

## REPORT (2000) OF THE COMMITTEE ON TRADE AND DEVELOPMENT

Chairman: Mr. Ransford Smith (Jamaica)

### I. INTRODUCTION

1. This report covers the activities of the Committee on Trade and Development (CTD) and the Sub-Committee on Least-Developed Countries (SCLDC) for the period 19 October 1999 up to 27 October 2000.<sup>1</sup>

2. The Committee held four formal sessions during the period, on 10 March 2000, 28 June 2000 (continued on 10 July 2000), 22 September 2000 and 27 October 2000 (continued on 8 November 2000). The Minutes of these meetings are contained in documents WT/COMTD/M/28, WT/COMTD/M/29 (to be issued), WT/COMTD/M/30 (to be issued), and WT/COMTD/M/31 (to be issued). The 28<sup>th</sup> Session was chaired by Mrs. Absa Claude Diallo (Senegal). At the 28<sup>th</sup> Session, Mr. Ransford Smith (Jamaica) was elected Chairperson of the CTD, and chaired subsequent sessions of the committee. An informal session of the CTD was held on 21 January 2000, chaired by Mrs. Diallo. A further informal meeting of the CTD on the subject of electronic commerce was held on 25 October 2000, in conjunction with the second "Geneva Week" briefings for non-resident Members and Observers, and a report of that meeting was made to the 31<sup>st</sup> Session of the CTD. Three seminars were held under the auspices of the CTD on the subjects of Special and Differential Treatment (7 March 2000), Implementation of WTO Agreements (26 June 2000) and Small Economies (21 October 2000). Reports on these seminars were presented to the succeeding meetings of the CTD by the Chairman, and are annexed to the minutes of those meetings. In addition, two Days of Reflection on Technical Cooperation were held on 18-19 July 2000, and a report by the Chairman, was presented to the CTD on 22 September 2000 and is annexed to the minutes of that meeting.

3. The Sub-Committee held 4 formal meetings, on 19 November 1999, 3 February and 21 March 2000, 21 July 2000 and 16-17 October 2000. The Minutes of these meetings are contained in documents WT/COMTD/LDC/M/18, WT/COMTD/LDC/M/19, WT/COMTD/LDC/M/20, WT/COMTD/LDC/M/21 (to be issued). Mr. Benedikt Jónsson (Iceland) was re-elected as Chairman of the SCLDC.

4. At its 29<sup>th</sup> Session, the CTD agreed to grant observer status to the United Nations Environment Programme (UNEP) on an ad hoc, meeting-by-meeting basis, pending a final decision of the General Council on observer status for intergovernmental organizations. A full list of intergovernmental organizations with observer status in the Committee is contained in document WT/COMTD/W/22/Rev.5. Requests for observer status have also been received by the CTD at its 27<sup>th</sup> Session from the League of Arab States, at its 29<sup>th</sup> Session from the Organization of

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<sup>1</sup>The last annual report of the Committee is contained in document WT/COMTD/22 of 20 October 1999.

Petroleum Exporting Countries (OPEC) and at its 30<sup>th</sup> Session from the Gulf Organization for Industrial Consulting; decisions on these requests are still pending.

## **II. WORK OF THE COMMITTEE ON TRADE AND DEVELOPMENT**

5. The principal themes addressed by the Committee since its previous report were as follows:

- (i) Special and differential treatment in favour of developing countries;
- (ii) Participation of developing countries in world trade;
- (iii) Implementation of WTO Agreements;
- (iv) Technical cooperation and training;
- (v) Concerns and problems of small economies;
- (vi) Development dimension of electronic commerce;
- (vii) Market access for least-developed countries;
- (viii) Generalized system of preferences: notifications;
- (ix) Regional trade agreements: notifications under the Enabling Clause;
- (x) Finance for Development: Contribution to UN High-level Event, May 2001; and
- (xi) Work programme for 2001.

### **A. SPECIAL AND DIFFERENTIAL TREATMENT IN FAVOUR OF DEVELOPING COUNTRIES**

6. The CTD continued its review, initiated in 1996, of the application of special provisions for differential and more favourable treatment of developing countries, in particular the least-developed countries. At its 22<sup>nd</sup> Session, the CTD requested the Secretariat to undertake a review of the implementation of "special and differential treatment" provisions by compiling information, in a formal Secretariat Note, on the difficulties, if any, that Members may have experienced in the implementation of these provisions. It was agreed that this review would be conducted on the basis of a questionnaire to be circulated by the Secretariat and completed by Members, and on the basis of information contained in documentation available in the Secretariat. At the 25<sup>th</sup> Session, notwithstanding the low rate of returns by Members to the questionnaire circulated by the Secretariat, it was agreed that the Secretariat would circulate information that it had compiled as an informal document. Following further responses a revised version of this Secretariat document was issued as WT/COMTD/W/66.

7. In addition, following a proposal by a Member made at the 25<sup>th</sup> Session of the CTD, it was decided to organize a seminar on special and differential treatment. This seminar was held on 7 March 2000 and the Chairperson reported on the seminar at the 28<sup>th</sup> Session (subsequently issued as WT/COMTD/M/28/Add.1).

8. The Secretariat document and the report on the seminar were discussed at the 28<sup>th</sup> and 29<sup>th</sup> Sessions of the CTD. It was also decided at the 29<sup>th</sup> Session that the Secretariat should update the document on the basis of factual information reflecting on a horizontal basis discussions being held in other WTO bodies. This document (WT/COMTD/W/77) was presented to the 31<sup>st</sup> Session of the committee. It was agreed that discussion of special and differential treatment shall remain on the agenda of future meetings of the CTD, and that the updating of information on the implementation of special and differential treatment provisions shall take place on a regular basis.

### **B. PARTICIPATION OF DEVELOPING COUNTRIES IN WORLD TRADE**

9. At the 28<sup>th</sup> Session of the Committee, the Secretariat presented a working paper on Participation of Developing Countries in World Trade: Recent Developments, and Trade of the Least-Developed Countries (WT/COMTD/W/65). The previous document on this subject had been

presented to the CTD in 1997, prior to the Asian crisis (WT/COMTD/W/31). The current document provided a long-term review of developments as well as in the period since the Asian crisis. The document was discussed at the 28<sup>th</sup> and 29<sup>th</sup> Sessions of the CTD, when it was decided to review the situation again in mid-2001.

#### C. IMPLEMENTATION OF WTO AGREEMENTS

10. Under its work programme, the CTD held a Seminar on Implementation of WTO Agreements on 26 June 2000. The CTD took note of a report on the seminar by the Chairman of the CTD at the 29<sup>th</sup> Session, and also engaged in a substantive discussion of the matter.

#### D. TECHNICAL COOPERATION AND TRAINING

11. At the 29<sup>th</sup> Session, the Secretariat presented a number of reports on technical cooperation (WT/COMTD/W/70, WT/COMTD/W/72, WT/COMTD/W/73 and WT/COMTD/W/74) and training (WT/COMTD/W/68). At the 30<sup>th</sup> Session, the committee continued discussion of these reports as well as a report by the Chairman on the Days of Reflection on Technical Cooperation held on 18-19 July 2000. These reports were duly noted in the minutes of the Committee.

12. Discussion in the committee and during the Days of Reflection focussed on how to balance demands for technical assistance against budgetary and personnel constraints, the nature of the WTO role in technical assistance, how best to deliver such assistance, how to collaborate more effectively with other international and national agencies, and how to monitor such assistance more effectively. A number of Members expressed support for the extension of funding for technical cooperation in the regular budget, reducing reliance on trust funds; this would help planning of WTO technical cooperation activities. A number of other Members remarked that the issue of funding was under consideration in the Committee on Budget, Finance, and Administration, where the substantive decision would be taken.

13. At its 29<sup>th</sup> Session, the CTD also took note of an EC Communication on Trade-related Technical Assistance (WT/COMTD/W/69); a Japanese Communication on Trade-related Capacity-Building Proposal as submitted to APEC (WT/COMTD/W/75); and of a statement by the representative of UNIDO on its technical assistance programme in support of trade promotion (WT/COMTD/W/76).

14. At its 30<sup>th</sup> Session, the CTD took note of a U.S. Report on United States government initiatives to build trade-related capacity for the benefit of WTO members.

15. A report by the "WTO Secretariat, A Strategy for Technical Assistance in the WTO" (WT/COMTD/W/78), and the Three-Year Plan (WT/COMTD/W/79/Rev.1 and Add.1) were presented at the 31<sup>st</sup> Session of the CTD. Discussion on these items will continue at the 32<sup>nd</sup> Session of the CTD, with a view to their finalisation.

#### E. REPORT ON THE UNCTAD/WTO INTERNATIONAL TRADE CENTRE

16. At its 29<sup>th</sup> Session, the CTD took note of a report by Mrs. Avila Seifert (Bolivia), Chairperson of the Joint Advisory Group (JAG) of the International Trade Centre (ITC). Mr. D. Bélisle, Executive Director of the ITC and members of his staff made a presentation on ITC's activities at the same session.

#### F. CONCERNS AND PROBLEMS OF SMALL ECONOMIES

17. On the basis of discussions in the CTD in its 22<sup>nd</sup> to 26<sup>th</sup> Session, the CTD organized a Seminar on Small Economies on 21 October 2000. This was scheduled at the beginning of the second Geneva Week to facilitate the participation of Non-Resident Members and Observers. At its 31<sup>st</sup> Session, the CTD took note of a report on the seminar by the Chairman of the CTD.

#### G. DEVELOPMENT DIMENSION OF ELECTRONIC COMMERCE

18. At the 30<sup>th</sup> Session of the CTD, the Chairman announced that the General Council had agreed on 17 July 2000 to reinvigorate the work programme on e-commerce on a practical basis. This was understood to be without prejudice to any delegation's position on the status of the 1998 Declaration (WT/MIN(98)/DEC/2). The Chairman said that four subsidiary bodies, including the CTD, had been invited to pick up their work on e-commerce within their respective spheres of competence, identify cross-sectoral issues, and report back to the General Council at its regular meeting in December 2000. The Chairman drew attention to earlier work in the CTD on the topic, culminating in a progress report to the General Council in July 1999 (WT/COMTD/19).

19. In order to consider its report to the General Council in December, the CTD agreed to meet informally on 25 October 2000, joining the briefing on e-commerce being provided by WTO Secretariat staff as well as staff from the ITU, ITC, and UNCTAD during the second Geneva Week for Non-Resident Members and Observers. On the basis of the briefing and the subsequent discussion, the Chairman provided a report to the 31<sup>st</sup> Session. The CTD agreed that the Chairman forward his report as amended to the General Council in fulfilment of its request. The CTD considered that it would be useful to conduct further work on the topic and intends to include a seminar on e-commerce in its work programme for 2001.

#### H. MARKET ACCESS FOR LEAST-DEVELOPED COUNTRIES

20. At the High-Level Meeting on Integrated Initiatives for Least-Developed Countries' Trade Development, 27-28 October 1997, WTO Members, including some developing country Members, had announced autonomous market access offers in favour of least-developed countries (LDCs). Following these announcements of autonomous market access offers and informal consultations within the framework of the CTD, a waiver under which developing countries may grant preferential market access to LDCs was agreed in the CTD at its 24<sup>th</sup> Session and adopted by the General Council on 15 June 1999.<sup>2</sup>

21. Under the terms of this waiver, actions by developing countries are to be notified to the Council for Trade in Goods (CTG). Notifications and information provided on changes to Generalized System of Preferences (GSP) are sent to the CTD under the provisions of the Enabling Clause. Consultations are ongoing between the Chairmen of the CTD and the CTG, with assistance from the WTO Legal Division, to determine the need for a consistent reporting procedure and how this might be achieved.

22. The CTD took note of a notification made by the Republic of Korea (WT/COMTD/N/12/Rev.1) regarding market access measures in favour of least-developed countries.

23. At the 30<sup>th</sup> Session of the CTD the representatives of the EC and Canada informed the committee of proposed improvements to their conditions of market access for least-developed countries. The proposals were welcomed; some Members expressed the hope that they would soon be implemented and encouraged other countries to follow suit.

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<sup>2</sup>WT/L/304.

24. At the 31<sup>st</sup> Session, the United States informed the CTD of improvements to its preference programmes in favour of many WTO Members, including a number of LDCs.

I. GENERALIZED SYSTEM OF PREFERENCES: NOTIFICATIONS

25. At its 28<sup>th</sup> Session, the CTD received a notification from Norway on modifications to its GSP scheme (WT/COMTD/N/6/Add.1). Following discussion and clarifications, the CTD took note of the report.

26. At its 29<sup>th</sup> Session, the CTD received and took note of a notification by Japan on modifications to its GSP scheme (WT/COMTD/N/2/Add.9).

J. REGIONAL TRADE AGREEMENTS: NOTIFICATIONS UNDER THE ENABLING CLAUSE.

27. At its 28<sup>th</sup> Session, the CTD received and took note of a notification from Senegal (WT/COMTD/N/11) and the text of the Treaty of the West African Economic and Monetary Union (WT/COMTD/23).

28. At its 31<sup>st</sup> Session, the CTD received and took note of a notification from the Parties (WT/COMTD/N/14) and the text of the treaty of the East African Community (WT/COMTD/25).

29. A notification and the text of the treaty of the Central African Economic and Monetary Community has been transmitted to the CTD by the Parties which are Members of the WTO (WT/COMTD/N/13 and WT/COMTD/N/24). Consideration of this notification is still pending.

K. FINANCE FOR DEVELOPMENT: CONTRIBUTION TO UN HIGH-LEVEL EVENT, MAY 2001

30. The General Council at its meeting on 17 July agreed that the CTD should be the contact point for an input from the WTO to the UN High Level Event on Financing for Development, to be held in 2001, and that the Chairman of the CTD should be in contact with the Preparatory Committee. It was also agreed that issues which might be raised in the context of the preparations for the High-Level Event would be discussed in the CTD. The WTO Secretariat had been invited to make a written input to the Working Group on trade issues in the form of an analytical paper. At the 30<sup>th</sup> Session of the CTD, it was agreed to wait for the preparation of the Secretariat paper which would also be taken as an input, together with any other relevant material, into the committee's deliberations and preparation of its own political contribution to the High Level Event. The CTD's views, would be forwarded to the Preparatory Committee. This work would have to be completed early by 2001. At its 31<sup>st</sup> Session, the CTD was briefed by staff of the WTO secretariat on the state of play in the three inter-secretariat Working Groups in relation to which the WTO was called to make an input, and agreed to hold consultations to prepare elements for an input by the CTD to the discussion of the matter.

L. WORK PROGRAMME OF THE CTD

31. The work programme of the CTD for 2000 had been discussed informally at a meeting of the CTD on 21 January and at subsequent formal sessions. It was approved at the 29<sup>th</sup> Session of the Committee.

32. A draft work programme for 2001 was discussed informally at to the 31<sup>st</sup> Session of the CTD (Job No. 7043). Discussions will continue at the 32<sup>nd</sup> Session of the CTD.

### III. WORK OF THE SUB-COMMITTEE ON LEAST-DEVELOPED COUNTRIES (SCLDC)

33. The principal themes addressed by the Sub-Committee since its previous report were:

- (a) Follow-up to the 1997 High-Level Meeting on Integrated Initiatives for Least-Developed Countries' Trade Development;
- (b) Market access for products originating in least-developed countries;
- (c) Difficulties faced by least-developed countries in implementing WTO Agreements; and
- (d) The Third United Nations Conference on Least –Developed Countries (LDC-III).

(a) Follow-up to the 1997 High-Level Meeting on Integrated Initiatives for Least-Developed Countries' Trade Development

34. The Sub-Committee continued to focus its work on the Integrated Framework for trade-related technical assistance to LDCs (IF), in particular, centring around the review of the IF as mandated under paragraph 6 of the Framework document<sup>3</sup> and the decisions taken thereafter by the six Heads of Agency to improve the functioning of the IF (the International Monetary Fund; ITC; the UNCTAD; the UNDP; the World Bank; and the WTO). The Sub-Committee was briefed by the Secretariat on the meetings of the Inter-Agency Working Group (IAWG) which were held on 23-24 November 1999, 26 January 2000, 21-22 June 2000 and 14-15 September 2000.<sup>4</sup>

35. At the 18<sup>th</sup> Session, the Sub-Committee held discussions on the terms of reference for the review that had been set out at the IAWG meeting on 23-24 November 1999 where the World Bank had agreed to task-manage an independent evaluation that provided a basis for the review. At the 19<sup>th</sup> Session, the Sub-Committee discussed its contributions to the review on the basis of the Secretariat's paper on the "Integrated Framework for Trade-Related Technical Assistance to Least-Developed Countries: The Process to Date, Concerns and Suggested Improvement".<sup>5</sup> The Sub-Committee's views were subsequently communicated to the six core Agencies as its input to the review.<sup>6</sup> The independent evaluation was circulated in June 2000,<sup>7</sup> and was discussed along with other inputs to the review at the IAWG meeting on 21-22 June 2000 where the IAWG considered recommendations to the Heads of Agency on the improvements to be made on the IF. The Heads of Agency met in New York<sup>8</sup> and issued the Joint Statement containing decisions to improve the functioning of the IF.<sup>9</sup> At the 20<sup>th</sup> Session, the Sub-Committee exchanged views on the Joint Statement and those views were subsequently communicated to the IAWG. At the 21<sup>st</sup> Session, the Sub-Committee exchanged views on the statement issued by the IAWG, and the draft terms of reference for the IF Steering Committee, the IAWG, and the IF Trust Fund which had been drawn by the IAWG at the meeting on 14-15 September 2000.<sup>10</sup> The Sub-Committee also received a communication from the IAWG, as part of its efforts to implement the new arrangements for the IF. The communication was entitled, "IF Mainstreaming: Combined Schedules for World Bank Consultative Group Meetings, UNDP Round Tables, and Poverty Reduction Strategy Papers".<sup>11</sup> The

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<sup>3</sup> WT/LDC/HL/Rev.1.

<sup>4</sup> Reports of the meetings are contained in documents WT/COMTD/LDC/6, WT/COMTD/LDC/8, WT/LDC/SWG/IF/3, and WT/LDC/SWG/IF/5, respectively.

<sup>5</sup> WT/COMTD/LDC/W/18.

<sup>6</sup> WT/COMTD/LDC/7.

<sup>7</sup> WT/LDC/SWG/IF/1.

<sup>8</sup> WT/LDC/SWG/IF/4.

<sup>9</sup> WT/LDC/SWG/IF/2.

<sup>10</sup> The statement and the draft terms of reference are contained in WT/LDC/SWG/IF/5.

<sup>11</sup> WT/LDC/SWG/IF/6.

Sub-Committee recognised the importance of the implementation of the Integrated Framework, and agreed to hold further consultations in November and December.

(b) Market Access for Least-Developed Countries

36. Following a request by the Sub-Committee, the Secretariat produced a compilation of existing information on market access barriers faced by the exports of the LDCs,<sup>12</sup> which was supplemented by a short summary document.<sup>13</sup> Following the report by the Director-General at the 3 May General Council on his consultations with the main trading partners on improvements on market access opportunities for LDCs,<sup>14</sup> the Sub-Committee recognised the importance of notifications to be made on existing measures or improvements made. Given the importance of the issue, particularly in the view of the forthcoming LDC-III to be held in Brussels, in May 2001, the Sub-Committee agreed to hold further discussion on the issue.

(c) Difficulties Faced by Least-Developed Countries in Implementing WTO Agreements

37. Upon request by the Sub-Committee, the Secretariat presented a working paper "Implementation of WTO Agreements: Possible Assistance to Least-Developed Countries".<sup>15</sup> The Sub-Committee also discussed whether its work on implementation, including possible recommendations for assistance to LDCs, would be forwarded to the CTD or to the General Council. Given the importance of the issue, the Sub-Committee would continue its work on implementation in 2001.

(d) Third United Nations Conference on Least –Developed Countries (LDC-III)

38. At the 20<sup>th</sup> Session, the Sub-Committee invited UNCTAD to provide a briefing on the preparatory process for the LDC-III to be held in May 2001, in Brussels. At the 21<sup>st</sup> Session, on 17 October 2000, the Sub-Committee held a joint meeting with the Trade and Development Board of UNCTAD for briefings on the results of the first Preparatory Committee held in July 2000 in New York and on the progress of preparation for the LDC-III. The Sub-Committee agreed to revert to this item and discuss possible contributions to the LDC-III in 2001 at a subsequent meeting.

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<sup>12</sup> WT/COMTD/LDC/W/16.

<sup>13</sup> WT/COMTD/LDC/W/17.

<sup>14</sup> WT/GC/M/55.

<sup>15</sup> WT/COMTD/LDC/W/19.