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Page: 1/36

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General Council 14 March 2014

MINUTES OF THE MEETING

HELD IN THE CENTRE WILLIAM RAPPARD ON 14 MARCH 2014

Chairperson: Mr Shahid Bashir (Pakistan)

In the course of the meeting, the Chairman, the Director-General and several delegations bade farewell to Ambassador Selim Kuneralp (Turkey) and Ambassador Jayant Dasgupta (India), who were leaving their post at the WTO, and expressed appreciation for their valuable contribution during their time as Permanent Representatives.

Subjects discussed:1

1 REPORT BY THE CHAIRMAN OF THE TRADE NEGOTIATIONS COMMITTEE	2
2 PREPARATORY COMMITTEE ON TRADE FACILITATION – REPORT BY THE CHAIRMAN	19
3 WORK PROGRAMME ON SMALL ECONOMIES – REPORT BY THE CHAIR OF THE DEDICATED SESSION OF THE COMMITTEE ON TRADE AND DEVELOPMENT	
4 IMPROVING THE GUIDELINES FOR GRANTING INTERGOVERNMENTAL ORGANIZATIONS PERMANENT OBSERVER STATUS IN THE WTO – STATEMENT BY THE CHAIRMAN	=
5 COMMITTEE ON BUDGET, FINANCE AND ADMINISTRATION – REPORT ON MEETING OF FEBRUARY 2014	22
6 WTO PENSION PLAN MANAGEMENT BOARD – ELECTION OF CHAIRMAN, MEMBERS AND ALTERNATES – PROPOSAL BY THE CHAIRMAN OF THE GENERAL COUNCIL	23
7 APPOINTMENT OF OFFICERS TO WTO BODIES	
8 COMMERCIAL RELATIONS WITH VENEZUELA – STATEMENT BY PANAMA	
9 ADMINISTRATIVE MEASURES FOR MEMBERS IN ARREARS – STATEMENT BY THE CHAIRMAN	27
10 ELECTION OF CHAIRPERSON	
ANNEX I - TNC CHAIRMAN'S REMARKS AT THE INFORMAL TNC MEETING AT THE LEVEL OF HEAD OF DELEGATION HELD ON 6 FEBRUARY 2014	
ANNEX II - STATEMENT BY ECUADOR AT THE INFORMAL TNC MEETING AT THE LEVEL OF HEAD OF DELEGATION HELD ON 6 FEBRUARY 2014	

¹ The Proposed Agenda was circulated in document WT/GC/W/680.

- 2 -

1 REPORT BY THE CHAIRMAN OF THE TRADE NEGOTIATIONS COMMITTEE

1.1. The <u>Chairman</u> invited the Director-General, as Chairman of the TNC, to report on the TNC's activities since his last report to the Council.

1.2. The Director-General, <u>Chairman of the TNC</u>, said² that the report would be brief for two reasons. Firstly, because the Chairs of the Negotiating Groups would be issuing full written reports³ of their consultations at the end of the meeting, which Members would have time to read and consider. He thought that would be more productive than him reading them out. Secondly, because he was planning to convene a meeting of the TNC on 7 April, which would provide an opportunity for a more detailed discussion on each of the negotiating areas. As such, he would not spend too much time on those discussions.

1.3. Since the Ninth Session of the Ministerial Conference in Bali, the TNC had held one informal meeting on 6 February 2014. His statement at the meeting had been issued in document JOB/TNC/37⁴.

1.4. Since that meeting he had been listening to Members in Geneva and talking to the Chairs of Negotiating Groups who had been conducting their own consultations. He had also seized the opportunity, whenever he was visiting capitals around the world, to further their work and bring greater focus to their forward planning.

1.5. When Members had met in February, they had discussed their next steps after Bali, and he had highlighted the two priorities for their work in 2014.

1.6. The first priority was to deliver on the blood, sweat and tears that Members had put into the Bali Package by implementing the decisions and agreements that they had reached. He knew that the work was incredibly important for all of them in demonstrating that not only could they reach negotiated outcomes, but that they could also implement them bringing real benefits to the people they were there to serve.

1.7. The second priority was to prepare a clearly defined work program to conclude the Doha Development Agenda. This needed to be done by the end of the year.

1.8. At the TNC in February, he had asked the Chairs of the Negotiating Groups to start a dialogue with Members on the issues that they might be able to take forward using a set of very simple parameters to guide discussions. A broad range of views had been expressed at that meeting in February. Overall he had felt that the tone was very positive and he did not hear any Member say that they had not been ready to engage on the basis that he had outlined. They had done what they said and had proceeded on that basis.

1.9. He said that he had met with the Chairs of the Negotiating Groups the previous day and they had confirmed that they had held an initial round of consultations with Members.

1.10. The Chairs' full written reports of their discussions would be made available at the end of the meeting and he encouraged Members to study them in detail. He would give just a brief summary of progress in each of the respective areas.

1.11. It seemed that some factors had been common among some of the Groups. For example, in Agriculture, Market Access, and Services, it had come across strongly that the approach should be balanced across all three issues and that all three should be tackled together, simultaneously. There had also been a clear emphasis on the parameters during the discussions, particularly on the importance of development and on ensuring that they focused on outcomes that were doable.

1.12. Regarding the Special Session of the Committee on Agriculture, the Chair's consultations had highlighted a range of views. Most Members had acknowledged the need for a balanced

² The Director-General's statement was subsequently circulated in JOB/GC/60.

³ The reports by the Chairs of the Negotiating Bodies can be found in JOB/GC/61-67. They were also subsequently circulated as TN/AG/27, TN/CTD/28, TN/MA/28, TN/RL/W/255, TN/S/38, TN/TE/21 and TN/IP/22.
⁴ The statement is reproduced in Annex I to the present record.

approach among the three key pillars of Agriculture in the areas of Market Access, Domestic Support and Export Competition. Among the three pillars Export Competition was recognized as an important priority for a large group of Members. Many Members had highlighted the importance they attached to the draft modalities, while other Members had placed less emphasis on it. Some Members had stressed that it was important to ensure that further discussions were assisted by appropriately updated data and information on Members' policies. The need to ensure a coherent approach to the work within the Regular Committee on Agriculture to implement Bali outcomes and the ongoing work in the Special Session had also been mentioned.

1.13. On the Negotiating Group on Market Access, in relation to *what had gone wrong*, several factors had been cited. Those included negotiating approaches, the different expectations among Members regarding the NAMA outcome, and the different perceptions about the balance in the current modalities text.

1.14. As to *what should be done*, several questions had been discussed, including whether or not to continue where Members had left off, the possibility of updating the technical negotiating base and whether to discuss in a more generic manner the question of what was doable in that area.

1.15. Some delegations had expressed their views on the latest draft modalities, but, as he understood it, no common position had been reached. The Group's discussions would need to continue in order to establish how Members could contribute to a meaningful result on Market Access. The Chair had offered some personal conclusions and suggestions at the end of his report.

1.16. On the Special Session of the Council for Trade in Services, there had been broad convergence that, in addition to balance across the three market access pillars, balance would be needed within the Services agenda itself. Such an outcome required the exploration of new approaches.

1.17. Many had said that, with any outcome in Services, the Development dimension of the Round needed to be fully reflected. The need to avoid previous mistakes had also been seen as crucial. Some wished to avoid the sequencing of DDA negotiations, which in their view had placed services at a disadvantage, while others had stressed that progress in Services should be contingent on progress elsewhere.

1.18. While further deliberations were needed, it had been widely accepted that an appropriate level of ambition in services would have to be commensurate with those in Agriculture and NAMA.

1.19. Regarding the plurilateral negotiations on Services, which were taking place outside the WTO, some had seen those as complementary to the WTO negotiations and had emphasized the potential for cross-fertilization between the two tracks. Others had taken the view that such initiatives could undermine the multilateral process.

1.20. On the Negotiating Group on Rules, most Members had agreed that there needed to be serious horizontal reflection as to the overall scope and level of ambition of the post-Bali activity. It should be the basis for determining whether any or all of the Rules issues would be included in the next phase of their work.

1.21. A substantial number of delegations had been open to including Rules in the work program, but had considered that it could only be addressed once clarity had been achieved on the level of ambition for the three "core issues". In contrast, a few delegations had considered that Rules itself constituted a "core issue", and that outcomes on at least certain Rules issues would be essential.

1.22. On the Special Session of the Council for TRIPS, based on the interim Chair's consultations earlier that week, it seemed that negotiations on a register for wine and spirit geographical indications would depend on the relationship of that work to other TRIPS issues and the wider Doha Round.

1.23. In addition, some Members had expressed interest in recommencing the consultation process on TRIPS implementation issues. They needed to look into it further.

1.24. On the Special Session of the Committee on Trade and Environment, he said that Ambassador Selim Kuneralp would give his own personal update to Members when the General Council Chairman opened the floor, as that was his last meeting as Chair of the Negotiating Group.

1.25. He understood that in those discussions Members had reiterated the view that environmental negotiations remained an important element of the overall Doha mandate and continued to be high on delegations' political agendas.

1.26. On the Special Session of the Committee on Trade and Development, the Chair had encouraged Members to review the three areas of outstanding work, concerning the remaining Agreement Specific Proposals including the Cancún-28.

1.27. The indications were that delegations recognized the centrality of Development in their post-Bali work and had an open mind on the possible elements in its Development pillar. Some Members had observed that the work program would inevitably influence the contours of the work program on S&D.

1.28. The Chair had reported that there was a sense of preparedness for serious engagement among the Members and an acceptance of the need for creative approaches. However, for that to happen, Members would need a clear road map with tangible substance. A clear articulation of concerns and interests would help them move towards a successful outcome in the work of the Special Session.

1.29. On the Special Session of the DSB, work had continued on the basis of the "horizontal process" launched in June of the previous year, which was geared towards identifying achievable outcomes across the board in three areas namely: remand, post-retaliation, and third party rights. Some elements had been presented as possible bases for solutions. That effort had been very well received and would set the tone for further work. Further progress would require willingness to be flexible across the board in order to develop achievable outcomes that reflected the interests of all participants.

1.30. He thanked all the Chairs for their work and paid particular tribute to the outgoing Chairs, Ambassador Selim Kuneralp (Turkey), Ambassador Fook Seng Kwok (Singapore), Ambassador Fernando de Mateo (Mexico) and Ambassador Alfredo Suescum (Panama). He knew that everyone in the room, and even those outside, had greatly appreciated their efforts.

1.31. He had also been considering how best to ensure that Members advanced LDC issues. Those had been key in Bali and would only take on greater significance as work progressed. Following consultations with the LDC Group, he had asked Ambassador Steffen Smidt to continue as the Facilitator for LDC issues for the upcoming year. He was pleased to say that Ambassador Smidt had agreed to the request, and thanked the Danish Government for allowing him to do so. He thought it was a very welcome development and he trusted Members would extend to Ambassador Smidt the same support and cooperation that they had given him during the previous year.

1.32. He thought Members had made an excellent start. He had heard a lot of good feedback and he thought that there was much which they could build on constructively. Nevertheless, much remained to be done.

1.33. On the basis of the Chairs' reports, and of his own conversations, he wished to instruct the Chairs to continue their work and the process of consultation. He would do the same. Members would need to reflect on what they had heard and to consider their next steps.

1.34. The first quarter of 2014 was almost behind. In the space of just nine months the work needed to be completed. It was essential that Members were fully engaged in those consultations. As he had said at the TNC in February, 2014 should be a defining year for the WTO, not just as the year that to implement the first negotiated outcomes, but also as the year in which the Doha Round was put firmly back on track. He encouraged Members to continue working and to redouble their efforts.

1.35. That was an ongoing conversation. As he had said, he would convene a meeting of the TNC on 7 April to report on further progress and to provide for a fuller debate among Members on the way forward.

1.36. Mr Kuneralp (Turkey), <u>Chairman of the Committee on Environment in Special Session</u>, reported⁵ that following the TNC Chair's request to Chairs of Negotiating Groups, he had engaged in February and March in an open-ended and transparent dialogue with Members to try and identify those issues that they might be able to take forward in a post-Bali context.

1.37. He had held bilateral consultations with more than thirty delegations representing a wide spectrum of regions and interests. He was grateful to all of them for their thoughtful contributions and to the Secretariat team that had supported him in those consultations.

1.38. He noted that delegations had reiterated clearly that environmental negotiations were an important element of the overall Doha mandate and remained high on their agenda. He believed that, in the face of the pressing environmental challenges that the world was confronted with, delegations and the WTO itself could not afford to sit back and appear to be indifferent to the benefits that would result from a successful conclusion of the environmental chapter of the Doha negotiations. He recognized that delegations needed to prioritize their efforts in the post-Bali context and that had been made clear to him.

1.39. It was also evident that recent developments among a subset of WTO Members would have an effect on the level of priority that delegations currently gave to the topic of removal of trade barriers on environmental goods. Time was needed for them to know more precisely how to proceed with the mandate under Paragraph 31(iii).

1.40. Nevertheless, he had detected a considerable degree of openness and interest. He sensed that many delegations stood ready to engage in work on specific aspects of the mandate, especially those aspects that remained largely unexplored, including for instance non-tariff barriers, organic goods, and the development perspective. He believed that the fact that they might currently have different levels of priority should not prevent them from engaging in the CTE-SS and discussing some aspects of the mandate, in particular those which went beyond tariff reduction and were of specific interest to developing countries. He encouraged them to come forward with precise ideas for further multilateral discussions and to focus on the elements that could be used to advance the work in that particular area.

1.41. The liberalization of environmental goods was only one part of the negotiations. He recalled that the Doha mandate also included two items related to the relationship between Multilateral Environmental Agreements (MEAs) and the WTO. He was of the view that, with the appropriate level of effort and negotiation, this could become ripe in the near future. A draft compilation text put forward in 2011 by the then Chairperson was available and could be revisited. Since the topic had not been discussed for some time, his sense was that they would need a first "informative" step to bring delegations up to speed and to allow them to revisit and update their proposals. Then, they would be appropriately equipped to negotiate seriously and make progress on a possible outcome.

1.42. This was the last meeting of the General Council that he was attending as Chair of the Special Session of the Committee on Trade and the Environment, but also as Ambassador of his country to the WTO. He thanked all his colleagues for the friendship and support they had given him during his time in Geneva and offered a particular word of appreciation for the Secretariat whose standards of professionalism he had always admired. He was proud to have served as a member of the Secretariat for many years in his younger days and wished all of them plenty of success in the period ahead. He also wished all the best to his successor as Chair of the Special Session.

1.43. <u>All delegations which spoke</u> thanked the Director-General, Chairman of the Trade Negotiations Committee, for his report on the consultations held by the Chairs of the negotiating groups and for his tireless efforts.

⁵ The CTE-SS Chairman's statement was subsequently circulated in JOB/GC/66 and TN/TE/21.

1.44. The representative of the <u>Plurinational State of Bolivia</u>, wished to express his delegation's preliminary positions regarding certain points that had been mentioned. Bolivia felt that in Bali, the result achieved had been too unbalanced against the interests of the majority of developing countries and that was a scenario which should not be repeated in the future. Bolivia believed therefore that any post-Bali work program needed to be balanced and that its primary, secondary and tertiary components, should be Development. In concrete terms, this meant that from the outset priority had to be given to issues that were not of a binding nature in the Decisions and Declarations adopted in Bali, as noted in the Ministerial Declaration adopted at the Ninth Ministerial Conference.

1.45. A second aspect that future work had to take into account was that agriculture remained at the heart of the negotiations, and any work in the other pillars of the Doha Round had to be commensurate with the work and level of ambition of agriculture. This meant that in accordance with the Bali Ministerial Declaration, delegations had to begin by addressing issues such as export competition, food security, and the elimination of cotton subsidies. Bolivia was willing to discuss the other pillars of the Doha Round, but this had to reflect the balance of what was obtained in agriculture. In this sense, agriculture set the level of ambition of the Round. Bolivia was therefore interested to see what developed countries were prepared to do to continue the agricultural reform that had been needed for so long.

1.46. Bolivia hoped that the mistakes made in the past two years would not be repeated; in this respect, Bolivia did not support new early harvests or small, Bali-type packages of results, where only some benefited and gave nothing in return, thus diluting the single undertaking. This was not the best scenario for developing countries. The single undertaking was still the only guarantee developing countries had that their interests would receive proper attention from the multilateral trading system. If the early harvest route was followed, for each new statement of intent in agriculture, the developing countries would have to pay with legally binding agreements that promoted the interests of oligopolistic multinational corporations and did not provide tangible benefits for the economies of their countries. Before considering moving towards new scenarios and promoting issues that were not of interest to the majority of developing countries, Members first needed to resolve last century's problems.

1.47. The representative of <u>Lesotho</u>, <u>on behalf of the African Group</u> said that Members had to live up to their MC9 Ministerial instructions on post-Bali work. Those instructions extended beyond the work on Trade Facilitation into the Bali decisions that had not garnered binding outcomes. They further extended to the drawing of a work program on pending DDA issues.

1.48. The work program on pending DDA issues was of great importance to the African Group. The Group had taken a good note of the Director-General's report on that issue, as presented through the lens of specific negotiating areas. In that context, it was critically important for Members not to miscalculate the pre-requisite amount of time and effort needed for drawing the work program. The first quarter was already behind them, as the Director-General had observed. For its part, the African Group considered it was important that Members did not defer discussion on the DDA work program to the eleventh hour. The fact that for the past three years Members had decided to focus on a narrow set of issues could not in itself be considered a reason legitimate enough to defer negotiations to the eleventh hour again. In that context, the African Group trusted in the abilities of the TNC Chairman and the Chairs of the negotiating groups to treat the drawing of the work program on the DDA with a great sense of urgency.

1.49. The Group was acutely aware of the fact that Members needed to individually and collectively prepare for the exercise of drawing the post-Bali DDA work program with all issues literally on the table. It needed no mention that negotiations on the DDA work program would inevitably be tough. On its part, the African Group was scheduled to hold a retreat that would help it constructively and proactively engage in drawing the work program on the DDA issues.

1.50. In the last engagement on the full spectrum of all the DDA pillars, many questions had been left open. Those questions remained glaring at Members. Buying time would not drive questions away from their side. Likewise, drifting attention from the Multilateral Trading System would not wish them away. They needed to be confronted head on. Work on the DDA program needed to be overseen by some key principles as in the past. In this regard, it would be lamentable if Members would throw away thousands of hours invested in constructing the 2008 DDA negotiating texts, primarily because every word in the modalities represented real consensus or interests of

Members. It was the considered view of the African Group that these texts had to be the genesis of Members' collective engagement in an effort to draw the DDA work program.

1.51. On the negotiations under the Preparatory Committee on Trade Facilitation, the African Group welcomed the progress made so far. Time was of the essence to complete other pending tasks as instructed by MC9. The Group was grateful to those Members who had favourably answered the call to facilitate participation of capital-based officials in the Preparatory Committee sessions.

1.52. There were other key issues on Trade Facilitation that needed to be given great care. All developing countries had to be assisted to undertake fresh Trade Facilitation needs assessments or update the existing ones. That would have a great bearing in the Members' ability to notify their commitments in accordance with Categories A, B and C of the Trade Facilitation Agreement. The terms of the implementation of the Trade Facilitation Agreement as inscribed in Section 2 had to also equally apply to countries undergoing the WTO Accession process. Members had to take good care to ensure that once the Trade Facilitation Agreement entered into force, it would not subsequently become a barrier to the goal of the WTO to achieve universal Membership.

1.53. The centrality of Development in the DDA could not be overemphasized. That was a principle that every Member acknowledged. In that period, Members needed to ensure that the outcomes of their negotiations had measurable indicators of the Development they all ascribed to. Likewise, the principle of single undertaking should be preserved both in word and deed. As the African Group had stressed in the February TNC meeting, trade liberalization could not in and of itself be enough to deliver the Development promise. Members should not lose sight of that. With all issues being on the table, Members had to ensure that all outcomes bore an important imprint on Development.

1.54. The representative of <u>Cuba</u> said that her delegation had had consultations with some negotiating group Chairs in a very positive environment. Cuba had shared with them its views with respect to future work and how the work program for the following months should be structured. In this regard, Cuba fully supported the views expressed by Bolivia. Cuba shared the view that priority in the work program should be given to the pending issues of the DDA. It was essential that that work be done with an inclusive, transparent, bottom-up approach. It needed to also be a balanced process, respecting the principle of the single undertaking and where issues regarding Agriculture and Development had a central place. Cuba reaffirmed that the Doha Round continued to be the centrepiece of the Organization's work and the principal mandate for all Members. Therefore, it would be necessary to give priority to the aspects that were not dealt with in Bali, and those that had not been finalized.

1.55. Regarding the Trade Facilitation Agreement, she stressed that, as had been agreed in Bali, it should take effect in accordance with Article X Paragraph 3 of the Marrakesh Agreement and with the principle of the single undertaking.

1.56. Cuba was concerned that after so many efforts to restore the Organization's credibility, some Members continued to promote plurilateral initiatives. She noted that a small group of Members was, under the agenda of the Council for Trade in Services, using room W to promote and give updates on progress in the plurilateral initiative in that area, known as TISA, and even to engage in fruitless proselytizing activities. Cuba regretted that some had fallen into that trap. Cuba reiterated its position in defence of multilateralism and would continue to reject plurilateral approaches, which strategically aimed at reducing the policy space of developing countries.

1.57. The representative of <u>Indonesia</u>, <u>on behalf of the G-33</u>, said that the Group fully shared the Director-General's view on the importance of the implementation of the Ministerial Decision in Bali, including designing the mandated program in Agriculture. The Group held the strong view that the process of establishing the work program should be based on a transparent, inclusive, and bottom-up approach. Members also needed to have frank conversations, building up from what they had achieved in Bali. In this regard, the G-33 wished to share some general principles to guide and facilitate the work. First, Agriculture had to be the centre of the post-Bali work program. The balance in the work program should be determined by the level of ambition in Agriculture. Second, Development that supported food security, livelihood security, and rural development objectives of developing countries and LDCs should remain integral and a critical part of any outcome in

Agriculture. Third, the work program in Agriculture had to aim at implementing the Doha mandate, including the single undertaking principle. Fourth, the Rev. 4 draft of the Agricultural modalities should be the basis of the work and focus on addressing outstanding issues therein was needed to facilitate the conclusion of the Doha Round.

1.58. As mandated in Bali, Members needed to prioritize work on a clearly defined work program with the aim of making a recommendation for a permanent solution of public stockholding for food security purposes as well as other issues in the Bali Package where legally binding outcomes could not be achieved. Resolving the issue of the permanent solution on the public stockholding for food security purposes would contribute to the achievement of food security. The G-33 was also of the view that the progress and concrete outcomes on Domestic Support and Export Competition were critical elements for facilitating a successful conclusion of the Doha Round. The Group was committed to engage constructively in the issue of Market Access, especially in developing a simple, operational, and effective special safeguard mechanism and special products.

1.59. The representative of <u>Kenya</u>, <u>on behalf of the ACP Group</u>, said that the Group had recalled, at the informal TNC meeting on 6 February 2014, that Members had committed themselves to start implementing the Bali Ministerial Decisions and had agreed on a set of parameters to guide them in the formulation of the post-Bali work program.

1.60. In the previous month, the Chairs of the Negotiating Groups had engaged Members in both informal and formal consultative meetings in their quest to move the agreed Bali Package forward. The ACP Group thanked them for their efforts in that regard.

1.61. He wished to express some of the views of the ACP Group concerning the Bali Declaration mandate that defined the envisaged work program on the remaining issues in the Doha Development Agenda (DDA) by the end of the year. First, the ACP Group wished to call upon the Chairman of the TNC to start holding a series of consultations on the post-Bali work program, which was a critical mandate from Bali. The Group also asked him to establish, as soon as possible, a clear schedule of meetings in a structured and focused manner that could facilitate in gauging any progress realized. It was important that delegations were seen to be fulfilling the instructions of their Ministers within the period allotted and not just devoting their already meagre resources on implementing the Trade Facilitation Decision alone. It recalled convergence during the previous year, including its redoubled efforts and engagement with other delegations to ensure that Bali became a success. The Group wished to see the same effort being exerted to defining the work program on the remaining issues in the DDA that were important to them and central to concluding the Round.

1.62. In addition, the ACP Group wished to know from their partners how they were going to deliver on their commitment to conclude the Round. In defining a post-Bali work program, the Group believed that certain principles were of core significance. The single undertaking should be adhered to with respect to not only the remaining areas of the DDA but also those areas where agreement had been reached in Bali on a binding or non-binding basis. While it would affirm its commitment to implementing the Bali Decisions, it also expected that the work on the post-Bali work program would be implemented on a scale comparable to that of Trade Facilitation.

1.63. The ACP Group attached importance to the exhortation to Members in the Bali Declaration to build on and prioritize Development, Agriculture, and LDC outcomes that represented their expectations for tangible binding agreements. While Members were already well into the start of the year, notwithstanding the informal small-scale consultations held by a few negotiating group Chairs, no program appeared to have been elaborated thus far in the relevant negotiating bodies and committees to take up implementation of the DDA or special and differential treatment issues which were still on the table. The ACP Group attached considerable importance to securing the gains identified in Rev. 4 and other negotiating texts, including building on commitments to capacity building and assistance in anticipation of the conclusion of the DDA, in a manner that took into account challenges related to implementation that had been raised by the Group. It emphasized that the agreed post-Bali work program should be seen to be diverse and robust to ensure adequate coverage of the interests of the Membership in terms of balance and ambition.

1.64. With regard to Trade Facilitation, the Group noted that the newly established Preparatory Committee was under the auspices of the General Council. He urged that the work of the

Preparatory Committee be conducted with full respect of the capacity constraints of small delegations which had to examine issues with great care and contribute to the legal review mandated in the Ministerial Decision. He was well aware that there had not been enough time to conduct that review before Bali, even though such a review should have been done before agreeing on the text. He therefore stressed the need for the Preparatory Committee to fully observe the consensus rule, not a reverse consensus rule, and operate in accordance with the agreed General Council procedures.

1.65. The ACP Group urged the Committee to conduct meetings in a manner that did not rush delegations into agreeing on elements that were not informed by the Group's development needs and taking into account its constraints and ability to follow other meetings relevant to pursuing its interests in the conclusion of the DDA. The Group was still reflecting on matters that should further shape the contours of the work program, in preparation for the consultations and schedule of meetings that were to be organized by the TNC Chair to expedite the work on an urgent basis.

1.66. The representative of <u>Uganda</u>, <u>on behalf of the LDC Group</u>, said Members found themselves at a critical moment in time, when they pondered the future and perhaps the fate of the Doha Development Agenda, as it related to the emancipation of the poorest and weakest Members of the system. He urged Members to shun the winding path of good wishes and limited substance.

1.67. The LDC Group recognized the important role that Bali had played as an essential element in their collective effort to reinvigorate the Doha Round, and the inclusive Multilateral Trading System. However, given the non-binding and time-bound outcomes for developing countries and LDCs, a lot remained to be done. It noted the point that as *demandeurs*, it was incumbent upon the LDC Group to take the lead on those issues with the view to ensure that they were kept high on the agenda and therefore deliver meaningful results for it. Yet, the Group was mindful of the fact that a lot depended on its partners.

1.68. There were two important tracks that had been determined by the Ministers on the decision on the operationalization of the Services Waiver. One involved Members in their individual capacities, voluntarily and proactively extending preferences to LDCs' Services and Service Suppliers, consistent with the Waiver Decision, which had commercial value and promoted economic benefits to LDCs. It had never been envisaged that the two processes should run sequentially. On the contrary, Ministers had envisaged a situation where the two processes would and could run in parallel.

1.69. To that end, the Group urged Members to take proactive steps in ensuring that the LDC Decisions emanating from MC9, though non-binding and in some cases containing best endeavour language, were implemented in a meaningful way to promote their economic growth and development.

1.70. The credibility of that process would largely depend on how the developed-country Members fulfilled their commitments not only in Section II of the Trade Facilitation Agreement but in all the Bali Decisions, including those specific to LDCs. The LDC Group commended those Members who had already taken bold steps in specific commitments to allocate funds for the provision of assistance and support for capacity building. It encouraged others to do likewise. In addition, it urged Members to not impose onerous procedural requirements on accessing the said assistance and support.

1.71. At that juncture, the LDC Group recognized and commended the EIF as a vehicle for the delivery of Aid for Trade. The Group called for the extension of the EIF mandate beyond its 2015 deadline and recognized the opportunity of the comprehensive evaluation to help shape its future. It took note of the impending funding gap at that stage of the program with increasing demand for LDC Country support. It urged the development partners to continue to deliver on their commitments and bring in the required resources so as to afford the EIF the opportunity to fulfil its mandate.

1.72. LDCs and developing countries in the process of accession were not sure about their fate with regard to the implementation of the Trade Facilitation Agreement. He urged Members to extend the same kind of assistance and support for capacity building to Acceding Members. They would not be able to afford implementation of the Agreement upon its entry into force without

reasonable implementation capacity. Further, they should also be able to benefit from the transitional periods in the implementation of Categories B and C.

1.73. On the work of the Trade Facilitation Preparatory Committee, it was important for capitalbased officials to participate in all the meetings. Their participation would be instrumental in aiding the expeditious entry into force of the Agreement. To that end, the LDC Group wished to request the Secretariat to fund the participation of LDCs. It welcomed the offer of the EU in that regard and encouraged other partners to do the same.

1.74. With regard to the Plurilaterals, the LDC Group had been amazed by the seemingly contradictory narratives presented, on one hand, by the celebratory chorus of many with regard to the triumph of multilateralism in December, while others espoused the view that Members were faced with the fervent pace and vigour of plurilateral arrangements, most of which in their own right account for in excess of 70% of global trade in their respective sectors. There was no second guessing on how problematic that scenario presented. Members should all be working to strengthen and not to undermine the Multilateral Trading System.

1.75. On the work program, the Director-General, in a passionate and persuasive way, had encouraged Members to reflect on the past, as it had been the best way of forging a way forward. He had urged them to be realistic and focus on what was doable.

1.76. When one reflected on the Marrakesh Agreement, it would be found that the framers of that sacred document had recognized the need for positive efforts designed to ensure that developing countries, and especially the least developed among them, secured a share in the growth of international trade commensurate with the needs of their economic development. Members were still aspiring to achieve that goal.

1.77. It was critical that following on the Bali Ministerial Declaration, in crafting the work program, Members needed to focus on the conclusion of the Doha Development Agenda and avoid the temptation of introducing new issues. There had to be a better balance in the post-Bali negotiations and the principle of the single undertaking should be preserved. Development should be the central pillar. Their modalities for work should take into account the full participation of small and less resourced Missions in all the meetings. The LDC Group urged the Director-General to develop a clear and precise timetable on the work program.

1.78. The Doha Development Agenda had been launched with the ultimate aim of bringing visible change to the lives of people. For long, Members had spoken about Development. The developed, developing, and least-developed Members agreed that Development had to be the centre of their negotiations. Yet, it had always managed to escape their grasp at every opportune moment. Members should choose to make a difference. He said that this should be the year when they all said what they meant, and meant what they said.

1.79. In concluding, the LDC Group thanked the Director-General for making it possible for it to have a facilitator, thanked Ambassador Smidt for agreeing to work with the Group and looked forward to fruitful collaborations with him.

1.80. The representative of <u>Brazil</u>, <u>on behalf of the G-20</u>, said that, as the discussions on the preparation of the post-Bali work program started gaining momentum, the G-20 wished to underline that the post-Bali work program had to be conducive to the implementation of the Doha Development mandate and should be cantered on Agriculture. The work program had to address the core elements of the DDA agricultural negotiations. It needed rapid results in the reform process in Agriculture to promote Development. Agriculture had historically lagged behind in previous negotiating Rounds and it was high time Members started correcting the distortions caused by high levels of protectionism in agricultural trade.

1.81. In that regard, the G-20 reaffirmed that Agriculture remained the key determinant of the level of ambition of the results of the DDA negotiations and the benchmark for the landing zones Members would arrive at. Additionally, the G-20 considered that the revised draft modalities for Agriculture (TN/AG/W/4/Rev.4) were the basis for a successful agreement as they reflected years of negotiations and trade-offs.

1.82. The G-20 reaffirmed its intention to follow closely the implementation of the Bali Ministerial Decisions in Agriculture. In that context, the Group also recalled the agreement reached at Bali that issues where legally binding outcomes could not be achieved would be prioritized in the post-Bali negotiations.

1.83. Finally, on process, the G-20 was not in favour of sequencing the work Members would carry out in 2014. It believed that the discussions on the implementation of the Bali results, on new information gathering exercises and on the work program should happen concomitantly. In keeping with its long-standing tradition, the G-20 was ready to work constructively towards making progress in the reform process of Agriculture disciplines, in accordance with the Doha Development mandate.

1.84. The representative of <u>Jordan</u>, <u>on behalf of the Arab Group</u>, congratulated all the WTO Members on the success of the Bali Ministerial meeting and thanked the Director-General and the Members for their tireless efforts to achieve positive outcomes in Bali. Throughout the whole negotiation and consultation process, the Arab Group had supported the Director-General's efforts and had worked closely with all Members in order to conclude the negotiations and reach a successful outcome at MC9. The Group welcomed the Bali Package and was of the view that the Package should provide a good start to continue working and to build on for future negotiations. It was important to ensure that the WTO could respond to the needs and priorities of developing countries, fulfil the mandate of the Doha Round, and deliver real development outcomes.

1.85. He said that the single undertaking principle should be emphasized as a guideline for the successful and balanced conclusion of the Round. The single undertaking was still relevant as the only principle that could ensure the right balance among the outcomes of the Doha Round. The importance of full participation, inclusiveness and transparency should be respected throughout the process. The importance of respecting and acknowledging the work accomplished since the beginning of the Doha Round and maintaining the 2008 draft modalities as the basis for the future work should also be emphasized.

1.86. The Arab Group did not support any attempts to add new issues to the WTO mandate before concluding the DDA. In its view, there were many different options to approach new issues or the so called "21st century issues". Members could discuss those issues in workshops, seminars, or special meetings with relevant organizations, but introducing new issues into the negotiations before ending the Doha issues was unacceptable.

1.87. The Arab Group also wished to underline the centrality of Agriculture in future negotiations, and emphasized that without any tangible Agriculture outcomes, there would not be any other success stories like the Bali Package. The work on a permanent solution for the Public Stockholding issue should be prioritized and not be linked to the work program on other DDA issues. Other non-binding outcomes that resulted from Bali, mainly Export Competition and Cotton issues, as mentioned in the Ministerial Declaration, should also be prioritized in the DDA work program.

1.88. Developing countries needed a permanent solution to address unequal rules in Agriculture, in order to promote an agenda for decent jobs, food security and sustainable development. Thus, the development aspects of the Round should not only be safeguarded but also strengthened. He assured everyone that the Arab Group stood ready to engage constructively, as it had always done, in the continuous negotiations and the future work program towards a successful and balanced conclusion.

1.89. The representative of <u>Nigeria</u> said that the two significant tasks ahead were to implement the Decisions reached in Bali, and to prepare a clearly defined work program on the remaining DDA issues by the end of 2014. However, the Bali Package, and the anticipated benefits, could only be achieved through Members' collective action in the following months. That challenge was particularly critical regarding the implementation of the Trade Facilitation Agreement, given its scope and the complexity of the commitments undertaken in Bali. His delegation called on Members to adhere to the MC9 mandate and to avoid any deviation from the goal of successfully concluding the Doha Round as soon as possible.

1.90. Nigeria was pleased to note the progress arising from extensive consultations and ongoing efforts. It was encouraging that Members had signalled, very clearly, their determination to forge

ahead with the remaining issues in the DDA negotiations and bring them to a conclusion as quickly as possible. The collective commitments to the Doha Round at the highest level remained very strong. While work in Agriculture negotiations was continuing, particularly given the renewed mandate at the MC9, it was his delegation's view that Rev.4 of the December 2008 modalities text, which had not only been stabilized but was also a product of hard negotiations and trade-offs, should be the basis for their negotiations.

1.91. His delegation also noted with keen interest and encouragement that discussions were progressing smoothly at the level of the Preparatory Committee, following the adoption of the Committee's work program and the commencement of the legal review for the Trade Facilitation Agreement. He hoped that there would be opportunity for Nigeria's capital-based experts to participate in the work of the Preparatory Committee through sponsorship.

1.92. Nigeria was mindful of the fact that the outcome of Bali was a mini-package within the overall single undertaking of the Doha Work Program. Preparing a clearly defined work program on the remaining Doha issues by the end of 2014 was a must. Members had agreed on the need to be creative and open-minded to new ideas that might allow them to overcome any stumbling blocks. Nevertheless, that creativity had to be consistent with the DDA mandate. To that end, his delegation wished to state that the preparation of a post-Bali work program should ensure that the following principles were respected: (a) centrality of Agriculture and Development; (b) balanced and realistic outcome rather than ambition; (c) flexibility and open-mindedness; and, (d) transparency, inclusiveness and full participation of all Members, taking into consideration the concerns of small delegations.

1.93. Given the seamless challenges facing the Organization, at that particular point in time, Nigeria encouraged Members to work together with the Director-General and the Chairpersons of the various negotiating bodies on the work program in an inclusive and transparent manner. Nigeria fully supported the statements made by the African Group, the ACP Group, the G-33 and the G-20.

1.94. The representative of <u>Chinese Taipei</u>, <u>on behalf of the RAMs Group</u>, was pleased to hear that everyone was ready to engage, and that the momentum was gearing up for the implementation of the Bali decisions and for the preparation of the post-Bali work program. The RAMs Group also understood that in order to complete the work program by the end of the year, their primary tasks were to keep up the momentum, to continue the dialogue, bearing in mind the parameters the Director-General had provided, and to find ways of acting together collectively.

1.95. The RAMs Group shared a few thoughts on the post-Bali work from its particular perspective. First, the Multilateral Trading System was always the principal forum for promoting global trade. It urged Members to complete the DDA and all its mandates, which included reaching a comprehensive final package. Members should also be flexible to look at all possible approaches that could help achieve completion of the Round.

1.96. Second, the Development dimension was the central pillar of the post-Bali work program and the needs and interests of developing-country Members should be at its heart as well. In view of the extensive commitments made by the RAMs Members at the time of their accessions, the special flexibility needs of the RAMs, as instructed in paragraph 58 of the Hong Kong Ministerial Declaration, had to be given due consideration.

1.97. Third, the three core issues: Agriculture, NAMA, and Services, needed to be treated interconnectively. In other words, those three pillars were integral parts of the DDA package and therefore, no single issue should be treated independently from the other two. The RAMs Group also underscored the need to maintain a balance between the level of ambition of each of those three pillars as integral parts of the result of the DDA negotiations, and the 2008 modalities text contained in Rev. 4. This should be the basis for the future negotiations on Agriculture and NAMA.

1.98. Fourth, as clearly stated in paragraph 1.11 of the Bali Ministerial Declaration, Ministers had instructed Members to develop a work program on the remaining DDA issues. They should devote their full commitment and entire efforts to the completion of that decade long Round, by reaching consensus on the remaining DDA issues. The clock was ticking and they should not deviate from the course that Ministers had set.

1.99. The representative of <u>Pakistan</u> said that her country was a firm believer that the Multilateral Trading System, no matter how slow in its pace, provided the ultimate solution to inclusive trade growth and the integration of the developing countries into the trading system. Bali had provided Members an opportunity to renew their faith in the system. They then had to engage with an open mind for creative solutions. Her delegation wished to add a few markers that the path ahead needed to take into consideration the progress that had already been made in all pillars of the DDA, it had to be inclusive, and LDC issues needed to be prioritized. Her delegation realized the importance of open markets and its linkage with development, peace, and prosperity and would engage with an open mind in any process.

1.100. Agriculture and Development, being the priorities set by the Ministers in Bali, provided Members an opportunity to have a frank dialogue on the way forward. Such a dialogue was important to address some of the imbalances in trade rules that had hindered developing country exports. Those imbalances had to be addressed to ensure continuation of the reform process and a level playing field. Members had to ensure that the rules under consideration provided all developing countries real market opportunities and enhance their development and growth prospects. Her delegation also supported the statement made by G-20.

1.101. The representative of <u>Solomon Islands</u> supported the statements made by the LDC Group and the ACP Group. Four months on after Bali, it was critical that Members made some tough decisions. That statement was made on the premise that Bali was a one-off event. He recalled that all delegations had made statements in the months leading up to Bali that the small package was an attempt to salvage the Multilateral Trading System (MTS).

1.102. The outcome in Bali had been far from balanced. Members had a fully-fledged binding Agreement on Trade Facilitation, while the rest had been merely temporary, non-binding and best endeavours. As they moved forward and as had been decided by their Ministers, they needed to concentrate their efforts on ensuring that permanent and legally binding solutions were found for those decisions.

1.103. On the LDC Package, which were Ministerial Decisions already taken earlier, in particular with respect to DFQF and the Services Waiver, genuine efforts needed to be made to ensure that those Decisions were not mere rhetoric but should bring about tangible benefits to the LDCs.

1.104. On Trade Facilitation, if Members were serious about implementing the Agreement, there had to be a coordinated approach on how or where developing countries could access the assistance required to implement it. He suggested that a simple and transparent mechanism be put in place to enable those needing assistance to access it.

1.105. The Bali Ministerial Declaration had tasked Members to prepare within the following 9 months a clearly defined work program on the remaining Doha Development Agenda issues. Doha had been so named for a reason and that was to recognize that trade was not an end in itself but a means to an end. He thought a good majority of Members had joined the WTO to ensure global trade rules were crafted such that they brought development for their people. He implored all Members to keep that in mind as they prepared the remaining post-Bali Work Program. Their ultimate aim should be to make a difference in the lives of those in the world still living under the scourge of abject poverty since in the globalized world of today, "*we are only as strong as the weakest link*".

1.106. The representative of <u>India</u> said that many of the points that the African Group, the ACP Group and the LDC Group, and some of the other individual interventions made, were very closely aligned with his delegation's thinking and its expectation of the work which was to follow in the coming months.

1.107. India fully associated itself with the statements made on behalf of the G-33 and the G-20 and paramount among the points that had been made in those two statements were the following: first, that Agriculture and Development remained the core of the Doha Round and those would have to determine the level of ambition for the work program and for the conclusion of the Round. The second was that Members had to be flexible, but the flexibility had to be all round, and it had to first approach the problem of the level of ambition. There were the related issues of whether it should be a single undertaking or different, small-sized, partial harvests. He asked what should be

the basis and where should Members start from. Should it be from where they left off in 2008 or in 2011? Those were the issues that Members needed to approach with a very rational, low-key setting and to have a free and frank exchange of views. His delegation looked forward to participating in those deliberations and hoped that Members would be able to replicate the kind of success that they had in Bali in terms of putting together a very comprehensive work program to conclude the DDA.

1.108. Since that was the last meeting of the General Council in which he would be participating as Ambassador of his country, he wished to commend the effective leadership of the Director-General and the qualities that led to the first success in many years: perseverance, adopting both inclusive and problem-solving approaches. Those would be required in great measure in the days to come, in order to face the challenges and to keep the path straight towards the goal. He personally wished him success in his endeavours. He was sure that he would steer the ship home in December, as had been mandated by the Ministers. He also thanked the General Council Chairman for a very successful stint at the helm of the WTO and noted the quiet efficiency and diplomacy which he had exercised, in tackling many difficult and possibly contentious issues, through his diplomatic skills and without a ripple coming to the surface.

1.109. He thanked all his colleagues from different delegations. It had been a very enriching experience engaging in discussions with that very unique body of delegations with very bright, experienced, and wise minds. He also expressed appreciation for the work which had been put in by the Chef de Cabinet, the Deputy Directors-General and the entire Secretariat. He also expressed appreciation for members of his own delegation who had been the real source of strength and a pillar of India's contribution to the deliberations in the WTO. He would seek the same support, unqualified guidance and help that all of them had extended to him for his successor who would be joining in April. He also wished the Chairs and all WTO Members success in their future endeavours. In the following months, they would be facing a lot of challenges collectively.

1.110. The representative of <u>South Africa</u> congratulated the Director-General on the outstanding efforts in delivering an outcome in Bali, the first major trade agreement since the Uruguay Round. He had read with interest his speech to the US Chamber of Commerce. He was right about US leadership, not just in creating the Multilateral Trading System but also the two other pillars of global economic governance at Bretton Woods: World Bank and IMF. It was also true that the United States had been the driving force in each of the eight rounds of the GATT, from 1947 to the Uruguay Round.

1.111. For the majority of developing countries, their experience of that history had been rather mixed. The exclusion of Agriculture at the outset of the GATT, at the insistence of the United States and the Common Agricultural Policy in the EEC, had blocked out the exports of developing countries. Similarly, the increasing protectionism in clothing and textiles through the short and long term Textile agreements had raised the barriers for much of developing country manufactured exports. The Uruguay Round had gone some way to address those issues for the first time but many writers, such as Michael Finger and Joseph Stiglitz, had made the argument that the results of the Uruguay Round had been imbalanced against developing countries. It was for that reason that the Doha Round, the first under the new WTO, had been mandated to address those inequities and asymmetries in the current WTO rules. The Doha mandate had thus argued that the needs and interests of the developing countries should be prioritized.

1.112. The contribution of the Director-General at Bali and that of the Membership as a whole had been immense. Bali had indeed deflated the doomsday predictions of the pessimists that the WTO could not make decisions by consensus, that multilateralism could not work. It was the pessimists that had argued that the Doha Round was dead. They had also argued that the new phenomena of global value chains, in the world economy, had rendered tariffs to be obsolete and that it was only services and non-tariff barriers that mattered. Those analysts thus threw Agriculture and the remaining extremely high tariffs, domestic support, and export subsidies into the dustbin of history, as they were considered to be yesterday's issues, neither doable nor realistic. It was amazing also how, rather than to criticize those Members who struck major blows against the Multilateral Trading System, those analysts instead urged the protagonists of plurilaterals and mega-bilaterals to impose those outcomes upon the rest of the WTO Membership.

1.113. For the majority of developing countries, the Bali outcome was a demonstration of good faith. Their issues had been subordinated in the interest of demonstrating that the multilateral system was important to all. They had heard the arguments of some that Trade Facilitation would bring major gains for developing countries with appropriate scepticism. However, the credibility of the WTO and multilateralism would be tested in the implementation of the post-Bali work program. It was clear that many of the poorest countries had agreed to Trade Facilitation on the understanding that the issues that they had been fighting for since Doha, LDC issues, Cotton and Export Subsidies, would be addressed as a matter of priority.

1.114. The world economy had changed. There were several major emerging economies in the developing world. However, the United States remained the largest world economy and emerging countries still had development challenges. More than just US leadership would be required to break the impasse of the Doha Round. Members all had an interest in building a more open, fair, balanced, and inclusive Multilateral Trading System. He urged Members to work together in the subsequent months to build a new vision of how to take the Multilateral Trading System forward.

1.115. The representative of the <u>European Union</u> noted that Members were indeed going through an important moment. The Director-General had talked about 2014 being a defining year. He thought it had been very much what it needed to be, and in a positive way. What Members would be doing in the coming months had the potential to save the multilateral system and the activities of the WTO for many years to come. The European Union remained firmly dedicated to the objective of concluding the DDA and was ready to play its part in moving forward. Members needed again to come together with the objective of advancing their discussions. Similar to the pre-Bali effort, they needed to engage and to work constructively and with realism. The European Union put its trust in the Director-General to guide that process and the Organization ahead.

1.116. The main priority was the implementation of the Bali Package. It was a process that was a real test for the credibility of the WTO and its Members. It also provided the necessary confidence that was needed to open doors towards more difficult negotiations on the remaining elements of the DDA. How to successfully address the core issues was the question that was on everyone's mind: approaches that were not successful in 2008 and were unlikely to succeed in today's much changed trading environment. Members needed to approach the post-Bali discussion with open minds and to do so from the beginning. It was clear that one could not lose sight of the interconnection of the various issues, as only a balanced approach between all areas would provide a recipe for success. Everyone needed to be ready to contribute to a deal and everyone needed to benefit from it.

1.117. He highlighted that the DDA did not end with Agriculture, NAMA and Services. Development, and in particular the interest of the LDCs, needed to play a central role in Members' discussions. Moreover, they could not forget those areas where the WTO could really provide added value in today's world, including Rules. Some issues that had already been mentioned, such as domestic support and export subsidies, formed part of the core agricultural agenda and there was a broad recognition that they could only be properly addressed in the WTO. The same went for other forms of subsidies which affected the market and traders of all WTO Members. There were also other issues that had been mentioned in the TNC Chair's report and needed to be part of the negotiation in the coming weeks and months. The European Union was ready to work with others to find a common way forward, building on the success of Bali and with the objective of strengthening the multilateral system further.

1.118. The representative of <u>Qatar</u> fully endorsed the statement by Jordan on behalf of the Arab Group. He reaffirmed Qatar's support for the Multilateral Trading System as well as for the day-today work of the WTO regular bodies and re-emphasized his delegation's support to the on-going efforts of WTO Members as they sought to define the post-Bali work program. Qatar attached great importance to the successful conclusion of the Doha Development Agenda. In that regard, it urged all WTO Members to agree on a work program to complete the DDA on its current mandate and on the basis of the single undertaking.

1.119. The representative of <u>Paraguay</u> highlighted his delegation's firm commitment to continue working on the basis of the consensus achieved in Bali, which would enable Members to advance decisively towards the much desired conclusion of the Doha Round. Paraguay had an interest in establishing an ambitious and comprehensive work program with a view to meeting the objectives of the Doha mandate. The Trade Facilitation Agreement, a historic achievement for the WTO,

demonstrated Members' faith and belief in the Multilateral Trading System. The Agreement could be used as a development tool for countries, in view of the significant and positive impact that it could have on their economic operators.

1.120. Paraguay was aware that the road ahead would require immense effort on everyone's part, and it was in favour of stepping up work on the implementation of the new understandings while respecting the agreed and established time frames. To make progress in achieving the Doha objectives, the work program should be balanced and take into account the interests of all Members, especially countries with particular vulnerabilities that hindered their more competitive integration into the markets. Paraguay was committed to working on the three pillars, maintaining a similar level of ambition in each, with agriculture at the centre of the work, in accordance with what was agreed in Bali. He further stressed that Paraguay's main interest was to move forward in the area of market access, bringing down remaining barriers and stemming the proliferation of protectionist measures. Such barriers and measures impeded the growth of international trade, particularly in relation to agricultural products. The other objectives were to ensure greater predictability and to reduce the distortions affecting international trade. He stated that his delegation would work with a good dose of pragmatism and realism to devise a doable work program which allowed for the creation of jobs and development opportunities.

1.121. It was Paraguay's hope that reform process would continue with a view to eliminating all distortive measures, thus levelling out the international market with balanced and equitable disciplines in all the pillars. As producers of agricultural goods, Paraguay had a strong interest in balancing the level of ambition of the Agriculture pillar with that which existed in the pillars of non-agricultural products (NAMA) and Services. His delegation called upon everyone to continue working with a view to strengthening confidence in the Multilateral Trading System, to define and agree on legally binding commitments, and to learn from the difficulties of the past.

1.122. The representative of the <u>Kingdom of Saudi Arabia</u> said that the negotiating agenda for the remaining issues should be balanced among the interests of all WTO Members, and should take into account the level of development and special needs for developing and least-developed countries. He emphasized the importance of the horizontal balance among the remaining Doha Development Agenda issues.

1.123. While Members were shaping their negotiating agenda and the way forward, they should take into account the special situation of Recently-Acceded Members (RAMs), since they had undertaken extensive market access commitments at the time of their accession. The overall thrust and pace of negotiations should be designed in such a way that it took into account all elements of the post-Bali work program with equal priority, keeping the special needs and interests of developing and least-developed countries at the forefront. Members should continue to reaffirm their commitment to strengthen the Multilateral Trading System. That would be in the best interest of all Members and international trade in general.

1.124. The representative of <u>Jamaica</u> associated his delegation with the statements of Kenya, on behalf of the ACP Group, and Indonesia, on behalf of the G-33. His delegation wished to underline the importance of faithful implementation of the Decisions taken in Bali. With regard to Trade Facilitation, Members needed to ensure the timely and effective completion of the work of the Preparatory Committee in accordance with its mandate, which included the completion of a legal review that was consistent with negotiating practice and did not in any way revisit decisions settled by Ministers in Bali, including with respect to the text agreed, as well as the processes to be followed in giving effect to the Agreement.

1.125. Regarding the work program for the completion of the DDA, Jamaica felt that, now that Chairs had undertaken their initial consultations and new Chairs had been appointed, Members needed to collectively move with an appropriate sense of urgency to conclude the work program in a timely and effective manner. In that effort, his delegation counted on the TNC Chair, in particular, to help in the development of a structured work program that would ensure that work mandated be completed in a comprehensive and doable manner within the timeline set by Ministers. The approach taken to the pre-Bali agenda could provide useful guidance in that regard. All those efforts needed to be undertaken in a bottom-up, Member-driven manner with fairness and transparency. Jamaica was firmly committed to securing the goals that Members had set in Bali.

1.126. The representative of the <u>United States</u> said it was worth recalling the buoyant mood that all Members felt in Bali. He thought part of the reason everyone was buoyant was because all Members knew that Bali was an enormous test and everyone had worked together to pass that test. It had been a remarkable moment and a remarkable signal to the world on the potential vibrancy of the Multilateral Trading System. Members faced a new test: whether they could implement the results successfully. He said that most of what he was hearing from a broad diversity of WTO Members made him very encouraged that they would be faithful in following the implementation schedule that had been laid out by their Ministers. His delegation looked forward to working with others in that regard.

1.127. He noted that there had been some somewhat strange comments about the United States, and he did not intend to be drawn into a lengthy debate. However, he wished to note that the US Trade Policy Review would take place later in the year, and there would be a fulsome opportunity for any Member with particular concerns to raise them. The United States would respond vigorously as always. Since there had been a discussion about history, he stressed that his delegation was very proud of the history of the United States in building the Multilateral Trading System, as it had been noted, and in maintaining what was, according to its last Trade Policy Review, the most open major economy in the world - an open economy that had been a benefit in terms of export opportunities for virtually every country in the world.

1.128. The United States was very proud of its development assistance programs on which it had spent billions of dollars over the years, and recently including enormous expenditures on the specific topic of trade capacity building, which was particularly significant as Members worked together on implementing the Trade Facilitation Agreement. But the United States was not resting on its long history and could also point to its recent history where its actions speak for themselves. He recalled that all Members had been in a room together in the run up-to Bali and at Bali, and he was very satisfied with the role that the United States had played in supporting the Multilateral Trading System. That had been very much on demonstration for everyone. He was also very pleased to point to a recent anecdote that President Obama had been able to meet with the Director-General during his recent trip to Washington. Certainly, if anyone was looking for a recent indication of US interest, it had not been an accident that President Obama met with the Director-General of the WTO. He noted that Members could have a longer conversation about all of those topics in the appropriate venues.

1.129. The representative of Japan said that, since the last informal TNC meeting, his delegation had been engaging in the discussion with Chairs and other Members on the basis of the parameters that the Director-General had outlined and confirmed in his speech in Washington. He appreciated that speech especially as it highlighted the importance of trade to growth, job creation, and democracy. He noted that, as all Members were expected to rethink their approach of the past decade and to define their new approach, it was quite natural that their discussions were still at the preliminary stage. For the same reason, he would refrain from repeating Japan's well-known positions in each of the negotiating pillars. He wished to emphasize the absolute need to fully take into account the rapid changes surfacing in the real world economic scene at present.

1.130. The representative of <u>Bangladesh</u> aligned his delegation with the statement of the LDC Group. He was grateful to the Director-General for attaching priority to LDC issues and making Ambassador Smidt available in Geneva as the LDC Facilitator. That genuinely demonstrated how serious the Director-General was about the implementation of LDCs' priorities.

1.131. The representative of <u>Egypt</u> associated his delegation with the statements by the Arab Group, the African Group, and the G-20. It also supported the statements delivered by the G-33, the LDCs, and the ACP. He said that developing countries had begun the Doha Round on the premise that it would address the inequities of the current international trading system and that it would create new development opportunities. Thirteen years of negotiations had passed without concluding the Round. However, the Ninth Ministerial Conference had witnessed a breakthrough in WTO history with the adoption of the "Bali Package", and all Members had discovered that consensus could be reached if they had balanced topics discussed in an inclusive and transparent atmosphere.

1.132. Indeed, Members had to build upon their success in Bali, and as they went forward, it was clear to his delegation that the only way of overcoming the impasse and bringing the Round to a successful conclusion required a renewed dialogue among WTO Members. That called for

discarding the mercantilist approach and adhering to the principles that had been reflected by his delegation in many occasions in the past.

1.133. As agreed in Bali, Members would have to establish a roadmap in order to finalize, in the course of the year, a defined work program on the remaining Doha Development Agenda issues. In that context, he emphasized some parameters which his delegation believed were of crucial importance for Members' future work at the WTO. First, the importance of ensuring that the outstanding agenda items of the DDA particularly in the areas of Agriculture, LDC's related flexibilities, S&D, and Implementation Issues were prioritized for the post-Bali work program. Second, the multilateral principles should be respected. In this regard, any attempts to conclude agreements or suggest initiatives outside the WTO would complicate the situation. Third, creativity, openness and pragmatism were all terminologies reflecting good intentions; nevertheless, they had to be considered equally by the whole Membership, and should lead them to the ultimate goal of concluding the DDA. Fourth, it was also important that Members committed themselves to adhere to the principle of fairness, taking into consideration that developing countries constituted more than two-thirds of the Organization's membership, and honour the multilateral convergences and agreements that had been reached during the last thirteen years.

1.134. Since 1947, Members had never allowed a Round to die and surely they would not want that to happen to a Development Round. This was a time when mere intention would not suffice, and for those with outstanding responsibilities to rise to the occasion. Priority should be given to the conclusion of the Doha Development Agenda. The starting point, in his delegation's view, was to pick up the pace from where negotiations had been left off and the December 2008 draft modalities should be the basis for further engagement. His delegation urged Members to re-initiate the discussions on those modalities, by maintaining the parts that had been accepted by all parties, and starting negotiations aimed at reaching consensus on the remaining parts in all its areas in one push. Egypt reaffirmed its commitment to work positively and constructively with other Members, in all possible configurations, to achieve a successful post-Bali work program that would allow for the resumption of the negotiations on all issues and their conclusion.

1.135. The representative of the <u>Republic of Korea</u> said that Members had witnessed a great deal of challenges in moving forward the post-Bali work program. As was the nature of the initial stage of consultation, there was no clear pathway in front of them. To spearhead the current situation, diverse and multi-level consultations needed to be explored with an open, creative and flexible mind during the first half of the year. He emphasized that the implementation process of the Bali Package was essential in itself and that a successful implementation was important to maintain and garner trust and confidence for a post-Bali work program. He stressed the importance of outreach activities outside of Geneva to help contribute to make Members' work successful. Without the support and attention of the business community, the legislative branches, and academia, it would be heavy lifting to move forward. In that regard, he welcomed the recent outreach activities of the Director-General to the United States, Brussels and New Delhi, and he encouraged him and Members to continue to do so.

1.136. The representative of <u>Barbados</u> said that her delegation continued to be committed to the Multilateral Trading System and to priority being given to Agriculture and to Development as the main focus of the Round. She also emphasized the importance of respecting Paragraph 47, and that due attention had to be given to the critical commitment of the single undertaking in the process of arriving at outcomes which were balanced.

1.137. She thought that while Members had all been pleased to have achieved success in Bali, they could not deny that, while they had agreed to make specific and binding commitments in Trade Facilitation, in the other areas of the Bali Package which related to LDCs, they had only been able to achieve statements of good intentions and best efforts. For that reason, Members needed to ensure that the promise of priority to be given to the DDA work program and to its completion by December 2014, be treated with urgency. It was difficult to conclude that there was evidence of such urgency.

1.138. The General Council took note of the Director-General's report and of the statements.

- 19 -

2 PREPARATORY COMMITTEE ON TRADE FACILITATION – REPORT BY THE CHAIRMAN

2.1. The <u>Chairman</u> recalled that, at its first meeting of 31 January 2014, the Preparatory Committee had elected Mr Esteban Conejos (Philippines) as Chairman. The Preparatory Committee had been established under the General Council by the Ministerial Conference to carry out specific tasks.

2.2. Mr Conejos (Philippines), <u>Chairman of the Preparatory Committee on Trade Facilitation</u>, said that the Committee had been off to a good start. Members had been able to get it up and fully operational in a short time. They had swiftly managed to agree on a work plan and schedule of meetings, clearing the procedural path and allowing for substantive work to commence. There had been a common understanding that the Preparatory Committee should continue the practice of the Negotiating Group to conduct its business in a Member-driven, bottom-up, transparent and inclusive manner. Work would therefore proceed on the basis of delegations' contributions, and he had been heartened to see that those contributions had already started to come in.

2.3. In response to Members' request for a sequenced approach, it had been decided to start with the legal review before turning to the other tasks of the Committee. Delegations had been urged to present their related proposals before the end of March so that they could finish that job swiftly, ideally no later than by the end of April. It had been decided that, where consensus could not be found on a departure from the already existing text, the language agreed upon in Bali would remain. In carrying out the review, attention would be paid to ensuring linguistic accuracy in all official WTO languages.

2.4. Members had had a productive meeting on 10 March, which had allowed them to formally adopt the work plan and schedule of meetings, and to start the substantive work on the legal review. He had been encouraged to find them engage in that exercise in a positive spirit and constructive mood. They needed that sense of commitment and cooperation in order to fulfil their tasks. It had also become clear, however, that there was still a lot of work ahead, and not much time to get it all done. Members therefore had to re-double their efforts and focus on the tasks at hand. He was confident that, with their support and dedication, they could make it work.

2.5. <u>All delegations which spoke</u> thanked the Chairman of the Trade Facilitation Preparatory Committee for his report.

2.6. The representative of <u>Mexico</u> said that his delegation fully and unreservedly supported the work program and the schedule of meetings that the Preparatory Committee Chairman had adopted. Adhering to the principles that had been established in the work program was a key element to ensure success in the work of the Preparatory Committee. This included in particular the principle that, as far as the legal review of the Agreement was concerned, if there was no agreement to deviate from the text agreed upon, it was the default existing text that prevailed. Even if, as the Chairman of the Preparatory Committee had mentioned in his introductory remarks, the work would be sequenced and would begin with the legal review, Mexico was already working very hard to prepare its notification of Category A commitments, with the aim of submitting it in April. Mexico would be notifying the majority of provisions, if not all of them, under Category A. He wished to reiterate that Mexico would not include any provision in Category C.

2.7. The representative of <u>Uganda</u> said that his country had first carried out a Trade Facilitation needs assessment in 2008, with the help of USAID and the WTO, and the report had been presented to the WTO. However, his delegation noted that although it was a good report, it could not be used to assess the financial implications of the measures that it was having difficulty in implementing. In 2012, Uganda had received technical assistance from UNCTAD and had developed comprehensive implementation plans for Trade Facilitation. He noted that his delegation was currently in dialogue with some development partners to see if some of those programs could be funded and thanked those who had responded positively. However, Uganda could foresee challenges in funding these activities, because development partners' funding priorities kept on changing and they were programed at different periods. For example, the EDF 11 program that would run from 2014-2020 would focus on rural development, governance, transport intermodalities, and agriculture. Unlike before, trade was not regarded as a priority sector. That meant that funding for Trade Facilitation activities could only be done if the activities were related to the above thematic areas. That required coordinated efforts at the national level, especially at the

programming stage. Otherwise, many of the Trade Facilitation activities identified for funding were likely to be left out of the program. That applied to other funding frameworks as well.

2.8. In addition, although many countries were members of regional trading blocs, some Trade Facilitation challenges were specific to each of them. There had been an increase in establishing regional funding mechanisms by developed countries which might address regional challenges, but not necessarily address the specific Trade Facilitation challenges countries were facing. It was for that reason that Uganda appealed to development partners to be cognizant of the individual peculiarities when developing regional projects. While there might be good will in Geneva, priorities were set at national level and might not be in tandem with the Geneva process. Members had seen that happen in other commitments, such as TRIPS, where LDCs had been required to develop priorities that required technical assistance and capacity building. Up to the present, there still had been limited progress.

2.9. The representative of <u>Paraguay</u> said that his delegation was confident that the Preparatory Committee Chairman's work plan would take Members to a safe harbour and that it shared his views as to how work in the Preparatory Committee should be tackled. The most important was for Members to meet their deadlines. His delegation believed that the legal review exercise of the Trade Facilitation text should be strictly restricted to correcting material errors without changing the substance of what had been agreed in Bali. Any attempt to improve the text through new additions could complicate the exercise unnecessarily. He reaffirmed the words spoken by the Chairman of the Preparatory Committee as stated in their recent meeting, that if there was no consensus in the legal review exercise within the established time frame, Members should simply adhere to the text agreed on in Bali. Likewise, the preparation of the Protocol of Amendment to annex the Trade Facilitation Agreement to the WTO Agreements needed to be a simple, straightforward exercise restricted solely to incorporating the Agreement as it had been done in the past for other Agreements, and that the Agreement could become part of WTO Agreements as soon as possible.

2.10. The representative of <u>Pakistan</u> expressed satisfaction at the work plan adopted by the Preparatory Committee on Trade Facilitation. In that regard, Pakistan urged all Members to keep in view the timelines agreed by their Ministers in Bali. The legal review was an exercise of purely formal character and should be completed at the earliest possible. A repeat of NGTF-style negotiations would be counterproductive and would undermine the historic accord achieved in Bali.

2.11. The representative of <u>Mali</u> thanked the Secretariat for its support in organizing the national workshop for a self-assessment of Mali's needs in Trade Facilitation on 9-13 December. Following three days of work in groups, the workshop had identified the priority needs of his country for technical assistance. It had drawn up recommendations and had taken note of the commitments taken by Mali in order to implement the Trade Facilitation measures.

2.12. A total of thirty-five different measures had been retained and classified in the three categories, A, B, and C. For priority needs in technical assistance, he listed: pre-shipment and post-shipment inspection; pre-arrival processing; risk management; post-clearance audit; trade facilitation measures for authorized operators; customs co-operation; electronic payments; cooperation between border agencies; national trade facilitation committee and the single window. Under recommendations, he listed: examine and monitor the outcome of the needs evaluation; develop a strategy for working with the national donor coordinator in order to find new donors; establish a work plan, and begin technical assistance and capacity building; and place particular emphasis on the issue of transit in Mali, as it is a landlocked country. A specific commitment had been included in the final report in the workshop to organize a meeting for all stakeholders in order to ensure that the notification to the WTO concerning the measures established for the implementation of the Bali Decision on Trade Facilitation was drafted and that the implementation of the measures contained in the Trade Facilitation Agreement began as soon as possible.

2.13. The representative of <u>Japan</u> said that as the implementation of Bali outcomes was of the utmost importance, Japan welcomed the first formal meeting of the Preparatory Committee. His delegation would continue to strongly support the leadership of the Chairman of the Preparatory Committee to work expeditiously together with other Members in accordance with the Bali Ministerial Declaration and the agreed work plan.

2.14. The representative of <u>Rwanda</u> said that Rwanda was preparing its notifications and it expected most of its provisions to be in Category A. He extended thanks to the Chairman of the Preparatory Committee for his leadership, foresight, clear sightedness and commitment in ensuring that the three subjects decided by Ministers would be taken up carefully, particularly the legal review, the protocol of amendment, and the receipt of Category A notifications. His delegation had undertaken to implement the Agreement and its expectation was that the Ministerial Decision would be followed without any alteration, in particular with regard to the amendment process of the Marrakesh Agreement under Article 10.3.

2.15. The General Council <u>took note</u> of the report of the Chairman of the Preparatory Committee on Trade Facilitation and of the statements.

3 WORK PROGRAMME ON SMALL ECONOMIES – REPORT BY THE CHAIR OF THE DEDICATED SESSION OF THE COMMITTEE ON TRADE AND DEVELOPMENT

3.1. The <u>Chairman</u> recalled that in line with the framework and procedures agreed by the General Council in 2002, the Work Program on Small Economies was a standing item on the General Council's agenda and the Committee on Trade and Development reported regularly to the Council on the progress of work in its Dedicated Sessions on that subject. He invited Mrs Marion Williams (Barbados), Chair of the Dedicated Session of the CTD, to report on the progress of work in the area.

3.2. Mrs Williams (Barbados), <u>Chairperson of the Dedicated Session of the CTD</u>, pointed out that it was the first report of the CTD's Dedicated Session on the Work Programme on Small Economies since the successful conclusion of the Bali Ministerial Conference. While there had been many successes in Bali, she was especially pleased to report that the decision by Ministers on the Work Programme on Small Economies had been one of them.

3.3. The Decision (WT/L/908) recognized the important work undertaken on behalf of Small Economies since 2002 and instructed the WTO Secretariat to continue to provide information and analysis for the CTD's Dedicated Session on the areas identified in the Work Program on Small Economies. It also specifically mandated further work on the challenges and opportunities experienced by small economies when linking into global value chains in trade in goods and services. Preliminary work on that subject had already begun and Members would soon have a chance to discuss the future work in more detail.

3.4. She drew Members' attention to the successful workshop which had been held in 2013 on the effects of non-tariff measures on the exports of small economies. A full report of the workshop had been circulated in WT/COMTD/SE/M/26 and contained some interesting data on the main challenges small economies faced with exporting specific products. She thanked Members for their support and active participation during her term as CTD Chair and wished her successor well, as he sought to execute the mandate of that important Committee, as the focal point for Development in the WTO.

3.5. The representative of <u>Barbados</u> thanked the Chair of the CTD for her report and Members for their continued commitment on the Small Economies Work Programme, as reflected in the Decision on the Work Program on Small Economies which had been adopted by Ministers at the MC9. In that regard, her delegation looked forward to working with Members and the Secretariat on the areas identified in item (k) of Paragraph 2 of the Work Programme on Small Economies and to commencing work on the challenges and opportunities experienced by small economies when linking into global value chains in trade in goods and services.

3.6. Barbados agreed that the 23 October 2013 workshop on the effects of non-tariff measures on the exports of small economies had been a success, and looked forward to the WTO's continued work with small economies in that regard. She informed Members that SVEs were currently undergoing a period of transition in coordination and would inform Members of the new coordinator in due course.

3.7. The General Council <u>took note</u> of the report of the Chair of the Dedicated Session of the Committee on Trade and Development and of the statement.

- 22 -

4 IMPROVING THE GUIDELINES FOR GRANTING INTERGOVERNMENTAL ORGANIZATIONS PERMANENT OBSERVER STATUS IN THE WTO – STATEMENT BY THE CHAIRMAN

4.1. The <u>Chairman</u> recalled that the matter had been on the General Council's agenda since February 2012. That was because, at its November 2011 meeting, the General Council had agreed to initiate a process of consultations to consider the issue of Observer Status for IGOs in the WTO, further to a communication by the Arab Group entitled "Improving the Guidelines for Granting Observer Status to Intergovernmental Organizations in the WTO" (WT/GC/W/643), which had been then supplemented by a further communication in document WT/GC/W/654.

4.2. He noted that his predecessors had conducted consultations on that matter, and throughout the previous year he had continued those consultations in different configurations, including in the context of the preparations for MC9. As Members would recall, he had reported on those consultations to each General Council meeting during the previous year.

4.3. At the General Council meeting on 26 November, in reporting on his consultations, he had noted that it appeared that there was no convergence on how to take that process forward. In the discussion, some delegations had indicated that the process of consultations should continue, and others had noted that it had not seemed to be an area for productive discussion.

4.4. As that was his last meeting as Chairman of the General Council, he wished to urge continued engagement from all sides to address the issue, in a constructive manner and with a solution-finding spirit. Participation of IGOs in the work of the WTO, including at Ministerial Conferences, was of crucial importance, and he believed all delegations agreed with that. For his part, he would brief his successor so that he could consider how to address that matter.

4.5. The representative of <u>Jordan</u>, <u>on behalf of the Arab Group</u>, said that for more than a decade, some Members had continued to undermine the Guidelines on the participation of IGOs and their contribution to the work of the WTO, which was conducive to the coherence needed in the Multilateral Trading System.

4.6. He said that divergence over the interpretation of the Guidelines granting IGOs Observer Status had continued to grow with no clear indication as to how some IGOs had been granted permanent observer status while others continued to be barred from receiving the same status. The Arab Group invited those WTO Members to refrain from politicizing that issue so that observer status could be granted to all IGOs.

4.7. The Arab Group requested to keep that item on the agenda of the General Council until a satisfactory and permanent solution could be reached and looked forward to receiving positive news in that regard.

4.8. The representative of the <u>United States</u> said that his delegation would oppose any standing item on the agenda as a matter of institutional concern. The United States respected the right of Members to propose items for the agenda of individual meetings at the appropriate time but it would not support any type of standing item.

4.9. The General Council took note of the Chairman's statement and of the other statements.

5 COMMITTEE ON BUDGET, FINANCE AND ADMINISTRATION – REPORT ON MEETING OF FEBRUARY 2014 (WT/BFA/141)

5.1. The <u>Chairman</u> drew attention to the report of the Budget Committee in document WT/BFA/141 and invited Mr Michael Stone (Hong Kong, China), Chairman of the Committee, to introduce it.

5.2. Mr Stone (Hong Kong, China), <u>Chairman of the Committee on Budget, Finance, and Administration</u>, recalled that, at its meeting in February, the Committee had reviewed Members' overall situation on outstanding contributions. The number of Members subject to Administrative Measures and the total amount of contributions had continued to reduce in 2013. He would read at the end of the meeting the updated list of the Members and Observers currently under

Administrative Measures. In the meantime, the Committee recommended to the General Council to urge Members and Observers under Administrative Measures to liquidate their arrears.

5.3. The Committee had also reviewed information related to the long-term employee benefit obligations of the Organization – the Pension Plan and the after-service Health Insurance Scheme. Members had expressed a keen interest to examine those matters further. The Committee had noted that the existing Pension Plan Management Board had been charged with managing that scheme and was fully aware of the need to manage the long-term liabilities and to actively work on the matter. A similar situation had not been obtained for the after-service Health Insurance Scheme. The Committee had decided to establish a Working Group to review specifically the long-term liabilities related to after-service health insurance.

5.4. The Committee had also decided to establish a Working Group to review the WTO Financial Regulations. The external auditor had highlighted the need to modify the current Financial Regulations. The Committee had been informed about the Organizational review initiated by the Director-General at the end of 2013. Members had expressed a great interest in being consulted and kept informed on the progress made on the organizational review process, and Deputy Director-General Brauner had responded positively to that expression. The Committee had been updated on the administrative progress reports related to the budgetary and financial situation, the extra-budgetary funds and the WTO Risk Management System.

5.5. The General Council <u>took note</u> of the statement, <u>approved</u> the Budget Committee's specific recommendation contained in paragraph 1.2 of its report in document WT/BFA/141 and <u>adopted</u> the report.

6 WTO PENSION PLAN MANAGEMENT BOARD – ELECTION OF CHAIRMAN, MEMBERS AND ALTERNATES – PROPOSAL BY THE CHAIRMAN OF THE GENERAL COUNCIL (WT/GC/W/679)

6.1. The <u>Chairman</u> recalled that Article 4(a) of the Regulations of the WTO Pension Plan provided, *inter alia*, for the election by the General Council of a Chairman, four members and four alternates to the Management Board of the WTO Pension Plan, each for a three-year term.

6.2. The term of office of the current membership of the Management Board would expire on 7 May 2014.

6.3. Following consultations held on that matter, he had circulated document WT/GC/W/679, in which he had proposed the names of the representatives who had agreed to have their names put forward for election as Chairman, members and alternates. He had also invited delegations to submit any comments they might have regarding the proposed nominations by the close-of-business on 7 March. He had not received any comments regarding the proposed nominations.

6.4. He proposed that the General Council agree to elect the candidates whose names were listed in that document, to serve in those positions on the Pension Plan Management Board for a three-year term.

6.5. The General Council so agreed.

7 APPOINTMENT OF OFFICERS TO WTO BODIES

7.1. The <u>Chairman</u> recalled that in accordance with the Guidelines for Appointment of Officers to WTO Bodies approved by the General Council in December 2002 (WT/L/510), he, together with his colleagues – Ambassador Fried (Canada), Chairman of the Dispute Settlement Body, and Ambassador Matus (Chile), former Chairman of the General Council – had conducted consultations with delegations on a slate of names for the appointment of Chairs to WTO regular bodies listed in Groups 1, 2, 4 and 5 in the Annex to the Guidelines. In addition, they had also consulted on the appointment of Chairpersons to four negotiating bodies, namely: the Committee on Trade and Environment in Special Session, the Committee on Trade and Development in Special Session, the TRIPS Council in Special Session and the Services Council in Special Session.

7.2. In undertaking the process set out in the Guidelines, he had put into effect the practical steps to improve their implementation agreed by the General Council in July 2012 (JOB/GC/22).

7.3. He thanked Ambassador Fried and Ambassador Matus for their assistance, which had been very valuable to him and to delegations. In line with the practical steps, they had started their consultations by meeting first with Group Coordinators. Subsequently, and in accordance with Paragraph 7(d) of the Guidelines, they had provided a specified time-period in which they would be available to hear the views and suggestions of interested delegations. Those consultations had taken place over two weeks, in order to provide a greater opportunity for all interested delegations to meet with them. They had consulted all delegations that had come forward and had requested a meeting, and regularly had kept Group Coordinators informed of progress. That process had included an informal open-ended Heads-of-Delegation meeting which had been held the previous day.

7.4. He expressed the sincere appreciation of his colleagues and himself for the excellent cooperation they had received from the Group Coordinators during that process. He also thanked all the delegations they had consulted for their cooperative and constructive spirit.

7.5. On the WTO regular bodies, he was pleased to inform delegations that, on the basis of these consultations, there was a consensus on the following slate of names:

General Council	H.E. Mr. Jonathan FRIED (Canada)
Dispute Settlement Body	H.E. Mr Fernando DE MATEO (Mexico)
Trade Policy Review Body	H.E. Ms Mariam MD SALLEH (Malaysia)
Council for Trade in Goods	H.E. Mr Joaquim REITER (Sweden)
Council for Trade in Services	H.E. Mr CHOI Seokyoung (Rep. of Korea)
Council for TRIPS	H.E. Mr Mothusi PALAI (Botswana)
Committee on Trade and Development	H.E. Mr Pierre Claver NDAYIRAGIJE (Burundi)
Committee on Balance-of- Payments Restrictions	H.E. Mr Martin EYJÓLFSSON (Iceland)
Committee on Budget, Finance and Administration	H.E. Mr Francisco LIMA (El Salvador)
Committee on Trade and Environment	H.E. Ms Päivi KAIRAMO (Finland)
Committee on Regional Trade Agreements	H.E. Francisco PIREZ GORDILLO (Uruguay)
Working Group on Trade, Debt and Finance	H.E. Mr Bertrand de CROMBRUGGHE de PICQUENDAELE (Belgium)
Working Group on Trade and Transfer of Technology	H.E. Mr Abdolazeez AL-OTAIBI (Kingdom of Saudi Arabia)

7.6. Appointments for these bodies would be for one year as usual, in keeping with the general rule in the Guidelines. The appointments would be made formally by the WTO bodies concerned at their subsequent meetings in 2014.

7.7. On the negotiating bodies, he was pleased to inform delegations that, following their consultations, there was consensus on the following appointments:

- 25 -		
Committee on Trade and Development in Special Session	H.E. Mr Harald NEPLE (Norway)	
Committee on Trade and Environment in Special Session	H.E. Ms Wiboonlasana RUAMRAKSA (Thailand)	
Council for TRIPS in Special Session	H.E. Mr Dacio CASTILLO (Honduras)	
Council for Services in Special Session	H.E. Mr Gabriel DUQUE (Colombia)	

7.8. These appointments would also be made formally by the bodies concerned at their next meeting.

7.9. The General Council <u>took note</u> of the statement and of the consensus on the slate of names for the appointment of officers.

7.10. The representative of <u>Chinese Taipei</u> expressed her appreciation for the efforts and the hard work that the Chairman, Ambassador Fried (Canada) and Ambassador Matus (Chile) had made in the process of consultation for the appointment of officers to WTO bodies. She congratulated all incoming Chairpersons for 2014 and assured them of her delegation's strong support and cooperation. The enthusiasm and patience for serving WTO Members should be highly encouraged and appreciated.

7.11. She understood and believed that the main principles for the selection process were transparency, self-balance in the structure of WTO bodies, balance between developed and developing country Members, and balance among the regional groups. The guidelines also stated that restraint should be exercised in blocking consensus on a candidate without having good reasons. She regretted that some of those principles had not been fully observed. The opportunity of serving WTO Members by those with strong commitment, was not treated equally nor fairly. Her delegation sincerely hoped that the Guidelines and principles would be fully respected in the future.

7.12. The representative of <u>Dominican Republic</u> said that, as Chairman of the Informal Group of Developing Countries (IGDC) and of the Group of Latin American Countries in the Caribbean (GRULAC), he wished to thank the Chairman for the tremendous efforts he had exerted during the course of his Chairmanship that year, which would be a memorable one because it had represented a huge success with the Bali achievements. Work had been successfully carried out within the Organization and a lot was due to the Chairman and his team, and the Director-General and had resulted in an outstanding result.

7.13. The representative of <u>Lesotho</u>, <u>on behalf of the African Group</u>, congratulated the Chairman for the tremendous work that he had done during his term of office and in steering the course on the road to Bali. In the same token, the African Group wished the best to his successor at the start of the implementation phase. The Group was committed to work and support all the Chairs in their respective Committees and Councils in the course of the year and beyond.

7.14. He stressed that there had been goodwill and a lot of effort put into those consultations and that the good effort, in terms of interaction and consultation, should be carried forward.

7.15. The <u>Chairman</u>, on behalf of the General Council, expressed his sincere appreciation to the outgoing Chairpersons of all WTO bodies for their very dedicated work in chairing those bodies.

7.16. He recalled that, in keeping with Paragraph 7.3 of the Guidelines for Appointment of Officers to WTO Bodies, the outgoing Chairpersons of the Council for Trade in Goods and the Council for Trade in Services were to conduct consultations to select Chairpersons for the bodies established under their respective Councils. The Guidelines also provided that those Chairs should announce the start of their respective consultation processes at the February General Council meeting. He invited Mr Castillo (Honduras), Chairman of the Council for Trade in Goods, and Dr Al-Otaibi (Kingdom of Saudi Arabia), Chairman of the Services Council, to make their respective announcements.

25 -

7.17. Mr Castillo (Honduras), <u>Chairman of the Council for Trade in Goods</u>, informed Members that, in accordance with the Guidelines for Appointment of Officers to WTO Bodies approved by the General Council in December 2002 (WT/L/510), he would be starting consultations for the appointment of Chairpersons of the subsidiary bodies of the Council for Trade in Goods. He would be carrying out that process with a view to proposing and agreeing on a balanced slate of names at the next meeting of the Council for Trade in Goods, scheduled for 9 April 2014. He intended to make sufficient time available to meet with any interested Members and to hear their views and suggestions. He would also send a fax to all Heads of Delegations indicating his availability during the coming week. He would start that process with group coordinators, as suggested in document JOB/GC/22. Following that, he would conduct further consultations as necessary. In order to ensure the efficiency of the process and the balance mentioned in the Guidelines, he would work in coordination with the Chairman of the Services Council.

7.18. Dr Al-Otaibi (Kingdom of Saudi Arabia), <u>Chairman of the Council for Trade in Services</u>, said that in accordance with the Guidelines for the Appointment of Officers to WTO Bodies, adopted by the General Council in December 2002, in document WT/L/510, he would be starting his consultations for the appointment of Chairpersons to the subsidiary bodies of the Council for Trade in Services. He would be consulting with a view to arriving at a proposed slate of names of Chairpersons for 2014 that enjoyed the wide support of the Membership. In order to ensure the balance of the slate, as mentioned in the Guidelines, he would be consulting with the Chairman of the Goods Council and would make sufficient time available to meet with any interested Members.

7.19. The General Council took note of the statements.

8 COMMERCIAL RELATIONS WITH VENEZUELA – STATEMENT BY PANAMA

8.1. The representative of <u>Panama</u>, speaking under "Other Business", expressed his country's deep concern at the announcement made by the Bolivarian Republic of Venezuela that it was breaking diplomatic, economic, and trade relations with Panama. Panama was concerned that the breaking of diplomatic, economic and trade relations would lead to the imposition of measures that were restrictive and discriminatory against trade with their country.

8.2. In addition to the general concern, there was also a specific one. Since early that week, Panama had, through a number of media, learned that Venezuela had suspended authorizations granted by the *Comisión de Administración de Divisas* (CADIVI) for the purchase of foreign currency for consumption abroad for travel to Panama. The direct consequence of that measure was that it was impossible for Venezuelan citizens to acquire dollars for their use during their travel to Panama and that it blocked operations of payment of purchases in dollars with credit cards in Panama. That affected trade in goods and services for Panama in the mode of consumption abroad.

8.3. Panama wished to protest against the action taken by Venezuela and requested that these and any other measures which Venezuela intended to apply against Panama be notified to Members. Panama also asked Venezuela to confirm the accuracy of these facts, explaining the justification for that measure under the specific provisions of the World Trade Organization Agreements which would enable Venezuela to take those exceptional measures that discriminated against Panama's goods and services. Panama was carefully and closely analysing the way in which Venezuela was applying its trade policy with regard to Panama's goods and services and would be following up on that issue in any fora it considered appropriate in the Organization. As in other circumstances, Panama reserved its rights under the WTO Agreements.

8.4. The representative of <u>Bolivarian Republic of Venezuela</u> said that "Other Business" was not a place where substantive points for discussion could be introduced. However, Panama had used it to present an alleged trade concern. The political objective was clear, to sow doubt in the General Council as to the transparency of the foreign policy, and particularly the trade policy, of the Bolivarian Republic of Venezuela. He said that his country's decision to break off diplomatic relations with the current Government of Panama had been based on the interventionist and unfriendly action of that Government on repeated opportunities against Venezuela through a very clear policy intended to promote foreign intervention in his country. The Government of Panama had been the only one in Latin America and the Caribbean voting against Venezuela in the Permanent Commission of the Organization of American States at the meeting held on

7 March 2014. On the other hand, an absolute majority of countries, twenty-nine from Latin America and the Caribbean, had supported the democratically elected government of President Nicolás Maduro Moros.

8.5. The representative of Panama had raised his government's concerns about some alleged discriminatory trade measures which had been adopted by Venezuela. The Government of Venezuela was concerned to see the destiny of a sister country, which was governed by authorities that acted against harmony, mutual respect of sovereignty, and non-interference in the affairs of another state. If the concern of the Panamanian Government was mainly of a financial nature, then they might sleep soundly because his country – Venezuela – had always honoured and would continue to honour all of its commitments, as President Nicolás Maduro Moros had stated.

8.6. He stated that an alleged debt referred to by the Government of Panama had been fraudulently inflated in order to illegally obtain resources and that was once again another expression of the atypical style that characterized the current administration of that country. The Bolivarian Republic of Venezuela was concerned about, and indeed regretted the diplomatic impasse in view of the historically friendly relations that had always existed between the peoples of Panama and Venezuela. Further explanations would be given by the Venezuelan economic authorities at a subsequent stage to the WTO authorities.

8.7. The representative of <u>Plurinational State of Bolivia</u> was doubtful as to the relevance of raising a political issue in the General Council. However, given the distorted information was being provided by certain sectors of the media, he wished to take the opportunity to acknowledge the actions taken by the Government of Venezuela in defence of its legitimate and democratically elected government. The Bolivarian Government has shown great solidarity in the work it conducted in the Latin American region in the areas of both trade and the promotion and protection of human rights. It had also set an example for regional unity. The Plurinational State of Bolivia had reiterated, at the highest level and in various fora, its firm support for the constitutional Government of its sister State, the Bolivarian Republic of Venezuela.

8.8. The representative of <u>Cuba</u> supported the efforts of the Government of the Bolivarian Republic of Venezuela in getting out of the situation that it currently found itself in. Her delegation also fully supported the explanations provided by Venezuela and underscored that the General Council was not the forum where bilateral issues of that nature should be taken up. Nor was "Other Business" the appropriate item to raise issues of that nature. She reiterated Cuba's support for the points made by Venezuela.

8.9. The representative of <u>Nicaragua</u> said that his country supported what had been stated by the delegations of Venezuela, Bolivia and Cuba. Nicaragua had some doubts as to the appropriateness of clarifying or discussing the matter in the General Council.

8.10. The representative of <u>Ecuador</u> questioned the relevance of the issue being brought up in that forum.

8.11. The General Council took note of the statements.

9 ADMINISTRATIVE MEASURES FOR MEMBERS IN ARREARS – STATEMENT BY THE CHAIRMAN

9.1. The <u>Chairman</u> recalled that the new revised Administrative Measures for Members in arrears, contained in WT/BFA/132, Annex I, had entered into force on 1 January 2013. Among those Administrative Measures was a requirement that, at the end of each meeting of the General Council, the Chairman of the Committee on Budget, Finance and Administrative Measures. He information with regard to which Members and Observers were under Administrative Measures. He invited the Chairman of the Budget Committee, Mr Michael Stone (Hong Kong, China) to provide the Council with that information.

9.2. Mr Stone (Hong Kong, China), <u>Chairman of the Committee on Budget, Finance, and Administration</u>, said that the General Council had approved the new rules for Members and Observers subject to Administrative Measures. Those rules had been implemented effectively on

1 March 2013 and as required by the decision of the General Council, he would list Members and Observers under all categories of Administrative Measures as of 13 March 2014.

9.3. There were five Members and one Observer in Category I: Benin, Cambodia, Cameroon, Paraguay, Tanzania, and Iran (Observer). There were five Members and one Observer in Category II: Antigua and Barbuda, Saint Vincent and the Grenadines, Senegal, The former Republic of Macedonia, Vanuatu, and Syrian Arab Republic (Observer). There were eight Members and one Observer in Category III: Central African Republic, Côte d'Ivoire, Dominica, Dominican Republic, Grenada, Guinea-Bissau, Mauritania, Sierra Leone, and Sao Tomé and Principe (Observer).

9.4. The <u>Chairman</u> noted that, under the new revised Administrative Measures, he was also required at each Council meeting to request Members and Observers in Categories II and III of the Measures to inform the Secretariat as to when their payment of arrears might be expected.

9.5. The General Council took note of the statement.

10 ELECTION OF CHAIRPERSON

10.1. The Chairman⁶, as the outgoing presiding officer of the General Council, thanked all Members for their cooperation and friendship during his term as General Council Chairman. At the end of this memorable journey, he felt a great sense of gratitude for the confidence that Members had extended to him. 2013 had been a turning point for the organization, and Members had faced many challenges. He noted that, during the first half of the year, the selection process of a new Director-General, when Members had nominated nine candidates was unprecedented in the history of the organization. With Members' active cooperation and support, the process had been completed before its deadline. He wished to acknowledge in particular Amb. Jonathan Fried (Canada) and Amb. Joaquim Reiter (Sweden) who had been with him in that exercise. At the end of the year, the Bali Ministerial Conference was a critical moment. He stressed that Members had risen to the occasion, worked together, overcoming national differences, and had delivered historical results. He recalled that, when he had been elected to the Chair the previous year, he had said that transparency, inclusiveness and consensus would always be his guiding principles. He said that, in his tenure as Chair, he had tried to respect these principles in all his actions. Members would be the final judge. His job would have never been possible without the cooperation and support of all delegations, for which he was deeply honoured and grateful. He wished to sincerely thank two WTO Directors-General he had worked with, Mr Pascal Lamy and Mr Roberto Azevêdo, for whom he had the utmost respect. He said he had received endless support from the Secretariat, including interpreters, translators, and in particular from the Council and TNC Division and wished to thank them for their tireless efforts this year. The Membership was very lucky to be able to count on the professionalism of the WTO Secretariat, whose hard work often went unnoticed.

10.2. He believed that during the past year Members had come to appreciate more clearly what this organization meant to all of them and also what was needed to keep it working. However, there was no doubt that challenging times were ahead. Members had to implement the results of Bali, and fulfil the mandate of the Doha Development Agenda. Members needed to continue working with this same spirit. He said that Amb. Jonathan Fried understood these points very well and that the Council could not be in better hands. He wished him good luck and he was certain that he could count on the support that it had been his privilege to enjoy.

10.3. On the basis of the understandings that had been reached on the appointment of officers to WTO bodies, the General Council <u>elected</u> by acclamation Ambassador Jonathan Fried (Canada) as the next Chair of this body.

10.4. The <u>Director-General</u> said that Ambassador Bashir had done a remarkable job in steering the General Council through a very challenging and important year. He had given his experience as a diplomat and trade negotiator to support the Membership. He knew that his good temperament, loyalty, integrity, and persistence had been appreciated by all. He had also overseen the appointment of a new Director-General. He had conducted that challenging process

⁶ Before moving to the election of the Chairperson, the Chairman bade farewell on behalf of all to the outgoing Counsellor in the Council & TNC Division, Mr Ian Huxtable, thanking him for his years of dedicated service to the General Council and Ministerial Conference.

in an exemplary way that had allowed Members to reach consensus in a timely and orderly fashion, as Members had recognized at the time.

10.5. On a personal level, he thanked Ambassador Bashir for his support since his appointment as Director-General, in the lead-up to Bali, and afterwards. He owed him a personal debt of gratitude for his pertinent and wise counsel in areas ranging from the negotiating process to each of the substantive issues. In all his activities, Ambassador Bashir had always had the welfare of the institution at heart and the Director-General would continue to rely on his support and wisdom in the months ahead. On behalf of the Secretariat, he expressed their sincere gratitude for his work over the last year. It had been a pleasure working with him and assisting him in that role.

10.6. He also congratulated Ambassador Jonathan Fried (Canada) on his election as the new Chair of the General Council. That came as recognition of the work he had done throughout the negotiations, and the positive and constructive contribution which he had made in so many areas, and in particular as Chair of the Dispute Settlement Body. He assured the newly-elected Chairman that he could count on his full support and that of the Secretariat. He urged Members to also extend all the support and cooperation that they had extended to Ambassador Bashir and that should rightly accompany their choice of him as their General Council Chairman. He wished him every success in his new role.

10.7. The newly-elected <u>Chairman</u> said that it was with humility and some trepidation that he accepted the role that the Members had asked him to play. In doing so, he had the good fortune of being able to build on the work of the outgoing Chair, Ambassador Shahid Bashir. It was often somewhat trite to say that someone was a gentleman and a scholar. But, he said, Ambassador Bashir was both. His success during his challenging tenure, that encompassed the selection of a new Director-General and the Bali package itself as bookends, had been due in large measure to the dignity, respect, and courtesy with which he had treated each of them. His remarkable knowledge of the GATT and WTO, and even his vast experience in applying that knowledge, had never kept him from still being a student and from ensuring that their decisions were always taken on the basis of sound facts and good law. He knew that many others would join him in continuing to seek Ambassador Bashir's guidance and advice.

10.8. In taking on the Chairmanship, he was acutely aware that, as Members' discussion that morning showed, they were all preoccupied with developing "a clearly defined work program" that year in the TNC, as directed by the Ninth Ministerial Conference. But Ministers had also given work to do in the General Council – Ministers had given them a clear direction to implement their Decisions. As such, they had a two-track approach where the General Council work had to accompany, and keep pace, with the TNC. He committed to give on-going and highest priority to the implementation work.

10.9. Ministers had also underscored the importance of the ongoing work of the WTO. It was the General Council that, in between Ministerial Conferences, exercised their authority. Collectively, Members should take seriously their responsibility for oversight of the work of the Councils and Committees, of accessions, and for budget and administrative matters. He undertook to ensure that the agenda through the year would allow them to discharge those responsibilities.

10.10. He looked forward to working with all Members on implementation, and on oversight. He welcomed the opportunity to consult with them throughout the year. There would have several opportunities to talk, and he would not take up much more time at the meeting.

10.11. However, he wished to briefly share some initial thoughts. To borrow a corporate analogy, Members were most fortunate to have a CEO, in the person of the Director-General, as a true global leader. Members sitting as a General Council were, effectively, the shareholders' meeting. And as they worked by consensus, they were also a very large Board of Directors, and on behalf of Ministers, they provided executive oversight.

10.12. This did not mean getting bogged down in the day-to-day operations of the Organization, for which they looked to the CEO, or to get bogged down in rhetoric to score debating points. To the contrary, they had a collective responsibility to provide strategic direction. He looked forward to regular meetings with Council and Committee Chairs to facilitate a common, institution-wide view of that direction and to setting a General Council agenda that kept them focused at the

strategic, rather than operational, level. More broadly, their responsibility for strategic direction meant that they always had to put their work in context.

10.13. Their most central context was the imperative of fostering development. In his view, to give strategic direction required them to ensure that the work was coherent with others with development mandates, and to be aware of, and literate about, the various factors that contributed to sustainable and inclusive growth. He looked forward to consulting with Members on this, on whether they would wish to have informal or open-ended General Council meetings and discussions, or more opportunity to hear outside views. He again thanked Members for the opportunity to serve and wished them all well in building on Bali.

10.14. The representative of <u>Japan</u> wished to pay tribute and expressed sincere gratitude to Ambassador Bashir (Pakistan) for his leadership and dedication as Chair. He had always been very fair and steady, even in the midst of sometimes very hot debates, in managing discussions. He looked forward to working with the new Chairman.

10.15. The representative of the <u>European Union</u> commended the Chairman for having a very good start and congratulated him on his election. The European Union wished him a wholesale success, thanked him for his introductory remarks, and looked forward to another great Chair of the General Council. On behalf of the European Union and all its Member States, he expressed their profound appreciation and gratitude to Ambassador Bashir (Pakistan). He had guided the Organization through a very important year in its history, a year that was also a very challenging one. Things could have gone very wrong many times and could have interrupted all the paths that took Members to Bali successfully. They owed a lot of it, to a very significant extent, to Ambassador Bashir. He had guided the General Council's work and process with great wisdom. Ambassador Bashir had always looked for the common interest, and the interest of the Organization, with impartiality and fairness, and he was able to contribute in an absolutely unique way to that extraordinary process in what he thought would be seen as a very unique year in the history of the Organization. He had been a great Chair of the General Council, exactly when the Organization had needed him the most. The European Union thanked and congratulated him for a crucial job that had been done in an extremely effective and efficient way.

10.16. The General Council took note of the statements.

- 31 -

ANNEX I

TNC CHAIRMAN'S REMARKS AT THE INFORMAL TNC MEETING AT THE LEVEL OF HEAD OF DELEGATION HELD ON 6 FEBRUARY 2014¹

Good morning everybody.

As this is our first meeting of 2014, I would like to wish you all a happy and successful New Year – I very much hope it is a productive one.

I want to thank you all for the role you played, individually and jointly, in delivering that historic success in Bali. After an 18 year drought, Bali proved that the WTO can deliver negotiated outcomes. It delivered significant gains for the global economy and particularly for our developing and least-developed Members. And it moved the spotlight back onto us here in Geneva.

But Bali has not finished the job. We have two very significant tasks before us.

First and foremost, we need to implement the decisions and agreements reached in Bali. Second, the Bali Declaration instructs us to prepare a clearly defined work program on the remaining Doha Development Agenda issues by the end of 2014. And we should remember that the Bali Declaration instructs that those areas where decisions were non-binding in nature must be a priority in our post-Bali work. We must keep a relentless focus on these issues.

So the real work starts now. These two tasks will form the bulk of our work over the course of this year – and so this is what I want to talk about today.

First, let's focus on implementation.

The true significance of the Bali results, and the tangible realization of their benefits, will only be achieved as a result of the actions that you, the Members, take over the coming months. This is an important test for the system – and one which we must pass if we want to move forward and see the benefits of Bali made real. We must work together to keep up the momentum and the pressure that allowed us to reach a successful outcome in the first place.

The Bali Package consists of ten ministerial decisions, each of which requires different steps to take forward. A lot of the implementation efforts will fall outside the TNC – but for clarity I think it would be helpful to take a few moments to set out some of the actions needed to implement each of those decisions.

Let's start with <u>Trade Facilitation</u>, where the work has already started, and where there are important milestones for implementation over the coming months.

The first meeting of the Preparatory Committee was convened by the General Council Chairman on 31 January. And we already have a chair, as you elected Ambassador Esteban Conejos by acclamation. Let me congratulate Ambassador Conejos, and wish him all the best in his new role.

The Preparatory Committee will swiftly commence the execution of the tasks Ministers gave it in Bali – specifically, to ensure the entry into force of the Trade Facilitation Agreement and prepare for its efficient operation.

The Bali decision on Trade Facilitation also calls on the Committee to carry out three immediate tasks:

- undertaking a legal review of the Agreement;
- drafting a protocol of amendment to include the Trade Facilitation Agreement in Annex IA of the WTO Agreement;
- and receiving notifications of Category A commitments.

¹ Also issued as JOB/TNC/37.

Our ability to move the whole of the WTO agenda forward hinges on our ability to fulfil the promises to provide timely and effective technical assistance and capacity building wherever it is demanded by developing and least-developed countries.

To help those countries make full use of the flexibilities set out in Section II, and to facilitate preparations for the Agreement's entry into force, the Secretariat will continue its needs assessment program. But in addition there is an imperative on developing Members to identify what support they need as early as possible.

Donor Members and various donor organizations are also getting ready to provide comprehensive support on Trade Facilitation. I met with them yesterday for an initial conversation about the importance of coordination and transparency in the provision of support to developing countries. Many donors were present at the meeting – over 25 countries and organisations were there.

In due course, the conversation needs to be broadened out to include beneficiary countries once there is greater clarity on their needs. The WTO will of course help to facilitate the interaction between the donors and the beneficiaries.

So there is important – and urgent – work ahead.

I must also take this opportunity to thank Ambassador Sperisen-Yurt for his leadership and chairmanship of the Negotiating Group on Trade Facilitation.

Let's turn now to <u>Agriculture</u>, where there were three decisions in Bali. For each of these three decisions Ministerial guidance specifically indicates that the Committee on Agriculture will undertake follow-up activities in terms of monitoring and review.

The Committee on Agriculture met on 29 January and discussed follow-up on these issues. So let me briefly take each one in turn.

First, <u>export competition</u>. This decision calls for dedicated discussions based on notifications and a questionnaire to be circulated by the Secretariat. The annex of the Declaration includes elements for enhanced transparency on export competition which will form the basis of the Secretariat's questionnaire.

The Committee on Agriculture agreed to hold the annual discussion on export competition during its meeting in June this year. This timing could also be appropriate in 2015 as it would provide adequate time between that discussion and the review foreseen at MC 10. That's for you, the Members, to follow through in the Committee on Agriculture. The Secretariat will circulate the questionnaire soon with a view to circulating a summary of the questionnaire results in advance of the June meeting.

Second, with respect to the decision on <u>TRQ administration</u>, the Committee on Agriculture is expected to review and monitor the implementation of the Understanding. The monitoring to be conducted in the context of the TRQ underfill mechanism will depend on the Members' submissions. Some Members have indicated that they planned to take advantage of this mechanism. Others noted that the Committee on Agriculture could begin applying the monitoring procedures laid out in the Annex of this Decision as soon as submissions were received by the Committee.

That leaves the decision on <u>public stockholding for food security purposes</u>. Here the monitoring activity of the Committee will again depend on how Members decide to push this monitoring agenda. As you will recall, Ministers agreed to establish a work program to be undertaken in the Committee on Agriculture with the aim of making recommendations for a permanent solution on this issue – that's what the decision says. This work program will take into account Members' existing and future submissions. Indeed, the conversation on the work program has already started with a discussion at last week's meeting of the Committee on Agriculture.

I'd like now to turn to the decisions on **Development and LDC issues.** The adoption of an LDC package was a key achievement of the Bali Ministerial – representing a very significant step forward towards the better integration of LDCs into the multilateral trading system.

But, here too, Bali represents a beginning, not an end. A significant amount of effort is needed to convert these decisions into concrete gains for the LDCs.

On the <u>operationalization of the services waiver</u> the LDCs will need to table their collective request as soon as possible. This will kick-start the process, leading towards the high level meeting at which Members will indicate if, and in what areas, they are prepared to give preferential access to LDCs. In parallel, the Council for Trade in Services is convening an informal meeting to discuss the operationalization of the waiver. I encourage all Members to actively participate in this process, so that we can bring fruition to this important instrument.

Next, the decision on <u>Duty-Free Quota-Free market access</u>. Similarly here, Members will need to notify their DFQF schemes and any other relevant changes that they may have adopted. In my view the LDCs should be pursuing this issue in the Committee on Trade and Development. Of course all Members have a responsibility here, and the Secretariat will be on hand to support the process, but the demandeurs must keep up the pressure.

The same goes for the last decision in the LDC package – which is on <u>preferential rules of origin</u>. Members have concrete guidelines before them to make further improvements to their LDC preference schemes. I encourage Members, whenever possible, to draw on these multilateral guidelines and make a further contribution to help ease market access for LDC products. There will be an opportunity to annually review developments through the Committee on Rules of Origin.

The other important development decision taken at Bali – though not specific to LDCs – was to establish a <u>Monitoring Mechanism on Special and Differential Treatment</u>. Members will take this forward through a Dedicated Session of the Committee on Trade and Development.

I should also mention here those items which were held over from Bali – for example the Cancun 28 proposals and the 6 Agreement-specific proposals. These items are under active consideration in the Special Session of the Committee on Trade and Development and this work will need to be picked up as soon as possible.

The tenth decision of the Bali package relates to <u>Cotton</u>, which of course is sensitive for many Members, particularly the Cotton-4. I understand that informal consultations are underway to call a meeting of the Director-General's Consultative Mechanism. That meeting would likely be held back-to-back with a dedicated discussion on cotton in a meeting of the Committee on Agriculture in order that we can move this issue forward.

You all worked incredibly hard last year to conclude the negotiations and deliver the Bali package. So now let's make it count, by delivering the benefits of the package. But, as I say, implementation is only the first task.

The second is to get talks going again and prepare a clearly defined work program on the remaining Doha Development Agenda issues by the end of 2014. I have begun some very early and very preliminary consultations on these issues – for example:

- At the World Economic Forum in Davos I attended the informal ministerial gathering convened by the Swiss Confederation about which Ambassador Winzap will say a few words when I have concluded my remarks.
- Last week I visited India and Oman where I talked to the business sector and government officials.
- In recent days I have addressed Members of the LDC and ACP Groups.
- I have also seized every opportunity to exchange views with individual delegations.

I've been listening to Members very carefully.

I think that in order to look forward, we must also look back. We must learn from the mistakes of the past – and also, now, from the success in Bali. Bali offered us a number of good lessons in how to be successful multilaterally. But I believe it will be very difficult to replicate the approach where we avoided the core issues – agriculture, industrial goods, services – and found harvests elsewhere.

Most likely, any future multilateral engagement will require outcomes in agriculture. This was a central pillar of the DDA and many delegations have been stressing that, if agriculture comes into play, then so do the other two legs of the tripod: industrial goods and services. We may even conclude that we are not yet ready to properly tackle these three areas, but we can't avoid the conversation.

Even though we can't replicate Bali precisely, there are lessons learned that we must keep in mind. Our dialogue about the future is just beginning, but I believe that some parameters seem to be already framing this conversation.

I will talk through these parameters now, as I perceive them personally – though I stress that this is not an exhaustive list, nor is it arranged in order of priority or importance. It is intended merely to provide some inspiration in our discussions.

- 1. **First**, <u>development</u> has to be preserved as the central pillar of our efforts. Above all, we must have tangible results for the poorest Members. This remains a development round.
- 2. **Second** is that we must be realistic and focus on those things which are <u>doable</u>. Instead of abstract goals, let's look at what we can do and set goals that are reachable. Members have to be honest with each other and with their domestic constituencies about what can realistically be expected from the negotiations. We must find a balance between ambition and realism.
- 3. The **third** parameter is that the big issues in the DDA are <u>interconnected</u>, and therefore they must be tackled together. So, again, as it was in Bali, <u>balance</u> is key. We must find an approach in which all Members contribute and all Members benefit. And, again, where no one is faced with impossible demands. Bali worked because <u>all</u> Members wanted it. Everyone has to see themselves in the issues on the table.
- 4. **Fourth**, in order to make headway in these areas, we must be ready to be <u>creative</u> and keep an open mind to new ideas that may allow Members to overcome the most critical and fundamental stumbling blocks. This creativity, however, has to be coherent with the DDA mandate, which is flexible enough to accommodate new paths. Let me very clear about this: I am not proposing changing the DDA mandate quite the opposite really.
- 5. **Fifth**, the process must continue to be <u>inclusive and transparent</u>, engaging all Members at all stages of the negotiations. This was a very important factor in Bali.
- 6. **Sixth**, our efforts must have a sense of <u>urgency</u>. This was also an essential element of the success in Bali. We must be careful, however, not to rush recklessly into another cycle of failures due to bad planning. We cannot afford to wait another 18 years for a result.

Finally, I think that, as well as being open-minded to new ideas, we should also be <u>open-minded</u> about how far-reaching our next steps will be.

Of course what we want to do is to find a path towards the conclusion of the Round. It may be that it can be done in one step – or we may need more than one step. Again, that is something that we have to discuss. But whatever we do we will always be moving in one direction – and that is towards the conclusion of the Doha Round.

I think that we should keep these parameters in mind over the coming weeks and months. In summary:

- 1. development as a central pillar
- 2. doability balancing realism and ambition, with no-one being asked to do the impossible
- 3. recognising that the issues are interconnected so must be tackled together
- 4. staying creative and open minded
- 5. always being inclusive and transparent
- 6. maintaining a sense of urgency

As time is of the essence, I have asked the Chairs of the Negotiating Groups to start a dialogue with Members on issues that we may be able to take forward – using the parameters that I just

mentioned as a guide for discussions. The exact format of these meetings will be up to the Chairs – they will have full discretion on how they conduct these discussions – but I have asked them to ensure that the format is as open as possible.

I think we need to start by asking simple questions: What went wrong? What should we do now? What level of ambition should – or *could* – we have? While we may start with a range of different opinions I trust that in time commonalities will emerge and, in due course, that we will be able to find convergence.

And I can assure you that there is no hidden or pre-cooked agenda here. I am approaching this process – along with the Chairs – with a completely open mind. We want to hear your views. I don't intend to impose any strict time-frame on this initial process – but I have asked the negotiating chairs to feed back with some initial thoughts and findings from their consultations, if possible at the General Council on 14 March.

Bali represents not just a huge achievement for all of us – but also a huge opportunity. There is real political momentum and we must build on it. The work has only just begun. 2014 should be the year that we implement our first negotiated outcomes – and the year that the Doha Round is put back on track. It will not be easy, but it is achievable.

We all have a role to play. Every voice will be heard. And I hope that together we can capitalise on the success in Bali, and seize the opportunity that it has provided.

Thank you for listening.

- 36 -

ANNEX II

STATEMENT BY ECUADOR AT THE INFORMAL TNC MEETING AT THE LEVEL OF HEAD OF DELEGATION HELD ON 6 FEBRUARY 2014

At its request, the statement made by Ecuador at the above-mentioned meeting is included below as part of the Minutes of the General Council meeting.

Regarding the post-Bali process, Ecuador believes that the process initiated should be aimed at concluding the Doha Round and be based on the interests and needs of the developing countries, not only on an abstract and undefined development dimension. Agricultural reform, in particular, should constitute a decisive element of this process.

More specifically:

Firstly, the post-Bali work programme should focus exclusively on DDA issues; secondly, the post-Bali work programme should be balanced and therefore agriculture should constitute a key part of it; thirdly, the post-Bali work programme should be based on the results already achieved and the principle of the single undertaking; fourthly, the post-Bali work programme should be based on a transparent and inclusive process.