principle agreement to 12. However, differences remained on whether or not those should be harvested. Thus, in the Committee's February 2003 report to the General Council, Members had agreed to recommend that the General Council take note of the recommendations on the Agreement-specific proposals on which Members had agreed in-principle and revert to the question of their adoption to a later date. Members also recommended that the General Council provide clarification, as it considered appropriate,

regarding paragraph 44 of the Doha Ministerial Declaration and paragraph 12 of the Decision on Implementation-Related Issues and Concerns. The General Council took note of the report and of the statements that were made, and agreed that the Chairman of the General Council, in coordination with the Chairman of the CTD in Special Session, would undertake consultations on how to move the process forward.

8. He continued by saying that in pursuance of that mandate and on the basis of consultations that he had held, the Chairman of the General Council had proposed an approach based on two fundamental premises, namely that all the Agreement-specific proposals remained on the table and would be addressed; and that an informal categorization of the proposals was essential in order to address them in an efficient manner. He said that after lengthy and protracted consultations Members had been able to agree on a number of Agreement-specific proposals. Accordingly, Annex C to the Draft Ministerial Text sent to the Cancún Ministerial Conference contained 24 recommendations by Members for specific action on 25 Agreement-specific proposals. That progress was reflected in paragraph 11 of the revised Draft Ministerial Text, which provided for the adoption of the decisions in Annex C of that text. It also provided for work on the proposals referred to negotiating or other WTO bodies to be continued therein, under the close monitoring of the General Council, and for work on the remaining Agreement-specific proposals, as well as on all other outstanding issues, to be carried out in the Special Session. As a result of the concerns expressed by some Members about the number of recommendations contained in Annex C of the Draft Ministerial Text, a further three recommendations were included in Annex C at Cancún. However, like the draft Ministerial text, Annex C too was not adopted at the Cancún Ministerial Conference and the 28 recommendations on which there was an in-principle agreement, were yet to be adopted.

9. He went on to say that after having been designated as Chairman of the Special Session, he had gone through all the Agreement-specific proposals and had held a number of informal bilateral consultations. Based on his analysis of the proposals and the views expressed informally by some Members, he had attempted to make a brief assessment of the Work Programme on S&D with the objective of seeing how best to make progress and overcome the existing impasse. In his view, the debate held to date on S&D had not been productive, in the sense that it had not yielded any significant results. He said that the discussions had been polarised and had given rise to divergent perspectives not only in relation to the proposals themselves, but also with respect to the process. He felt that it was therefore important to unlock that impasse by identifying possible areas of convergence, something which would depend on Members' political will, flexibility and creativity. He said that while he had some ideas on how to proceed, ideally he wished to hear Members' views on how they wished to take the Work Programme on S&D forward. In that context, he posed three questions to Members. First, he asked what Members wished to do with the proposals on which there had been an in-principle agreement; second, he asked how Members believed the current discussions on S&D could be made more productive; and third, he asked Members their suggestions as to the way forward so as to fulfil the Doha mandate of making S&D more precise, effective and operational.

10. He continued by saying that he was more than willing to hear any preliminary comments that Members might have, even though he intended to explore the issues related to those questions in detail in further informal consultations both plurilateral and open-ended that he would hold with Members. That would enable Members to explore how they could continue their work and address those areas of convergence that they could advance on. With a view to having a frank and open exchange of views on the way forward and the structure of the Special Session's future work, he proposed that the meeting move into informal mode.

11. The meeting continued in an informal mode.

12. During the informal consultations Members expressed broad support for the Chairman's approach. However, there was some divergence of views on what to do with the package of

28 proposals. Some Members felt that even though a lot of work had been done on the Agreement-specific proposals, there were still a large number of proposals that had not been addressed. These Members also believed that the proposals should be further strengthened, something that would help the proponents regain confidence in the process. However, other Members were of the view that future work should build upon the progress that had already been made and that the package of 28 proposals represented an area of convergence that should be adopted as soon as possible, and in any case definitely as part of any package that Members may agree to adopt in July 2004. They also felt that reopening the proposals would not be productive.

13. With respect to how the debate on S&D could proceed more productively, a large number of Members expressed the need to examine the link between trade and development and for the work on S&D to follow a more horizontal approach. It was also stated that there was a need to move away from the mechanical process that Members had been involved in and to find a new approach to the work on S&D. The importance of any package that may evolve by July to include a strong development component was stressed and it was stated that even though the framework on Agriculture and NAMA would contain an S&D component it would be important for the work that had been done in the Special Session to be harvested and included in that package. Some Members mentioned the importance of addressing some of the underlying horizontal issues such as the incorporation of S&D into the architecture of WTO rules; the monitoring mechanism; the objectives and principles of S&D treatment; the special needs of particular groups of countries, etc. These Members believed that a discussion on some of these cross-cutting issues would help provide solutions to the remaining Agreement-specific proposals. However, other Members expressed concern about discussing cross-cutting issues, since that could lessen the focus of the work on the Agreement-specific proposals. These Members also said that they had always had reservations about the cross-cutting issues and had been willing to discuss them only after progress had been made on the mandate to make the S&D provisions more precise, effective and operational.

14. The Chairman thanked Members for a useful discussion which he believed had provided him with a better understanding of the issues involved. He reiterated his intention to hold informal consultations over the coming months based on the questions he had raised and through the discussions on which he hoped substantive progress could be made. He proposed that the meeting revert to formal mode to deal with the last agenda item.

15. The meeting then reverted to formal mode.

D. OTHER BUSINESS

16. Since no issue had been proposed for discussion under that agenda item the Chairman thanked Members and adjourned the meeting.
