
Committee on Trade and Development

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REPORT (2003) OF THE COMMITTEE ON TRADE AND DEVELOPMENT, COMMITTEE ON TRADE AND DEVELOPMENT IN DEDICATED SESSION, AND THE SUB-COMMITTEE ON LEAST-DEVELOPED COUNTRIES¹

Revision

I. INTRODUCTION

1. This report covers the activities of the Committee on Trade and Development (CTD) in Regular Session, its Dedicated Session on the WTO Work Programme on Small Economies and its Sub-Committee on Least-Developed Countries.² Regular WTO bodies were required to report on their activities at the July 2003 meeting of the General Council, prior to the Fifth Ministerial Conference. The report of the CTD in Regular Session is contained in document WT/COMTD/46 and the report of the CTD in Dedicated Session is contained in document WT/COMTD/SE/1. As these reports cover the period from the 2002 Annual Report of the CTD up to the Fifth Ministerial Conference, the sections below relating to the activities of the CTD in Regular and Dedicated Sessions cover the period from the Fifth Ministerial Conference to 29 November 2003. The section relating to the activities of the Sub-Committee on Least-Developed Countries however, cover the period 22 November 2002 to 29 November 2003.

II. WORK OF THE COMMITTEE ON TRADE AND DEVELOPMENT IN REGULAR SESSION

2. In the period after the Fifth Ministerial Conference the CTD held two formal regular sessions on 16 and 23 October and on 27 and 28 November 2003. These sessions were chaired by Ambassador Habib Mansour (Tunisia). The minutes of these meetings are contained in documents WT/COMTD/M/46 and WT/COMTD/M/47³ respectively. One informal consultation meeting was held on 18 November 2003 on how to proceed with the issue related to the declining terms of trade for primary commodities, and its implication to trade and development of primary commodity exporting countries.

3. The CTD continues to have outstanding requests for observer status from the League of Arab States, the Organization of Petroleum Exporting Countries (OPEC), the Gulf Organization for Industrial Consulting, the "Organisation internationale de la francophonie" and the Common Fund for Commodities. Members agreed to continue to invite a number of intergovernmental organizations on an ad hoc meeting-by-meeting basis. These were the Arab Maghreb Union (AMU), the Economic Community of West African States (ECOWAS), the Economic Cooperation Organisation (ECO), the Inter-Arab Investment Guarantee Corporation, the Islamic Development Bank (IDB), the African Union (AU), the Organisation of the Islamic Conference (OIC), the South Centre, the South Pacific

¹ The Special Session of the Committee on Trade and Development, dealing with the issue of special and differential treatment, has its own reporting requirements.

² The 2002 annual report of the Committee is contained in document WT/COMTD/44 of 9 December 2002.

³ To be issued.

Forum, the United Nations Environment Programme (UNEP), the West African Economic and Monetary Union (WAEMU), and the World Intellectual Property Organisation (WIPO). A full list of intergovernmental organizations with observer status in the Committee is contained in document WT/COMTD/W/22/Rev.5.

4. The principal themes addressed by the CTD in Regular Session during the period covered in this report were the following:

- A. Technical cooperation and training;
- B. Notifications regarding market access for developing and least-developed countries;
- C. Declining terms of trade for primary commodities, and its implication to trade and development of primary commodity exporting countries;
- D. Paragraph 51 of the Doha Declaration on identifying and debating developmental and environmental aspects of the negotiations, in order to help achieve the objective of having sustainable development appropriately reflected;
- E. Development dimension of electronic commerce; and
- F. Notification procedures for regional trade agreements among developing countries.

A. TECHNICAL COOPERATION AND TRAINING

5. The item on technical cooperation and training solicited most discussion at the 46th Session of the Committee. Members had before them the draft 2004 Technical Assistance Plan (WT/COMTD/W/119), and the Second Quarterly Report on the Implementation of the 2003 Technical Assistance Plan (WT/COMTD/W/118). The Secretariat was asked to revise both documents for the 47th Session. The revised draft 2004 Technical Assistance Plan was issued as WT/COMTD/W/119/Rev.1. The Committee authorized the Secretariat to proceed to implement the 2004 Technical Assistance Plan as presented in that document, provided that the outreach activities and the regional trade policy courses be treated as had been done in the 2003 Technical Assistance Plan for the former i.e. that they be moved into a separate Addendum. With regard to the outreach activities there would be a footnote stating that "Within the context of a full review of technical assistance and capacity building, a decision will be taken on the inclusion of such regional activities in technical assistance and capacity building for subsequent years." With regard to the regional trade policy courses, Members agreed there would be a footnote indicating that this was pending a resolution on the issue of the regional trade policy course for African francophone countries. The Chairman offered his good offices to assist in resolving that issue.

6. The Committee also agreed to forward the Plan and the Addendum to the Committee on Budget, Finance and Administration in order for it to make a recommendation to the General Council concerning the target for funding for the Doha Development Agenda Global Trust Fund for 2004.

7. At its 47th Session the Committee also had before it the revised Second Quarterly Report and the Third Quarterly Report on the Implementation of the 2003 Technical Assistance Plan, contained in documents WT/COMTD/W/118/Rev.1 and WT/COMTD/W/220 respectively. The Committee took note of these documents.

B. NOTIFICATIONS REGARDING MARKET ACCESS FOR DEVELOPING AND LEAST-DEVELOPED COUNTRIES

8. The Government of Iceland submitted a notification regarding preferences for LDCs for consideration at the 46th Session of the CTD.⁴ The Committee decided that as the notification related to improved market access for LDCs, it be referred to the Sub-Committee on LDCs for substantive

⁴ WT/COMTD/N/17

consideration and reporting back, according to the reporting procedures agreed to at the 32nd Session of the CTD.⁵ However, as some Members sought clarification on the notification, the Committee decided that the item would remain on the agenda for the 47th Session at which the Committee took note of it.

9. At the 44th Session the CTD had received a notification regarding an initiative for LDCs by the Government of Canada.⁶ The Committee had decided to refer it to the Sub-Committee on LDCs for substantive consideration and reporting back. At the 46th Session of the CTD, the Chairman drew Members' attention to a letter received from the Chairman of the Sub-Committee on LDCs in which it was stated that the Sub-Committee had considered the initiative by the Government of Canada at its 33rd Session. Members had welcomed the initiative and had appreciated the improvement in the rules-of-origin regulations for textiles and apparel products. The Sub-Committee's discussion on the Canadian initiative is available in the report of the 33rd Session of the Sub-Committee contained in document WT/COMTD/LDC/M/33.

C. DECLINING TERMS OF TRADE FOR PRIMARY COMMODITIES, AND ITS IMPLICATION TO TRADE AND DEVELOPMENT OF PRIMARY COMMODITY EXPORTING COUNTRIES

10. Discussions continued at the 46th Session on the proposals made by the delegations of Kenya, Tanzania and Uganda in document WT/COMTD/W/113 titled: "Non Paper on the need for urgent action in WTO to deal with the crisis situation created by the long-term trend towards decline in prices of primary commodities to the trade and development of developing countries which are heavily dependent on their exports." The Committee requested the Secretariat to draw up an inventory of documents on the issue including work already undertaken by other international organizations in order to assist Members' consideration of the issue. The Chairman offered to hold informal consultations on how to proceed with the issue of commodities in the CTD. Informal consultations were held on 18 November 2003. The inventory, contained in document WT/COMTD/W/121 was before the 47th Session. However, as Members wished to have more time to study it, discussions on this item were postponed until the next session.

D. PARAGRAPH 51 OF THE DOHA DECLARATION ON IDENTIFYING AND DEBATING DEVELOPMENTAL AND ENVIRONMENTAL ASPECTS OF THE NEGOTIATIONS, IN ORDER TO HELP ACHIEVE THE OBJECTIVE OF HAVING SUSTAINABLE DEVELOPMENT APPROPRIATELY REFLECTED

11. The item relating to paragraph 51 of the Doha Ministerial Declaration is a standing item on the agenda of the Committee. At the 44th Session of the CTD, Members agreed that different Secretariat Divisions be invited to brief the Committee on the work done in their areas of responsibility to help achieve the objective of appropriately reflecting sustainable development in the outcome of the negotiations. Accordingly Members were informed about the developmental aspects of the agricultural negotiations at the 45th Session, the market access negotiations at the 46th Session, and the services negotiations at the 47th Session of the CTD.

E. DEVELOPMENT DIMENSION OF ELECTRONIC COMMERCE.

12. The CTD is one of the four subsidiary bodies to the General Council mandated to work on the issue of electronic commerce and the issue of electronic commerce remains a standing item on its agenda.

⁵ WT/COMTD/M/32

⁶ WT/COMTD/N/15/Add.1

13. Following a request by the Committee, the Secretariat prepared a note for its 44th Session on the work the CTD had carried out with respect to electronic commerce.⁷ The CTD also submitted a report on its work on electronic commerce since the Doha Ministerial Conference to the General Council in July 2003 (WT/COMTD/47).

F. NOTIFICATION PROCEDURES FOR REGIONAL TRADE AGREEMENTS AMONG DEVELOPING COUNTRIES

14. The item relating to the "Notification procedures for regional trade agreements among developing countries" remained on the agenda of the 46th Session of the Committee. However, no interventions were made with respect to the item.

III. WORK OF THE COMMITTEE ON TRADE AND DEVELOPMENT IN DEDICATED SESSION TO SMALL ECONOMIES

15. Pursuant to paragraph 35 of the Doha Ministerial Declaration⁸ the General Council, at its meeting on 1 March, took note of the framework and procedures for the conduct of the Work Programme on Small Economies.⁹ Paragraph 2(d) of that document states that "The General Council shall instruct the CTD to have a programme of work on small economies which will be conducted in dedicated sessions of the CTD."

16. Proceeding with work under this mandate, after the Fifth Ministerial Conference, the CTD held one formal dedicated session on 17 October 2003 on the Work Programme on Small Economies, under the interim Chairmanship of Mr. Neil McMillan (United Kingdom) in the absence of Ambassador Habib Mansour (Tunisia).

17. The Minutes of that meeting are contained in document WT/COMTD/SE/M/6. Members continued to consider the Work Programme on Small Economies at the 6th Dedicated Session and suggested that the proponents review their proposals contained in document WT/COMTD/SE/W/3 in order to advance work at the next Dedicated Session.

18. The issue of land-locked developing economies was raised under "Other Business" at the 6th Dedicated Session. The Members who raised that issue were requested to prepare specific trade-related proposals which they believe would address their concerns. It was agreed that any such proposal would also be considered at the next Dedicated Session.

IV. WORK OF THE SUB-COMMITTEE ON LEAST-DEVELOPED COUNTRIES

19. During the period 22 November 2002 to 29 November 2003, the Sub-Committee on Least-Developed Countries held four formal meetings on 2 December 2002, 24 January 2003, 21 May 2003 and 2 October 2003. The Minutes of these meetings are contained in WT/COMTD/LDC/M/31, WT/COMTD/LDC/M/32, WT/COMTD/LDC/M/33 and WT/COMTD/LDC/M/34. One informal meeting was held on 2 December 2002. Ambassador Johan Molander (Sweden) chaired all the meetings of the Sub-Committee during the period covered in this report.

20. The principal themes addressed by the Sub-Committee during the period covered in this report were the following:

⁷ WT/COMTD/W/110

⁸ WT/MIN(01)/DEC/1

⁹ WT/L/447

- A. WTO Work Programme for Least-Developed Countries (LDCs);
- (i) Accession of LDCs;
 - (ii) Market Access for LDCs;
 - (iii) Trade-Related Technical Assistance and Capacity Building Initiatives for LDCs;
 - (iv) Enhancing the Participation of LDCs in the Multilateral Trading System;
 - (v) Mainstreaming, as appropriate, into the WTO's work, the trade-related elements of the LDC-III Programme of Action, as relevant to the WTO's mandate.
- B. Preparations for the Fifth WTO Ministerial Conference - Arrangements to Facilitate the Participation of LDCs

A. WTO WORK PROGRAMME FOR LEAST-DEVELOPED COUNTRIES

21. Since the previous report, the work of the Sub-Committee has mainly focused on implementing the WTO Work Programme for Least-Developed Countries (WT/COMTD/LDC/11), adopted by Members on 12 February 2002. Pursuant to paragraph 43 of the Doha Ministerial Declaration, the interim report to the General Council in December 2002 (WT/GC/W/485/Rev.1) and the report by the Director General to the Fifth Ministerial Conference (WT/MIN(03)/1) highlighted the implementation of the WTO Work Programme for LDCs.

(i) *Accession of LDCs*

22. During the reporting period, the Sub-Committee considered "Accession of LDCs" at each session of the Sub-Committee. At its 31st Session, the Sub-Committee adopted the Guidelines on the Accession of LDCs and forwarded the draft Decision (WT/COMTD/LDC/12) to the General Council. The General Council adopted the draft Decision on 10 December 2002.¹⁰ The Sub-Committee at its 32nd Session stressed on the implementation and regular monitoring of the Guidelines. Members and acceding Governments exchanged views on how the implementation of the Guidelines could be kept under review as mandated in paragraph 2 of WT/L/508. Based on the interventions, it was decided that: (a) "Accession of LDCs" would be kept as a standing item on the agenda of the Sub-Committee; (b) Chairs of LDCs' Accession Working Parties would be invited to the Sub-Committee for an exchange of views; and (c) the importance of targeted technical assistance was recognized. The Secretariat was requested to report on technical assistance for LDC accessions.

23. The Chairpersons of the Accession Working Parties of Bhutan, Cape Verde, Ethiopia, Nepal and Yemen attended and briefed the 33rd Session of the Sub-Committee. The exchange of views and sharing of best practices between Members and acceding governments indicated that the Guidelines were increasingly being used. Members of the Sub-Committee supported a two-track strategy with regard to LDC accessions, namely: (i) to complete by Cancún or as quickly as feasible, the accession of LDCs whose negotiations had advanced; and (ii) to activate as quickly as possible LDC accessions which had so far remained inactive. A paper (Job(03)/87) on the state-of-play of LDCs' accessions and technical assistance provided by the WTO to acceding LDCs was also considered at the meeting. It was agreed that the Secretariat would update the state-of-play document regularly.

24. Steps taken to facilitate and accelerate LDCs' accessions and implement the Guidelines were highlighted in the Status Report of the Director-General to the Fifth Ministerial Conference (WT/MIN(03)/2).

25. At its 34th Session, the Sub-Committee welcomed the accession of Cambodia and Nepal. It was noted that paragraph 155 of the Working Party Report for Nepal (WT/ACC/NPL/16), envisaged a

¹⁰ Circulated as WT/L/508 following adoption by the General Council (WT/GC/M/77).

role for the Sub-Committee with regard to transitional arrangements. Members reaffirmed their support to activate or advance the eight other ongoing LDC accessions. The importance of technical assistance and capacity building at all stages of the accession process was recognised. The Sub-Committee took note of an update on the state-of-play of LDCs' accessions contained in Job(03)/191. The Secretariat was requested to take account of the comments made in future updates of the document.

(ii) *Market Access for LDCs*¹¹

26. To address the issues listed in paragraph 7 of the WTO Work Programme for LDCs, the Note by the Secretariat on Market Access Issues for LDCs (WT/COMTD/LDC/W/31 and TN/MA/S/11) was considered at the 34th Session of the Sub-Committee. Preparations for the drafting of this document commenced at the 33rd Session of the Sub-Committee, when the Secretariat outlined the approach and elements of the report. The Note by the Secretariat surveyed initiatives and improvements made in providing market access for LDCs. Tariff and non-tariff barriers facing LDC exports were also discussed. The Sub-Committee took note of the document and the statements made.

27. In line with the LDC market access reporting procedures,¹² the Sub-Committee discussed two notifications forwarded to it by the CTD for discussion and reporting back. At its 33rd Session, the Sub-Committee discussed the notification by Canada contained in WT/COMTD/N/15/Add.1. The Sub-Committee welcomed the initiative taken to improve market access for LDCs. The Sub-Committee took note of the notification and the statements made and reported back to the CTD on the discussions held. At its 34th Session, the Sub-Committee considered the notification by Japan contained in WT/COMTD/N/2/Add.12. Upon request by Japan, the Sub-Committee agreed to revert to this notification at its next Session. The Sub-Committee noted the importance of notifications for periodic monitoring of existing measures or improvements in market access for LDCs.

(iii) *Trade-Related Technical Assistance and Capacity Building Initiatives for LDCs*¹³

28. The 32nd and 33rd Sessions of the Sub-Committee considered trade-related technical assistance and capacity building initiatives for LDCs. At the 33rd Session, the Secretariat briefed Members on WTO training and technical assistance for LDCs. WTO technical co-operation activities for LDCs implemented in the first quarter of 2003 were reported (WT/COMTD/W/112). Activities scheduled for LDCs in preparation for the Fifth Ministerial Conference were also highlighted.

- *Integrated Framework (IF) for trade-related technical assistance to LDCs*¹⁴

29. At its 32nd Session, the Chairmen of the Integrated Framework Steering Committee (IFSC) and Integrated Framework Working Group (IFWG) briefed the Sub-Committee on the IFSC and IFWG meetings held on 16 and 17 January 2003 respectively. At the 33rd Session of the Sub-Committee, the Chairman of the IFSC gave a status report on the IF and developments at the IFSC meeting on 16 May 2003. It was reported that clarifications in the terms of reference for Window II of the IF Trust Fund had been agreed upon (WT/IFSC/4). Pledges to the IF Trust Fund were also reported. The Sub-Committee was informed of the commencement of the IF evaluation and the

¹¹ As agreed to in paragraph 8 of the WTO Work Programme for LDCs, the consideration of this item by the Sub-Committee, is recorded in the end of year Annual Report adopted by the CTD.

¹² These reporting procedures were agreed to by Members at the 32nd session of the CTD (WT/COMTD/M/32) and at the CTG meeting on 14 March 2001 (G/C/M/47).

¹³ As agreed to in paragraph 11 of the WTO Work Programme for LDCs, the consideration of this item by the Sub-Committee, is recorded in the end of year Annual Report adopted by the CTD.

¹⁴ Overall policy oversight and guidance on the Integrated Framework (IF) was provided by the IF Steering Committee. Reports of the meetings of the IFSC during the reporting period are contained in documents WT/IFSC/M/6,7,8 and 9 (to be issued).

selection of the evaluation firm Capra International. The Sub-Committee took note of the status reports and statements made on the implementation of the IF.

(iv) *Enhancing the Participation of LDCs in the Multilateral Trading System*¹⁵

30. The 33rd Session of the Sub-Committee considered this element of the WTO Work Programme. The Secretariat circulated the document WT/COMTD/LDC/W/30 at the meeting. The document, based on the elements listed for review in paragraph 15 of the WTO Work Programme for LDCs, outlined the trends in LDCs trade and the specific initiatives undertaken to enhance the participation of LDCs in the multilateral trading system. The Sub-Committee took note of WT/COMTD/LDC/W/30 and the statements made.

(v) *Mainstreaming, as appropriate, into the WTO's work, the trade-related elements of the LDC-III Programme of Action, as relevant to the WTO's mandate*¹⁶

31. The Sub Committee at its 32nd Session considered the communication from Zambia, on behalf of LDCs, contained in WT/COMTD/LDC/W/29. The proposal sought to transform the trade-related elements of the LDC-III Programme of Action into the WTO's rules and disciplines as binding contractual obligations. Based on the comments and reservations expressed by some Members, the Chairman indicated his availability to consult further with interested delegations. It was also noted that, consistent with the mandate in paragraph 42 of the Doha Ministerial Declaration, the WTO Work Programme for LDCs took into account trade-related elements of the Brussels Declaration and Programme of Action adopted at LDC-III (Paragraph 2 of WT/COMTD/LDC/11).

B. PREPARATIONS FOR THE FIFTH WTO MINISTERIAL CONFERENCE - ARRANGEMENTS TO FACILITATE THE PARTICIPATION OF LDCs

32. At the 33rd Session, the Sub-Committee was briefed by the Secretariat on arrangements to facilitate the participation of LDCs to the Fifth WTO Ministerial Conference. Members were urged to contribute to the WTO Trust Fund established to cover the travel expenses of LDCs to the Ministerial Conference. Norway announced its contribution to the Trust Fund. The Sub-Committee welcomed the contribution and took note of the statements made. Special arrangements for LDCs' participation were made at the Fifth Ministerial Conference.

¹⁵ As agreed to in paragraph 16 of the WTO Work Programme for LDCs, the consideration of this item by the Sub-Committee, is recorded in the end of year Annual Report adopted by the CTD.

¹⁶ As agreed to in paragraph 13 of the WTO Work Programme for LDCs, the consideration of this item by the Sub-Committee, is recorded in the end of year Annual Report adopted by the CTD.