

The Doha Work Programme: The New Framework

by Carol C. George¹

1. Overview

Members of the World Trade Organization have finally succeeded in producing a Framework Text that will ensure the survival of negotiations under the Doha Development Agenda, established by Ministerial Declaration in Doha on 14 November 2001. After the failure of talks at last September's Ministerial Conference at Cancun, Members have been working hard to put the Doha negotiations back on the rails, setting themselves a 30 July 2004 deadline in order to keep up momentum. Failure to agree on the outline for negotiations by the end of the month would have stalled trade talks for months or even years, with U.S. elections and leadership changes in the European Commission pending later this year. As stated in the cover letter to the First Draft, circulated on 16 July, the text is intended to ensure the continuation of the negotiations, rather than serve as a Ministerial Declaration. As such, it does not represent an agreement on modalities for further negotiations, except as specifically indicated, but a basis on which Modalities may be determined. Formalised as a Decision of the General Council late on 31 July 2004, the Framework Text covers all areas currently under negotiation, including Agriculture, Industrial Market Access, Development Issues, Services and Trade Facilitation.

On 16 July, WTO Director-General Dr. Supachai Panitchpakdi and General Council Chair Ambassador Shotaro Oshima circulated a first draft Framework Text on the Doha Round trade negotiations, which Members were expected to adopt by the 30 July. Two weeks of intense negotiations culminated in a revision early in the morning of 30 July, less than 24 hours from the 30 July deadline for completion. This second draft also failed to gain the support of all Members, and ministers worked frantically until the afternoon of the next day before confirming that a consensus had finally been obtained.

Following the release of the 16 July text, Members met in a number of groupings including a Heads of Delegation meeting called by Dr. Supachai on 19-20 July, informal meetings on Agriculture and Industrial Market Access on 20 July, and a video conference among the group of

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Five Interested Parties (FIPs) - the U.S., E.C., Australia, Brazil and India. The G-20 Group of developing countries comprising, *inter alia*, Brazil, India, China and South Africa also met on 20 July.

While seeking a number of changes to particular parts of the text, Members agreed that it formed an acceptable basis for negotiations. Several countries commented on the complexity of the text, and requested time to consult with their capitals. Both the U.S. and EC wanted to see more balance between the different areas of the Draft, especially Agriculture, Industrial Market Access and Services. A number of developing countries also called for a more balanced text overall, emphasising the need for stronger text on development issues. India expressed general dissatisfaction with the text on implementation issues, which stated that Members will 'renew their determination to find appropriate solutions'. The EC said all implementation issues should be negotiated, with Geographical Indications being an EC priority. Brazil asked why the extension of Geographical Indications had been singled out.

Overall, alterations to the 16 July text were not significant. On *Market Access for Non-Agricultural Goods* (NAMA), despite intense discussions, the only practicable option, it seemed, was to embody the earlier so-called Derbez Draft, produced but not agreed at Cancun, as a platform for further negotiations. It was attached as Annex B to the Decision with only one introductory amendment, as discussed below.

Services, Trade Facilitation and Dispute Settlement were largely uncontentious and the Decision underscores progress that has been made in these areas through the work of WTO Committees and Working Groups. Although a number of countries voiced the view that *Services* should be given more prominence in the Draft, the matter was relatively uncontentious and the final version reveals only minor changes in wording. The General Council took note of the report to the Trade Negotiations Committee (TNC) by the Special Session of the Council for Trade in Services, and adopted its recommendations (itemised at Annex C) on the basis of which further negotiations are to be pursued.

Consensus on Modalities had already been achieved in regard to *Dispute Settlement*, and the Council affirmed recommendations for commencement of negotiations on the basis agreed in the Special Sessions of the Dispute Settlement Body, as reported by the Chairman to the TNC. Other reports to the TNC, by the Committee on Trade and Environment and the TRIPS Council, were also affirmed, as is progress in these areas of the negotiations, in line with the Doha Mandates.

On the 'Singapore Issues', the Framework Text launched negotiations only on *Trade Facilitation*. The commencement of negotiations in Trade Facilitation, as agreed at Cancun, is in the interests of all Members. India supported more clarification of Trade Facilitation at this stage. Bangladesh called for balance, stressing that work on Trade Facilitation seemed much further ahead than other areas under negotiation. The African Group cautioned against putting Trade Facilitation on a fast track, calling for clear decisions first on issues such as technical assistance and the applicability of Dispute Settlement. For Switzerland, a solid mandate for the launch of negotiations on Trade Facilitation was the necessary *quid pro quo* for leaving the other three off the list. The modalities are included in Annex D, which spells out the need for technical assistance, capacity building and S&D for developing countries.

The other three Singapore issues – *Trade and Investment*, *Trade and Competition Policy*, and *Transparency in Government Procurement* - are left entirely off the Doha Development Agenda, though they remain on the WTO Agenda, for future consideration. The African Group suggested that the remaining three issues should be dropped not just from the Doha Round but from the entire WTO Work Programme. Since the EU and the U.S. agreed to drop these from the Agenda

during the last hours at the Cancun Ministerial last year, any suggestion of their inclusion at this stage would have been immensely controversial.

Although *Agriculture* issues were somewhat sensitive and resulted in more protracted debate, movement from the terms of the original draft was relatively minor. A significant concession in domestic support was made by subsidising states who agreed to cut trade-distorting subsidies by 20% in the first year and throughout the implementation period. They also accepted disciplines, including a cap on Blue Box payments, to discourage the sheltering of support by ‘box-shifting’. Regarding market access, although developing countries succeeded in obtaining a balance regarding the specificity with which ‘sensitive products’ were referred to in the text, this was not a substantial victory, as details as to the ‘appropriate’ number of tariff lines would in any event have been worked out for both developed and developing countries in the next phase of negotiations. The principle of elimination of export subsidies was not contentious, but even though detailed descriptions of the measures to be eliminated were supplied, the crucial end date has not yet been agreed.

2. Framework for Agriculture

The adoption of the Decision turned on the inclusion of an adequate Framework for proceeding with discussions on Agricultural issues, the largest source of divergence among Members. A group of about 30 WTO Members met on 20 July to review the Framework for the Agriculture modalities drafted by Ambassador Tim Groser, the Chair of the WTO Committee on Agriculture, Special Session. The seven-page Framework Draft, attached as Annex A to the Draft General Council Decision, did not provide a high level of specificity, due to the widely differing positions of the Member countries. On market access, there was no specific tariff reduction formula, nor concrete proposals for the treatment of Special Products or for provision of duty- and quota-free access for imports from LDCs.

Developing countries, in particular, criticised Annex A for what they saw as significant imbalances in the level of specificity on issues important to developed countries, on the one hand, and those crucial to developing country Members, on the other. In contrast, some developed countries argued that the balance was weighted the other way. Several sources also questioned whether the vague language in Annex A could really help move the negotiations forward.

The negotiations

Not surprisingly, Agriculture was a major sticking point in the ‘July package’, as it was at Cancun. The current phase of the Agricultural negotiations is based on the mandate set out in paragraph 13 of the Doha Ministerial Declaration of 14 November 2001. The Doha Declaration itself seeks to further the objective of the WTO Agreement on Agriculture to establish a fair and market-oriented trading system through fundamental reform. Reflecting the difficulty of the issues to be dealt with in this process, the Decision provides greater precision in regard to certain items under discussion, but acknowledged that the negotiation of full modalities will only happen in the next phase. The Agriculture Framework at Annex A is merely a determination as to how the Members wish to pursue such an Agreement, and it expressly stated that it may not be used in any dispute settlement or for interpreting the existing WTO Agreements.

Of the 20 pages of the 16 July draft, 7 pages comprised an Annex A, which sets out a Framework for Establishing Modalities in Agriculture. The basic parameters remained unaltered in the Decision. It reconfirmed the long-term objective of the Agreement on Agriculture to establish a fair and market-oriented trading system through fundamental reform. It affirmed that a final

balance will be found only at the conclusion of the subsequent negotiations, within the ‘Single Undertaking’. It addressed the three Agricultural ‘pillars’: domestic support, export competition and market access, and fixes specific objectives for dealing with the difficult elements in each of them. Cotton was also addressed in the Agriculture Framework, non-trade concerns are to be taken into account, and Geographical Indications (GIs) are given mention as being of interest.

The 16 July draft was followed by almost a fortnight of intensive negotiations. No country rejected the document outright, but many voiced strong displeasure with the draft, developing countries being much more critical of the document than developed countries. Divergences centred on ‘sensitive’ products under the market access pillar, and the proposed modification of the Blue Box category of domestic support. The EC indicated general approval of the text as an adequate basis for further negotiations, but sought much more precision and clarification on domestic support and export competition. The U.S. accepted the text as a basis for further discussion, but was apprehensive about the potentially low level of ambition in market access. Canada didn’t like the new disciplines on state trading enterprises, which have potential to threaten the survival of the Canadian Wheat Board.

India said the draft did not provide the required balance, fairness or equity between the provisions for developed countries and those of developing countries in the area of Agriculture. Speaking on behalf of the Africa Group, Ambassador Matthew Nwagwu of Nigeria also commented on the lower level of specificity on developing country issues in the draft. In addition, he expressed displeasure about the inclusion of cotton in the Agriculture negotiation, and called for consultations to resolve this matter. Representing the G-33, Indonesia expressed disappointment at how Special Products and the Special Safeguard Mechanism had been addressed in the draft, noting that their agreement was contingent on changes in relation to these issues.

Eventually – in an attempt to build a core consensus and salvage the Agenda – the U.S., the EU, Australia, Brazil and India, the five major agricultural producers known as the Five Interested Parties (FIPs), reached a common understanding among themselves and sought to have it incorporated into the Final text. The understanding included a methodology for selection and treatment of ‘sensitive products’ for exclusion from full market access commitments. The parties also specified an immediate cut of 20% on the most trade-distorting domestic subsidies, defined by the aggregate measurement of support (AMS), upon entry into force of a future Agriculture agreement. This is a significant commitment, particularly as it comes with a clear timeframe for implementation. They clarified language with respect to export competition, export credit programs, and food aid and proposed that caps on product-specific AMS be determined by an agreed methodology, rather than an historic base period.

In the early hours of 30 July, Ambassador Tim Groser, Head of the Agriculture negotiations, produced a second draft of the text, incorporating the revised Agricultural Framework. The 30 July Draft was still subject to criticism. Many countries, especially members of the G10, resented having been excluded from the FIP consultations, and Brazil objected to the Draft on the basis that it was not an accurate reflection of the deal that had been made. Hours before the midnight deadline, Heads of Delegations began a further redraft, completing it almost 24 hours later on the 31 July 2004.

Domestic support

The Agricultural Framework requires each Member to negotiate substantial reductions in its trade-distorting domestic support. It must reduce the overall level of its trade-distorting support from bound levels, and must ensure that cuts extend beyond the Amber Box measures (included

in calculation of the AMS) to *de minimis* support and Blue Box payments, which were not subject to reduction under the Agreement on Agriculture. Blue Box payments will be capped. Special and differential treatment remains an integral component of the process, and developed countries that have higher levels of trade-distorting domestic support will be required to make deeper cuts.

Overall Reduction: A Tiered Formula

Subsidising Members must reduce the overall total of their trade-distorting subsidies (including Amber Box, Blue Box and *de minimis* support) by application of a 'tiered' formula, which would cut subsidies progressively, so that higher subsidy levels would be cut more than lower ones. The first instalment must be a reduction of 20 per cent, so that the sum of all trade-distorting support does not exceed 80 per cent of the sum of the Final Bound Total AMS, plus permitted *de minimis*, plus Blue Box payments.

Final Bound Total AMS: A Tiered Formula

Amber Box subsidies will be reduced substantially from final bound levels under a progressive 'tiered' formula. In order to prevent transfers between different categories of support, product-specific support payments will be capped, not at 'historical levels' as proposed in the first draft, but at their respective average levels according to a 'methodology to be agreed'. The text acknowledges that substantial reductions in Final Bound Total AMS will result in reductions of some product-specific support.

Blue Box

In relation to Blue Box payments, the Framework Text accommodated the U.S. concern that its countercyclical payments under the 2002 US Farm Act should be notifiable as Blue Box measures. In addition to direct payment under production-limiting programmes, payments may be scheduled as 'Blue Box' as long they are direct payments that 'do not require production'. These provisions generated much criticism, especially from the G-20 and the Cairns Group of agricultural exporters, on grounds that they simply allow the U.S. to shelter some domestic subsidies now covered by the Amber Box. Ambassador Luiz Felipe de Seixas Correa, Brazil's Ambassador to the WTO, said it was important that the modified Blue Box not serve as a 'blank cheque' for developed countries to avoid reducing trade-distorting domestic support.

Additional disciplines on so-called 'box shifting' were accordingly built into the text. Blue Box levels will be capped at 5% of a Member's average total value of agricultural production during an historical period, yet to be determined. Contrary to the first draft, which gave Members the implementation period in which to progressively reduce their Blue Box support to the maximum level, the final text is more stringent, applying to any actual or potential Blue Box user, from the beginning of the implementation period. There is some flexibility however, for Members that have exceptionally large percentages of their trade-distorting support in the Blue Box; they will not be called on to make an 'a wholly disproportionate cut'.

Green Box

In regard to the Green Box (decoupled subsidies), the Framework Text provided for review and clarification to ensure that these measures have no, or at most minimal, trade-distorting effects or effects on production. Its 'basic concepts, principles and effectiveness' will remain the same, and non-trade concerns taken into account. Improved obligations for monitoring and surveillance of all new disciplines will be particularly important for the Green Box, implying commitments to notify new Green Box programmes completely and in a timely manner.

Export Competition

The Decision reiterated that the objective under the Doha Ministerial Declaration is ‘reduction, with a view to phasing out, all forms of export subsidies’. The Members agreed that the goal of this phase of the negotiations is to ‘establish detailed modalities ensuring the parallel elimination of all forms of export subsidies and disciplines on all export measures with equivalent effect by a credible end date’.

Although the end date has yet to be decided, the Members have set out a list of items that will be eliminated. This includes export subsidies, the trade-distorting elements of export credits, export credit guarantees and insurance programmes, trade-distorting practices of state trading enterprises, and food aid that doesn’t conform to disciplines (to be agreed) for the purpose of preventing commercial displacement. The negotiations will deal with the role of international organisations, humanitarian and developmental issues, and the question of providing food aid exclusively in grant form.

Developing countries will continue to benefit from special and differential treatment under Article 9.4 of the Agreement on Agriculture for a reasonable period, to be negotiated, after the phasing out of all forms of export subsidies and implementation of all disciplines are completed. Members are also to ensure that the disciplines on export credits, export credit guarantees or insurance programs will provide for differential treatment in favour of least-developed and net food-importing developing countries. State trading enterprises in developing countries that have special privileges to preserve domestic consumer price stability and to ensure food security will be considered for maintenance of monopoly status. Further, in exceptional circumstances that are not covered by food aid, export credits or preferential financing facilities, Members may establish *ad hoc* temporary financing arrangements relating to exports to developing countries.

Whether the developing countries have achieved a satisfactory deal for elimination of export subsidies will turn entirely on the chosen ‘end date’ for elimination, which has yet to be determined. It is easy for subsidising countries to agree ‘in principle’ to significant concessions if they are able to maintain control over the timeframe within which they will be carried out. The key to obtaining a ‘balance’ in this aspect of the negotiations going forward must be the determination as to what a ‘credible’ time frame would be for completion of the process of elimination.

Market access

The principles

The Doha Ministerial Declaration called for ‘substantial improvements in market access’. The Framework Text requires all Members, except LDCs, to contribute to liberalisation of market access through specific commitments, subject to some flexibility for the protection of ‘sensitive’ products. Points of divergence among Members were the determination of a single ‘tiered’ approach that would take into account the different tariff structures of developed and developing countries, the selection and treatment of ‘sensitive products’ by all Members, and the designation of Special Products and other special and differential treatment of developing countries.

The Framework Text decided that a tiered formula will be used to undertake reduction of tariffs in both developed and developing countries, taking into account their different tariff structures. Tariffs are divided into bands according to bound tariff level. The text included principles for the further negotiation of the formula, but leaves the details, including the number of bands, the thresholds for defining the bands, as well as the type of reduction methodology (e.g. Swiss formula or Uruguay Round formula) for post-July modalities negotiations. Reductions would be made

from bound rather than actual rates, and will be progressive, so that higher tariffs will be cut more drastically than lower ones. The issue of establishing an overall tariff cap would require ‘further evaluation’.

Sensitive products

The handling of ‘sensitive’ products, those that the EC and G-10 agricultural net-importers such as Switzerland and Japan want to protect from substantial tariff cuts, became a key issue in the drafting of the Agricultural Framework. The Decision, in its final form, eradicates distinctions between developing and developed countries in regards to the selection of sensitive products. Each Member shall be entitled to designate an appropriate number, to be negotiated, of tariff lines to be treated as sensitive. ‘Substantial improvements’ would apply to each ‘sensitive’ product through a combination of tariff cuts and new TRQ commitments. Taking into account their non-trade concerns, developing country Members are also entitled to designate, under conditions to be agreed in the negotiations, a number of Special Products. They will also have access to a new Special Safeguard Mechanism (SSM), and the importance of long-standing preferences was acknowledged and flagged up for further consideration.

The 16 July text proposed that due to differences between developed and developing country tariff structures, and the responsibilities of developed countries to reduce domestic support and export competition, the core approach to sensitive products should be addressed first in relation to the developed countries. The sensitivities of developing countries, it said, could best be accommodated afterward, during the post-July negotiations stage. Developed countries would select a number of sensitive products, the number currently under tariff rate quotas (TRQs) being ‘considered a very close approximation of the maximum permissible number of tariff lines for sensitive products’. It was reported that this would eventually allow countries to designate around a quarter of all their products as ‘sensitive’.

With regard to developing countries’ ‘sensitive’ products, few details were provided in the 16 July draft. It stated that it was difficult to ‘develop a fair contribution from developing countries on their sensitive products until it becomes clearer what contribution is likely to be forthcoming from developed countries’. Referring to elements of special and differential treatment for the conduct of that negotiation, the text said that sensitive products in developing countries would therefore have to be dealt with in the post-Framework stage.

Many developing countries, along with the U.S., complained that the 16 July draft gave too much flexibility to developed countries to protect sensitive products. Brazil, representing the G-20 indicated that the bias in favour of developed countries was based on the clear articulation of the flexibilities for developed countries in the text, while similar protections for developing countries were to be negotiated at a later date. In contrast, the G-10 net agricultural-importing countries said the draft text did not include enough flexibility for them to protect their sensitive products, as it would force them to expand their TRQs. They sought similar levels of specificity under each of the three pillars and comparable levels of clarity on ambition (elimination of all forms of export subsidies) and flexibility (treatment of sensitive products). Their three major preoccupations, mentioned in a press conference of 28 July 2004, were:

- resistance to any reference to tariff capping in the Framework. Nevertheless, the single reference to ‘further evaluation’ of the role of tariff capping in a tiered formula remains in the Decision, in spite of a statement that the issue was a crucial one, and warning that failure to delete the reference would undermine its support for the Framework;
- affirmation of flexibility in regard to selection of ‘sensitive products’, in proportion to the level of ambition of the tiered formula for tariff reductions; and,

- affirmation of market access improvement for sensitive products that would provide flexibility for protection of non-trade concerns; this should involve a combination of tariff quota commitments and reduction of tariffs, but should avoid mandatory tariff rate quota expansion.

It is not clear that the developing countries actually gained anything by the amendment of the text regarding sensitive products. Their contribution in relation to sensitive products still falls to be determined in the next phase of negotiations, and the text contains no further details regarding selection or treatment of developing countries' sensitive products. All that they have succeeded in doing is ensuring that the text does not reflect the actual progress that has been made in regard to the definition of an 'appropriate' number of tariff lines for developed countries. The 'balance' achieved by reducing the level of specificity in the document to the lowest common denominator is therefore presumably of little value, as it is not likely to alter the process of the negotiations, or the end result.

Cotton

Cotton is referred to twice in the Decision. First, at paragraph 1.b of the Decision, the General Council reaffirmed the importance of the Sectoral Initiative on Cotton and confirmed that it will be pursued within the Agricultural negotiations, rather than as a separate matter. The Council noted the complementarity of the trade and development issues that arose in that context and encouraged Members to work on related issues of development multilaterally, with the financial institutions, and to continue their bilateral programmes. Secondly, paragraph 4 of the Framework for Establishing Modalities for Agriculture affirmed a work programme addressing all trade-distorting policies affecting the sector as specified in the Doha Declaration and the new Framework Text. The Agriculture Framework states that this issue will be addressed in an ambitious and expeditious manner and given appropriate prioritisation independently from other sectoral initiatives by the Special Session of the Committee on Agriculture. A subcommittee on cotton will meet periodically and report to the Special Session. Finally, coherence between the trade and development aspects of the cotton issue is to be pursued.

There were mixed responses to the way in which the cotton initiative was dealt with in the Decision. Commenting on the text, Senegal's Minister of Commerce, H.E. Ousmane Ngom, described the agreement as 'an important step in the right direction'. The US cotton industry, however, criticised the deal as unfairly targeting U.S. cotton and posing a threat to the round. On the other hand, one NGO called the deal a 'serious betrayal of developing countries', on the erroneous grounds that it fails to address the issue of U.S. cotton subsidies. Although some developing countries may have hoped that the cotton initiative would be dealt with outside the agricultural framework, it is difficult to see how it could be credible to address the sector apart from the terms of the Agreement on Agriculture. It is, surely, the right result that the Special Session of the Committee on Agriculture must determine how the matter is to be given priority.

3. Market Access for Non-Agricultural Products (NAMA)

On Non-Agricultural Market Access (NAMA), the Decision attached at Annex B the Draft 'Derbez' text, negotiated but never adopted in Cancun, as a platform for further negotiation. According to Chair of the Industrial Market Access Group Ambassador Stefan Johannesson, the text remained in annex form because negotiations had never really taken off on industrial market access, as Members had been waiting for an outcome in Agriculture. On 9 July, Ambassador

Johannesson sent a letter to Dr. Supachai and Chair Ambassador Oshima, forwarding the Derbez text, and identifying areas that in his judgment require further work. He also distinguished between those matters that he felt should be addressed before the end of July from those that could wait until later. Ambassador Johannesson pointed out that there are strong linkages between NAMA and Agriculture, as well as linkages between the different issues in NAMA, and that both within Annex B and in the greater text it was necessary that a balance be struck. He thought that a NAMA framework was within reach.

Members battled early on over how much of the NAMA Annex B from the failed Cancun Daft text to retain, and whether it was to be re-opened at this stage for further negotiations. At the 19-20 July Heads of Delegation (HODs) meeting, Nigeria, speaking for the African Group, said the Group could not accept the Derbez text as a basis for negotiations, and asked for clarification of the legal status of the text, including the letter by Chair Johannesson. India's industry groups generally welcomed the NAMA text affirming that a number of their concerns had been addressed and reflected in the deal. Brazil asked how the discussions would proceed, given that a number of countries opposed the Derbez text. Both the EC and U. S. felt that the text represented a bottom line, and negotiations should be based on it. The U.S. Council for International Business also welcomed the deal as a 'good road map for completing the much-needed package of trade liberalisation measures. Both the U.S. Trade Representative Robert Zoellick and the E.C Trade Commissioner Pascal Lamy echoed these positive sentiments, with Mr. Lamy adding that the current language was an improvement over the Cancun text.

The ACP countries expressed concerns that the Derbez text and its Annex on NAMA contradict the principle of less than full reciprocity as set out in the Doha Ministerial Declaration. They were disappointed that the text had been transmitted to the General Council for incorporation into the Framework document without provision for further 'policy space and flexibility' that would allow them to undertake industrial policy and national development objectives.

In the end, Members agreed to add only an initial paragraph outlining developing country concerns in front of the Cancun NAMA language. This paragraph stipulates that 'further negotiations are required to reach agreement on the specifics' of some elements, which relate to the tariff reduction formula, the starting point for binding unbound tariff lines, flexibilities for developing countries, and participation in the sectoral initiatives. While some, mostly developing countries, appear to view this language as sufficiently qualifying their acceptance of the form and content of the ensuing language, some developed countries have suggested that the additional negotiations will simply involve tweaking the elements but maintaining their essential form. Whether or not the Derbez text is wholly acceptable, even as a starting point, is largely insignificant, as the text reflects no binding commitments or formal obligations of the Members. Given that there is already a certain amount of buy-in from Members it should nevertheless act as a useful point of focus when negotiations commence in the next phase.

4. Development Issues

The General Council reaffirmed that all developing countries shall benefit from *Special and Differential Treatment* (S&D). It cited particular concerns of developing countries that must be taken into account in the Market Access, Agriculture and NAMA negotiations: capacity constraints, food security, rural development, livelihood, preferences, commodities and net food imports, as well as prior unilateral liberalisation. Trade-related issues identified for the fuller integration of small, vulnerable economies into the multilateral trading system should also be addressed 'without creating a sub-category of Members'. The General Council further instructed

the Committee on Trade and Development Special Session to send recommendations to the General Council on agreement-specific proposals by July 2005, and to address all other outstanding work, including cross-cutting issues and report to the General Council as appropriate.

The General Council also recognised the progress that has been made since the Doha Ministerial Meeting in relation to *Trade-Related Technical Assistance* and welcomed and encouraged further enhancement of technical assistance and capacity building, and improved coordination with other agencies.

As regards *Implementation Issues*, the General Council instructed the TNC and other bodies to redouble efforts to find appropriate solutions as a priority. The Council also instructed the Director-General to continue with his consultative process on all outstanding implementation issues under the Doha Ministerial Declaration, and to report to the TNC and the General Council no later than May 2005. The Council shall review progress and take any appropriate action no later than July 2005.

A number of developing countries raised concerns regarding the treatment of development issues in the text. Brazil, supported by other Latin American countries and some Asian countries, opposed differentiation between developing countries and called for a stronger focus on substance. The African Group said it was concerned about lack of progress in the area more generally, and felt the text lacked ambition. The Group wanted more clarity on the issues and an accelerated process on S&D, and asked for issues such as commodities, intellectual property protection and public health to be included in the text. Indonesia called for more specificity on S&D, and a balance between this area and the overall text.

The assertion of some developing countries that the text on special and differential treatment and other development issues was not as substantial as it might be, begs further analysis. Taken as part of the whole, it is clear that the expectations of developing countries are very high; not only do they ask developed countries to open their markets by reducing tariffs, cutting domestic support and eliminating export subsidies, but they also pursue new special safeguard protection for their domestic markets, while seeking to maintain historic preferential arrangements. As the developed states implement their commitments to liberalise more fully, the nature of the remaining preferences for developing countries and the extent of the additional protection necessary for the development of their domestic markets will have to be considered more closely. Opportunities to approach some of these questions should emerge even during the next phase of the negotiations.

5. Timetable

The General Council Decision of 31 July 2004 confirms the following deadlines for continuation of the Doha Work Programme:

May 2005

- Implementation issues: Director-General shall report to the TNC and the General Council no later than May 2005 on all outstanding implementation issues under paragraph 12(b) of the Doha Ministerial Declaration;
- Services: Revised offers should be tabled by May 2005.

July 2005

- Special and Differential Treatment: Committee on Trade and Development in Special Session to complete the review of all outstanding Agreement-specific proposals and report to

the General Council with clear recommendations for a decision.

- Implementation issues: General Council to review progress on implementation issues and take any appropriate action no later than July 2005.

December 2005 (Sixth Ministerial Conference, Hong Kong)

- Negotiations launched at Doha extended beyond the timeframe set out at paragraph 45 of the Doha Declaration, leading to the Sixth Session of the Ministerial Conference.
- Elements of the Work Programme that do not involve negotiations: General Council and other relevant bodies shall report to the Sixth Session of the Ministerial Conference.

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