

Development Effects of the Doha Round on Small and Vulnerable Economies (SVEs)*

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Introduction

The multilateral trade negotiations launched at the 4th WTO Ministerial Conference held in Doha, Qatar in November 2001 have been titled as the Doha Development Agenda (DDA). The Doha Ministerial Declaration promises to place the interests of developing countries at the centre of the negotiations (paragraph 2). However, it has been difficult for the WTO Members to find consensus on the exact contours of the “development dimension” and to accordingly reach agreements in all the areas of negotiations. The larger debate of the “development dimension” in the DDA is beyond the scope of this paper. Instead the paper focuses on the development interests and concerns of Small and Vulnerable Economies (SVEs)¹ only.

The issue of development impact of DDA on SVEs can be approached from three angles with certain overlaps. First, and more relevant to the subject of this paper, an examination can be undertaken in terms of the specific interests of SVEs that the SVEs have articulated in the context of the work programme established pursuant to paragraph 35 of the Doha Ministerial Declaration. Second, there can be an evaluation in terms of the three criteria, i.e., enhanced market access for developing countries, balanced rules, and trade-related technical assistance and capacity building, that have been presented as defining the development content in all areas of negotiations. Third, an assessment can be made in terms of the progress and possible outcomes on three sets of issues, i.e., implementation issues, special and differential treatment for developing countries, and TRIPS and Public Health, that were regarded as “development issues” at the time of the launch of the Doha Round. This paper attempts to briefly examine all the three with a view to presenting ideas that may assist SVEs in their quest for a development-friendly outcome of the DDA negotiations in line with their interests and concerns. Based on this analysis, some recommendations are presented in the final section to assist SVEs in their efforts to secure development-friendly outcomes of the Doha Round and to also consider relevant issues beyond the Doha Round.

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I. The DDA Work Programme on SVEs: Main Developments and An Assessment

Background and Major Developments

The genesis of the development interests and concerns of Small and Vulnerable Economies (SVEs) in the WTO Doha Round can be traced back to at least two initiatives in other fora. One, in the United Nations a group of developing countries called Small Island Developing States (SIDS) has been quite active in presenting their special development challenges and interests. Two, in the Commonwealth Secretariat where the request by a group of former British colonies led to the examination of their specific development situation which pointed out that the Commonwealth countries with populations smaller than 1.5 million had particular economic development challenges that could be addressed by special trade rules. This encouraged the SVEs to present their development interests and concerns to the WTO also. The launch of the Doha Round in November 2001 was the perfect opportunity for this purpose. These countries managed to obtain a mandate from the Doha Ministerial Conference to establish a work programme within the overall mandate of the Doha Round of multilateral trade negotiations and without creating another sub-category of WTO members, to address their trade-related concerns. Paragraph 35 of the Doha Ministerial Declaration (WT/MIN(01)/DEC/1 of 20 November 2001) states:

“We agree to a work programme, under the auspices of the General Council, to examine issues relating to the trade of small economies. The objective of this work is to frame responses to the trade-related issues identified for the fuller integration of small, vulnerable economies into the multilateral trading system, and not to create a sub-category of WTO Members. The General Council shall review the work programme and make recommendations for action to the Fifth Session of the Ministerial Conference.”

The General Council decided in March 2002 (paragraph 2 of WT/L/447 of 1 March 2002) to entrust this work to the Dedicated Sessions of the Committee on Trade and Development (CTD-DS) while keeping its overall monitoring and supervision role (see Annex I).

The developments related to the work programme on SVEs since then can be divided into two phases both in terms of the process and the substance. The first phase that roughly lasted till the 6th WTO Ministerial Conference held in Hong King, China, in December 2005, saw most of the debates on the issue taking place in the CTD-DS. The issues under discussion broadly related to the question as to whether the SVEs had specific characteristics and trade-related problems that are not common to all developing countries and hence require targeted WTO solutions. Without any firm conclusions and while respecting the DDA mandate of not creating another sub-category of WTO Members, these discussions did establish the platform to allow SVEs to articulate their interests and concerns in various areas of negotiations. Two key developments in this regard included the re-affirmation of the Doha mandate on SVE work programme by the WTO July 2004 Package, and the further elaboration of this mandate by the Hong Ministerial Conference.

Paragraph 1.D of the July Package (General Council Decision – WT/L/579 of 1 August 2004) states:

“The trade-related issues identified for the fuller integration of small, vulnerable economies into the multilateral trading system, should also be addressed, without creating a sub-category of Members, as part of a work programme, as mandated in paragraph 35 of the Doha Ministerial Declaration.”

More specifically, paragraph 41 of the Hong Kong Ministerial Declaration (WT/MIN(05)/Dec – 18 December 2005), mentions the proposals by the SVEs in the negotiating and other bodies and also sets a timeline for the submission of further recommendations by the General Council.

“We reaffirm our commitment to the Work Programme on Small Economies and urge Members to adopt specific measures that would facilitate the fuller integration of small, vulnerable economies into the multilateral trading system, without creating a sub-category of WTO Members. We take note of the report of the Committee on Trade and Development in Dedicated Session on the Work Programme on Small Economies to the General Council and agree to the recommendations on future work. We instruct the Committee on Trade and Development, under the overall responsibility of the General Council, to continue the work in the Dedicated Session and to monitor progress of the small economies' proposals in the negotiating and other bodies, with the aim of providing responses to the trade-related issues of small economies as soon as possible but no later than 31 December 2006. We instruct the General Council to report on progress and action taken, together with any further recommendations as appropriate, to our next Session.”

Hong Kong Ministerial Declaration also refers to SVEs in relation to NAMA and Services negotiations (see Annex II).

The second phase in these negotiations covers the period after the Hong Kong Ministerial Conference till present. There were two important developments during this period. One, SVE made many submissions to and participated actively in the specific negotiations bodies, e.g., those responsible for negotiations on agriculture, NAMA, services, rules, etc² while maintaining the respective monitoring and supervisory roles of the General Council and CTD-DS. Two, and as a result of these SVE efforts, several SVE-related provisions have been included in various draft texts prepared by the Chairs of the negotiating bodies.

As a result the current situation looks promising. The CTD-DS continues to monitor the progress of the work programme for SVEs and also provides a forum to the SVEs to raise the issues that are not being adequately addressed by the respective negotiating bodies. At the same time all the draft texts by the Chairs of various negotiating bodies contain proposed provisions in favour of SVEs. It should be noted however that these provisions fall short of the demands by SVEs in many cases.

Identification of SVEs Negotiating Objectives in the Doha Round

SVEs have not presented their negotiating objectives in one, comprehensive document. However, they have presented a number of submissions to the CTD-DS as well as to various negotiating bodies. They have also made efforts to explain their developments concerns and point out possible solutions in formal and informal negotiating settings. An examination of these submissions and statements reveals a pattern in laying out their main negotiating objectives. They started with a discussion of special characteristics of the SVEs, followed by special trade-related problems faced by SVEs due to these special characteristics, and finally presented issue- and sector-specific problems of SVEs for possible solutions in Doha Round texts. Hence their main overall negotiating objectives can be outlined as below.

Recognition of the Special Characteristics of SVEs

This has been a fundamental and most important objective. SVEs are not a recognized sub-category of WTO members. Yet, they have characteristics that combine to place them in a situation of vulnerability and hence require targeted trade-related solutions. The characteristics mentioned by SVEs include: physical isolation, geographical dispersal and distance from the main markets; insignificant participation in the multilateral trading system and a minimal share of total world trade; small, fragmented and highly imperfect markets; in general, very open economies; domestic markets with imperfect and highly polarized structures: either a multitude of small and micro enterprises, or cartels/monopolies; minimal or no export diversification; low supply of export services; dependence upon very few export markets; inadequate infrastructure; high degree of vulnerability; low competitiveness; low levels of productivity and insufficient supply; economic rigidity with high adjustment costs; inability to sustain diversified productions; considerable difficulties to attract foreign investment; lack of adequate market access opportunities for their few export products; and high transport and transit costs.³

The counter arguments have been essentially two. One, all these characteristics are present to various degrees in all developing countries. Two, there is lack of robust statistical relationship between each of these characteristics on the one hand, and the trade performance of the proponents on the other.⁴ However, studies by ICTSD showed that the statistical relationship is significant when it is measured between the combination of characteristics (as opposed to individual characteristics) on the one hand and the trade performance on the other.⁵

This debate in the WTO did not lead to a consensus agreement on the special characteristics of SVEs. At the same time, the point being made by the SVEs was implicitly recognized in the sense that at least one of these characteristics (i.e., low share in international trade) has been used to identify the affected SVEs in sectoral negotiations (e.g, in agriculture and NAMA). Other negotiating bodies are also following the same approach to identify the SVEs that will benefit from special provisions.

Recognition of the Trade-Related Problems Faced by SVEs

Getting the recognition of their special characteristics was not an intellectual or political issue for the SVEs. Their real objective was to point out the trade-related problems they

face as a consequence and which could lead to finding solutions in the WTO. They presented many concrete examples which included:⁶

- Tariff peaks and tariff escalation affect small, vulnerable economies as they impede the diversification and exportation of products with high value added.
- The agricultural and fisheries sectors in small, vulnerable economies play key roles in the attainment of their economic development goals, in particular with regard to food security, rural development, exports and employment. Therefore the volatility of international prices for agricultural and fisheries products exported by small, vulnerable economies constitutes an important factor of high vulnerability.
- The very limited participation of small, vulnerable economies in international trade prevents them also from effectively defending their export interests in cases of modification of schedules under Art. XXVIII of GATT 1994 and in the renegotiation of tariff concessions, which under current arrangements recognize only substantial interest defined narrowly.
- The high transaction costs, the isolation of island countries and the environment surrounding land-locked countries, are basic problems for these small developing economies.
- In the case of small economies, their SMEs principally comprise 'micro' or very small enterprises which face particular challenges in terms of human resources, market development and financial constraints.
- The WTO Agreement on Subsidies and Countervailing Measures contains provisions resulting in the low cost incentives granted by the small, vulnerable economies, which are essential for the development of export oriented industries, being unfairly treated as prohibited subsidies.
- In small, vulnerable economies, employment options are few and hence in general, they face high levels of unemployment. Small, vulnerable economies have an interest in developing their services sector as a means of enhancing employment both on-shore as well as off-shore.

An examination of these problems indicates three important elements. One, SVEs have interests across the whole range of issues and sectors covered by the WTO disciplines and negotiations. Two, their interests are both offensive (better market access abroad) and defensive (need to protect parts of their agriculture and industry etc.). Three, all SVE proponents may not be facing all the problems to the same degree.

The objective of SVEs was not to present a complete list of all the trade-related problems faced by them but to get the recognition of WTO Members that there were concrete examples of such problems which can be addressed by the WTO. This paved the way for the presentation of more specific problems faced by SVEs in various sectors with a view to finding solutions through negotiating texts.

Recognition of Issue- and Sector-Specific Problems to Identify Solutions

The foundation of this work was laid by the SVEs in the CTD-DS which was followed up by their detailed submissions in relevant sectoral negotiating bodies. Without attempting to summarise all of their submissions, the following table presents their key development interests in most of the negotiating areas. These development concerns include both offensive and defensive elements.⁷

Table I

Negotiating Area	SVE Development Interests
Agriculture	Defensive: Need for special flexibilities Offensive: Special priority for products of export interest
NAMA	Defensive: Need for special flexibilities Offensive: Special priority for products of export interest
Services	Offensive: Special priority for services of export interest Offensive: Special efforts to facilitate the full range of services exports
Rules	Defensive: Subsidies and Countervailing Measures: to allow small, vulnerable economies to better respond to the needs of their small business sector by allowing certain subsidies currently prohibited by the WTO Defensive: RTAs: special problems and characteristics of SVEs should be taken into account to allow for certain non-reciprocity in RTAs between SVEs and developed countries
Trade Facilitation	Offensive: Special consideration should be given to the provision of technical assistance and capacity building Offensive: Specific needs of the small, vulnerable, landlocked economies should be addressed bearing in mind that these small economies have no seaports and will therefore always have inherently high transit and other costs
Dispute Settlement	Offensive: Assistance to facilitate the use of the provisions of the Understanding on Rules and Procedures Governing the Settlement of Disputes (DSU) and to enforce the decisions of the DSB
Technical Assistance and Capacity Building	Offensive: Priority to the provision of supply side capacity building and human and institutional resources development Offensive: Recognition of the role of regional bodies in relation to inquiry points and technical assistance (related to SPS, TBT and TRIPS)

Assessment of Potential Outcomes in Terms of Key Negotiating Objectives of SVEs

Of the three key negotiating objectives as mentioned above, it can be argued that the first two have been met to some extent. There is now a recognition that SVEs have special characteristics that may be present in other developing countries also but which are responsible for accentuating the development challenges faced by the SVEs. But the Doha mandate regarding not to create another sub-category of WTO members has not allowed the acceptance of either an agreed list of such characteristics or an agreed list of SVEs. Similarly, the trade-related problems faced by SVEs have been recognized, but again not as a comprehensive list of agreed problems faced by all SVEs. The practical outcome of the exercise has been to recognize sector and issue-specific criteria (e.g., percentage share in trade) and then propose special treatment for all countries that fulfill the criteria.⁸

A detailed analysis of sector and issue-specific objectives in various areas of negotiations (e.g., agriculture, NAMA, services, rules) is the subject of other papers commissioned by the ComSec. However, a broad assessment of these is offered in the Table II below which is based on the identified development concerns of SVEs in Table I. It is instructive to note that while many defensive development concerns of SVEs have found their way in the draft negotiating texts, most of the offensive interests remain unaddressed. There are two inter-related reasons for this outcome. One, there is greater common ground among SVEs on defensive concerns whereas there are sharp differences regarding some offensive interests (e.g. while Latin American SVEs want greater market access in EU agriculture market, African, Caribbean and Pacific SVEs are opposed to this for fear of losing their existing preferential margins in the EU). Two, and as an outcome of the first reason, SVEs common negotiating efforts have been focused more on securing their defensive development concerns and little effort has gone into advancing the offensive development concerns.

Table II⁹

SVE Specific Development Concerns & Negotiating Objectives	Assessment of Draft Outcomes
Agriculture: Need for special flexibilities	Achieved
Special priority for products of export interest	Not achieved
NAMA: Need for special flexibilities	Achieved Not achieved
Special priority for products of export interest	
Services: Special priority for services of export interest	Not yet achieved
Special efforts to facilitate the full range of services exports	Not yet achieved
Rules: Subsidies and Countervailing Measures: to allow small, vulnerable economies to better respond to the needs of their small business sector by allowing	Not yet achieved

SVE Specific Development Concerns & Negotiating Objectives	Assessment of Draft Outcomes
certain subsidies RTAs: special problems and characteristics of SVEs should be taken into account in RTA disciplines Fisheries subsidies: special treatment for subsidies by SVEs	Negotiations deadlocked Not yet achieved
Trade facilitation: Special consideration should be given to the provision of technical assistance and capacity building Specific needs of the small, vulnerable, landlocked economies should be addressed bearing in mind that these small economies have no seaports and will therefore always have inherently high transit and other costs	Negotiations on-going Negotiations on-going
Dispute Settlement: Assistance to facilitate the use of the provisions of the Understanding on Rules and Procedures Governing the Settlement of Disputes (DSU) and to enforce the decisions of the DSB	Not yet achieved
Technical Assistance and Capacity Building: Priority to the provision of supply side capacity building and human and institutional resources development Recognition of the role of regional bodies in relation to inquiry points and technical assistance (related to SPS, TBT and TRIPS)	Not yet achieved (linked to Aid for Trade) Achieved (in principle agreement)

Questions to Chart a Way Forward

The above presents a mixed picture. Some of the key defensive development concerns of SVEs have found a place in the close-to-final draft outcome texts; most of the offensive development concerns have not been included in the close-to-final draft outcome texts; and several other offensive development concerns are yet to be addressed in areas where negotiations have not reached the stage of close-to-final outcome texts. Key questions for SVEs now are:

- Have the key SVEs development concerns and objectives been met?
- Can the SVEs prioritize from among the remaining development concerns?
- Can the SVEs present a common front in the negotiations on the identified remaining development concerns?

Answers to these questions will determine the course of action for SVEs in the coming months.

II. A General Framework to Assess Development Impact of Doha Round: Identification and Application

Defining Development Framework in Doha Round

There are clear commitments and pronouncements by the Ministers in the Doha Ministerial Declaration that provide a framework to assess whether the promise of development in the Doha Round is being delivered. In this regard, four pronouncements by the ministers can be mentioned. First is an acknowledgement that the majority of WTO Members are developing countries and a promise that their needs and interests will be at the heart of the (Doha) Work Programme.¹⁰ This is followed by mentioning the below three main instruments that will be used to achieve the objective of addressing the needs and interests of developing countries in the Doha Round:¹¹

- Enhanced market access (in areas of export interest to developing countries);
- Balanced rules (i.e., establishing the new rules in a balanced manner and balancing the old); and
- Trade-related technical assistance and capacity building programmes.

This is the basis of the proposed development assessment framework elaborated in the remainder of this section. The Framework has four elements: first being the fundamental issue of as to who has the right and responsibility to identify the development needs and interests and the remaining three dealing with the issue of as to how to implement the development promise.¹²

Fundamental Basis: Development for SVEs is defined by the Needs and Interests of SVEs

This is the most important reference for any debate on the development dimension in Doha Round. These are the needs and interests of developing countries as expressed by them that constitute development dimension. The role of identifying development needs has not been assigned to either developed countries or to any other institution. Therefore any assessment tool or development yardstick has to be based on the proposals and statements of developing countries. This is particularly relevant for SVEs given their active participation and submissions in the negotiations pursuant to paragraph 35 of the DMD. This is the basis on which the progress under the three instruments of enhanced market access, balanced rules and capacity building programmes has to be judged.

First Instrument: Enhanced Market Access

This is one of the main promises of Doha Round that developing countries will get enhanced market access on a stable and predictable basis. It is implicit in this promise that the market access gains of developing countries will be greater than those of developed countries in the Doha Round.

Several points need careful consideration regarding the issue of relevant enhanced market access for SVEs in the Doha Round. One, some SVEs are currently losing market access opportunities by protectionism and subsidies in developed countries.¹³ Two, the

adjustment costs¹⁴ from liberalization are going to be much higher in SVEs. Three, SVEs need real (i.e., in accordance with their supply capacity and free from non-tariff barriers) and not nominal market access. Four, the enhanced market access should be focused in the products and sectors of export interest to SVEs.¹⁵

Based on the brief discussion above, some indicators are proposed below that can be used to assess whether the promise of enhanced market access is being fulfilled in the Doha Round:

- The enhanced market access for SVEs in each area (i.e., agriculture, non-agriculture and services) must be in addition to the current market access available to them in developed country markets. This will require that the market access commitments in Doha Round are not a repackaging of the existing opportunities currently available to SVEs outside of the WTO (e.g. under GSP, GSP+, CBI, AGOA, etc.).
- The enhanced market access is real. This will require that the enhanced market access is in the products, sectors and modes of interest to SVEs, including those that offer prospects for value-addition (e.g. through elimination of tariff escalation) and is accompanied by elimination and not increase in the non-tariff barriers (NTBs).

Second Instrument: Balanced Rules

The history of development experience – both of today’s industrialized countries and the emerging economies of the developing world – teaches us one lesson: one-size-does-not-fit-all. Countries at lower levels of development were able to develop through experimentation. They had the flexibility to design combinations of industrial, trade, technological and social policies unique to their situations. This policy space was critical for their development.¹⁶ Hence an important development benchmark for Doha Round rules-related negotiations will be the availability of policy space by maintaining policy options for SVEs to pursue a set of policies that is most conducive to their development.¹⁷ The promise of “balanced rules” in the Doha Round should be judged against this yardstick.

Achievement of balanced rules will include two elements. One, this should cover both the existing WTO rules that need balancing as well as any new rules that are developed during the Doha Round. Two, this should include rules pertaining to all areas of the negotiations. Following indicators are accordingly proposed that can be used to assess whether the rules-related outcomes of Doha Round are balanced:

- Examination of existing rules and agreements to ensure there is balance between rights and obligations of SVEs (e.g., by addressing proposals regarding Implementation Issues as discussed later in this paper.)
- All policy space flexibilities for SVEs in the existing and new rules should be effective and meaningful. This will require that the provisions, including the special and differential treatment provisions, have legal certainty and are not couched in best-endeavour language. Also the flexibilities for SVEs should be

such as that can be used by SVEs within their existing levels of development and domestic capacities, e.g., allowed subsidies should be such as can be administered within their limited institutional mechanisms and financial resources.

Third Instrument: Trade-Related Technical Assistance and Capacity Building Programmes

A major constraint on SVEs is their lack of capacity in almost all areas related to international trade. This includes lack of capacity (due to small number of mission staff in Geneva and / or very limited staff in the relevant ministries in the capitals etc) to fully analyse the implications of trade agenda and effectively negotiate; to implement the results of these negotiations while utilizing the flexibilities;¹⁸ and to take advantage of the potential and / or new trading opportunities.¹⁹ This lack of capacity relates to human, financial, technical and institutional resources of SVEs. This is the context in which the reference to capacity building programmes in paragraph 2 of Doha Ministerial Declaration should be interpreted noting that the Ministerial Declaration includes several other references to technical assistance and capacity building.²⁰

The views about the relationship between trade and aid (for capacity building) seem to have come a full circle from “aid and trade” to “trade not aid” to “aid for trade” today. This is not a question of either and or: SVEs need increased trading opportunities as well as capacity building assistance. Hence the capacity building promise of the Doha Round should be viewed on its own and fulfilled.

Certain conditions need to be fulfilled for capacity building programmes to be in line with the development objectives of Doha Round. Following indicators can be used to assess the Doha Round package on trade-related technical assistance and capacity building for its compatibility with development needs:

- Capacity building commitments are predictable, secure and long term; e.g., through bindings in the WTO.²¹
- Capacity building commitments are adequate: committed resources are substantial and additional (not a shuffling of the existing assistance portfolios).
- Capacity building commitments are be need-based and demand-driven, e.g., without any conditionalities whether related to trade policy or any other area.

Application of Possible Framework to Assess Development Impact

The three key instruments to provide and measure development dimension in the Doha Round as mentioned above are equally important. Doha Ministerial Declaration does not envisage any trade-off among the three. Concrete and positive progress in all of them is needed to ensure that Doha Round outcome contributes to development. Based on this, following questions can be raised regarding the draft outcomes in various negotiating areas to assess whether they meet the development promise of DDA for the SVEs:

Enhanced Market Access:

- a. What is the additional market access on offer?

- b. Is there domestic capacity to take advantage of the additional market access?
- c. Is there any erosion of the existing SVE market access to developed country markets?
- d. Is there any erosion of access to their own domestic and regional markets?

Balanced Rules:

- a. What are the additional constraints on policy space options?
- b. What are the flexibilities being offered?
- c. What is the domestic capacity to utilize the available and additional policy space options?
- d. What has been done to balance the existing rules?

Trade-Related Technical Assistance and Capacity Building:

- a. Are there additional commitments?
- b. Are these commitments bound and long term?
- c. Are there any conditionalities attached?
- d. Do these commitments provide needed resources (e.g., technology, capital, skills development, etc.) to actualize potential market access opportunities and to facilitate adjustment?

The answers to the above questions will provide an objective assessment. The table below presents some preliminary conclusions in some areas under negotiations based on the draft texts currently on the table.

Table III

Negotiating Area	Enhanced Market Access	Balanced Rules (Policy Space)	Technical Assistance and Capacity Building (Resources for Development)
Agriculture	None specifically for SVEs	Special flexibilities available for SVEs	None in agriculture package
NAMA	None specifically for SVEs	Special flexibilities available for SVEs	None in NAMA package
Services	None specifically for SVEs	SVEs requesting special flexibilities particularly in the area of domestic regulations	None in services package
Rules	Not applicable	Limited special flexibilities available for SVEs in fisheries subsidies but limited progress in other rules areas (e.g. RTAs)	Promises of limited, unbound commitments
Trade Facilitation	Not applicable	Built-in flexibilities for developing countries including SVEs	Substantial commitments possible but bindings remain a complex issue

Summary Conclusions

The application of the development assessment framework developed in this section on the draft outcomes in various negotiating areas of Doha Round presents a mixed picture so far as the SVEs are concerned. There is no enhanced market access specifically for SVEs. In fact, many of them stand to lose part of their current preferential market access for agricultural and industrial products in the EU and the US markets. However, services is an area where efforts can be made to secure enhanced market access. Most SVEs gains so far are in the area of “balanced rules” where there are some concrete provisions stipulating special flexibilities for the SVEs. However, these need to be supplemented further particularly in the area of rules. Finally, there are no firm, additional, and binding commitments for capacity building assistance so far. This should be countered by consistent SVE efforts to achieve substantial binding commitments under the area of trade facilitation and fisheries subsidies, and for the adoption of a comprehensive Aid for Trade package for overall trade-related technical assistance and capacity building.

III. Doha Set of Development Issues: Possible Interests of SVEs

In the run up to, at, and in the period immediately after the Doha Ministerial Conference, a set of three issues was often referred to as “development issues”. The main reason was that these issues had been included in the agenda at the insistence of developing countries. These issues were commonly referred to as relating to: implementation of Uruguay Round agreements; operationalization of special and differential treatment provisions; and the TRIPS and public health. Doha Ministerial Conference not only included these in the negotiating agenda but also mandated their resolution latest by end 2002 and before further progress in other negotiating areas. Several SVEs were among the active proponents of these issues and hence it is useful to briefly examine the outcome (or lack of it) of WTO discussions/negotiations on these issues.

Implementation Issues²²

Implementation issues have a long history in the GATT/WTO. Developing countries have been trying to point these out since the establishment of the WTO. These issues were raised at the time of both the first and second Ministerial Conferences of the WTO held in 1996 in Singapore and in 1998 in Geneva, Switzerland respectively. Paragraph 8 of the Geneva Ministerial Declaration²³ acknowledged it and hence paved the way for developing countries to identify a number of implementation issues for consideration at the 3rd WTO Ministerial Conference in 1999 at Seattle. Though Seattle Ministerial Conference failed to adopt any Declaration, as many as 97 implementation issues were in the draft Seattle Ministerial Text. Finally, a negotiating mandate was put in place for implementation issues pursuant to Paragraph 12 of the Doha Ministerial Declaration (DMD) and the Doha Decision on Implementation-Related Issues and Concerns²⁴ (hereafter referred to as Doha Implementation Decision) at the time of the Doha Ministerial Conference.

Of the 93 implementation issues in the 1999 draft ministerial text for Seattle Ministerial Conference, almost half were made the subject of immediate action through direct reference in the text of the Doha Implementation Decision, while the remaining except six (related to textiles and clothing, services, SPS measures, and TBTs)²⁵ were made subject to negotiations pursuant to Paragraph 13 of the Doha Implementation Decision and Paragraph 12 of the DMD. One issue – on TRIPS and public health – was covered by the 2001 Ministerial Declaration on the TRIPS Agreement and Public Health.

Outstanding implementation issues under the Doha mandate can be classified into two categories:

- Outstanding implementation issues listed in the Compilation attached to the Doha Implementation Decision under Paragraph 13 thereof and referred to various WTO bodies with negotiating mandates operating under the TNC pursuant to Paragraph 12(a) DMD. These include 2 related to agriculture, 1 to services, 4 to anti-dumping, and 2 to subsidies and countervailing measures.
- Outstanding implementation issues listed in the Compilation attached to the Doha Implementation Decision under Paragraph 13 thereof and referred to various regular WTO bodies but reporting to the TNC pursuant to Paragraph 12(b) DMD.

These include issues related to TRIPS (6), Balance of Payments (3), TBT (1), TRIMS (1), safeguards (1), SPS (2) customs valuation (5) and GATT 1994 (2).

Negotiations on implementation issues have been deadlocked since early 2003. July 2004 Framework and Hong Kong Ministerial Declaration reiterated the Doha mandate on implementation issues. On the other hand, the negotiations in 2007 and 2008 witnessed practically no activity on these issues as the focus was on completing the modalities for agriculture and NAMA.

As mentioned earlier some SVEs (for example, Barbados, Cuba, Dominican Republic, Honduras, and Sri Lanka) had been part of developing country coalitions that put forward the implementation issues. However, the proponents of SVE work programme have not taken an active part in the negotiations on these proposals launched after the Doha Implementation Decision.

S&D Issues

Paragraph 44 of the Doha Ministerial Declaration and paragraph 12.1 of the Doha Ministerial Decision on Implementation-Related Issues and Concerns provide the mandate for S&D negotiations in the Doha Round. This mandate was considered an important development dimension of the Doha Round. Salient aspects of the mandate include:

- To review all S&D provisions in the WTO agreements “with a view to strengthening them and making them more precise, effective and operational” and to consider the legal and practical implications of converting the S&D non-binding in nature into mandatory provisions with a view “to identify those that Members consider should be made mandatory”, by July 2002.
- To consider, in the context of the Doha Work Programme, “how special and differential treatment may be incorporated into the architecture of the WTO”,

As many as 88 proposals related to various WTO agreements were made by developing countries. Africa Group generally supported by other developing countries also proposed to establish a Monitoring Mechanism to ensure that S&D provisions are effectively implemented. Committee on Trade and Development in Special Sessions (CTD-SS) was tasked to deal with these proposals.

The original deadline in the DMD as well as several subsequent deadlines to fulfill the mandate were missed. In fact the Chair of the Special Session of the Committee on Trade and Development (CTD-SS) indicated a stalemate in early 2003, prompting the then Chair of the General Council to take up the matters in his own hands. A two-track process was established whereby the Committee on Trade and Development (CTD) in the Special Sessions was primarily tasked to deal with Category I proposals (requiring changes in the existing agreements), other horizontal issues like the establishment of the Monitoring Mechanism, and monitor progress in other WTO Bodies, whereas other WTO bodies were asked to deal with Category II proposals (that are considered to be less controversial). By the time of the Cancun Ministerial Conference in September 2003, tentative agreement had been reached on 28 proposals.²⁶

Cancun Ministerial Conference failed to adopt any Declaration and hence the outcome on 28 proposals could not become final. The next big moment came in Hong Kong Ministerial Conference in December 2005 when 5 LDC-specific proposals were adopted as Annex F of the HK Ministerial Declaration.²⁷

There has not been any further progress since HK Ministerial Conference. The latest report by the Chair of the CTD-SS to the General Council indicates that:²⁸

- There is no progress with regard to the proposals being considered by relevant WTO Bodies (category II).
- Of the 16 proposals in Category I, 6 (related to the Agreements on SPS and Import Licensing) are being discussed by the CTD-SS to find the language acceptable to all but without much progress. Remaining 10 have not been taken up yet.
- Proposal regarding the establishment of a Monitoring Mechanism is also under discussion.

Some SVEs have occasionally supported other developing countries in the negotiations on the S&D proposals. However, this area of negotiations has not garnered much attention of SVEs.

TRIPS and Public Health

Adoption of the Doha Ministerial Declaration on the TRIPA Agreement and Public Health²⁹ was hailed as a major pro-development outcome. However, it had not resolved all the issues related to TRIPS and Public Health. Of particular concern was the issue as to whether WTO Members with no or insufficient production capacity in the pharmaceutical sector could take advantage of the flexibilities affirmed by the said Declaration. Recognizing this, the Declaration in Paragraph 6 mandated further negotiations. Paragraph 6 states:

“We recognize that WTO members with insufficient or no manufacturing capacities in the pharmaceutical sector could face difficulties in making effective use of compulsory licensing under the TRIPS Agreement. We instruct the Council for TRIPS to find an expeditious solution to this problem and to report to the General Council before the end of 2002.”

The negotiations pursuant to this mandate were contentious but finally led to the adoption of a Decision by the General Council on “Implementation of paragraph 6 of the Doha Declaration on the TRIPS Agreement and public health” on 30 August 2003.³⁰ This Decision provides a mechanism to allow imports of pharmaceutical products produced under compulsory licenses in other countries by countries with insufficient or no pharmaceutical production capacity. Based on this Decision, the General Council also adopted an amendment to the TRIPS Agreement in December 2005.³¹ Members have been given until 31 December 2009 to ratify the amendment. Finally, an annual review mechanism under the auspices of the WTO Council on TRIPS has been established to

monitor the implementation of the 30 August 2003 Decision as well as the status of ratifications of the amendment.

None of the SVEs has so far notified their intention to use the system established by the 30 August 2003 Decision. Moreover, only two SVEs – El Salvador and Mauritius – have ratified the amendment. This makes it difficult to assess the positive impact of this Decision on SVEs. It will be useful for SVEs to identify the reasons for their lack of utilization of the mechanism and propose appropriate WTO action if needed.

Preliminary Assessment and Questions for a Way Forward

The progress to date on implementation and S&D issues has been rather limited. Moreover, the SVEs have not taken an active part in the negotiations on these issues. On the other hand, in pursuance of the mandate in the Doha Declaration on TRIPS and Public Health a Decision and an amendment in favour of WTO members with limited or no pharmaceutical manufacturing capacity has been adopted. But none of the SVEs has as yet notified its intention to use the system either as an importer or exporter. This state of affairs raises several important questions. Answers to these questions will determine SVE further course of action in respect of these issues.

- Are there any implementation and S&D issues that are of interest to the SVEs? If so, can they prepare and present joint SVE negotiating positions on these issues?
- What are the reasons for non-utilization of the Decision on TRIPS and public health? Are these related to a lack of “need” on the part of SVEs, or the design of mechanism?

IV. Conclusions and Recommendations

SVEs have actively participated in the negotiations under the Doha Round and have won recognition of the special trade-related problems they face. At the current stage of Doha Round negotiations when several outcome texts are at an advanced stage but serious differences still persist on many issues, SVEs need to assess their gains and evaluate the possible outcome of the negotiations in terms of their development concerns. This should allow them to identify the remaining key concerns for concerted efforts during the remainder of the negotiations. The present pause in the negotiations provides an excellent opportunity to undertake this assessment and evaluation and develop positions and strategies when the negotiations resume full pace.

This paper has used three overlapping frameworks to assess the development outcomes of Doha Round negotiations for SVEs, based on their expressed interests and the current drafts by the Chairs of various WTO Negotiating Bodies. This allows reaching some conclusions regarding both the achievements to date of the SVEs as well as the remaining areas of concern.

Major gains for the SVEs include:

- Recognition of their special problems and the need for targeted solutions to address these problems without creating a sub-category of WTO members
- Special flexibilities granted to SVEs in several areas of negotiations most notably in Agriculture, NAMA and Rules which address many of their defensive interests
- Some promises of capacity building assistance
- Establishment of a platform under paragraph 35 of Doha Declaration that can be used to further their interests in the multilateral trading system

At the same time, a number of SVE concerns remain to be addressed. These include:

- Concrete, additional, need-based, demand-driven, and binding technical assistance and capacity building commitments in all areas of negotiations
- Satisfactory resolution of the issue of long-standing preferences in Agriculture and NAMA
- An effective SSM in Agriculture
- Special and concrete flexibilities in the areas of Trade Facilitation and Fisheries Subsidies

Taking into account this assessment of the current situation, and to assist SVEs in their further efforts, two sets of recommendations are offered. First set deals with some immediate concerns related to Doha Round of negotiations while the second focuses on issues related to trade and development of SVEs that go beyond the Doha Round. Both sets of recommendations deal with issues of substance as well as strategy.

Recommendations Related to Doha Round

Immediate objective of SVEs is to ensure development-friendly outcome of Doha Round based on their needs and concerns. Following recommendations will facilitate the achievement of this objective.

- All SVE proposals submitted to various WTO bodies should be reviewed to identify and prioritize development concerns and interests not yet included in the various draft outcome texts.
- A development-audit of all the Chairs texts should be carried using one or more of the development assessment frameworks developed in this paper. This will strengthen the case of SVEs for getting better treatment of their development concerns in the final Doha Round agreements.
- SVEs should consider outlining minimum demands that must be met if SVEs were to endorse the outcome of Doha Round.
- Operationalization of key S&D provisions of interest to SVEs should be demanded.
- SVEs should insist on comprehensive, adequate and binding Aid for Trade commitments related to all areas of negotiations.
- Working with other groups of WTO members will be useful to advance priority interests, e.g. with G-33 on issues related to SSM.
- A link between Doha Round outcomes and the UN MDGs should be established.
- To strengthen their position, SVEs should contextualize negotiations in terms of 'justice and fairness' and push for the notion of 'fair trade' to be an important element of Doha Round outcomes.
- SVEs can also consider using the impact on them of the current global economic crisis to further strengthen the case regarding the vulnerability of the SVEs.

Recommendations beyond Doha Round

It should also be recognized that trade-related concerns and problems of SVEs are not specific to the Doha Round. Nor will the Doha Round solve all these problems. Hence SVEs should start thinking of issues of concern beyond the Doha Round. They can build on the successes in the Doha Round to strive for comprehensive and lasting solutions to their trade-related development problems. Following recommendations will be helpful in this endeavour.

- SVE development policies and positions should be formulated with a view to shift their growth curves upwards rather than sustain current patterns of trade and

production strategies in SVE economies: objective is not to sustain current pattern but change it using the multilateral trading system.

- SVEs should prepare adequate responses to the expected demand for introduction of possible new issues into the multilateral trading system (e.g. US stance on introducing trade and labour and trade and environment).
- It will be important to recognize the trade and climate change inter-linkages for SVEs in view of severe adverse impact of climate change on SVEs. This can then be used proactively to garner international understanding and support so that potential economic gains from Doha Round are not lost.
- SVEs should also consider continuing the work related to the development of their special characteristics keeping in mind that the key defining feature of SVEs is their limited capacity to diversify. Strengthening the case for a characteristic-based approach will greatly facilitate continuing attention of the multilateral trading system to solve the trade-related problems faced by the SVEs.

Resolving all trade-related problems of SVEs through Doha Round and actions beyond the Doha Round will be a big challenge. However, SVEs have made significant progress through their hard work and with the support of institutions like the Commonwealth Secretariat. This collective effort must continue to face the challenges ahead.

Annex I

PARAGRAPH 2 OF THE WORK PROGRAMME ON SMALL ECONOMIES FRAMEWORK AND PROCEDURES
– WT/L/447 (1 MARCH 2002)

In pursuance of this mandate, the Work Programme shall be undertaken in accordance with the following framework and procedures:

- (a) The Work Programme shall remain under the overall responsibility of the General Council.*
- (b) The General Council shall have the Work Programme on Small Economies (WPSE) as a standing item on its agenda.*
 - (i) The objective of this work is to frame responses to the trade-related issues identified for the fuller integration of small, vulnerable economies into the multilateral trading system.*
- (d) The General Council shall instruct the CTD to have a programme of work on small economies which will be conducted in dedicated sessions of the CTD.*
- (e) The CTD shall report regularly to the General Council on the progress of work in the dedicated sessions.*
- (f) The Chairperson of the regular CTD shall also be the Chair for the dedicated sessions of the CTD.*
- (g) The dedicated sessions of the CTD shall have an agreed calendar of meetings to complete the work under its mandate.*
- (h) The CTD will hold informal meetings as necessary with a view to assisting the formal process in the dedicated sessions of the CTD.*
- (i) In accordance with the outcome of the programme of work in the CTD, the General Council shall, as appropriate, direct relevant subsidiary bodies to frame responses to the trade-related issues identified by the CTD with a view to making recommendations for action to the Fifth Session of the Ministerial Conference as mandated. This does not prejudice the right of Members to submit for consideration proposals relating to the concerns of small economies to the relevant WTO bodies.*
- (j) As and when necessary, the dedicated sessions of the CTD will work in collaboration with relevant subsidiary bodies.*
- (k) Members are urged to make their own contributions to the work of the CTD under its programme of work. The General Council shall instruct the WTO Secretariat to provide relevant information and factual analysis, inter alia,*
 - (i) on the impact of WTO rules on Small Economies;*
 - (ii) on the constraints faced by Small Economies as well as their shortfalls in institutional and administrative capacities, including in the area of human resources;*
 - (iii) on the effects of Trade Liberalization on Small Economies.*

The CTD will also request information and analysis from other agencies and bodies that carry out work on small economies.

Annex II

Paragraph 21 of Hong Kong Ministerial Declaration (NAMA Negotiations)

We note the concerns raised by small, vulnerable economies, and instruct the Negotiating Group to establish ways to provide flexibilities for these Members without creating a sub-category of WTO Members.

Paragraph 8 of Annex C of Hong Kong Ministerial Declaration (Services Negotiations)

Due consideration shall be given to proposals on trade-related concerns of small economies.

¹ It should be emphasized that the SVEs are not recognized as a sub-category of WTO Members. Therefore, there is no recognized list of SVEs in the WTO. On the other hand, the main proponents of the SVE work programme include: Antigua and Barbuda, Barbados, Bolivia, Cuba, Dominica, Dominican Republic, El Salvador, Fiji, Grenada, Guatemala, Honduras, Jamaica, Mauritius, Mongolia, Nicaragua, Papua New Guinea, Paraguay, Solomon Islands, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, and Trinidad and Tobago (WT/COMTD/SE/W/20).

² This process to some extent had started in 2005 but got full attention of SVEs, and a momentum, after the Hong Kong Ministerial Conference held at the end of 2005.

³ Based on WT/COMTD/ES/W/12.

⁴ There is substantial literature both in favour and against. Some particularly relevant work includes: Baritto, Felipe. (2007). *Smallness, vulnerability and remoteness from a situational approach perspective*, ICTSD, Geneva, Switzerland; Easterly, W. and Kraay, A. (1999). *Small States, Small Problems?* World Bank Working Paper 2139, Washington DC; Commonwealth Secretariat/World Bank Joint Task Force. (2000). *"Small States: Meeting Challenges in the Global Economy,"* Report of the JTF; Jansen, M. (2004). *Income volatility in small and developing economies: export concentration matters*. World Trade Organization, Geneva, Switzerland; Langhammer, R. and Lücke, M. (2001). *WTO Negotiation and Accession Issues for Vulnerable Economies*. Discussion Paper N° 2001/36, United Nations University, World Institute for Development Economics Research (WIDER); Razzaque, M.A. and Grynberg, R. (2003). *The trade performance of small states*. Commonwealth Secretariat; WTO (2002). *Small Economies: A literature review*, Committee on Trade and Development. Dedicated Session. Report WT/COMTD/SE/W/4; WTO (2002). *Trade and economic performance: The role of economic size*. Committee on Trade and Development. Dedicated Session. Report WT/COMTD/SE/W/5.

⁵ 2007, Corrales-Leal, Werner, Baritto, Felipe, Mohan, Sarah, *Special and Differential Treatment for Small and Vulnerable Countries Based on the Situational Approach*, ICTSD, Geneva, Switzerland.

⁶ Based on WT/COMTD/ES/W/13.

⁷ While there is no generally acceptable definition of "defensive" and "offensive" interests in the WTO, in the present context SVE "offensive" interests can be defined those where they are seeking greater market

and / or the resources to utilize this market access for their exports, and “defensive” interests as those where they are trying to protect access to their own markets.

⁸ As a result the lists of SVEs identified for special treatment in each negotiating area are not the same though there is quite a bit of overlap or a common core. For example, SVEs identified in NAMA Draft Modalities Text (TN/MA/W/103/Rev.3) include: Antigua and Barbuda, Barbados, Belize, Bolivia, Botswana, Brunei Darussalam, Dominica, Dominican republic, El Salvador, Fiji, Gabon, Grenada, Guatemala, Guyana, Honduras, Jamaica, Namibia, Nicaragua, Papua New Guinea, Paraguay, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, Swaziland, Trinidad and Tobago, and Uruguay. All these are also in the SVEs identified in Agriculture Draft Modalities Text (TN/AG/W/4/Rev.4). But the Draft Agriculture Modalities Text also includes: Albania, Armenia, Cameroon, Congo Republic, Cote d’Ivoire, Cuba, Gabon, Grenada, Jordan, Kenya, Kyrgyz Republic, Macao China, Macedonia FCR, Mauritius, Moldova, Mongolia, Nigeria, Panama, Sri Lanka, Suriname, and Zimbabwe as SVEs.

⁹ This is based on WT/COMTD/SE/22/Rev.2, various texts by the Chairs of the Negotiating Bodies, and the sector-specific papers commissioned by the Commonwealth Secretariat.

¹⁰ Paragraph 2 of Doha Ministerial Declaration.

¹¹ Last sentence of paragraph 2 of Doha Ministerial Declaration.

¹² A similar framework has been developed by Ismael, Faizel- 2007, *Mainstreaming Development in the WTO: Developing Countries in the Doha Round*, CUTS, Jaipur, India and FES, Geneva, Switzerland.

¹³ The loss to developing countries is estimated to be about US\$24 billion annually in lost agricultural and agro-industrial income only – with sub-Saharan Africa losing close to US\$2 billion every year, excluding dynamic effects: Xinshen Diao, Eugenio Diaz-Bonilla and Sherman Robinson, *How Much Does it Hurt? The Impact of Agricultural Trade Policies on Developing Countries*, International Food Policy Research Institute, August 2003.

¹⁴ The term “adjustment cost” has been coined to describe the losses that accrue to domestic economies of developing countries due to trade liberalization, e.g., reduced production and closure of their domestic productive facilities either in agriculture, manufacturing or services, loss of employment and revenue, lower returns, etc. This can occur due to the opening of either their own markets or of their main trading partners or both.

¹⁵ For example, the liberalization of movement of workers to developed countries will offer the largest gains because it is associated with the largest difference between factor prices on the one hand, and the supply capacity of SVEs on the other.

¹⁶ There is substantial research and economic literature on this. Only a few are mentioned here by way of illustration. These include: Ha-Joon Chang, *Kicking Away the Ladder: How the Economic and Intellectual Histories of Capitalism Have Been Re-Written to Justify Neo-Liberal Capitalism*, Post-Autistic Economic Review, Issue Number 15, 4 September 2002; Dani Rodrik, *Growth Strategies*, August 2004; Joseph Stiglitz, *Globalism’s Discontents*, The American Prospect, Winter 2002; Robert M. Hemway, *Expanding National Policy Space for Development: Why the Multilateral Trading System Must Change*, South Centre, T.R.A.D.E. Working paper 25, September 2005; and Erik Reinert, *Globalization, Economic Development and Inequality: An Alternative Perspective* (2004), and, *Development and Social Goals: Balancing Aid and Development to Avoid “Welfare Colonialism”* (Paper for the High-Level UN Development Conference on MDGs, 8 March 2005).

¹⁷ “A world trade regime friendly to human development would provide domestic policy space and give developing countries flexibility to make institutional and other innovations”, Kamal Malhotra, *Trade, Growth, Poverty Reduction and Human Development: Some Linkages and Policy Implications*, Study prepared for the Intergovernmental Group of Twenty-Four on International Monetary Affairs and Development, March 2004.

¹⁸ J. Michael Finger, the former Lead Trade Economist of the World Bank estimated that the implementation of only three UR Agreements (Agreements on TRIPS, Sanitary and Phytosanitary Measures, and Customs Valuation) will cost as much as US\$150 million – an amount that is large than the entire annual development budget of eight out of the 12 developing countries studied. Moreover, this is only the direct implementation cost and does not include other costs, e.g., royalty payments under TRIPS,

increased cost of technology and hence reduce opportunities to move into higher value-added activities etc. See J. Michael Finger and Philip Schuler, *Implementation of Uruguay Round Commitments: The Development Challenge*, 23:4 WORLD ECONOMY 511 (2000). See also J. Michael Finger, *The WTO's Special Burden on Less Developed Countries*, 19:3 CATO JOURNAL 425 (Winter 2000).

¹⁹ Implementation costs of the WTO agreements are not static. Even the direct implementation costs are increasing as a result of the expansion in the WTO agenda. For example, the implementation of a potential agreement on Trade Facilitation will be quite costly: the total value of a World Bank loan to Tunisia for the streamlining and modernization of its customs procedures alone was US\$35 million in 1999 and a World Bank loan to Poland for upgrading physical and managerial infrastructure of its port facilities alone amounted to US\$ 38 million.

²⁰ These references include: paragraph 16 (related to NAMA), paragraph 27 (related to Trade Facilitation), paragraph 33 (related to Trade and Environment), paragraphs 38-41 (related to general technical assistance and capacity building commitments) and paragraph 43 (related to the LDCs).

²¹ Not like the commitments during in the UR Agreements which Finger and Schuler note: “the developing countries took bound commitments to implement in exchange for unbound commitments of assistance”. Supra note 19.

²² These refer to the issues and concerns raised by developing countries with respect to the implementation of the GATT (1947) and/or the WTO Agreement and its annexed trade agreements and relevant decisions and understandings. Among others, these include: implementation by developed countries of their trade commitments and obligations under the Uruguay Round agreements; imbalances in rights and obligations contained in the texts of the WTO agreements; and the non-receipt of expected benefits arising from participation in the multilateral trade system under the WTO, especially in the areas of export interest to developing countries such as agriculture and textiles and clothing.

²³ WT/MIN (01)/17

²⁴ WT/MIN (98)/DEC/1

²⁵ Paragraphs 21(e) and (i), and 22(d) and (e), of the 19 October 1999 draft ministerial declaration text, WTO Doc. Ref. Job(99)/5868/Rev.1.)

²⁶ Many developing countries considered the outcome on these 28 proposals to be unsatisfactory and not “commercially meaningful”.

²⁷ However, the outcome again was less than what the LDCs had requested. For example, LDCs had asked for exemption from TRIMS (Agreement on Trade-Related Investment Measures) commitments so long as they remain LDCs but they were given only an extension for seven years in the implementation period for the TRIMS Agreement.

²⁸ TN/CTD/23.

²⁹ WT/MIN(01)/DEC/2.

³⁰ WT/L/540 and Corr.1

³¹ WT/L/641