



Trade Negotiations Committee

**INFORMAL TNC MEETING
AT THE LEVEL OF HEAD OF DELEGATION**

WEDNESDAY, 25 JUNE 2014

Chairman's statement and Oral Reports by the Chairs of the Bodies established by the TNC

1.1. Good morning everybody.

1.2. As I outlined at the meeting of the TNC in April and the General Council in May, we are now in the second phase of our discussions on the DDA work programme.

1.3. This second phase is focused on resolving the problems that we have been outlining, testing what went wrong and putting forward potential solutions.

1.4. The work is taking place at three levels:

- First, through the negotiating group chairs
- Second, in conversations between Members, which I hear are beginning to develop and deepen – and this is very welcome.
- And third, through my own consultations.

1.5. In a moment I will give you my overview of how I see this work progressing. But I will start by asking the Negotiating Group Chairs to give their reports on how the discussions have developed in their respective areas.

[The TNC Chair gave the floor to the Chairs of the Bodies established by the TNC– Statements are reflected in the Annexes.]

1.6. Before I turn to the main focus of my remarks, I would like to raise something which is not an immediate part of our TNC work – but which could be of great relevance to our chances of making progress here. This relates to the implementation of the Trade Facilitation Agreement.

1.7. I am aware that there are concerns about actions on the part of some delegations which could compromise what was negotiated in Bali last December. As Chair of the Trade Negotiations Committee, I have no doubt that you are all very much aware of the implications of revisiting what was agreed in Bali. It would not only compromise the Trade Facilitation Agreement – including the technical assistance element. All of the Bali decisions – every single one of them – would be compromised. Everything we worked together to achieve in Bali would potentially be lost.

1.8. On Section 2 of the Trade Facilitation Agreement I know from my consultations that there are concerns among developing and least-developed Members about accessing the necessary support. So we have been working very hard to address these concerns and ensure the provision of technical assistance to everyone, without exceptions.

1.9. My team and I have been intensely talking to donors and consulting with the Coordinators of the ACP, African and LDC Groups to try to find a solution that would allow the WTO to assist those seeking technical assistance and capacity building support. Such a solution should:

- create the best possible conditions for the flow of information between donors and recipients on their needs and options;
- assist Members in preparing and updating their needs assessments;
- help Members to develop technical assistance projects;
- identify possible development partners for countries that might have had difficulties doing so by themselves;
- and ensure that resources are available for all those seeking technical assistance.

1.10. We expect to be able to set out a new WTO facility along these lines before the summer break.

1.11. I need not point out that most likely all of this would be lost if we compromise what was negotiated in Bali. And I am afraid a similar outcome could be expected for the work programme on the DDA. Revisiting the Bali agreements would not improve our chances of getting the DDA done. In fact it would have precisely the opposite effect. This is a serious issue for our work here. While I have stressed that this is not strictly a TNC issue, it does have implications for our work.

1.12. However, not least because the consequences would be so significant, I am confident that we will find a way forward which allows us to honour what was agreed in Bali and deal with any specific concerns. Clearly this is something which we will need to watch very closely.

1.13. Turning back to the focus of this meeting, from the chairs' reports and from what I hear in my own consultations with individual delegations, it seems to me that we are now firmly into the second phase of discussions on the DDA work programme.

1.14. Members are engaging at a more substantive and strategic level. You have begun to talk about substance. In the first phase we were talking more about process and how to reengage, and we agreed on some broad principles.

- To keep development at the heart of our efforts
- To balance realism and ambition by focusing on what is doable
- To be creative and open-minded
- To recognise that the big issues are interconnected so must be tackled together
- To be inclusive and transparent
- And to maintain our sense of urgency

1.15. These principles have been widely adopted by Members, and they should continue to guide discussions in this second phase. I think we heard this in the chairs' reports today.

1.16. But, it seems to me that while Members are observing the principles, we are still not at a point where the conversations actively and resolutely seek potential solutions. We are still in a different type of conversation that is more concerned about pointing to the problems that we find in each other's positions. Members are ready to point fingers at insufficiencies in other Members' positions. Members are also quick to say that they cannot do this and that, and to mark out their red lines. But I am not hearing – not from anyone – about what they can do. I am not hearing what they can put on the table that would make trade-offs possible.

1.17. On the positive side, all of you have indicated that you are ready to contribute. But our dialogue is falling short of determining more precisely where and how that contribution would take shape. This is the next step we will need to take if we are to look at what the solutions might be and find where the balance between the different positions may lie. So this is what we are now beginning to explore. It is hard work. And it means that Members will need to ask themselves some tough questions. But there is no other way of doing this.

1.18. I believe it is useful to dispel certain rumours that I have heard in the corridors. One of them concerns a paper that is supposedly going to come from me, or from someone else, which would provide a magical path forward. Let me clear yet: this is not going to happen. I don't know how much more clear I can get! This will be a bottom-up process. Any roadmaps will have to come from Members – they will have to come from you. There are no magic solutions or short-cuts here.

1.19. Another rumour is that I have been holding meetings with a small group of countries. And so, again, I want be clear – I am not holding meetings with small groups of delegations. Indeed, there have been no group meetings whatsoever with me. I am talking to delegations individually – this is no secret. And not just to a small number of specific delegations, but to many different delegations on many different issues. If and when I hold meetings with some delegations, it will be in a transparent fashion and you will be the first to know. I will try to help and facilitate the conversation and I am willing to intensify my consultations if it is helpful. But this is your process – it has to be led by you. That is why it is so important that you continue to deepen your conversations with each other in this second phase.

1.20. Clearly we are in a very different scenario from when we were preparing for Bali with open-ended meetings in Room W – all-nighters – you remember how it was. We will get to that stage in due course – you will get your sleepless nights! But we are not there yet – we have some way to go. As I see it, we are still at the stage of laying the foundations.

1.21. A lot of work needs to be done in setting the terrain and preparing the ground before we can begin to build. People may not see concrete things happening at the moment – you cannot yet see the edifice rising. Some may find it frustrating, and it may well be. But this is essential work. If we do not do it right then the building will never go up – or it will fall before it is complete. But, if we prepare the ground correctly and construct solid foundations then, when we are ready, I think the building will go up fairly quickly. So I believe that this kind of work is critical. The conversations you are having with each other to test positions and test ideas are critical; as is the work of the negotiating group chairs – and as, I hope, are my own consultations. So we need to continue this work and to redouble our efforts.

1.22. What is important to remember is that work is being done, we have genuine engagement, and we are talking substance. We are sowing the seeds. They need time to germinate.

1.23. I am sure that we all feel the presence of the December deadline, just beyond the horizon. But I think there are reasons for a positive attitude. In recent weeks we have moved from talking about process, to talking about substance – with a focus on the three pivotal and interlinked areas of agriculture, NAMA and services. And let us remember that this is something that hasn't happened for 6 years. Moreover, we have defined a set of clear principles for the conversations ahead.

1.24. And Members have been very open and constructive. We are not throwing away the work that was done before. This is extremely important – it must be emphasized. But we are being open-minded about how to close the existing negotiating gaps.

1.25. So let us continue developing our work at each of the three levels – with a renewed focus on what Members can do. And let us keep preparing the ground. If we do this properly, we will be able to construct the clearly defined work programme that we were tasked to deliver by the Bali declaration. Thank you very much for listening.

ANNEX I

REPORT BY THE CHAIRMAN OF THE COMMITTEE ON AGRICULTURE IN SPECIAL SESSION

AMBASSADOR JOHN ADANK (NEW ZEALAND)

Some additional comments on the state of play in the agriculture discussions:

As Members will be aware since the beginning of the year I have pursued informal consultations to follow up the Ministerial direction in Bali to prepare by the end of this year a clearly defined work programme on the remaining DDA issues, of which agriculture continues to be seen as central. I have done this in a variety of configurations with individual delegations, groups and group representatives.

In early May I had an informal meeting with a range of interested Members and updated them on what the consultations had revealed at that point.

I am also convening a further open-ended meeting of the Special Session next Thursday afternoon 3 July to allow for a wider exchange of views among Members and for further transparency purposes.

Overall, I would say that the discussions so far this year have helped to better define at least what the issues are that various Members consider need to be solved. We know more about the so-called challenges in the way of an overall agreement. But we still have a considerable way to go in identifying potential solutions to any of these challenges.

Regarding the three pillars of the agriculture negotiations. **Export Competition** remains an area where we have a very well-developed idea of the potential landing zone. We notably have agreed direction for ongoing work from Ministers at Bali. My consultations have not shown any questioning of the political commitment that Ministers have repeatedly reiterated to the "parallel elimination of all forms of export subsidies and disciplines on all export measures with equivalent effect". This does not mean it is easy to actually deliver outcomes in this area as it remains closely linked to agreements that need to be reached in the other two pillars which are clearly more challenging.

On **Domestic Support**, points that have come up in the consultations include: (i) the relationship of an overall agreement on domestic support to the work for a permanent solution to the public stockholding for food security issue which was mandated at Bali; (ii) the changing patterns of domestic support and subsidisation in the years since the negotiations were last active, and particularly the increased role that domestic support now plays in some emerging economies; and (iii) questions that continue to be raised regarding the implications that policy developments in some member countries may have for the negotiations. These last two points relate to the broader question of the respective contributions that various Members can and should make in this area to arrive at an agreement which remains the key theme in all of our discussions.

Concerning **Market Access**, some Members have indicated that they do not see the framework discussed in the past – in terms of the results arising from the formula and flexibilities provided under it – as delivering an acceptable landing zone in terms of improved and predictable market access outcomes. Some Members have indicated interest in exploring a less complex approach, with broader flexibilities in place of the specific ones earlier elaborated. Some other Members maintain that, no matter the approach, it has to deliver real and significant improvements in market access. And finally, some other Members have indicated a concern to keep any focus on market access issues on the resolution of the "outstanding issues" identified in this area back in the Chair's 2011 Easter report including the unresolved issues around sensitive/special products and the SSM. So in summary, there are a wide range of views about how the issues in this area should be addressed, all of which relate to the respective levels of ambition and the contributions that Members want to set for themselves and for others.

My more general comment would be to underline that to further progress any of the issues under the various pillars Members will need to engage at a much more specific level to test ideas on what works and what won't work.

And engaging with each other means that Members need not only to come to discussions seeking something from others. Determining or confirming what you want from others is clearly the easy part. But Members must also be prepared to indicate what they will contribute to make potential solutions politically saleable, not only in their capitals but in those of other Members who may have quite different priorities across the negotiations. Only in this way are we likely to create the necessary negotiating environment and momentum that will allow us to identify compromise solutions. Therein lies the key challenge.

On Cotton, we had the first dedicated discussion on 20 June. That discussion was assisted by a background paper put forward by the Secretariat. This first session allowed Members to have an initial exchange of views on policy developments in this area. We will take up this work again before the end of the year as mandated by Ministers at Bali. My intention is to convene the next session back-to-back with the next session of Director General's consultations on the development aspects of cotton.

ANNEX II

REPORT BY THE CHAIRMAN OF THE COUNCIL FOR TRADE IN SERVICES IN SPECIAL SESSION

AMBASSADOR GABRIEL DUQUE (COLOMBIA)

Chairman and colleagues,

I am pleased to report on the state of discussions on the services component of the post-Bali Work Programme.

Since the last TNC meeting, I have continued my informal consultations, and this has culminated in a formal meeting of the Special Session of the Council for Trade in Services, held last 19 June. In my consultations, I have repeatedly heard about the need for balance with other DDA market access areas, as well as balance within services, including between market access and rules negotiations. Delegations also underscored the importance of development issues, and the need for procedural transparency, inclusiveness and 'doability'.

Much of what I had heard from delegations in my consultations was at the level of general principles.

More specifically, however, most members consider that one of the next milestones in the services negotiations could be the presentation of revised offers. The existing offers are 9 years old and, we can all expect that in many cases they no longer reflect current priorities or patterns of trade. If that were the case, it would seem important that the Work Programme takes account of these changes, in order to facilitate the submission of revised offers.

At the meeting of the Special Session, I suggested that Members might also wish to update other Members on their expectations from offers. For example, would Members wish to have a round of requests, either bilateral or collective? In this regard, it is interesting to note that, in the lead-up to the Hong Kong Ministerial, the Report of the Chairman to the TNC (TN/S/23) annexed a detailed listing of "sectoral and modal objectives as identified by Members", a listing that cast a useful light on the negotiating priorities of Members.

I stressed to Members that we were now half way through the year and that there will be little time after the August break to begin putting together an effective Work Programme. It was vital to move the discussion from principles to detailed proposals that illuminate the way ahead, and can lead us to an exchange of revised offers or other concrete deliverables.

Last week's meeting of the Special Session showed some signs of moving forward in that regard. Indeed, for the first time, delegations attempted to go beyond generalities.

One delegation came forward with more developed ideas on how to take the negotiations forward by focusing on selected themes capturing a range of sectors and issues relating to: trade facilitation in services, e-commerce, and services relate to trade in goods. The ideas were preliminary in nature, but there were indications that concrete proposals would follow in the not too distant future.

Several delegations stressed the importance of resuming market access negotiations with repeated references to work previously done and negotiating methods developed in the DDA, including revised offers, Annex C of the Hong Kong Ministerial Declaration, and the Signalling Conference of July 2008. Various delegations also stressed the importance of giving equal attention to the rule-making negotiations.

Members continued to recognize that the overall level of ambition in services will have to be linked with that in Agriculture and NAMA. Some Members went further to stress that Agriculture would be the determinant of the overall level of ambition.

While the specific ideas put forward, as well as reactions to them, were preliminary, this represents a step in the right direction. I have urged delegations to follow-up with specific proposals. Once we receive any specific proposal or after the summer break, I will be intensifying my consultations in different formats. In that context, I will be convening meetings of the Special Session as frequently as required.

Thank you.

ANNEX III

REPORT BY THE CHAIRMAN OF THE NEGOTIATING GROUP ON MARKET ACCESS

AMBASSADOR REMIGI WINZAP (SWITZERLAND)

I have continued to meet regularly with Members. During my consultations, the focus has been mainly on those Members that were described in the latest draft modalities as the "formula applying Members". I sense that Members falling within this group have started to discuss - in different configurations - how to deal again, and in a more specific manner, with the outstanding NAMA issues. In the context of those consultations, several Members have underlined the negotiating objective of increasing predictability and improving real market access.

In addition, some Members have highlighted the need to reduce the disparities which currently exist across the different schedules of concessions. Members are, however, aware that such interests cannot be pursued in a vacuum. Many of them have continued to reiterate that success in the agriculture negotiations would be a key parameter to be considered for any final outcome in NAMA.

I would, finally, like to inform you that I intend to convene an informal open-ended meeting in the coming week.

ANNEX IV

REPORT BY THE CHAIRMAN OF THE COUNCIL FOR TRIPS IN SPECIAL SESSION

AMBASSADOR DACIO CASTILLO (HONDURAS)

Thank you, Chair.

Since the last consultations by my predecessor Amb. Suescum – and his report to the TNC – there have been no new developments in the Special Session of the Council for TRIPS. I wish to inform you that I have kept myself available for consultations in case Members wanted to share new thinking on how to take the negotiations forward. Currently, Members have shown limited appetite to engage in the substance of this issue. In view of the year-end deadline for the post-Bali work programme, I would like to encourage Members to step up their efforts in this area. I reiterate that my door remains open for all Members to bring forward any ideas or initiatives they may have with respect to the negotiations on the GI Register for wines and spirits in the TRIPS Special Session.

Thank you.

ANNEX V

REPORT BY THE CHAIRMAN OF THE NEGOTIATING GROUP ON RULES

AMBASSADOR WAYNE McCOOK (JAMAICA)

With respect to Rules, I held open-ended consultations on 16 May to report on my consultations regarding the possible role of Rules in the Work Programme.

I reported that the prevailing view emerging from my consultations was that the general approach and level of ambition on the so-called "core" issues of agriculture, NAMA and Services needed to be defined before a serious discussion on the role of Rules could be engaged.

I indicated that I remained open to consultations with delegations, and that I would be watching for any indication that a new phase in the work was warranted.

ANNEX VI

**REPORT BY THE CHAIRPERSON OF THE COMMITTEE ON TRADE AND ENVIRONMENT
IN SPECIAL SESSION**

AMBASSADOR WIBOONLASANA RUAMRAKSA (THAILAND)

Mr Chairman,

Since the last TNC meeting, I have engaged in an open-ended and transparent dialogue with a wide number of Members and country groups. The main objective of this first series of consultations was to contribute to the collective efforts to define the post-Bali work.

Delegations demonstrated a high-level of engagement in these consultations. They also made it abundantly clear to me that they attach great importance to the environment chapter of the Doha negotiations. At the same time, it is clear from the consultations that the attention of delegations, at the moment, is on other areas of the Doha Development Agenda.

As the contours of the Post-Bali work plan will become clearer in the coming period, I believe it would be useful for delegations to reassemble and examine the extent to which the environment chapter can be advanced. For instance, a number of delegations have expressed interest in an informative session on where we stand with respect to the two items of our mandate related to the relationship between Multilateral Environmental Agreements and the WTO. If delegations so wish, I believe such a session could be usefully held. On environmental goods, delegations are still reflecting on ways to move forward on this part of the agenda and this will need to be further explored in the coming months. Such reflection will have to take into account the new situation created by the announcement earlier this year of a liberalization initiative among some of the WTO Members outside the CTESS.

I remain of course at the disposal of delegations that would like to explore further any avenue of work for the CTESS.

ANNEX VII

**REPORT BY THE CHAIRMAN OF THE COMMITTEE ON TRADE AND DEVELOPMENT
IN SPECIAL SESSION**

AMBASSADOR HARALD NEPLE (NORWAY)

Mr. Chairman,

Since my assumption as the Chair of the Special Session of the CTD, I have been impressing upon Members the importance of a credible outcome from the Special Session. I must say that overall Members have responded positively and have time and again expressed their desire to work with an open mind.

At the April TNC meeting, I had informed Members that the proponents were undertaking an overall assessment of all the Agreement-Specific Proposals with a view to identifying those where they had concerns and then to consider how to take this work forward.

Since then I have remained in contact with the key proponents, namely the African, the LDC and the ACP Groups. In my most recent informal meeting with the proponents, I was informed that they are working within their groups and continuing their internal consultations on the Agreement-specific S&D proposals.

The objective of this exercise is to undertake a focused and a realistic review of all Agreement-specific S&D provisions and to identify those that the proponents can bring forward to the CTD SS. Clearly this is not an easy task but I am happy to state that they are working with a sense of purpose and realism.

In terms of the timeline, I am told that the proponents are hoping to complete the identification process by the summer break. I am hoping that this is the case so that I can then start working with Members on the way forward, thereby leading to a more focused and intensive work in the Special Session in the autumn

I have planned an informal open-ended meeting of the CTD SS on 21st July, that is before the General Council meeting, to get a sense on where we are in our work.

ANNEX VIII

**REPORT BY THE CHAIRMAN OF THE DISPUTE SETTLEMENT BODY
IN SPECIAL SESSION**

AMBASSADOR SABORÍO SOTO (COSTA RICA)

In the DSU negotiations, work has continued on the basis of the "horizontal process", with the goal of building convergence around approaches that would have the broadest possible base of support, in all areas.

Since my last report in early May, the work has continued at a sustained and intense pace among participants, and two further meetings were held, on 27 May and yesterday to take stock of that work. In May, elements of a possible outcome were presented on panel composition. Yesterday, elements of possible solutions to review the DSU were presented in three further areas, namely timeframes, effective compliance and developing country issues.

Altogether, elements of possible outcomes have now been presented in relation to 10 of the 12 issues under discussion. We expect the presentation of comparable documents on the last two issues (transparency and *amicus curiae*, and Member-control and flexibility) to take place next month, as announced by the concerned Members. These documents do not at this stage reflect agreed outcomes. Rather, they identify possible solutions that could provide a basis for an agreed outcome. The guiding principle behind this effort has been to look for realistic achievable solutions, taking into account the interests of all participants.

I have been very encouraged to see that the ongoing efforts of participants and the recent progress show a high level of engagement and a genuine effort to move beyond demandeurs/proponents' positions. This is a very important step forward in our work, and I believe it potentially gives us a strong basis for its successful conclusion. As I said in yesterday's meeting, we have a collective duty now to seize this opportunity.

As always, further progress will now require willingness to continue to be flexible across-the-board, to confirm what may be achievable outcomes reflecting the interests of all participants. So I will be counting on the continued cooperation and commitment of all participants as we move forward in the coming months.

As we are reaching the end of this phase of our work, I intend to hold an open-ended meeting of the Special Session before the summer break, to share with the broader membership the recent work and current state-of-play.
