



**United Nations
Conference
on Trade and
Development**

Distr.
LIMITED

TD/B/COM.1/L.20/Add.5
8 February 2002

Original: ENGLISH

TRADE AND DEVELOPMENT BOARD
Commission on Trade in Goods and Services
and Commodities
Sixth session
Geneva, 4-8 February 2002

**DRAFT REPORT OF THE COMMISSION ON TRADE IN GOODS AND SERVICES
AND COMMODITIES ON ITS SIXTH SESSION**

4-8 February 2002

Rapporteur: Ms. Fatima Al-Ghazali (Oman)

Speakers:	ACP secretariat
Secretary-General of UNCTAD	Zambia
Egypt for the G77 and China	Bolivia
Sri Lanka for the Asian Group and China	Jamaica
European Union	Guinea
Mauritius for the African Group	Switzerland
Bangladesh for LDCS	Venezuela
Argentina	Norway
Cuba	Equatorial Guinea
Morocco	Head, Resources Management Service, UNCTAD
Ethiopia	United States of America
Sudan	

Note for delegations

This draft report is a provisional text circulated for clearance by delegations.
Requests for amendments to statements by individual delegations should be communicated by **Wednesday, 13 February 2002** at the latest, to:
UNCTAD Editorial Section, Room E.8108, fax no. 907 0056, tel. no. 907 5656/1066.

**IMPLICATIONS FOR THE WORK OF THE COMMISSION FOLLOWING THE
DOHA MINISTERIAL CONFERENCE AND RELATED CAPACITY-BUILDING
AND TECHNICAL COOPERATION ACTIVITIES OF UNCTAD**

1. The **Secretary-General of UNCTAD**, referring to the plan on “Capacity Building and Technical Cooperation for Developing Countries, especially LDCs, and Economies in Transition in support of their Participation in the WTO Doha Work Programme”, stressed the demand-driven features of the plan, which had been developed drawing upon extensive consultations with developing countries and their regional groups. Following the consultations, the secretariat had summarized and prioritized the capacity building and technical assistance activities in the plan. It was an evolving document that would be further refined, without changing its basic structure, following the deliberations of the Commission and further consultations with developing countries. The thrust of the plan was to meet the needs of developing countries in terms of securing a better understanding of the issues arising from the Doha Work Programme, so that, in the light of such understanding, developing countries could design their own national negotiation positions in multilateral trade negotiations. Particular attention was drawn to the immediate need for assistance in respect to agriculture and services negotiations. The plan was not a substitute for the regular work programme of the secretariat based on the Bangkok Plan of Action. It was a supplementary tool, focused on the post-Doha Work Programme, for which new extrabudgetary resources were needed. The plan conveyed a sense of urgency, which should be taken on board by donors through a positive financial response; the urgency related to the extremely tight Doha timetable for work on such issues as agriculture, services, implementation and WTO rules.

2. The representative of **Egypt**, speaking on behalf of the **Group of 77 and China**, called for UNCTAD’s support in assisting developing countries in addressing the Doha challenge meaningfully and effectively. He highlighted several points in respect of the plan on capacity building and technical cooperation for the WTO Doha Work Programme, particularly the importance of assistance in the area of agriculture, services and implementation. First, donors must provide clear indications about their intention to provide financial support to developing countries. Second, the delivery of support should reflect the different needs of developing countries in the light of their different levels of development, linguistic differences, and national and regional requirements. Third, a geographical balance in the implementation of the activities should be considered. Fourth, UNCTAD’s ongoing technical assistance and capacity building activities, especially institution building, remained important and should be continued. Finally it should be emphasized that capacity building was not the main factor in promoting development; it could only be supplementary to donor support for supply-side activities, more market access, debt relief and increasing official development assistance.

3. The representative of **Sri Lanka**, speaking on behalf of the **Asian Group and China** welcomed the stage-by-stage approach to the formulation of coherent policies and strategies encapsulated in the plan on capacity building and technical cooperation for the WTO Doha Work Programme. She noted that the range of activities to be implemented would be

prioritized in the light of resources, and such prioritization must be made after consultation with all regional groups. While the plan had four main parts, Part A on trade was the most important, as it related directly to the Doha challenge. However, that part lacked specific budget proposals. In the execution of the plan, adequate regional balance and geographical distribution must be maintained. In addition, the activities of the plan should not replace ongoing activities within the UNCTAD secretariat. Finally, she noted that UNCTAD had the specific mandate within the United Nations system to ensure that development aspects of trade were taken into account in the multilateral trading system.

4. The representative of the **European Community** said that the Doha work programme had a large agenda to be implemented over several years. At the same time, the Trade Negotiations Committee of WTO had already started work on the agenda. Development was a central element of the agenda, and the EU had always insisted upon this, but rhetoric was not enough and there was a need for specific action. The revival of special and differential treatment was one of the achievements of the Doha Declaration that should lead to better market access for goods and services of developing countries. The implementation of the Doha Work Programme was not the sole responsibility of WTO; it would include UNCTAD and the Commission on Trade. In this regard, the future work of the Commission should include a strengthening of UNCTAD's role in assisting the participation of developing countries in WTO negotiations. Negotiations were a necessary component of development, and thus support should be provided to developing countries, especially LDCs, in participating actively in trade negotiations.

5. The Doha Declaration gave prominence to technical assistance and capacity building, and this political commitment needed to be translated into solid projects of assistance and tangible results. In the WTO, a Global Trust Fund had been proposed, and a pledging conference for the fund was planned for 11 March 2002. Addressing the priorities in the Doha Work Programme, in particular such areas as the Singapore issues, required a modulated approach linked to the specific needs of the beneficiaries. This was captured in the plan on "Capacity Building and Technical Cooperation for Developing Countries, especially LDCs, and Economies in Transition in support of their Participation in the WTO Doha Work Programme." The plan would receive the European Union's fullest attention, particularly from the point of view of ensuring better cooperation and synergies between agencies and delegations.

6. The representative of **Mauritius**, speaking on behalf of the **African Group**, welcomed the prompt action by UNCTAD to deal with the post Doha needs of developing countries. The plan on capacity building and technical cooperation for the WTO Doha Work Programme reflected the concerns of African countries from the triple perspective of policy, institutional and human capacity building. Further refinement of the plan should cover a number of issues. First, there must be better coordination by UNCTAD with various agencies in providing a coherent and focused approach to dealing with the wide range of issues in the plan. Second, the collaborative approach must also extend to regional groupings and communities like the OAU/African Economic Community and the ACP Group. This would be cost-effective and increase regional organizations' awareness of multilateral issues, which in turn would prompt their involvement in international rule making. Third, the position of

individual member States, particularly small States, must be considered in policy analysis support, so that negotiators could understand the underpinnings of the negotiations and contribute to the formulation of national positions. Attention was drawn in that connection to the need for support; it would be discouraging if individual country requests for assistance could not be attended to owing to lack of funds. Fourth, UNCTAD must be provided with the necessary budgetary means to respond in a timely manner to the capacity building mandate given by the Ministers at Doha. It would also be disappointing if the capacity building and technical assistance initiatives were to receive inadequate attention from donors. Fifth, the supportive efforts of the international community should not stop at support for trade negotiations, but should extend to supply issues and market access issues.

7. The representative of **Bangladesh**, speaking on behalf of **LDCs**, stressed the LDCs' appreciation for UNCTAD's support in organizing the Zanzibar Ministerial Meeting to prepare the LDCs for Doha. UNCTAD's support for LDCs' participation in multilateral trade negotiations became even more important in the light of the post-Doha Work Programme. The LDCs had prepared and submitted to UNCTAD a priority list of technical assistance and capacity-building activities specifically aimed at LDCs. Country-level support was crucial to improving their participation in WTO negotiations and minimizing difficulties in implementation issues. In respect of the plan on "Capacity Building and Technical Cooperation for Developing Countries, especially LDCs, and Economies in Transition in support of their Participation in the WTO Doha Work Programme," he was ready to work with the secretariat and donors in refining and implementing the plan. Support for capacity building for negotiations responded to the short-term needs of LDCs, and in parallel there must be ongoing capacity building activities such as those implemented under the IF, JITAP and CAPAS programmes. He underscored the need for co-operation and joint activities with the WTO in technical assistance and capacity building activities. He also urged donors to contribute to the LDC Trust Fund.

8. The representative of **Argentina**, speaking on behalf of **Mercosur**, said that UNCTAD had a fundamental role to play in the post-Doha Work Programme in achieving the goals of development. As regards the plan on capacity building and technical cooperation for the WTO Doha Work Programme, he called for a removal of the reference to the "precautionary principle" in Part A on agriculture. The issue of safeguards was not limited to food security, so the other elements should be considered. The reference to trade preferences should include an assessment of the effects of preferences given to certain developing countries upon more efficient producers in other developing countries. Regarding services, the priorities were those areas in which developing countries had submitted specific proposals. The issue of autonomous liberalization also deserved attention. Regarding non-agricultural market access, there was a need to look at tariff escalation and in this connection to update the database on tariffs and NTBs. Finally, the allocation of resources and prioritization of activities must never lose sight of the interests of all developing countries.

9. The representative of **Cuba** said that the broad Work Programme approved at Doha exceeded the capacity of most developing countries. Thus UNCTAD, which had a comparative advantage and expertise in supporting developing countries in the preparations for negotiations in WTO, must be enabled to fulfil its key role. He urged donors to indicate

clearly their support and contributions for the implementation of UNCTAD's support programme. The important issues for such work included agriculture; training on trade in services; improvement of access to markets; trade, debt and finance; and environment activities.

10. The representative of **Morocco**, speaking on behalf of the **Arab Group of States**, said that he needed time to study the document in detail, but asked how the UNCTAD capacity building and technical assistance plan would be financed.

11. The representative of **Ethiopia** said that LDCs had special needs and thus deserved special consideration in the implementation of post-Doha Work Programme. She requested donors to contribute to the LDCs' Global Trust Fund with a view to building up institutional capacity and human resources. Ethiopia had become aware from negotiating its accession to the WTO that it required effective institutions and human resources.

12. The representative of **Sudan** expressed appreciation for the support provided by UNCTAD to countries in negotiations on WTO accession, especially LDCs, and requested that this assistance be continued and strengthened in the light of the challenges posed by the Doha Declaration. That Declaration provided for support on accession, and Sudan had submitted a detailed plan in that connection. Support for countries in the process of accession should be reflected in the plan on "Capacity Building and Technical Cooperation for Developing Countries, especially LDCs, and Economies in Transition in support of their Participation in the WTO Doha Work Programme".

13. The representative of the **General Secretariat of the ACP Group of States** recalled that UNCTAD and the ACP Group had signed a memorandum of understanding in 1998, and within that framework the ACP Group had received support from UNCTAD. The ACP Group would continue to work with UNCTAD in furthering the development of the ACP States. At the ACP Trade Ministers Meeting in November 2001, the Secretary-General of UNCTAD had announced support for the ACP States in respect of analysis of preferential regimes; concurrent trade negotiations in the WTO, ACP-EU and subregions; and support for subregional secretariats. The plan on "Capacity Building and Technical Cooperation for Developing Countries, especially LDCs, and Economies in Transition in support of their Participation in the WTO Doha Work Programme" represented a framework for mobilizing UNCTAD-wide support for implementation of technical assistance and capacity building activities. In this regard, the ACP priorities were very specific, namely the Doha Work Programme and its linkage to the forthcoming ACP-EU negotiations on economic partnership agreements with the EU.

14. The representative of **Zambia** said that the LDCs had identified their key priorities regarding the multilateral trading system in Zanzibar and in commitment 5 of the Programme of Action of the Third United Nations Conference on Least Developed Countries. These priorities included duty-free and quota-free market access and flexible rules of origin. The LDCs would continue to pursue these objectives, drawing upon the support of UNCTAD. As regards the plan on "Capacity Building and Technical Cooperation for Developing Countries, especially LDCs, and Economies in Transition in support of their Participation in the WTO

Doha Work Programme,” he urged that activities be included that related to accession to WTO, especially by LDCs. He also urged donors to enter into concrete commitments in terms of funding for the plan to become a reality for LDCs.

15. The representative of **Bolivia** expressed support for the points raised by Argentina as regards the plan on “Capacity Building and Technical Cooperation for Developing Countries, especially LDCs, and Economies in Transition in support of their Participation in the WTO Doha Work Programme.” These included the exclusion of the reference to “precautionary principle”; emphasis on technical assistance for training; support for improving negotiating capacity; and market access for non-agricultural products.

16. The representative of **Jamaica** expressed appreciation for the prompt and thorough manner in which the UNCTAD secretariat had prepared the plan on capacity building and technical cooperation for the WTO Doha Work Programme. The plan was demand-driven and included a monitoring and evaluation part that was important. More specifically, the plan needed to support activities on agriculture, especially for small island developing States, LDCs and net food-importing developing countries, and services. In respect of regional trade agreements, support for work on the interface between WTO and regional trade agreements was important. Priority should be accorded to small and vulnerable States in implementing the plan. Equally important, the attention given to building supply-side capacities should be maintained.

17. The representative of **Guinea** said that the Doha Work Programme covered several topics, including agriculture. Her country had requested UNCTAD’s support in training officials on agriculture negotiations and policy, as well as on competition policy.

18. The representative of **Switzerland** said that the plan on “Capacity Building and Technical Cooperation for Developing Countries, especially LDCs, and Economies in Transition in support of their Participation in the WTO Doha Work Programme” was impressive and comprehensive, but it could be improved further. A number of points should be emphasized. First, UNCTAD had a role and comparative advantage in implementing a number of the Doha decisions, especially on capacity building and technical assistance. Second, trade negotiations support was part of UNCTAD’s mandate flowing from the Bangkok Plan of Action. However capacity in this respect must be made sustainable through institution-building and human resources development. Third, UNCTAD had accumulated considerable experience in the past on trade negotiations support, especially since 1995. Fourth, the number of activities involved in the plan was extensive, which raised the question as to whether it was realistic and gave rise to the need to set priorities. Fifth, the proposed work on environment in the plan was not a priority, while work on competition and investment policy and trade facilitation was.

19. The representative of **Venezuela** expressed support for the work on evaluating trade in services proposed in plan on “Capacity Building and Technical Cooperation for Developing Countries, especially LDCs, and Economies in Transition in support of their Participation in the WTO Doha Work Programme.” Such evaluation served as a basis for developing countries to prepare their participation in trade in services negotiations. Other

priorities included market access for agricultural products, and trade and environment. On the other hand, the reference to the “precautionary principle” should be removed.

20. The representative of **Norway** said that the plan on capacity building and technical cooperation for the WTO Doha Work Programme must focus on building solid projects and developing synergies between actors, including WTO, ITC and OECD. In particular, there was a need for UNCTAD to develop a genuine partnership with WTO, because the main responsibility for implementing the Doha Work Programme lay with that organization. There was also a clear need to know who did what in order to prioritize mandates and activities. In this respect, UNCTAD should also have an overview of the plans of other agencies.

21. The representative of **Equatorial Guinea** said that UNCTAD’s technical assistance activities, especially training seminars on agriculture, should be extended to encompass the Spanish-speaking and Portuguese-speaking countries. He was concerned that such countries might be excluded from technical assistance programmes by virtue of their language.

22. The **Secretary-General of UNCTAD** said that, based on the interventions made in the Commission and on further consultations with developing countries, the secretariat would finalize and circulate the plan on “Capacity Building and Technical Cooperation for Developing Countries, especially LDCs, and Economies in Transition in support of their Participation in the WTO Doha Work Programme.” UNCTAD was among the oldest organizations providing trade negotiations support, acting within the framework of the United Nations family. UNCTAD support activities had had tremendous support from UNDP, and had benefited from close collaboration with ITC. UNCTAD’s contribution in the area of services negotiations was a good example in that respect. UNCTAD was open to co-operation with all other agencies, as the trade negotiations challenge could only be met by a network of agencies and Governments. UNCTAD had in fact already been working closely with other agencies. The best example of such cooperation had been with ITC and WTO in JITAP (ITC/UNCTAD/WTO Joint Integrated Technical Assistance Programme to Selected Least developed and Other African Countries). Each agency did what it was best equipped to do, thus avoiding a duplication of efforts. The only difficulty faced under this programme was that resources were not sufficient to meet the demand. There was no reason why this model could not be used in other programmes.

23. The **Head of the Resources Management Service** provided three clarifications. First, in response to the question by Sri Lanka, he said that the figures provided in the trade part of the plan on “Capacity Building and Technical Cooperation for Developing Countries, especially LDCs, and Economies in Transition in support of their Participation in the WTO Doha Work Programme” were orders of magnitude. The figures added up to a total of \$7 million. To implement this programme, designed in a modular manner, the secretariat would endeavour to mobilize extrabudgetary resources. Second, in response to Sudan, he said that UNCTAD assistance on accession to WTO was an activity drawing upon support from UNDP at the national level or from a bilateral donor. Third, in response to Switzerland, he said that the list of priority areas identified by the secretariat had been much longer than that presented in the plan. The secretariat had listed a reasonable set of requests that it had the capacity to carry out. Environment was included since during the consultations many

countries had requested further assistance in that area. Also, UNCTAD was already cooperating with UNEP in a capacity building programme.

24. The representative of **Sri Lanka** noted that the plan on “Capacity Building and Technical Cooperation for Developing Countries, especially LDCs, and Economies in Transition in support of their Participation in the WTO Doha Work Programme” was not final but subject to change and updating. Her delegation would be providing inputs in this regard.

25. The representative of the **United States** urged that the consultations by the secretariat on the plan on “Capacity Building and Technical Cooperation for Developing Countries, especially LDCs, and Economies in Transition in support of their Participation in the WTO Doha Work Programme” should encompass not only the beneficiaries of the assistance, but also the potential donors. He noted that the United States so far had been consulted only on the investment part of the plan.