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**DRAFT REPORT OF THE TRADE AND DEVELOPMENT BOARD ON ITS  
FORTY-NINTH SESSION**

Held at the Palais des Nations  
from 7 to 18 October 2002

Rapporteur: Mr. Mehdi Fakheri (Iran)

**Summary of High-level segment**

**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, 23 October 2002** at the latest, to:

UNCTAD Editorial Section, Room E.8108, Fax No. 907 0056, Tel. No. 907 5656/1066.

## HIGH-LEVEL SEGMENT: HOW CAN THE POST-DOHA PROCESS WORK BEST FOR DEVELOPMENT? <sup>1</sup>

(Agenda item 2)

1. The High-level Segment took the form of a presentation by a keynote speaker, Mr. Supachai Panitchpakdi, Director-General of the World Trade Organization (WTO), followed by comments and questions from delegates in New York (by video link) and in Geneva, to which the Director-General responded. The Secretary-General of UNCTAD also made observations.

### **Keynote address**

2. The **Director-General of WTO** said that the global economy was passing through a difficult period. All sights were set on the Millennium Development Goals established for 2015, but achieving them would not be easy and would need the full cooperation of all players. The Doha Development Agenda, with its emphasis on rules, conflict resolution and open opportunities, was part of that process, and the outcome would determine the progress of the world economy. UNCTAD and WTO should engage in closer cooperation in the implementation of the Doha work programme, with a coordinated strategy to address the linkages between trade and development. This cooperative effort should be seen as part of a wider strategy aimed at involving all stakeholders (multilateral and specialized institutions) committed to fulfilling the Millennium Goals. UNCTAD's comparative advantage vis-à-vis WTO in this cooperative effort was in the areas of research and technical cooperation aimed at enhancing the understanding of trade-related development issues of interest to developing and least developed countries, where the WTO could not fill the gap in the short term. The cooperative effort would also entail cooperation with ITC, the World Bank, UNDP and UNIDO.

3. As he saw it, the post-Doha work programme comprised a three-stage process: the ongoing Doha agenda; trade-related technical assistance; integrating trade instruments into development strategies. The ongoing Doha agenda had gained momentum at the recent meeting of the WTO Trade Negotiations Committee (TNC), which had been a watershed in the post-Doha process, but there was an urgent need to move collectively to attain convergence. As delegates were aware, the work programme agreed in Doha covered a large variety of issues to be taken as part of a single undertaking, whereby nothing was agreed until all was agreed. The single undertaking required parallel progress on all areas of the agenda; if progress was slow on agriculture, it would be slow on everything else. For this reason, he did not consider it useful to delay moving in any particular area for tactical reasons. The TNC had identified the work agenda and the key issues to be resolved in the period leading up to the Fifth WTO Ministerial Conference, to be held in Cancun, Mexico, in September 2003. Cancun would be a "mid-term review" of progress on the post-Doha work programme where deadlines should converge, and it was important to make progress in order to avoid

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<sup>1</sup> Summary prepared by the UNCTAD secretariat.

overloading the agenda for that meeting. Among the areas where many matters remained to be resolved before the end of 2002 were key developmental issues such as agriculture, the links between the TRIPS agreement and public health, special and differential treatment for developing countries and some 50 or so highly technical issues related to the implementation of the results of the Uruguay Round. Getting agreement on special and differential (S&D) treatment would not be easy, and, with one deadline missed, it was imperative to avoid further slippages; however, developing countries should not use S&D treatment as an escape clause from the need to carry out their own reform processes. Other issues such as trade, debt and finance, small economies, and technology transfer were also becoming priorities in the development agenda. However, all these issues had to be operationalized appropriately.

4. Technical assistance and capacity building had to be a central part of the post-Doha process. Technical assistance should rely on three pillars: helping developing countries formulate their trade negotiation position; after the conclusion of the negotiations, during the implementation stage, addressing key trade issues, such as trade facilitation, custom procedures, TRIPS and transfer of technology; building the necessary infrastructure to ensure that market access potential brought the expected welfare gains to developing countries. To implement these ambitious technical assistance and capacity building strategies, WTO was aware that it would need to collaborate closely with specialized agencies and development institutions such as the World Customs Organization, WIPO, ITC, UNDP, UNCTAD, the World Bank and IMF.

5. Among the longer-term issues for developing countries was how to cope with falling tariff revenues as a result of trade liberalization. In the area of supply constraints, attention must be paid to customs procedures and tax administration. The kind of cooperation that was already taking place within the Integrated Framework for Trade-related Technical Assistance to the Least-developed Countries could be a model for such future work.

## **Discussion**

6. Comments were made and questions asked on a wide range of issues. Delegations looked forward to closer cooperation between the United Nations and the WTO, but wondered how this would be implemented. The need for technical cooperation was widely emphasized, while some delegates asked how the private sector could be involved in such work. One speaker commented that progressive liberalization seemed beneficial to development growth and addressing poverty, but it had to be genuinely progressive, within the capacity of countries. It was necessary to get the level of ambition right and support this with appropriate funding. Various speakers emphasized the need to have a coordinated approach towards the developmental goals to which the international community had committed itself in different global fora, notably the WTO Ministerial Meeting in Doha, the International Conference on Financing for Development in Monterrey, and the World Summit on Sustainable Development in Johannesburg. One speaker emphasized that, under the Doha work programme, the idea was to make S&D treatment more effective and operational, and several delegates asked how this could be made to work, e.g. in general or in relation to specific agreements? How could needs be assessed in particular cases? A number

of speakers emphasized the need to address supply-side constraints. Specific questions included how the movement of natural persons was being negotiated, how to solve problems of the land-locked countries, and how to facilitate the accession of LDCs to the WTO.

7. The **Secretary-General of UNCTAD** pointed out that UNCTAD was running intensive programmes of support for the developing countries through the positive agenda, the commercial diplomacy programme and specific support for countries in accession. UNCTAD was also helping developing countries build export supply capacity, particularly in the services sector, and there had been a number of export meeting discussions in this area.

8. The **Director-General of WTO** referred to current UNCTAD/WTO cooperation in research, training and investment issues, and considered that cooperation would be intensified during implementation of the agreements reached under the Doha work programme. He was encouraged by the comment of the Secretary-General of the United Nations that trade could help reduce poverty through improved market opportunities, now being dealt with through the WTO, while production side issues, including governance, were being tackled through the UN system. Of course, technical cooperation under the Doha work programme was designed to support the negotiations, but it should not stop there, since capacity building was essential. He noted that development was central to the WTO work programme and fully supported efforts to get an agreement on S&D treatment by the end of the current year. He noted that the Working Group on Trade, Debt and Finance was helping to address linkages deriving from Doha, Monterrey and Johannesburg. There needed to be more market opening so that developing countries could earn the income required to pay off their debt burden. He noted that harmonizing trade and environment rules could be mutually beneficial to trade and the environment – a win-win situation. On specific questions, he noted that the movement of natural persons was being handled under the request-and-offer procedure of the services negotiations. On involving the private sector in technical cooperation, this was not easy, since the WTO was an intergovernmental organization, but obviously there was a role for private investment to support development; some requests had been addressed to TNCs to help support capacity-building efforts.

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