



Agency for International Trade Information  
and Cooperation

December 2005

**AITIC Briefing Session**  
**11<sup>th</sup> Geneva Week for**  
**Non-Resident Members and Observers of the WTO**  
**Report on Meeting**

**Room D, Centre William Rappard**  
**Geneva, 15 November 2005**

**I. Introduction**

1. The AITIC Briefing Session<sup>1</sup> of the 11<sup>th</sup> Geneva Week for WTO Non-Resident Members and Observers (14-18 November 2005) was held on 15 November 2005. Less than one month before the beginning of the WTO Ministerial Conference in Hong Kong, China (13-18 December 2005), the session was aimed at informally briefing non-resident members and observers of the WTO on the state of play of the negotiations under the Doha Work Programme (DWP) with a focus on matters of concern to the less-advantaged countries (LACs).

2. This report is divided into two sections: the first focuses on the AITIC Briefing; the second section provides an overview of the salient events of the Geneva Week programme organised by the WTO Secretariat.

**II. Opening Remarks, Situation Report: A Factual Account —  
Dr Esperanza Durán (Executive Director, AITIC)**

3. Dr Esperanza Durán, the Executive Director of AITIC, welcomed the participants and said she was particularly happy that AITIC was able to hold its traditional Briefing Session during this Geneva Week. She began her presentation by stating that after the setback of the Cancun Conference, the adoption of the 1 August 2004 Decision by the GC (the “July Package”)<sup>2</sup> put negotiations back on track. It

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<sup>1</sup> AITIC is particularly grateful to Messrs Alberto Campeas and Hans-Peter Werner, Director and Counsellor of the WTO Development Division respectively, for facilitating the holding of the AITIC Briefing Session.

<sup>2</sup> See *Decision by the General Council*, WT/L/579, 2 August 2004.

provided the building blocks (the “frameworks”) on which modalities were be established. Acknowledging the failure of the top-down approach, i.e. imposing technical solutions to political questions, WTO members had opted for advancing the work following a bottom-up approach. Arriving at “First Approximations” by July 2005 was intended as the subsequent step on the road to full modalities in agriculture and NAMA at the Sixth WTO Ministerial Conference in Hong Kong, China (13-18 December 2005). However, no such agreement had been possible; worse, lack of progress was also evident in the other critical areas of negotiations, notably rules, special and differential treatment (S&D) and services. On 28 July 2005, the Director-General in his capacity as chairman of the Trade Negotiations Committee (TNC), had stated that “the negative side of the ledger outweighs the positive”.

4. Dr Durán noted that some external developments may have had a direct effect on the trade negotiations at the WTO, notably the change in the leadership posts in the WTO Secretariat and in the chairpersons of the negotiating bodies. After four months of electioneering, Mr Pascal Lamy, former Trade Commissioner of the European Union (EU) had been appointed Director-General (DG) of the WTO and had taken office on 1 September 2005. Dr Durán said that the situation was somewhat reminiscent of that prior to the Seattle Ministerial Conference, which had failed to launch a new round of negotiations. Mike Moore took over as DG three months before the Conference. However, she underlined that Hong Kong was not the start of a new round of negotiations, that there is broad agreement that the Conference should set the stage for the final phase of the DWP negotiations<sup>3</sup>. Indeed, although not explicitly stated when the July Package sought to tie up the loose threads of the negotiations, no new deadline for the finalisation of the negotiations had been mentioned, the text merely states that the negotiations will continue “...leading to the Sixth Session of the Ministerial Conference”. The unwritten understanding, however, is that negotiations must conclude by end-2006, since the US Trade Promotion Authority (TPA) – referred to as fast-track – expires on 30 June 2007.

5. On the most contentious issue, the lynchpin of the DWP, the agriculture negotiations, WTO members seem to have overriding national interests, not only commercial and economic, but more importantly political, social, cultural, environmental and even of subsistence for developing countries. The new Quad (Brazil, EC, India and US) seems to have arrived at an insurmountable deadlock on agriculture.

6. Closing her statement Dr Durán summarised her main conclusions: i) the agricultural negotiations have taken centre-stage and have obscured work in other areas; ii) movement in one area is directly linked to parallel progress in other areas; iii) the G-20 and other WTO members refuse to consider new progress without development in the three pillars in agriculture; iv) the banded approach for reducing domestic and export subsidies along with tiered tariff reduction and the expansion of tariff rate quotas has broad support; v) there are disagreements on the exact numbers of the banded approach and the EU, G-20, G-10 and the US all have

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<sup>3</sup> See *Report of the Chairman of the Trade Negotiations Committee to the General Council*, WTO, TN/5/5, 18 July 2005.

separate proposals<sup>4</sup>; vi) the development-related areas have only achieved minimal progress; vii) negotiations on trade-facilitation had temporarily broken down<sup>5</sup>; viii) chairs of negotiating groups were requested to produce reports indicating points of convergence on issues in their areas; ix) there is confusion and further disagreement over what “recalibration” for Hong Kong should entail.

### **III. The Decision-Making Process — Mr Peter Pedersen (Counsellor, Council and Trade Negotiations Committee Division)**

7. Mr Peter Pedersen explained that formal trade negotiation meetings at the WTO are supplemented by informal processes. The outcome of formal meetings is documented in minutes of meetings which are distributed to all members and observers. Though very transparent, this sort of meeting rarely produces substantive results, but is rather suitable for putting agreement emerging from informal processes on record. The chairpersons of the negotiating bodies convene informal meetings to assess the positions of members and attempt to find middle ground. Informal processes have been subject of criticisms for their exclusiveness and lack of transparency. Developing countries’ complaints over being left out of “Green Room” and other informal decision-making processes were one reason for the failure of the Seattle Ministerial Conference in 1999. Mr Pedersen conceded that consensus-building is becoming an increasingly difficult task considering that WTO membership has grown to 148 whereas the GATT only had 23 signatories at the outset. The core challenge today is to reconcile efficiency with inclusiveness.

8. The speaker recounted that after the Seattle experience, WTO members engaged in serious discussions on the issue of internal transparency and the effective participation of all members in decision-making<sup>6</sup>. A substantial outcome is enshrined in a statement of the GC Chairman in 2002 on the principles and practices guiding the work of the Trade Negotiations Committee (TNC)<sup>7</sup>. Established as part of the DWP, the TNC has a supervisory function with a mandate to ensure that the negotiating process is inclusive and transparent. Mr Pedersen added that, though some members still argue for improvements of the WTO negotiating bodies’ rules of procedure, capturing such principles and practices had a certain positive “behavioural impact” on members.

9. Mr Pedersen then referred to the preparatory process for the upcoming Hong Kong Ministerial. A number of so-called mini-ministerials have been held in 2005 gathering ministers from a limited number of countries to discuss specific WTO

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<sup>4</sup> The *Draft Ministerial Text of 1 December 2005*, WTO, JOB(05)/298/Rev.1, states that “on domestic support ... there is a working hypothesis of three bands for developed countries” and “on market access ... there is a working hypothesis for four bands for structuring tariff cuts”.

<sup>5</sup> By 1 December 2005, however, the Negotiating Group agreed on a report contained in Annex I on Trade Facilitation of the *Draft Ministerial Text*.

<sup>6</sup> See *Internal Transparency and the Effective Participation of all Members, Main Points raised by Delegations*, WTO, JOB(00)/2331, 14 April 2000, *Internal Transparency and the Effective Participation of all Members, Discussion Paper by the Chairman*, WTO, JOB(00)/2551, 26 April 2000 and *General Council – Minutes of Meeting*, WTO, WT/GC/M/57, 14 September 2000.

<sup>7</sup> See *Trade Negotiations Committee, Statement by the Chairman of the General Council*, WTO, 4 February 2002, TN/C/1.

issues. Furthermore, the chairs of the negotiating bodies have held informal heads of delegation meetings. He observed that the chairpersons are very committed to ensuring transparency in the process. They regularly inform members on their views of the status of negotiations. He concluded his statement saying that in his view, an amendment to the rules of procedure would have little effect and would probably result in an agreement of a lowest-common denominator type.

10. A participant asked if mini-ministerials have actually produced any WTO-significant results and, if so, in what areas. Mr Pedersen replied that, in general, these meetings tend to yield very few results. An exception was the OECD mini-ministerial of May 2005 in Paris, where the Five Interested Parties (Australia, Brazil, EC, India and US) reached agreement on the conversion of specific tariffs into ad-valorem equivalents (AVEs)<sup>8</sup>, which was subsequently forwarded to and adopted by the full WTO membership.

#### **IV. Trade Facilitation Negotiations — Mr David Woods (Managing Director, World Trade Agenda Consultants)**

11. Mr David Woods, an AITIC consultant, presented a survey on trade facilitation-related matters conducted by the European Round Table of Industrialists (ERT), a forum of European chief executive officers of major companies<sup>9</sup>. One of the study's conclusions is that transport infrastructure deficiencies, border delays, lack of transparency, cumbersome customs procedures and corruption and smuggling are obstacles to doing business in all countries, including developed ones. To the majority of respondents, information technology bears the largest potential in overcoming such barriers. Single-window or one-stop facilities are required to streamline customs procedures. A large majority of business leaders reported that they had to forego investment opportunities because of administrative or infrastructure barriers. Overall the study underscores the "win-win situation" that would result from trade facilitation measures, where all parties (except those benefiting from complex administration and corruption) stand to gain.

12. Mr Woods acknowledged that trade facilitation requires significant infrastructure investments that go beyond the capacity of many developing countries. He recalled that the modalities for negotiations on trade facilitation link the implementation commitments of developing countries to the availability of technical assistance and capacity-building. This is a key opportunity for developing countries to obtain funding for undertakings that may not be cheap but can tackle some of their most serious trade-related problems, for example through creation of enquiry points and information centres on customs regulations and procedures.

13. Proposals on needs assessments in terms of technical assistance and capacity-building have been tabled. Switzerland and Pakistan have suggested that the process of identifying needs in capacity building should be done through self-assessment since all developing countries have different needs as regards trade

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<sup>8</sup> See paragraphs 25 and 26 in the *Draft Guidelines for the Conversion of Final Bound Non-Ad Valorem Duties into Ad-Valorem Equivalents*, Committee on Agriculture, Special Session Informal Technical work, UU2601, 10 May 2005.

<sup>9</sup> See *ERT Survey on Trade Facilitation*, November 2005.

facilitation<sup>10</sup>. This would include “pledging rounds” where donors would make commitments to projects matching these self-assessed needs in exchange for the beneficiaries taking on obligations to implement these measures. Also, Mr Woods referred to a proposal of the African, Caribbean and Pacific Group of States (ACP) calling for a capacity-building fund under the auspices of a central organ that would co-ordinate funding efforts for future projects in this area<sup>11</sup>. He concluded his presentation by saying that in his opinion a concerted effort by members on trade facilitation could make the most significant contribution to the development aspect of the DWP negotiations.

14. A representative asked how LDCs could benefit from WTO trade facilitation measures if they are crippled by problems of corruption and infrastructure deficiencies. Mr Woods conceded that though corruption is harming developing as well as developed countries, the damage in small and least-developed countries is more serious. For upcoming negotiations, Mr Woods urged the participants to support initiatives promoting greater transparency in customs procedures.

## **V. The Work Programme on Small and Vulnerable Economies — Ms Simone Rudder (Deputy Representative, Permanent Mission of Barbados)**

15. Ms Simone Rudder began her presentation by recalling the mandate in paragraph 35 of the Doha Declaration which provides the basis for the work of the Committee on Trade and Development in Dedicated Session (CTD-DS). She noted that in the initial phase of the CTD-DS, progress has been rather slow. Members expressed concerns that extending special treatment to a group of countries considered small and vulnerable would result in the creation of a new sub-category of countries, which would go against the Doha mandate. New momentum was instilled to the Work Programme after the adoption of the July Package.

16. In early 2005, the CTD-DS agreed to a proposal by the former Chairman of the Committee, HE Mr Trevor Clarke (Barbados), to structure its work following a three step approach: i) establish characteristics for identifying small and vulnerable economies; ii) consider the trade-related problems associated to these characteristics; and iii) frame responses. At its session in May 2005, the CTD-DS had examined a list of 17 indicative characteristics of small economies<sup>12</sup>. Subsequently, small economies submitted a communication outlining “considerations for” and “elements of” responses to the trade-related problems of small economies to advance the Work Programme from step ii) to iii)<sup>13</sup>. The same paper recalls how the WTO caters for specific needs of certain countries without creating a sub-category of WTO members. The characteristics of the net food-importing developing countries were taken into account during the Uruguay Round, and Annex A of the July Package exempts developing countries allocating almost all of their *de minimis*

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<sup>10</sup> See *Communication from Pakistan to Switzerland on Development-Related Issues in Trade Facilitation*, WTO, TN/TF/W/63, 19 September 2005.

<sup>11</sup> See *Communication from Mauritius on Behalf of the ACP Group*, TN/TF/W/73, 10 November 2005.

<sup>12</sup> See *Work Programme on Small Economies*, WTO, WT/COMTD/SE/W/12, 21 February 2005.

<sup>13</sup> See *Work Programme on Small Economies*, WTO, WT/COMTD/SE/W/13/Rev1, 27 May 2005.

support to subsistence and resource-poor farmers from *de minimis* reduction commitments.

17. Ms Rudder explained that the Work Programme on Small and Vulnerable Economies is currently advancing on a two-track process: the proponents promote small and vulnerable economies' interests in the different negotiating bodies while the CTD-DS acts as a forum for monitoring progress and deliberating forthcoming initiatives. Small economies have submitted position papers on the negotiations on agriculture and NAMA to the respective bodies<sup>14</sup>. In addition, a 2002 small economy proposal<sup>15</sup> includes measures in support of their capacity to fulfil their obligations under the Agreements on Sanitary and Phytosanitary Measures (SPS) and on Technical Barriers to Trade (TBT). This will be addressed in the SPS and TBT Committees<sup>16</sup>. Small economies have also communicated their concerns in relation to the negotiations on fisheries to the Negotiating Group on Rules<sup>17</sup> and on trade in services<sup>18</sup>. In conclusion, she said that the work in the CTD-DS has been very difficult but that after the necessary awareness-raising had been done, some progress has been made.

18. Participants discussed some of the proposals the speaker had referred to, in particular the usefulness of shares of world merchandise exports or tariff binding coverage as characteristics determining eligibility for special treatment under the Work Programme.

## VI. The Geneva Week Programme

### A. Opening Remarks by the WTO Deputy Director-General and the Chairperson of the General Council

19. HE Ms Valentine Rugwabiza (Rwanda), Deputy Director-General of the WTO, welcomed the non-resident member and observer delegations and representatives from regional and intergovernmental organisations participating in the 11<sup>th</sup> Geneva Week. She highlighted the importance of the event four weeks before the Ministerial Conference and urged participants to use the Geneva Week as an opportunity to conduct consultations with other groups to ensure their interests are taken into account.

20. The Chairperson of the General Council (GC), HE Ms Amina Mohamed (Kenya) extended a note of welcome to the delegates and emphasised the contribution the Geneva Week is making to ensuring inclusiveness and transparency

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<sup>14</sup> See Overview of Small Economies' Positions on the NAMA Negotiations, WTO, JOB(05)/165, 29 July 2005; *Small Economies' Positions on the Agriculture Negotiations*, JOB(05)/161, WTO 27 July 2005 and *Market Access for Non-Agricultural Products*, WTO, TN/MA/W/56/Rev.1, 6 July 2005.

<sup>15</sup> See *Work Programme on Small Economies*, WTO, WT/COMTD/SE/W/3, 28 June 2002.

<sup>16</sup> See *SPS and Developing Countries, Special And Differential Treatment, Technical Assistance, Transparency*, WTO, G/SPS/GEN/469, 8 March 2004.

<sup>17</sup> See *WTO Fisheries Subsidies Disciplines Architecture on Fisheries Subsidies Disciplines*, WTO, TN/RL/GEN/57/Rev.2, 13 September 2005 and *Fisheries Subsidies*, WTO, TN/RL/W/136, 14 July 2003.

<sup>18</sup> See *Communication from Mauritius - Small Economies as Small Suppliers of Services*, WTO, TN/S/W/8, 28 October 2002.

in the negotiating and decision-making processes of the WTO. When she took over as the GC Chairperson, the WTO had three goals to accomplish: the preparations for Hong Kong in terms of organisational matters; the appointment of a new Director-General; and advancing the substantial part of negotiations for the Hong Kong Ministerial. While the first two had gone off well, much work remains to be done towards the conclusion of the DWP negotiations. In spite of high-level meetings held in London, Zurich and Geneva to bridge the gaps, no convergence on full modalities for agricultural and non-agricultural market access (NAMA) had been achieved. However, she stressed the sense of renewed confidence in the multilateral trading system that has emerged from these meetings. While expectations for Hong Kong have been “recalibrated”, the overall level of ambition of the DWP has been retained so as to provide a launch pad for completion of the negotiations next year.

**B. Briefing on the Special Session of the Committee on Trade and Development — Mr Faizel Ismail (South Africa), Chairman of the Special Session of the Committee on Trade and Development**

21. Mr Ismail briefly recalled that the Committee on Trade and Development in Special Session (CTD-SS) has been mandated at Doha to make more “precise, effective and operational” the special and differential treatment provisions in the WTO agreements (paragraph 44, Doha Declaration). The July Package instructs the CTD-SS to complete the review of outstanding agreement-specific proposals and deal with “cross-cutting issues, the monitoring mechanism and the incorporation of S&D treatment into the architecture of WTO rules” (paragraph 1(d)). The 88 proposals received have been categorised into three groups<sup>19</sup>. Members have temporarily set aside discussions on cross-cutting issues to treat five proposals received from LDCs with priority.

22. The speaker informed participants on the status of the proposals of which he tabled revised versions during informal consultations in early November 2005. Proposal 38 on strengthening coherence between the activities of multilateral agencies, bilateral donors and international financial institutions has been agreed. Proposal 88, which says that LDCs “shall” only make commitments consistent with their needs and capacities, remains contested as some members oppose including binding language. In the speaker's view, the CTD-SS is close to reaching a compromise on proposal 84 exempting LDCs from some of the provisions in the Agreement on Trade-Related Investment Measures (TRIMS). Discussions continue on proposal 23, which suggests giving special consideration to LDCs' requests for waivers under the GATT 1994. Mr Ismail noted that proposal 36 has been the subject of most intense discussions recently. Many developed countries are reluctant to bind duty-free and quota-free market access to all LDCs.

**C. Status of the Negotiations on Agriculture, Mr John Finn, Counsellor, Agriculture and Commodities Division of the WTO**

23. Mr Finn provided participants with a situation report on the negotiations on agriculture beginning with his assessment of progress made so far. Since their official

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<sup>19</sup> i) Those where agreement seems possible, ii) those that touch upon areas currently under negotiation in other WTO bodies and iii) those where very wide divergences in views have occurred.

launching at Doha, the July Package represents the only tangible result of agriculture negotiations.

24. Mr Finn made reference to the critical areas under negotiation in the area of agriculture. On green box domestic support, he explained that members seek to review and clarify criteria in order to not only restrict developed countries' payments but also to cover payments through which developing countries seek to support farmers' diversification activities for example. Blue Box support comprises decoupled payments, i.e. bearing no relation to the price a farmer's produce fetches on the market. The July Package instructs members to agree on caps for the blue box payments and to achieve substantial reductions of amber box payments, the most trade-distorting ones, which are expressed in the aggregate measurement of support (AMS). The speaker emphasised that in comparison to the Uruguay Round negotiations, which have resulted in a 20 per cent reduction of the AMS, current proposals aim for a higher level of reduction. It is agreed that reductions will apply a three-banded formula but positions differ on the details. Regarding export competition, Mr Finn recalled that divergence remains on an agreeable end date, how to deal with state trading enterprises (STEs), and on preventing trade distortion through disciplines on export credits and the delivery of food aid. Negotiations on market access have been particularly difficult, as the level of ambition of the US has not been matched by the EC.

25. Mr Finn emphasised that for many developing countries these negotiations are problematic, since they have no information on the implications of possible reduction scenarios in terms of their increase in trade and the decline of prices of imported goods. Moreover, it remains unclear whether the July Package's mandate to deal with cotton "expeditiously" would translate into an early harvest, i.e. an implementation of agreed measures prior to the conclusion of the DWP, or into a faster implementation of results. Mr Finn concluded his presentation by referring to further areas under negotiation, such as geographical indications, sectoral initiatives and export taxes. He said that movement in these areas can only be expected once convergence has been achieved in the three pillars. At the moment, however, members' readiness to make concessions are entangled in a complex web of cross-conditionalities, meaning that members only concede to the extent that they see movement of others in other areas.

26. Participants took up the last point made by the speaker to question the balance embodied in the current status of negotiations. Some representatives stated that they are concerned that an eventual outcome will only further marginalise their position in the MTS. One participant suggested that from a strategic point of view negotiations should have identified sensitive tariff lines eligible for special treatment in an initial phase to put at ease countries that are now reluctant to engage in serious liberalisation because of the insecurities regarding the impact on their sensitive industries.

**D. Status of the Negotiations on Non-Agricultural Market Access, HE Mr Stefán Jóhannesson (Iceland), Chairman of the Negotiating Group on Market Access**

27. Ambassador Jóhannesson reported that members have broadly agreed on a non-linear tariff reduction formula for NAMA that will result in steeper cuts on higher tariffs than on lower ones. The objective is to address tariff peaks and tariff escalation. Two different options are currently under consideration: a simple Swiss and a Swiss-type formula<sup>20</sup> (the so-called ABI proposal<sup>21</sup>).

28. On flexibilities for developing members, Ambassador Jóhannesson said that some developed countries propose a higher coefficient for developing countries (i.e. lower reductions). Developing country members have argued that this goes against the flexibilities foreseen by paragraph 8 of Annex B of the July Package. Proposals have been tabled on flexibilities for low-income economies in transition<sup>22</sup> and for small and vulnerable economies<sup>23</sup>. He added that members have yet to agree on a date by which developed countries and those developing countries “who so decide” grant duty-free and quota-free market access to LDCs.

29. The speaker presented different approaches to binding unbound tariffs, currently on the table. The so-called target average approach<sup>24</sup> is endorsed by some developing countries, while others favour a non-linear mark-up approach<sup>25</sup>. Malaysia<sup>26</sup> with the support of many developing countries, considers that members binding their tariffs are making a concession and thus should not be expected to make further tariff cuts to newly bound tariffs in this round.

30. Ambassador Jóhannesson also noted that disagreement persists on the issue of non-reciprocal preferences. The African Group proposes<sup>27</sup> a correction coefficient to improve the preference margins for products in which African countries enjoy non-reciprocal preferential market access. The ACP Group has circulated a preliminary list of products vulnerable to preference erosion identifiable by a “vulnerability index”<sup>28</sup>. Ambassador Jóhannesson pointed out that although the WTO members recognise the need to give consideration to the commitments already undertaken by recently-acceded members (RAMs), the nature and extent of flexibilities remains unclear.

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<sup>20</sup> The *Draft Ministerial Text of 1 December 2005*, WTO, JOB(05)/298/Rev.1, states that “on the non-linear formula there is a working hypothesis to use a Swiss Formula for these negotiations”.

<sup>21</sup> See *Market Access for Non-Agricultural Products*, WTO, TN/MA/W/54, 15 April 2005, by Argentina, Brazil and India.

<sup>22</sup> See *Market Access for Non-Agricultural Products*, WTO, TN/MA/W/56/Rev.1, 6 July 2005.

<sup>23</sup> See *Market Access for Non-Agricultural Products – Treatment of Small, Vulnerable Economies in the NAMA Negotiations*, WTO, TN/MA/W/66, 11 November 2005.

<sup>24</sup> See *Market Access for Non-Agricultural Products*, WTO, TN/MA/W/54, 15 April 2005.

<sup>25</sup> See *Market Access for Non-Agricultural Products – Unbound Tariff Rates – Establishment of Base Rates*, WTO, TN/MA/W/51, 8 March 2005, and *Market Access for Non-Agricultural Products - A Rational Approach for Setting Base Rates for Unbound Tariff Lines*, WTO, TN/MA/W/13.Add1, 21 June 2005.

<sup>26</sup> See *Market Access for Non-Agricultural Products*, WTO, TN/MA/W/31, 25 March 2003.

<sup>27</sup> See *Market Access for Non-Agricultural Products – Treatment of Non-Reciprocal Preferences for Africa*, WTO, TN/MA/W/49, 21 February 2005.

<sup>28</sup> See *Market Access for Non-Agricultural Products*, WTO, TN/MA/W/53, 11 March 2005.

**E. The 2006 Technical Assistance Plan - Mr Maarten Smeets, Counsellor, WTO Institute of Training and Technical Cooperation**

31. Mr Maarten Smeets gave an overview on the 2006 WTO Technical Assistance and Training Plan (“the Plan”). He explained that the Plan provides for the following main areas of activities: institutional and human capacity-building in developing countries to address trade policy issues and concerns; ‘mainstreaming’ trade into national development and poverty reduction policies; facilitating fuller participation of beneficiaries in the Multilateral Trading System (MTS); and improving developing countries’ effective participation in the negotiations.

32. The Plan consists of four categories of “products”, i) general WTO-related technical assistance and training; ii) specialised and advanced technical assistance and training; iii) academic support for training and capacity-building: an integrated approach; and iv) technical assistance, support and training facilities. He highlighted that each of these products has concrete objectives which facilitates the evaluation of the implementation of activities under the Plan.

**F. Briefing on the Working Group on Trade, Debt and Finance — Mr Richard Eglin, Director, Trade and Finance Division**

33. In his introductory remarks, Mr Eglin stated that not all developing countries have the capacities to exploit the benefits offered by improved market access. A large number of LDCs have a declining share of trade in their GDP, although they benefit from favourable access to markets through schemes like Everything But Arms (EBA) and the African Growth and Opportunity Act (AGOA). Clearly, market access is not enough for them.

34. Many countries have found themselves trapped in what the speaker referred to as a vicious circle. The capital for investments in their productive capacities is obtained through loans from developed countries. Due to the various tariff and non-tariff barriers (NTBs) in developed country markets, their export industries fail to raise enough foreign exchange to pay off the debt. Mr Eglin explained that while the WTO seeks to eliminate trade barriers, its Working Group on Trade, Debt and Finance aims to build bridges with institutions that deal with financial and debt aspects, such as the World Bank and the International Monetary Fund (IMF).

35. Mr Eglin recalled the Group of Eight (G-8) initiative taken at its 2005 summit in Gleneagles, Scotland, to provide enhanced debt relief to 18 and at a subsequent stage, to an additional 35 Heavily Indebted Poor Countries (HIPC). He added that the G-8 have also committed to doubling official development assistance (ODA) levels. He emphasised that such an increase in aid levels provides a unique opportunity to complement aid targeted at building social infrastructures (i.e. hospitals, schools, housing etc) with more trade-related aid flows. Such “aid for trade” serves to build trade capacities, for example in the form of establishing testing centres that enable developing country exporters to comply with SPS and TBT requirements. Mr Eglin said that in his view, enhanced market access, debt relief and increased aid for trade represent the key elements of an exit strategy for developing countries from aid dependency and the debt trap.

**G. Presentation by the Advisory Centre on WTO Law (ACWL) – Mr Frieder Roessler, Executive Director, ACWL**

36. Mr Frieder Roessler noted that since WTO law consists of some 22,000 pages of text, it is difficult, particularly for human resource constrained developing countries, to understand the entire system and to defend their interests accordingly.

37. Since 2001 the ACWL has provided over 150 legal opinions to its member countries and is currently involved in over 50 cases of dispute settlement. To facilitate the flow of legal information, it offers a course and a trainee programme to instruct representatives from member countries on the basics of WTO law. Countries become eligible for the ACWL's services by paying the US\$ 50,000 membership fee. LDCs are exempted from this requirement.

38. A delegate asked why so few countries have joined the ACWL and if this is related to the entrance fee. Mr Roessler replied that two thirds of parties involved in WTO dispute settlements in the WTO have joined the ACWL and that countries that have had between three and eighteen disputes have all become members. He also said that in comparison to the cost of hiring lawyers externally, the one-off entrance fee is rather cheap.

**H. Presentation by the Commonwealth Secretariat – Nimrod Waniala, Project Manager, Commonwealth Secretariat**

39. Mr Nimrod Waniala, Project Manager at the Commonwealth Secretariat (ComSec), briefed the participants on a project launched in 2004 on *Building the Capacity of ACP Countries in Trade Policy Formulation, Negotiations and Implementation*.

40. The speaker explained that the project was implemented in collaboration with the Agence Intergouvernementale de la Francophonie (AIF), ComSec and the EU. It consists of three main components: building trade negotiation networks at national and regional levels, reinforcing national and regional participatory mechanisms, and establishing appropriate mechanisms for the notification of trade policy measures to the WTO.

**I. Status of the Negotiations on Rules — HE Mr Guillermo Valles Galmés (Uruguay), Chairman of the Negotiating Group on Rules**

41. Ambassador Valles Galmés began with an outline of the immediate priorities that the Negotiating Group on Rules needs to address within the DWP negotiations. The upcoming 21 November 2005 meeting of the Group will discuss the draft Ministerial Declaration text which he has prepared on his own responsibility<sup>29</sup>. For the coming year, members need to generate consensus through streamlined consultations on the elements under negotiation in the Group in order to come up

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<sup>29</sup> See *Draft Ministerial Declaration on Rules (AD/SCM Including Fisheries Subsidies)*, WTO, TN/RL/W/195, 22 November 2005. At subsequent informal meetings, agreement was reached on a draft Ministerial Text including a section on regional trade agreements. See *Preparations for the Sixth Session of the Ministerial Conference, Draft Ministerial Text*, WTO, JOB(05)/298, 26 November 2005.

with amendments to the Anti-Dumping (AD) and the Subsidies and Countervailing Measures (SCM) Agreements and Article XXIV on regional trade agreements.

42. In his capacity as Chairman of the Negotiating Group on Rules, he has requested members to submit proposals in the form of draft legal texts as specific as possible. A large number of proposals have been tabled on AD, which is the most contested issue. Developing countries increasingly show interest in this area, having requested tighter rules reflecting exporter interests and S&D to raise *de minimis* thresholds<sup>30</sup>.

43. In the area of SCM, proposals are less specific and numerous. However, some developing countries are also active in this field, i.e. Brazil on export credit issues<sup>31</sup>. On fisheries subsidies, some progress has been made as members have broadly agreed to strengthen disciplines on subsidies taking into account the special needs of developing and LDC members. Proposals on S&D from Brazil<sup>32</sup>, Jamaica<sup>33</sup> and a group of small vulnerable coastal states<sup>34</sup> are currently under discussion.

44. On Regional Trade Agreements (RTAs), Ambassador Valles Galmés reported that significant progress has been made on transparency issues. However, differences remain over whether the proposed transparency mechanism should apply to Enabling Clause agreements.

#### **J. Status of the Negotiations on Services – HE Mr Ambassador Fernando de Mateo y Venturini (Mexico), Chairman of the Special Session of the Council for Trade In Services**

45. Ambassador Fernando de Mateo y Venturini explained that the WTO pursues liberalisation of trade in services via bilateral and plurilateral negotiations. The DWP services negotiations are conducted on a bilateral “request and offer” basis. Plurilateral negotiations have taken place during the Uruguay Round for example, and have resulted in the Agreement on Government Procurement, in which Canada, the EU, Japan and the US agreed to increase access to government markets in services.

46. In the area of rule-making, WTO members with different levels of ambition need to reach consensus through discussion on domestic regulation, emergency safeguards, government procurement and subsidies. On domestic regulation they

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<sup>30</sup> See *Proposal on De Minimis Margins of Dumping*, TN/RL/GEN/30/Rev.1; *Proposal on Negligible Imports*, TN/RL/GEN/31/Rev.1, WTO, 14 February 2005; and *Further Explanations on the Applicability of Articles 2 and 6 and the De Minimis Rule to the Proceedings under Articles 9.3 and 9.5*, TN/RL/GEN/44/Suppl.1, WTO, 19 July 2005.

<sup>31</sup> See *Treatment of Government Support for Export Credits and Guarantees under the Agreement on Subsidies and Countervailing Measures*, WTO, TN/RL/GEN/66, 11 October 2005; and *Proposal on Affiliated Parties*, WTO, TN/RL/GEN/67, 12 October 2005.

<sup>32</sup> See *Contribution to the Discussion on the Framework for Disciplines on Fisheries Subsidies*, WTO, TN/RL/GEN/56, 4 July 2005, and *Further Contribution to the Discussion on the Framework for Disciplines on Fisheries Subsidies*, WTO, TN/RL/GEN/79, 16 November 2005.

<sup>33</sup> *Comments by Jamaica on Proposals to the Negotiating Group on Rules (AD and SCM, Including Fisheries Subsidies) Discussed at the Group's Meeting on 26-30 September 2005*, WTO, TN/RL/W/188, 10 October 2005.

<sup>34</sup> See *WTO Fisheries Subsidies Disciplines Architecture on Fisheries Subsidies Disciplines*, WTO, TN/RL/GEN/57/Rev.2, 13 September 2005.

seek to eliminate unnecessary barriers in the form of qualification requirements, technical standards and licensing procedures. The mandate with respect to emergency safeguards sets out negotiations on non-discriminatory provisions enabling members to temporarily suspend concessions. Ambassador de Mateo y Venturini stated that the GATS provides for multilateral negotiations on government procurement in its Article XIII.

47. The speaker reported that to date some 69 initial offers have been made by developed and developing countries, including several transition economies. 24 of these offers proposed improvements to horizontal commitments with 17 countries suggesting improvements on mode 4 (these comprised 60 per cent of the developed country offers and 31 per cent of the developing country offers) and 13 countries proposing horizontal commitment improvements on mode 3. Out of these offers, the Ambassador emphasised, very few offers seek to improve the list of MFN exemptions, which currently amount to over 400.

48. In conclusion, the speaker expected that the draft Ministerial text on services would include principles, such as the promotion of economic growth and development and flexibility for developing countries, particularly LDCs.

**K. Status of the Negotiations on Trade-Related Aspects of Intellectual Property Rights (TRIPS) – Geographical Indications Extension – Ambassador Manzoor Ahmad, Chairman of the Special Session of the TRIPS Council; Mr Adrian Otten, Director of the Intellectual Property Division of the WTO Secretariat**

49. In his opening remarks, HE Mr Manzoor Ahmad referred to two issues that are the subject of intense discussion in the TRIPS Council in the context of the Doha mandate: the creation of a multilateral register for wines and spirits and the extension of the higher level of protection to products beyond wines and spirits. Ambassador Manzoor reported that little progress had been made, especially since many questions still remain unanswered, in particular regarding administrative and financial costs and the legitimacy of such an extension. He referred participants to three main proposals, that had emerged from the discussions<sup>35</sup>. Mr Otten added that the Council is assessing requests submitted by the LDCs<sup>36</sup> for an extension of the 10-year transition period granted to them under Article 66.1<sup>37</sup>.

50. On TRIPS and Public Health, Mr Otten explained that negotiations are dealing with the extension of the waiver granted to LDCs in accordance with paragraph 6 of the Doha Declaration, as an amendment of the TRIPS Agreement<sup>38</sup>.

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<sup>35</sup> See document *Discussions on the establishment of a multilateral system of notification and registration of geographical indications for wines and spirits: compilation of issues and points WTO*, TN/IP/W/7/Rev.1, 23 May 2003.

<sup>36</sup> See *Request from Maldives for an extension of the transition period under Article 66.1 of the TRIPS Agreement*, WTO, IP/C/W/425, 16 August 2004.

<sup>37</sup> On 29 November 2005, the WTO members decided to extend the transition period for LDCs to provide protection for trademarks, copyright, patents and other intellectual property until 1 July 2013.

<sup>38</sup> On 6 December 2005 the TRIPS Council agreed to incorporate the waiver as an amendment to the TRIPS Agreement.

51. In the discussion that followed, delegates debated possible repercussions that the extension of the transition period in terms of the extension of protection of geographical indications.

**L. Status of the Negotiations on Trade and Environment — Vesile Kulaçoğlu, Director, Trade and Environment Division and HE Mr Toufiq Ali, Ambassador of Bangladesh, Chairman of the Special Session of the Committee on Trade and Environment**

52. Ms Kulaçoğlu began by recalling the mandate of the Committee on Trade and Environment (CTE) in paragraphs 31-33 of the Doha to work towards “enhancing the mutual supportiveness of trade and environment”. She explained that the initial work of the CTE focused on the relationship between WTO rules and multilateral environmental agreements (MEAs) (paragraph 31(i)), whereas the current emphasis is on the liberalisation of environmental goods. A problem encountered in this context is the definition of environmental goods. Nine countries, the OECD and APEC have submitted proposed lists of environmental goods. She cited a study claiming that trade in environmental goods has grown more than twice as fast as total merchandise trade between 1990 and 2002 (14 and 6 per cent respectively). Ms Kulaçoğlu noted that most developing countries are importers of such goods and are therefore less committed to liberalisation.

53. The respondent, HE Mr Toufiq Ali commented that the CTE is faced with the challenge of agreeing on procedures that avoid or deal with conflicts between MEAs and WTO rules. Disputes can develop over trade-related measures prescribed by an MEA that are inconsistent with WTO rules or over measures that affect WTO members that are not party to the respective MEA. On environmental goods, Ambassador Ali added that it is evident from the cited study that much is at stake for the producers of environmental goods which is one reason why their definition is such a contested subject.

**M. Closing Session and General Discussion — Mr Pascal Lamy, WTO Director-General**

54. The 11<sup>th</sup> Geneva Week was the first under the tenure of Director-General Pascal Lamy. He was delighted to seize this opportunity to introduce himself to the non-residents and delivered a report on the status of negotiations from a Director-General’s point of view.

55. Mr Lamy recalled that he has described the goal of the upcoming Hong Kong Ministerial Conference as “bringing us two thirds of concluding the Doha Round”. However, given the level of progress made since the adoption of the July Package in 2004, members had to make a choice: they could maintain the original target for the Hong Kong Ministerial, i.e. reaching full modalities on agriculture and NAMA, or lower their expectations for the Conference. In view of the failures of the Cancun and the Seattle Ministerial Conferences, members have decided to “recalibrate” the ambition for the Hong Kong Ministerial, while maintaining the overall ambition of the Doha Round negotiations and aiming for its conclusion towards end 2006.

56. As the DWP in itself has remained unchallenged, it continues to present a historic opportunity to shape the multilateral trading system for it to promote economic growth and prosperity around the world. Mr Lamy mentioned some of the measures foreseen by the DWP from which particularly developing countries stand to gain, such as the elimination of export subsidies, the disciplining of state-trading enterprises, liberalisation of trade in services, particularly under mode 4, the reduction of trade-distorting subsidies, tariffs and tariff peaks. He emphasised that WTO members should keep in mind that the development aspect is an integral part of each of the areas under negotiation. On technical assistance, he added that the WTO is undertaking increasing efforts to become more “user-friendly” and encouraged the participants to take advantage of the Geneva Week to communicate their needs and concerns.

57. Members engaged the Director-General in a discussion on what is at stake for them in the DWP negotiations. Some participants from small economies expressed their concerns that an eventual outcome may leave them in a more vulnerable situation than the status quo. A participant enquired if the Hong Kong Ministerial was expected to deliver any concrete results on aid for trade.

58. Mr Lamy said he was aware of the concerns of developing countries, especially those of small economies, which fear that the erosion of their trade preferences will further marginalise them in the multilateral trading system. Yet, the Work Programme on Small Economies launched at Doha could serve as a forum to devise solutions for these countries to adjust to liberalisation. Some considerable progress has been made in this body in 2005. Moreover, the Director-General stated that the Doha Declaration does not include a work programme on aid for trade and he acknowledged that WTO members are currently very focused on advancing the negotiations on a new multilateral trading regime. However, a recurrent theme in the Doha Declaration is technical assistance and capacity-building. Mr Lamy said he is convinced that WTO members understand that the various capacity constraints of developing countries need to be addressed in order to have them benefit from theoretical opportunities offered by trade liberalisation.

#### **N. Evaluation of the 11<sup>th</sup> Geneva Week, Mr Alberto Campeas, Director, Development Division**

59. At the last session of the Geneva Week Mr Alberto Campeas provided participants with a preliminary summary of the comments on the Geneva Week made by participants in the evaluation forms. He said that the Secretariat has made an effort to incorporate comments made on previous Geneva Weeks and he was delighted that this is reflected in an overall positive evaluation of the event.

60. Some participants have recommended organising smaller-scale but more frequent events on national or regional levels. Mr Campeas considered this a useful suggestion but pointed to budget constraints in organising more briefing sessions. He added that the advantage of holding this event in Geneva is that delegates have an opportunity to receive first-hand impressions and engage in interactive dialogues with the chairpersons of the negotiating bodies or resource persons from the WTO Secretariat who are at the heart of events at the WTO.

61. In the following discussion, representatives expressed their gratitude to the WTO Secretariat for the organisation of the Geneva Week and to other organisations, in particular AITIC, for enabling them to participate in this event at such a crucial stage of the negotiations. Some representatives felt that more efforts could be made to ensure a better linguistic balance, for example by distributing translations of presentations on paper.

## List of Acronyms

ABI:	Argentina, Brazil and India
ACP:	African, Caribbean and Pacific Group of States
ACWL:	Advisory Centre on WTO Law
AD:	Anti-dumping
AGOA:	African Growth and Opportunity Act
AIF:	Agence Intergouvernementale de la Francophonie
AMS:	Aggregate measurement of support
AVEs:	<i>Ad valorem</i> equivalents
ComSec:	Commonwealth Secretariat
CTD:	Committee for Trade and Development
CTD-DS:	Committee for Trade and Development in Dedicated Session
CTD-SS:	Committee for Trade and Development in Special Session
CTE:	Committee on Trade and Environment
CTG:	Council for Trade in Goods
DG:	Director General
DWP:	Doha Work Programme
EBA:	Everything But Arms
EC:	European Communities
ERT:	European Round Table of Industrialists
EU:	European Union
EWS:	Early Warning System
FDI:	Foreign Direct Investment
G-8:	Group of Eight
G-10:	Group of Ten
G-20:	Group of Twenty
GATS:	General Agreement on Trade in Services
GATT:	General Agreement on Tariffs and Trade
GC:	General Council
GIs:	Geographical Indications
HIPC:	Heavily Indebted Poor Countries
IGO:	Intergovernmental Organisation
IMF:	International Monetary Fund
LACs:	Less-advantaged countries
LDCs:	Least-Developed Countries
LLDCs:	Landlocked Developing Countries
MFN:	Most-Favoured Nation Treatment
MEAs:	Multilateral Environmental Agreements
MTS:	Multilateral Trading System
NAMA:	Non-Agricultural Market Access
NFIDCs:	Net Food Importing Developing Countries

NTBs:	Non-Tariff Barriers
ODA:	Official development assistance
OECD:	Organisation for Economic Co-operation and Development
RAMs:	Recently-acceded members
REACH:	Regulation on the Registration, Evaluation and Authorisation of Chemicals
RTAs:	Regional Trade Agreements
S&D:	Special and Differential Treatment
SCM:	Subsidies and Countervailing Measures
SPS:	Sanitary and Phytosanitary Measures
STEs:	State Trading Enterprises
TBT:	Technical Barriers to Trade
TNC:	Trade Negotiations Committee
TPA:	US Trade Promotion Authority
TRIMS:	Trade-Related Investment Measures
TRIPS:	Trade-Related Aspects of Intellectual Property Rights
TRTA:	Trade-Related Technical Assistance
US:	United States
WTO:	World Trade Organization