

Trade negotiations

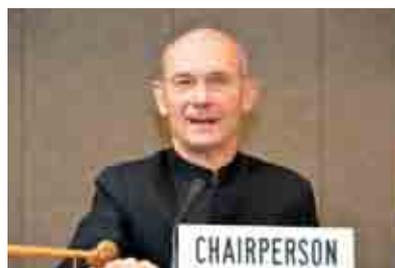
Detailed talks in Geneva in 2010 failed to bridge the relatively few, but important, outstanding issues to conclude the Doha Round. Nevertheless, useful technical work continued in all negotiating groups.

Doha Development Agenda

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Doha Development Agenda

At the Fourth Ministerial Conference in Doha, Qatar, in November 2001, WTO member governments agreed to launch new trade negotiations. They also agreed to work on other issues, in particular the implementation of the current WTO agreements. The entire package is called the Doha Development Agenda (DDA). The negotiations take place in the Trade Negotiations Committee (TNC) and its subsidiaries, which are usually regular councils and committees meeting in 'special session' or specially created negotiating groups. The Chairs of the nine negotiating bodies report to the TNC, chaired by the WTO Director-General, which coordinates their work.



Pascal Lamy at a meeting of the Trade Negotiations Committee in 2010.

Trade negotiations in 2010

The collective desire of the WTO membership to conclude the Doha Development Agenda negotiations in 2010 did not become a reality. Detailed talks in Geneva failed to bridge the relatively few, but important, outstanding issues. Nevertheless, at the stocktaking exercise in March 2010, every member expressed strong commitment to the mandate of the Doha Round and its conclusion. Useful technical work continued in all negotiating groups. With clear and strong signals from political leaders and ministers to move to the end game in 2011, members agreed on an intensive work programme from January 2011.

At the Seventh WTO Ministerial Conference at the end of 2009, which reviewed the state of play in the negotiations, ministers underlined their commitment to conclude the Doha Round and called for an interim stocktaking exercise in the first quarter of 2010.

At this stocktaking meeting, which took place on 22-26 March 2010, the Chairs of all the negotiating bodies provided factual reports, identifying areas of progress as well as gaps which remained. Members engaged honestly, constructively and intensively in a variety of formats during the week to try and bridge differences. Although no substantive breakthroughs were achieved, every member expressed strong commitment to the mandate of the Doha Round and its conclusion.

Members agreed that, where the gaps were clear, political decisions would be needed as part of the final package. Where the extent of the gaps was less clear, further technical work would be required before political decisions could be taken. Three core principles would guide members' future work:

- maintaining and strengthening the multilateral dimension of the negotiations without discouraging other avenues for making progress
- building on what was already on the table in the shape of the Chairs' texts
- ensuring the development dimension remained central to the outcome of the round.

The Trade Negotiations Committee (TNC) held four informal meetings in 2010 to keep developments in the Doha negotiations under surveillance. At the July TNC meeting, delegations welcomed signs of a new dynamic, that is, small-group brainstorming discussions amongst ambassadors on a selection of topics. In light of the useful nature of these small groups in facilitating informal dialogue, identifying problems and understanding positions, there was unanimous agreement to intensify this engagement and expand small-group discussions to all areas of the negotiations.

However, members reiterated the centrality of the multilateral negotiating process and reaffirmed that the role of small groups and other activities 'in variable geometry' was to energize, not supplant, the multilateral process.



Trade negotiations

In November, at their respective summits, leaders of the Group of 20 countries (G-20) and of the Asia-Pacific Economic Cooperation (APEC) forum, as well as African trade ministers, identified 2011 as a critically important, 'window of opportunity' and signalled strong political resolve to engage in comprehensive negotiations. Accordingly, an intensified work programme from early January 2011 was proposed by the TNC Chair and by Chairs of negotiating bodies, and was endorsed by members at the November TNC meeting. In mapping out the work programme for early 2011, members generally acknowledged that negotiations had entered the end game.

Agriculture

In 2010, agriculture negotiators pursued their technical work programme, aimed at achieving a shared understanding of the draft 'modalities' (blueprint) for further agricultural trade reform and a common vision of how their Doha Round commitments would be presented in future legally binding schedules. Established in 2009, the work programme has two tracks: the organization and presentation of necessary data, and consultations on issues that were not yet agreed or were annotated in the agricultural draft modalities.

The work of the agricultural negotiating group in 2010 continued to be centred on the draft 'modalities' issued by the Chair in December 2008, which set out the broad outlines for final commitments on cutting tariffs and subsidies for farm goods and indicated a number of flexibilities for developing countries and specific situations.

In meetings of the full WTO membership, trade negotiators exchanged ideas about how to prepare and present future commitments once modalities are agreed. The Chair of the negotiating group, Ambassador David Walker of New Zealand, also continued his consultations with smaller groups of WTO members on issues that are bracketed (i.e. not yet agreed) or otherwise annotated in the agricultural draft modalities and associated documentation.

In the technical discussions, members continued to exchange views on how data could be presented to make the future calculation of Doha Round commitments transparent and verifiable. These presentations covered the three aspects of the agriculture draft modalities – domestic support, export competition and market access. Through this exchange, members considered the data requirements defined in the draft modalities, identifying existing data sources and highlighting the information that would be necessary to fill gaps. Members worked to clarify how data requirements could differ for developed and developing countries, for example, in the area of domestic support.

To address the remaining information gaps, members also submitted national data essential for determining base commitments. They participated in data verification meetings and an electronic forum was established to enable them to discuss questions and points of clarification on the details of these submissions. On the basis of these data, the WTO Secretariat issued papers in a number of areas to support the verification exercise. One paper reported revised data on the total value of agricultural production. Two others reported new data submissions in the area of product-specific support for which the modalities foresee future limits.

The Chair consulted with members in small groups to develop and strengthen a common understanding of ways forward on those issues where agreement had not yet been reached, including the draft modalities on cotton. Members continued technical discussions, led by the Chair, on the special safeguard mechanism, which would enable developing countries to raise tariffs temporarily to deal with import surges or falling prices. The Chair also consulted with members on remaining ambiguities that had been identified in the draft modalities text.



Background

The agriculture negotiations began in 2000 under a commitment members made in the 1986–94 Uruguay Round to continue reform in farm trade. They were brought into the Doha Round when it was launched in 2001. Broadly, the objective is to reduce distortions in agricultural trade caused by high tariffs and other barriers, export subsidies, and some kinds of domestic support. The negotiations, conducted by the WTO Committee on Agriculture meeting in special session, also take into account social and political sensitivities in the sector and the needs of developing countries.



David Walker, Chair of the Negotiating Group on Agriculture in 2010.

Trade negotiations



Background

Non-agricultural products include all products which are not covered by the Agreement on Agriculture. These include manufactured goods (e.g. electronics, footwear, jewelry, textiles, etc.), fuels and mining products, forestry products, fish and fisheries, and chemicals. Collectively, they represent more than 90 per cent of world merchandise trade. The aim of the negotiations is to reduce or, as appropriate, eliminate tariffs, including the reduction or elimination of tariff peaks, high tariffs, and tariff escalation, as well as non-tariff barriers, in particular on products of export interest to developing countries. The negotiations are conducted in the Negotiating Group on Market Access for Non-Agricultural Products.



Luzius Wasescha, Chair of the Negotiating Group on Non-Agricultural Market Access in 2010.

Market access for non-agricultural products

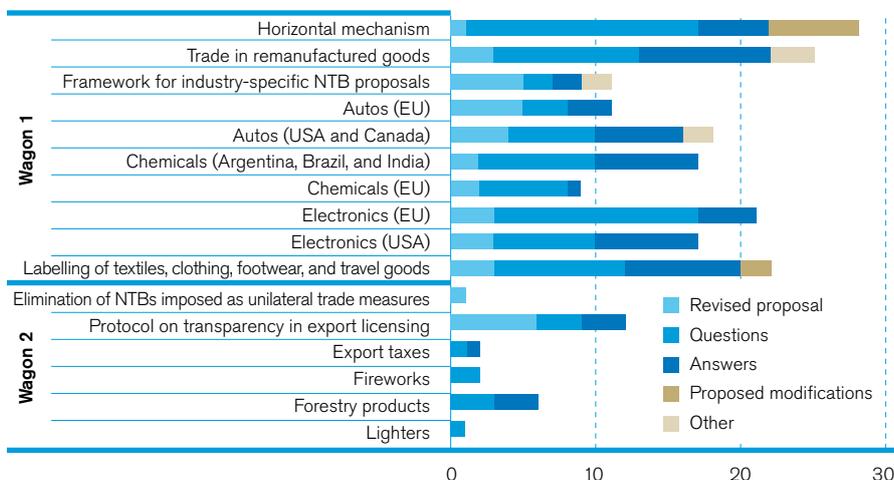
In 2010, the Negotiating Group on Market Access for Non-Agricultural Products (NAMA) continued to focus on making progress on proposals to reduce or eliminate non-tariff barriers (NTBs) to trade. These talks involved the discussion of a large number of questions, answers, proposals and modifications that were circulated by members.

The 'Fourth Revision of Draft Modalities for Non-Agricultural Market Access' was circulated on 6 December 2008 and it remains the latest negotiating text. At the start of 2009, NTBs were identified as an area where useful work could be undertaken. A large number of informal dedicated sessions took place in 2009 and 2010, which provided an opportunity for an exchange of questions and answers on the various NTB proposals.

The focus of the NTB sessions was mainly on the seven proposals that were identified in the draft modalities as 'meriting special attention', as well as on two proposals that were developed subsequently. One of them is a counter-proposal on chemicals (i.e. it is an alternative proposal to an existing one) and two are cross-cutting proposals for a so-called 'Framework' which seeks to address a number of horizontal issues relevant to the Technical Barriers to Trade Agreement. The Chairman of the Negotiating Group refers to these seven proposals as 'Wagon 1', whereas the remaining ones – which are still on the table – are referred to as 'Wagon 2'. During the last part of 2010, the Negotiating Group entered a more intensive phase which aims at concluding the NTB-related work during the first part of 2011.

In a report to the Trade Negotiations Committee of March 2010, the Chairman of the Negotiating Group observed that, besides the technical work with respect to the NTBs, the two main outstanding issues of the negotiations were: 1) the level of ambition to be achieved on the tariff front, including the role of sectoral initiatives, and 2) the situation of certain case-specific flexibilities.

Figure 1: Number of NTB-related written contributions by members, by wagon and proposal (2009 and 2010)



Source: WTO Secretariat

Note: Because certain documents contained written contributions to more than one proposal, the numbers reflected above do not represent the total number of documents circulated.



In 2010 the services negotiations continued on market access, although they were still overshadowed by the lack of movement in other areas of the Doha Round. Further progress was made on a draft text for a waiver that would provide legal cover for preferences given to services and service suppliers of least-developed countries (LDCs).

Market access

The negotiations on market access in services during the year continued to be burdened by the absence of real progress in other areas of the Doha Round. Nonetheless, six 'clusters' of negotiations were held in 2010, during which some progress was made on technical issues concerning various sectors and modes of supply. In addition, some members advanced proposals for different approaches to negotiations, notably through the grouping together or 'clustering' of related service sectors for use in plurilateral requests and offers. A new plurilateral request, in accounting services, was also introduced.

Although the market access negotiations for services are based on the traditional bilateral request-offer approach, a number of areas are now subject to plurilateral negotiations. In these negotiations, a group of members with a common interest make a joint request to individual members to improve specific commitments in a particular sector or mode of supply. Subsequently, they meet collectively with the countries that have received this request. It is up to each member to respond individually to the collective request.

Treatment of least-developed countries

During the year, the LDC Group presented for the first time its text proposal for a waiver to the special session of the Council on Trade in Services, which is chaired by Fernando de Mateo of Mexico. The text would provide legal justification for preferences granted to LDC members, reflecting the 'special priority' to be accorded to them under Article IV:3 of the General Agreement on Trade in Services (GATS). Discussions in the special session resulted in the narrowing of differences between members over the draft text, although issues such as origin rules and the scope of preferences covered by the waiver remained outstanding.

Financial services

The year 2010 saw intense activity in the Committee on Trade in Financial Services, which held five formal meetings. Apart from monitoring progress on the acceptance of the Fifth Protocol to the GATS, containing the results of the 1997 negotiations on financial services (which have yet to be accepted by Brazil, Jamaica and the Philippines), the committee discussed a background note on financial services produced by the WTO Secretariat. The note, which also forms part of the sectoral discussions in the Council for Trade in Services, explained the GATS provisions particularly relevant to financial services and addressed the most significant developments in the sector, including the recent financial crisis.

In addition, the committee organized the first dedicated discussion on the financial crisis and trade in financial services, with the participation of speakers from the Bank for International Settlements (BIS), the Financial Stability Board (FSB), the International Monetary Fund (IMF), and the Organization for Economic Cooperation and Development (OECD). Another dedicated discussion was held on the impact of technological developments on the regulation of banking and other financial services. The committee also organized a seminar on trade in non-life insurance services, with the participation of speakers from governments, the private sector and the International Association of Insurance Supervisors (IAIS).

Finally, the committee decided to discuss in 2011 the relationship between trade in financial services and economic development. A note by the WTO Secretariat will provide background information.

Domestic regulation

The Working Party on Domestic Regulation held six formal meetings and several informal meetings in 2010. Its mandate is to develop disciplines to ensure that licensing requirements and procedures, qualification requirements and procedures, and technical standards do not constitute unnecessary barriers to trade in services.



Background

Services are the most important economic activity in many countries when measured as a share of overall production, and they are the single largest source of employment. The General Agreement on Trade in Services (GATS) mandates WTO members to progressively liberalize trade in services through successive rounds of negotiations. At the Doha Ministerial Conference in November 2001, the services negotiations became part of the 'single undertaking' under the Doha Development Agenda. They are overseen by the Council for Trade in Services, meeting in special session, and its subsidiary bodies.



Fernando de Mateo, Chair of the Special Session of the Council for Trade in Services in 2010.

Work during the year continued to focus on the development of generally applicable disciplines. Discussions in this regard are based primarily on an informal note by the Chair, which contains draft provisions of possible disciplines. In March 2010, the Chair circulated an annotated text, which reflected past discussions and alternative text-based proposals, as well as suggestions on the possible way forward on unresolved issues. Members discussed the Chair's annotations with a view to paving the way for future progress.

While these discussions were useful, at the meeting in September 2010, the Chair expressed concern about the wide divergence among delegations regarding the ambition of domestic regulation disciplines. Given the intensification of the Doha Development Agenda negotiations at the end of 2010, the domestic regulation disciplines will be moving towards more focused text-based discussions in 2011.

Specific commitments

The Committee on Specific Commitments oversees the implementation of services commitments and the application of the procedures for modifying schedules of commitments. The underlying objective is to improve the technical accuracy and coherence of schedules and lists of most-favoured nation (MFN) exemptions. The latter list services where WTO members have claimed exemption from the principle of non-discrimination between trading partners. All MFN exemptions are being reviewed in the Doha negotiations.

During 2010, the committee held five formal meetings. The relationship between existing commitments and the new commitments that would result from the current negotiations remained the focus of discussion. Members continued to have divergent views on whether particular language was needed in the protocol implementing the results of the Doha Round to ensure that the new commitments would accord no less favourable treatment than that provided under the existing schedules. Meanwhile, the committee started to examine procedural issues concerning the verification of services schedules, which would take place at the end of the negotiations. The discussion on this verification exercise was based on an informal note prepared by the Secretariat.

With respect to classification issues in services, the committee agreed to hold informal discussions, sector by sector. In this context, experts were invited to provide information on the latest developments in the United Nations Central Product Classification (CPC).

GATS rules

The Working Party on GATS (General Agreement on Trade in Services) Rules is tasked with carrying out the negotiating mandates contained in the GATS on emergency safeguard measures, government procurement in services, and subsidies to services or their suppliers. In 2010, the working party held five formal and several informal meetings, which saw more focused discussions on all three subjects. However, for each topic, members continued to hold different views on what would constitute an acceptable outcome, so text-based negotiations could not be envisaged for the time being.

Emergency safeguard measures, based on the principle of non-discrimination, would permit a member to suspend commitments temporarily in the event of an unforeseen surge in imports of services that caused, or threatened to cause, injury to a domestic services industry. In 2010, several rounds of technical discussions were conducted on the definition of 'domestic industry'. Further work was envisaged on the availability and adequacy of services statistics relevant in the context of emergency safeguards.

On government procurement, the working party examined in greater detail a proposal from the European Union for an annex on government procurement in services. The working party also agreed to hold a series of dedicated discussions on the economic and developmental importance of government procurement in services, including the sharing of national experiences by members with reforms in procurement practices.

In the area of subsidies, considerable effort has gone into reviving a work programme to gather information on members' existing subsidy programmes. The submissions currently on the table cover a significantly larger number of members and programmes than previous contributions. The question now is how future discussions should proceed in pursuit of the GATS mandate.



Trade-related aspects of intellectual property rights (TRIPS)

The Council for Trade-Related Aspects of Intellectual Property Rights, meeting in special session, continued its efforts to find common ground in negotiations on notifying and registering geographical indications (GIs) for wines and spirits. The TRIPS Council in regular session undertook its eighth annual review of incentives for technology transfer to least-developed countries. The Director-General pursued his consultations on the scope of protection of GIs other than for wines and spirits, and the linkage between TRIPS and the Convention on Biological Diversity.

Negotiations on a GI register

The GI register for wines and spirits is intended to facilitate the protection of geographical indications. These are place names (or sometimes other terms or signs associated with a place) used to identify products as originating from a location which gives them particular qualities, reputation or other characteristics. Champagne and Tequila are well-known examples. The TRIPS Agreement mandates negotiations on establishing a register, and work has continued since 1996. In 2005 the Hong Kong Ministerial Declaration called for the talks to be 'intensified'.

There are currently three proposals under consideration by the TRIPS Special Session:

- a 2003 proposal by Hong Kong, China
- the so-called 'Joint Proposal' of 2005, revised in 2008, from a group of countries that want the register to be essentially a source of information about national protection of registered GIs
- the 'W/52' proposal, put forward in 2008 by a group of over 100 countries as part of a package also covering other TRIPS issues. This proposal is considered to create a stronger expectation of protection of GIs once entered on the register.

During 2010, continuing the intensification of technical work in 2009, the Chair of the TRIPS Special Session, Darlington Mwape of Zambia, further developed a list of questions to focus discussion on practical examples and technical aspects of the different proposals on the table, and to try and identify common ground. Proponents of the W/52 proposal continued to respond to questions from other members, in particular regarding its legal implications. Proponents of the Joint Proposal explained the effect that implementation would have on their domestic systems of intellectual property protection.

While the technical discussions were detailed and useful, members remained divided on the two key issues: the legal consequences of registration; and whether or not a member could elect not to be bound by those consequences.

After the decision of the Trade Negotiations Committee in November 2010 to develop text in all negotiating areas, the TRIPS Special Session agreed on a list of six elements of the register around which it would structure its work on text during the following year.

Incentives for technology transfer

In October 2010 the TRIPS Council, in regular session, undertook its eighth annual review of the incentives given to companies by developed countries to transfer technology to least-developed countries (LDCs). For this review, developed countries provided detailed information on the incentives they make available.

The TRIPS Agreement requires incentives for technology transfer to LDCs, and ministers agreed at Doha in 2001 that the TRIPS Council would 'put in place a mechanism for ensuring the monitoring and full implementation of the obligations'. This mechanism was set up by a council decision in 2003, detailing the information to be supplied by developed countries on how their domestic technology transfer incentives are functioning in practice.

The WTO Secretariat organized a third workshop to discuss transfer of technology under the TRIPS Agreement. A number of developed countries explained their reports in more detail. Experts from developed countries and LDCs discussed the operation of the system and how it could be improved. The objective was to achieve a broad understanding of the operation of the incentives and to establish an effective dialogue between developed countries and LDCs.

Trade negotiations



Background

The Doha Development Agenda mandates negotiations on a multilateral system for notifying and registering geographical indications for wines and spirits. These negotiations are carried out by the Council for Trade-Related Aspects of Intellectual Property Rights (TRIPS), meeting in special session. The TRIPS Council, meeting in regular session, implements other relevant ministerial decisions, notably those relating to technology transfer and dispute settlement. Consultations on certain TRIPS-related implementation issues are conducted by the Director-General.



Darlington Mwape, Chair of the TRIPS Special Session in 2010.

Disputes over intellectual property protection

In general, disputes can be brought under the WTO Dispute Settlement Mechanism not only if an agreement or commitment has been violated, but also if an expected benefit under an agreement has been nullified without violating the letter of the agreement. For disputes over intellectual property protection, the TRIPS Agreement prescribed a five-year moratorium on initiating such 'non-violation and situation complaints' and this moratorium has been extended by a series of Ministerial Conferences.

In 2010 the TRIPS Council continued to consider the scope and modalities for such complaints. Members disagree on whether these complaints should be allowed at all, or whether this could be the legitimate basis for a dispute. In the absence of consensus, the 2009 Seventh Ministerial Conference further extended the moratorium, in line with a recommendation of the TRIPS Council. Ministers directed the council to continue examining the scope and modalities for these disputes, and to make recommendations to the next Ministerial Conference to be held in 2011.

Consultations on outstanding implementation issues

The Director-General continued to consult on GI extension and the relationship between TRIPS and the Convention on Biological Diversity (CBD), as called for by the 2005 Hong Kong Ministerial Declaration, which deals with these questions as 'outstanding implementation issues'.

The first issue concerns the possible extension to other products of the 'higher' or 'enhanced' level of protection that is currently only required for geographical indications for wines and spirits. Members differ on whether such an extension would help their trade in such products, or whether increasing the level of protection would create an unnecessary legal and commercial burden.

The other issue concerns the relationship between the TRIPS Agreement and the CBD: whether – and, if so, how – TRIPS should do more to promote the CBD objective of equitably sharing the benefits that arise when genetic resources are used in research and industry. The main focus has been on proposals to amend the TRIPS Agreement to require patent applicants to disclose the source or the country providing genetic resources and associated traditional knowledge. A range of alternative proposals have also been submitted.

From March 2009, the Director-General undertook these consultations personally, with interested delegations and through open-ended information sessions. Further consultations were foreseen for early in 2011. The consultations have concentrated on technical questions, with a view to assisting members to understand more fully each other's interests and concerns and shedding light on the technical aspects of the two issues. The consultations have not addressed the question of whether, and if so how, these matters should be linked to the broader negotiating agenda. The W/52 proposal referred to above advocates formally including them in the Doha Round negotiations but other WTO members are strongly opposed.



Trade and development

In 2010, work in the special session of the Committee on Trade and Development (CTD) focused on the remaining proposals relating to specific WTO agreements as well as on refining the elements of a monitoring mechanism for the implementation and utilization of special and differential provisions for developing countries. The CTD Special Session held four formal meetings and a large number of informal consultations in small groups.

Agreement-specific proposals

The CTD Special Session, which is chaired by Thawatchai Sophastienphong of Thailand, has focused its efforts on reviewing six of the remaining 16 agreement-specific proposals, three relating to the Agreement on Sanitary and Phytosanitary Measures, and three relating to the Agreement on Import Licensing. While WTO members were able to clarify certain elements in some of the proposals, in the absence of new ideas or any new textual amendments, and given the persistent divergence of views, there was little progress on these proposals during 2010.

On those agreement-specific proposals referred to other relevant WTO bodies, generally known as 'Category II' proposals, limited progress was reported. This was largely because issues raised in some of these proposals form an integral part of the Doha Round of negotiations and progress on those proposals is thus linked to the conclusion of the round.

Monitoring mechanism

In 2010, work in the CTD Special Session aimed to further refine the elements of the monitoring mechanism on the implementation and utilization of provisions on special and differential treatment. In April 2010 the Chair circulated a third revision of his 'non-paper' (an unofficial document) that captured the progress made and highlighted the areas of convergence and divergence at that stage. This revised non-paper formed the basis of continued work on the monitoring mechanism over the course of the year.

After the summer break, the work in the CTD Special Session benefited from some useful input, in the form of 'Guiding Principles', by an informal group of ambassadors. This helped in providing direction and re-energizing the discussion. Subsequently, in December 2010, the Chair came up with a fourth revision of his non paper, which mainly drew from the Guiding Principles and will form the basis of further work on the monitoring mechanism.

Trade and transfer of technology

In 2010 the Working Group on Trade and Transfer of Technology held four formal sessions, during which it heard presentations on the use of technology in agriculture from the United Nations Food and Agriculture Organization (FAO) and the United Nations Conference on Trade and Development (UNCTAD), and discussed a submission by India, Pakistan and the Philippines on increasing the flow of technology to developing countries.

Relationship between trade and transfer of technology

Work on the relationship between trade and transfer of technology in 2010 was largely based on two presentations, one by the United Nations Food and Agriculture Organization (FAO) on the linkage between technology transfer and productivity gains in agriculture, and the second by the United Nations Conference on Trade and Development (UNCTAD) on its report, *Technology and Innovation Report 2010: Enhancing food security in Africa through science, technology and innovation*. In addition, Switzerland provided briefings and regular updates on the so-called Lausanne Group Initiative – a private initiative by the École Polytechnique Fédéral de Lausanne (EPFL), in collaboration with small and medium-sized enterprises (SMEs) and other actors in the field of innovation and technology generation, with a view to filling the gap between Swiss SME technology holders and firms in least-developed and other developing countries.

Trade negotiations



Background

WTO rules have always been sensitive to the issues and interests of developing countries. Many WTO agreements contain provisions which give developing countries special rights and allow developed countries to treat them more favourably than other WTO members. As part of the Doha Round of negotiations, the Special Session of the Committee on Trade and Development has been reviewing these 'special and differential treatment' provisions with a view to making them more precise, effective and operational.



Thawatchai Sophastienphong, Chair of the Committee on Trade and Development Special Session in 2010.



Background

The Working Group on Trade and Transfer of Technology was established by the Doha Ministerial Conference in 2001 to examine the relationship between trade and transfer of technology and to make recommendations on steps that might be taken, within the WTO's mandate, to increase flows of technology to developing countries.

Trade negotiations



Background

Negotiations on trade and the environment in the Doha Development Agenda have the overarching objective of enhancing the mutual supportiveness of trade and environmental policies. The negotiations focus on two main themes: the relationship between WTO and multilateral environmental agreements (MEAs); and the elimination of barriers to trade in environmental goods and services. The negotiations are conducted in special sessions of the Committee on Trade and Environment.



Manuel Teehankee, Chair of the Committee on Trade and Environment Special Session in 2010.

The FAO presentation highlighted the important role played by technology in increasing yields of a number of selected crops in developing countries, including wheat, maize, rice (paddy), sorghum and cassava during the period 1965-2000. It also underlined the need for a substantial further boost to crop yields through better technology in view of the future growth in food demand, which was expected to increase by 70 per cent by 2050.

The UNCTAD presentation focused on the challenges of improving agricultural performance in Africa and the role that technology transfer and innovation had played in raising agricultural production and incomes, including those of small-scale farms.

Increasing the flow of technology to developing countries

WTO members focused their discussion on an earlier submission by India, Pakistan and the Philippines entitled 'Facilitating access to information on appropriate technology sourcing – A step to increase flows of technology to developing countries'. In this context, members continued to emphasize the importance of access and dissemination of information on appropriate technologies as the cornerstone of the transfer of technology process and its adaptation to suit national needs. It was also felt that the promise of development through sharing and transferring the fruits of technology could only be realized through sustained international cooperation and the participation of the public and private sectors in technology generation, transfer and adaptation.

Trade and environment

In 2010, the Committee on Trade and Environment, meeting in special session, continued to make progress in negotiations to reduce or eliminate barriers to trade in environmental goods and services and in narrowing the gap between members' positions on the relationship between the WTO and multilateral environmental agreements (MEAs).

Multilateral environmental agreements

In 2010, the Committee on Trade and Environment Special Session continued to discuss proposals on the relationship between the WTO and MEAs with a view to clarifying the ideas put forward by WTO members and identifying some areas of common ground.

In September and November, the Chair, Manuel Teehankee of the Philippines, held dedicated discussions based on four main clusters of issues drawn from members' proposals:

- the importance of national coordination to enhance the mutual supportiveness of trade and environment, and the value of sharing experience in this regard
- how the Special Session discussions on specific trade obligations set out in MEAs could be reflected in an outcome
- dispute settlement and contextual principles
- technical assistance to developing country members.

In these discussions, members that had made a proposal for an outcome reintroduced their original submissions. Moreover, a new proposal for avoiding conflict between WTO rules and specific trade obligations laid out in MEAs was introduced. However, the discussions did not give rise to any change in members' positions.

Environmental goods and services

Further progress was made in 2010 in negotiations to reduce or eliminate tariff and non-tariff barriers (NTBs) to environmental goods and services, in particular in identifying environmental goods of interest. A number of new submissions on this subject were circulated, some of which focused on 'climate-friendly' goods. This created some momentum for members to engage in further discussion of specific issues under the mandate, including technical matters arising in the identification of goods.

In February, to deepen members' understanding of the sector, the Secretariat organized a workshop on environmental goods and services. The workshop provided an opportunity for members to share their experiences in developing a national position on this aspect of the Doha negotiating mandate. Furthermore, a Secretariat paper on environmental



services, initially submitted to the Council for Trade in Services, was presented to the Committee on Trade and Environment Special Session in November. This paper triggered a lot of interest from many members given the important linkages between environmental goods and services.

On cross-cutting issues, a new proposal in 2010 suggested some guidelines to address the issue of special and differential treatment for developing countries. On ways to move forward, some members stressed the need to address cross-cutting issues in more depth, including non-tariff barriers to trade, special and differential treatment for developing countries and technology transfer. Members agreed that more intensive work was needed in the next phase on both cross-cutting issues and submissions related to identifying environmental goods of interest.

Trade facilitation

Negotiations on trade facilitation continued to make headway in 2010. Working on the basis of a draft negotiating text first issued in December 2009, members sought to narrow their differences and produce consensus text. The negotiating group addressed all elements of the mandate and paid particular attention to the issue of special and differential treatment for developing countries as a crucial element of its work.

Negotiations took place in a variety of configurations, combining formal negotiating group meetings with informal sessions led by the Chair, Eduardo Sperisen-Yurt of Guatemala. These were complemented by a series of member-driven activities in the form of seminars, workshops and bilateral/plurilateral consultations. In response to the call by the Trade Negotiations Committee in November 2010 for 'revised texts' to be developed in all areas of the negotiation, the Chair proposed an intensified work programme for 2011.

To allow all countries to fully engage in and benefit from the negotiations, several donor governments provided funding for the participation of officials based in developing and least-developed country capitals. A total of 134 officials from African and least-developed countries participated in three meetings of the negotiating group in 2010, and donor governments have indicated their willingness to continue this programme in 2011.

A WTO technical assistance programme to help countries assess their needs and priorities in the WTO trade facilitation negotiations was extended until the end of 2010 in order to accommodate additional requests. A total of 94 needs assessments were conducted over three years, including six in 2010. These assessments were undertaken by the WTO Secretariat with the cooperation of experts from donors and other regional and international organizations, including the United Nations Conference on Trade and Development (UNCTAD), the World Customs Organization (WCO) and the World Bank.

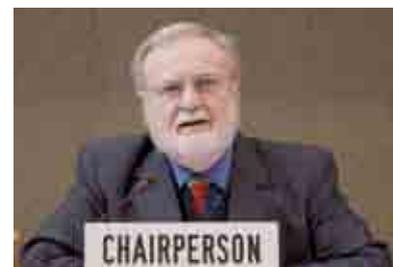
To help countries build on the results of their needs assessments, a series of 'study-tour' type regional workshops were held in France, Turkey, Mexico and the United States. In each of these workshops experts from the host country explained how they implemented the measures being negotiated. A tour of a port allowed participants to see trade facilitation measures in action.

Trade negotiations



Background

Negotiations on a new Trade Facilitation Agreement, formally launched in July 2004 as part of the Doha Development Agenda, are conducted in the Negotiating Group on Trade Facilitation. They aim at expediting the movement, release and clearance of goods, including goods in transit, as well as to ensure effective cooperation between customs and other appropriate authorities. Special attention is paid to developing and least-developed countries, which stand to benefit from far-reaching flexibilities and considerable technical assistance and support for capacity-building.



Eduardo Sperisen-Yurt, Chair of the Negotiating Group on Trade Facilitation in 2010.

Trade negotiations



Background

WTO members agreed at the Doha Ministerial Conference to launch negotiations to clarify and improve WTO rules on anti-dumping, subsidies and countervailing measures, and regional trade agreements. In the context of the subsidies negotiations, there was specific mention of disciplines on fisheries subsidies, and at the Hong Kong Ministerial Conference in 2005 there was broad agreement on strengthening those disciplines, including through a prohibition of certain forms of fisheries subsidy that contribute to overcapacity and overfishing.



Dennis Francis, Chair of the Negotiating Group on Rules in 2010.

WTO rules

During 2010, the Negotiating Group on Rules continued efforts to find convergence on the range of issues within its mandate – anti-dumping, subsidies and countervailing measures, fisheries subsidies and regional trade agreements. As 2010 drew to a close, the group entered a new and intensive phase of its work, in a bid to achieve convergence texts that could form the basis for completion of the Doha Round by the end of 2011.

In December 2008, the Chair issued new draft texts of the Agreement on Anti-Dumping (see page 40) and the Agreement on Subsidies and Countervailing Measures (see page 39), as well as a 'road map' for further discussion of fisheries subsidies. These texts reflected a 'bottom-up' approach, providing draft legal language only in areas where some degree of convergence appeared to exist. In other areas, the texts contained brackets, indicating issues where no convergence of views had emerged and summarizing in general terms the range of views regarding those issues.

On anti-dumping and subsidies and countervailing measures, the group completed its line-by-line review of the 2008 Chair's text in early 2010, and shifted its activities towards an intensive programme of plurilateral consultations. These consultations centred on the issues identified in the Chair's text, although work continued on issues not addressed in that text. In order to assure transparency for all members, the new Chair, Dennis Francis of Trinidad and Tobago, provided a detailed account of developments in the consultations to the membership at large through transparency statements made at the end of each meeting cluster. Towards the end of the year, and given the direction from members to seek to develop convergence texts by April 2011, the group decided to supplement its work in plurilateral format through the use of facilitators who will examine specific issues and report back to the negotiating group.

On fisheries subsidies, the group completed its examination of the issues identified in the 'road map' in early 2010, and began a process of intensive plurilateral consultations in the search for a way forward. Once again, detailed transparency statements by the Chair ensured that all members were kept fully informed of developments in the consultations. The group also opened the process for the receipt of new proposals and new ideas from members, and numerous proposals were received and considered. While these proposals were useful and constructive, they revealed widely divergent views on the nature and extent of the disciplines to be developed in this area. As of the end of 2010, further proposals were expected and new urgency has been injected into the process by the goal of achieving convergence texts by April 2011.

On regional trade agreements (RTAs), the negotiations have already resulted in the 2006 General Council decision on a transparency mechanism for RTAs (see page 54). The mechanism, which has been applied provisionally since 2007, must be reviewed and if necessary modified as part of the overall results of the current round of trade negotiations before it is made permanent. In December 2010, the Negotiating Group on Rules agreed to begin the review. Members will also review the legal relationship between the mechanism and relevant WTO provisions on RTAs. Discussions are also ongoing on systemic issues relating to RTAs.



Dispute Settlement Understanding

In 2010 the Dispute Settlement Body (DSB), meeting in special session under the Chairmanship of Ambassador Ronald Saborío Soto of Costa Rica, continued its negotiations to improve and clarify the Dispute Settlement Understanding (DSU), based on the Chair's text of July 2008.

From May 2010, the work of the DSB Special Session moved into a new phase involving a series of consultations and meetings in various formats. At meetings held in this new format in May, June, September and November, members discussed the issues of sequencing, effective compliance, time savings and post-retaliation. Useful progress was made in clarifying the relevant draft legal texts.

The procedural issue of sequencing arises because of a lack of clarity in the DSU text about the order in which members should request certain actions if they believe a WTO ruling is not being complied with. Effective compliance relates to ways of ensuring that members found to be breaking WTO rules promptly bring their measures into compliance, including by strengthening the remedies available in case of non-compliance.

The post-retaliation issue arises from the fact that the DSU does not provide any specific procedure for the removal of an authorization to retaliate, once the member concerned has complied, or claims to have complied, with the rulings. With regard to time savings, some participants have proposed ways of streamlining the procedures by accelerating them where possible, while preserving the ability of members, including developing countries, to effectively defend their rights.

Work will continue in the new format in the early months of 2011, focusing in addition on the other issues addressed in the July 2008 text of the Special Session Chair (third party rights; panel composition; remand; mutually agreed solutions; strictly confidential information; transparency and amicus curiae briefs; developing country interests, including special and differential treatment; flexibility and member control).

Trade negotiations



Background

In November 2001, at the Doha Ministerial Conference, members agreed to negotiate to improve and clarify the Dispute Settlement Understanding (DSU) – the rules and procedures governing the settlement of WTO disputes. These negotiations, which take place in special sessions of the Dispute Settlement Body (DSB), are part of the Doha Development Agenda but are not formally part of the 'single undertaking'. This means they are not legally tied to the success or failure of the other Doha negotiations.



Ronald Saborío Soto, Chair of the Special Session of the Dispute Settlement Body in 2010.