



**United Nations
Conference
on Trade and
Development**

Distr.
LIMITED

TD/B/52/L.2/Add.2
13 October 2005

Original: ENGLISH

TRADE AND DEVELOPMENT BOARD

Fifty-second session

Geneva, 3–14 October 2005

Agenda item 6

**DRAFT REPORT OF THE TRADE AND DEVELOPMENT BOARD ON ITS
FIFTY-SECOND SESSION**

Held at the Palais des Nations
from 3 to 14 October 2005

Rapporteur: Mr. Levan Lomidze (Georgia)

Speakers:

Director, DITC

Director-General, WTO

Democratic Republic of the Congo

European Commission

Egypt

Philippines

Mexico

United States

Republic of Korea

Benin

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 **Tuesday, 18 October 2005** at the latest, to:

UNCTAD Editorial Section, Room E.8108, Fax No. 917 0056, Tel. No. 917 5656

**REVIEW OF DEVELOPMENTS AND ISSUES IN THE POST-DOHA WORK
PROGRAMME OF PARTICULAR CONCERN TO
DEVELOPING COUNTRIES**

(Agenda item 6)

1. For its consideration of this agenda item, the Board had before it the following documentation:

“Review of developments and issues in the post-Doha work programme of particular concern to developing countries: Note by the UNCTAD secretariat” (TD/B/52/8).

2. The **Director of the Division on International Trade in Goods and Services and Commodities** said agenda item 6 provided a valuable opportunity to take stock of where the multilateral trading system, the Doha work programme and its development agenda were headed. Member States had found frank intergovernmental dialogue in a non-negotiating environment of great value in providing an overview of the negotiations, their development linkages, and thematic and sector-specific concerns. In a world of global economic interdependence, an open, rule-based, non-discriminatory, predictable and equitable multilateral trading system that delivered development-oriented results was a public good that all countries should strive to support. The multilateral route offered the best solution to the liberalization and promotion of trade, and no single existing regional or bilateral trade agreement, or any combination thereof, could deliver the same benefits, predictability and security as a well functioning and development-oriented multilateral trading system. UNCTAD had been tasked by the São Paulo Consensus to uphold just such a multilateral trading system.

3. The Doha Round was not about what happened in the next few months or even at the end of 2006, when it was expected to end. It was about setting the rules of a new trade and development paradigm for the next 10 years or more, and the stakes for developing countries were therefore high. With the right mechanisms in place, the trading system could deliver efficiency and welfare gains, promote achievement of the MDGs, and thus make a big difference for the millions of poor. But equally, developing countries were now important to the Doha Round in an unprecedented way. Whether one looked at their contribution to world trade growth and their share in both goods and services exports, or at their becoming new demand growth poles and markets, their majority in the WTO was not merely about numerical strength; it was about unleashing their current and future potential for the benefit of all. Developing countries represented the new frontier for world trade and economic expansion in the world economy.

4. To promote the trade and development prospects of developing countries, there was no better alternative to a “fair deal” for them in the Doha round. There was need for steady progress and liberalization of trade in areas of interest to developing countries: agriculture; non-agricultural products; temporary movement of natural persons supplying services and cross-border supply of services; eliminating or substantially reducing market access and entry barriers for products and services of export interest to developing countries; eliminating export subsidies and all trade-distorting support to agriculture, including cotton; extending bound duty-free and quota-free market access for all LDCs and for all their products; providing special and differential treatment under all areas of negotiations and harvesting a meaningful package from the agreement-specific proposals; and finding an expeditious and

permanent solution to TRIPS and Public Health in facilitating access to essential medicine. To make the Doha Round a success, there was also need for a "Doha-plus" trade-enabling development cooperation agenda. This would involve helping developing countries meet adjustment costs, putting in place and strengthening their physical, social and trade-related infrastructure, productive capacities and competitiveness. Such aid for trade, in addition to aid for development, was particularly relevant for the weakest WTO members – the LDCs and other countries with special needs, including small, vulnerable economies.

5. UNCTAD's commitment to the multilateral trading system and to assuring development gains from the international trading system and trade negotiations would remain its central mission and development vocation. UNCTAD also embraced a multi-stakeholder approach in its work, including with the WTO, on many issues affecting the multilateral trading system.

6. The 6th WTO Ministerial Conference would be a crucial milestone in advancing the trade liberalization agenda with a significant, realizable development package, and the secretariat's note suggested elements of such a package. There was a pivotal need to reach agreement on clear, measurable and specific modalities, decisions and recommendations in key areas of the negotiations and work programme in Geneva prior to the Ministerial Conference. Furthermore, emphasis was required on outcomes of interest to developing countries that could have the greatest impact on poverty. In that connection, the secretariat's note highlighted elements of UNCTAD's New Trade Marshall Plan for LDCs to promote trade and development and achieve the MDGs.

7. The **Director-General of the World Trade Organization** said that he considered development to be a horizontal issue that should be integrated into all aspects of the WTO negotiations. The key focus should be on maximizing the development value of every sector and of the Round as a whole. In recognition of the fact that developing countries accounted for over 75 per cent of the WTO's membership and had a central role in all trade negotiations in the WTO, the Doha Development Agenda (DDA) had placed development at the centre of the new Round of negotiations.

8. Trade and trade policy had become fundamentally important tools in the fight against poverty and the achievement of the Millennium Development Goals. Trade and development – even given differing perceptions about development – were increasingly perceived as being inextricably linked to each other. More than 70 per cent of the development outcome of the Round would come from the areas under negotiation, including agriculture, services and non-agricultural market access. Results would have to adequately reflect the concerns of developing countries with regard to the development dimension of the DDA.

9. On agriculture, the decision to eliminate export subsidies would go a long way in reducing the existing global trade distortions. However, Members still had to agree on a realistic date for the elimination of these subsidies, as well as on concrete figures for slashing trade-distorting farm support and on a package of equivalent ambition on improving market access for developing countries. On cotton, while part of the problem was in the WTO and would be addressed as part of the agriculture negotiations, yet another part related to the implementation of the recent panel decision by the United States. In the meantime, bilateral and multilateral donors had to urgently focus their efforts on resolving this problem.

10. On non-agricultural market access negotiations, the challenge was to find a formula that was effective, transparent and equitable, and which incorporated appropriate special and differential treatment for developing countries. Developing countries had a positive interest in enhanced market access, including through reductions in tariff peaks and escalation that could lead to higher value addition in these countries.

11. Special and differential treatment was a key concern for developing countries. He recognized the need to make the existing provisions as effective as possible and pledged to do all he could in order to achieve a credible result by the Hong Kong Conference. However, developing and least developed countries also needed to focus their efforts so that areas to include S&D provisions could be "precise, effective and operational".

12. The LDCs deserved maximum attention so as to ensure that they benefited most from the Round and that their adjustment problems were minimized. While flexibility had been granted to LDCs in undertaking commitments and considerable progress had been made in providing them with improved market access to developed country markets, the benefits of market openings did not accrue automatically. He stressed the need for assistance for developing countries and in particular LDCs to strengthen their supply-side capacity, to increase trade efficiency and to solve practical trade problems so that they could take advantage of improved market access opportunities created by the multilateral trading system. He welcomed the endorsement of the Aid for Trade initiative by the Development Committee of the IMF and the World Bank, and expressed the hope that, by the time of the Hong Kong Conference, consensus could be reached on how to enhance the Integrated Framework for LDCs, including by expanding its resource base.

13. There was growing recognition that part of the challenge of fulfilling the development dimension of the DDA lay outside the WTO, and the active support of partner organizations such as UNCTAD for the common global agenda was needed to build the developing countries' capacity to take advantage of, or adjust to, open markets. Cooperation with UNCTAD could include support for developing countries in the negotiations, including in respect of special and differential treatment and policy space, trade preferences and their better utilization through improved rules of origin, and carrying forward the Aid for Trade Initiative, which should not be a substitute for market access.

14. Market access was not just a North-South issue, but equally a South-South issue, as developing countries accounted for a very significant share of world trade and were participating in multilateral trade negotiations to an extent never seen before. Possibilities existed to substantially increase trade between developing countries as a whole, both within regions and across regions, through strengthened South-South cooperation and the ongoing GSTP (Global System of Trade Preferences among Developing Countries) negotiations.

15. The active and constructive participation of all WTO Members would be required for the fulfilment of the Doha agenda. It was important to ensure a balanced outcome that met the aspirations of all WTO Members. The opportunity to evolve a development-oriented multilateral trading system must not be missed, since the Hong Kong Conference would not be just another checkpoint in the negotiations, but the best chance to move the Round to a successful conclusion by the end of 2006. Failure to meet the target would mean the loss of a unique opportunity to rebalance the world trading system in the interest of developing countries.

16. The representative of the **Democratic Republic of the Congo**, speaking on behalf of the **Group of 77 and China**, stressed the importance of multilateralism and the Doha Work Programme (DWP). He emphasized that the time had come for Members of the WTO to exercise the political will to ensure the success of the DWP. Despite several missed deadlines, the Group of 77 remained cautiously optimistic that the remaining months would be productive in ensuring a positive outcome at the 6th WTO Ministerial Conference in Hong Kong and that the negotiations would subsequently be concluded in 2006.

17. In order to achieve the São Paulo Consensus goals on assuring development gains, trade negotiations needed to be placed in the broader context of a shared vision of development and an international trade policy based on the Millennium Development Goals (MDG) and focusing on halving poverty by 2015 through, for example, national economic policy space, institutional innovation, and investment in human capital and development-oriented infrastructure.

18. Despite its importance for development, ODA could not be a substitute for trade. Gains from trade helped in generating income and social change, thus undermining negative elements, including poverty. Such gains could only accrue if suitable adjustment mechanisms were built into the trading system *ex ante*.

19. The Group underlined the need for legitimate policy space for developing countries to pursue their development agenda, including through the operationalization of special and differential treatment, less than full reciprocity and sequenced liberalization.

20. With respect to specific areas of the DWP, it would be particularly important to find amicable solutions for the long-outstanding implementation-related issues, as well as SDT issues. In agriculture, issues that required special attention included the treatment of tropical products, sensitive products, special products, the Special Safeguard Mechanism (SSM) and making the Green Box more development-friendly. The availability of sensitive products to the developed countries should not lead to the exclusion of products of export interest to the developing countries and LDCs from the liberalization process. On NAMA, the Group favoured a formula approach that took on board development concerns such as tariff policy as a tool for development. Sectoral liberalization should remain voluntary, and non-tariff barriers (NTBs) must be addressed in all markets. On services, meaningful commitments on market access in sectors of export interest to developing countries, as well as modes 1 and 4, were important. On trade facilitation, the modalities in the July Package must be fully respected. The concerns of the West African cotton-producing countries must also be urgently addressed. In the area of textiles, proposals for post-ATC adjustment assistance to affected members, particularly small producers, should be examined.

21. An adequate adjustment facility should be built into the multilateral trading system *ex-ante* to cater to the needs of those poorer Members that needed such a facility either to offset the losses resulting from the erosion of preferences or to undertake the necessary structural adjustments ensuing from trade liberalization. The GSP Schemes had proved their usefulness, countries with GSP schemes should consider the possibility of expanding and improving their schemes. Finally, the Group expressed its appreciation for the secretariat's high-quality technical assistance and capacity-building programmes.

22. The representative of the **European Commission**, speaking on behalf of the **European Union and the acceding countries Bulgaria and Romania**, said that the secretariat's note provided thought-provoking suggestions for policy makers and negotiators. He recalled the EU's commitment to ensuring that the Doha Development Agenda delivered outcomes that would indeed make a big contribution to the sustainable development of WTO Members. However, it was only at the end of the process – when economic actors in the real world of business took their decisions on which goods and services to produce and trade – that the full ramifications of the round would become known. The full benefits of the Round would flow from the negotiations on market access and associated rule-making, and there would need to be an effective response to the “offensive” market access interests of all countries. The development dimension must remain a crucial over-arching theme of the whole negotiation and a key component of each negotiating area.

23. Other issues under negotiation in the DDA and the regular WTO work programme with developmental relevance included the more “defensive” concerns of developing countries, for example demands for SDT in the form of fewer or no obligations in comparison to developed countries or the demand that negotiations deal effectively with concerns on issues such as preference erosion or loss of tariff revenue. The objective for the Hong Kong Conference remained “full modalities” for agriculture and NAMA. This meant getting clear numbers for the reductions in market access barriers and for reductions in domestic support and the phasing out of export subsidies. While the negotiations had fallen behind schedule, the intensive work under way would generate sufficient momentum to move the negotiations forward. The EC was serious about moving the negotiations forward and hoped to get the right response from other negotiating partners. However, leaving everything for Ministers to resolve at Hong Kong would be a recipe for overload.

24. To ensure that developmental aspects, including appropriate SDT, were effectively integrated into each of the main negotiating topics – agriculture, NAMA, services and trade facilitation – developed countries should do more in terms of market opening than developing countries, as already confirmed in the July Framework, and LDCs should not be required to do anything at all. At the same time, a pro-development outcome also demanded that developing countries themselves accept an appropriate level of access commitments and disciplines in the rules areas. Four broad issues were essential for progress to be made in Hong Kong: duty-free/quota-free market access for the least developed countries; agreement on specific proposals for special and differential treatment, especially those presented by the LDCs, and the set of implementation issues; further strengthening of trade-related assistance and capacity building; and implementation of the principle that the market access commitments of developing countries should better reflect their individual levels of development. The issues relating to TRIPS and public health could be dealt with before ministers meet in Hong Kong. He underscored the importance of moving away from political declarations to action. Finally, the success of the development dimension depended on a more multi-dimensional and better nuanced response to the real needs of developing countries and LDCs in facing up to the challenges and seizing the opportunities of international trade. Ultimately the multilateral trading system provided opportunities, but did not guarantee results.

25. The representative of **Egypt**, speaking on behalf of the **African Group**, said that the recent World Summit, the report of the Commission for Africa, and the G8 Summit in Gleneagles were important efforts in the wider process of development solidarity that must be

transformed into tangible results. Trade played a major role in Africa's development process, and Africa looked forward to a development-friendly outcome to the Doha negotiations that would help reverse the vicious circle of marginalization affecting Africa. The African Group expected key decisions on agriculture, NAMA and other aspects of the Doha Work Programme to be taken at the WTO Hong Kong Ministerial Conference.

26. Special attention should be given to the unique development challenges facing Africa. The time for a "fair deal for Africa" had come, encompassing trade rules and outcomes that could enhance Africa's production, trade capacity and competitiveness, as well as providing effective market access and responding to its specific trade and development concerns. The African Group favoured an approach to trade negotiations based on the MDGs and the São Paulo Consensus, with emphasis on fairness, equity and development solidarity. More emphasis should be put on: improved market access for products or services of export interest to Africa, in particular agricultural products, labour-intensive manufactures and mode 4 services; immediate elimination of trade-distorting support for cotton producers in developed countries; timely elimination of export subsidies by a credible end date; increased attention to policy space for African countries; and provision of operationally effective special and differential treatment in all areas of negotiation.

27. Agriculture remained the most important sector in most African and other developing countries, and progress in this field would determine the outcome of the Ministerial Conference. Attention needed to be paid to erosion of preferences and the problems of net-food-importing developing countries and LDCs. The issue of cotton was important in terms of both production and exports, and negotiations in this sector should encompass all trade-distorting policies. There was an urgent need for coherence between the trade and development related aspects of the cotton initiative. On NAMA, the Group's focus was on the formula, the flexibilities, and bound tariff lines. The modalities of the negotiations should provide for policy space and deal with erosion of preferences, industrial development, and the sheltering of Africa's nascent industries through less-than-full reciprocity and SDT. NTBs should be dealt with. On services, most African countries were crippled by supply-side constraints compounded by stringent measures taken by host countries. There was a need for substantial improvement in market access, especially for mode 4, early conclusion of the assessment exercise, intensification of work in the rule-making area, and increased and targeted technical assistance for effective participation. African countries recognized the potential benefits of trade facilitation and emphasized the need to provide operational special and differential treatment and policy space, as well as support for regional efforts among African countries. The recently introduced complementary approaches were a matter of concern, since they would reverse the logic and spirit of the GATS and the guidelines for negotiations, leading to a substantial loss of the "built-in" flexibilities for developing countries.

28. On development issues, urgent attention should be given to completing the review of all outstanding special and differential Agreement-specific proposals that had gained some degree of convergence. Africa's development needs and concerns related to enhanced technical assistance, food security, rural development, livelihood concerns, preferences, commodities and net food import should be taken into account in the negotiations. African countries had shown significant flexibility and pragmatism, and that their partners needed to do the same. Africa's liberalization efforts should be factored into the negotiations.

29. The representative of the **Philippines**, speaking on behalf of the **Asian Group and China**, said that the Board's debate came at an important time, and UNCTAD's broad mandate was particularly significant in the context of the twin challenges of advancing the development agenda while ensuring that the development aspect was fully and meaningfully integrated into the ongoing WTO negotiations. The July Package had been a step in the right direction, but much needed to be done in terms of tangible results.

30. Trade should not be an end in itself but a means towards development and poverty reduction. Progress in the multilateral trading system (MTS) should therefore be inextricably linked to progress in the accomplishment of internationally agreed development goals, including the MDGs. Developing countries should have the necessary policy space to apply policy instruments in implementation of their development goals, but this was not meant to imply that developing countries intended to use policy space as a means to evade commitments they had undertaken. On the contrary, developing countries had repeatedly emphasized, for example, their commitment to enhanced governance, but corresponding action from the international community to operationalize the commitment to a conducive and nurturing international environment was lacking.

31. It was important to ensure coherence between national development objectives of developing countries and objectives in bilateral, regional and multilateral trade negotiations, as well to ensure that SDT provisions were not eroded in the pursuit of other initiatives. Capacity constraints on the part of developing countries sometimes led to less than full coherence between multilateral, regional and bilateral negotiations. UNCTAD's policy work in this area was a useful tool in addressing this issue. The principle of special and differential treatment must be operationalized, as must the principle of less than full reciprocity. In that connection, the Asian Group appreciated the secretariat's observation that the concept of S&D should be recognized as a dynamic instrument for "catching up" in terms of trade and development and beneficial integration into the international trading system.

32. With regard to the DDA negotiations, NAMA, agriculture, services, and trade facilitation were the core concerns of his Group in terms of both offensive and defensive interests. In agriculture and NAMA particularly, the importance of a formula and an approach that would result in a fair and equitable outcome was reiterated. Special attention would also have to be paid to special products and the Special Safeguards Mechanism. A credible end-date for the elimination of export subsidies would also be crucial for the successful outcome of the negotiations. On services, many developing countries had undertaken liberalization in this sector commensurate with their level of development and infrastructure, but there was a need for meaningful commitments in market access by developed country partners in sectors of export interest to developing countries, including construction, tourism, ICT and computer-related services, and a number of professional services. The asymmetries resulting from the Uruguay Round in terms of commitments on mode 4 should be corrected. Commercially meaningful commitments in this round of negotiations would be a litmus test for the development content of the DWP.

33. With respect to trade facilitation, a large number of initial proposals had been tabled, but the modalities agreed upon in the July Package must be fully respected, especially as regards provision of investment funds and adjustment support to developing countries to meet the costs of implementing any obligations. On textiles, the post-ATC era could result in serious impacts for some countries, and post-adjustment assistance would be required. On

GSP, schemes benefited developing countries, including LDCs, but multilateral liberalization remained the preferred option. Sixty-one per cent of LDC exports to the Quad countries faced MFN tariffs due to exclusion from preferential schemes, inability to qualify for preferential treatment or the complexity of schemes. The GSP-providing countries should consider remedial actions, while not imposing bilateral conditionalities that could be counterproductive.

34. The representative of **Mexico**, speaking on behalf of the **Latin American and Caribbean Group**, underlined the importance of the Board as a forum for fruitful discussions among members in search of the necessary consensus to support negotiations on the DWP in the lead-up to the WTO Ministerial Meeting in Hong Kong, as well as for assessing the results of the Summit on the MDGs. He emphasized the attachment of his Group to the São Paulo Consensus and to an open, non-discriminatory and predictable international trading system supportive of economic growth and development and poverty alleviation.

35. His Group was convinced that it was possible to complete the Doha negotiations successfully before the end of 2006. It called upon its trading partners to put the development goals of developing countries at the heart of the negotiations and to undertake the necessary commitments to that end. Successful negotiations on agriculture and tangible advances in respect of the three main pillars were of primary importance, namely: substantial improvements in market access, reduction and progressive dismantling of all types of subsidies for exports, and substantial reductions in domestic support measures along the lines of the July Package. On industrial goods, all tariff lines should be bound, and the non-linear formula would allow tariff reductions on a line-by-line basis and thus give developing countries more flexibility. His Group could not accept a mandatory sectoral approach. Substantial improvements in respect of services offers and modes of supply, in particular mode 4, would be crucial for the outcome of the DWP.

36. His Group acknowledged the key role played by UNCTAD and recognized the crucial importance of technical assistance and advisory and training programmes in upgrading the negotiating skills of developing countries. It appreciated donors' financial contributions to UNCTAD technical assistance projects.

37. The representative of the **United States of America** welcomed the Board's discussion of progress in the WTO on the Doha Development Agenda. Recent analysis by UNCTAD and the WTO had made it clear that serious efforts were under way in all areas of the negotiations to ensure a focus on the development dimension and on ways to open up real opportunities for all Members. There was an overall need to accelerate the pace of the negotiations. The term 'development round' could mean different things to different people. There were no one-size-fits-all magic solutions, but only solutions to be negotiated between developed and developing countries and between developing countries.

38. Virtually all delegations believed that the round's greatest potential development benefits would come from achieving new market access in both developed and developing country markets for products and services of export interest to developing countries. While S&D treatment and less-than-full reciprocity were important, they also had costs in terms of market access. Significant benefits could not be achieved by opting out of WTO rules. Developing countries were increasingly looking at their offensive rather than defensive

interests. Getting the balance right between benefits and flexibilities in agriculture, NAMA and services was essential, as it was the only way to achieve the true development potential of the round. This would require intensive negotiations, but there were clear indications that the negotiating skills of developing countries had increased substantially, and all members were fully engaged. Trade facilitation was an excellent example of an area where both developed and developing countries were preparing and co-sponsoring proposals on key issues, and a win-win outcome was possible. Work on S&D treatment issues had intensified, focusing on the proposals by the LDC Group, and work on African Group proposals was also under way. The issue of preference erosion needed to be considered, whether in the WTO or in another multilateral institution. In that connection, the recent meetings of the World Bank and the IMF on the Aid for Trade initiative was strongly supported by her country. Finally, she emphasized the United States' commitment to continuing its trade-related technical assistance.

39. The representative of the **Republic of Korea** said that a strengthened MTS was essential to bring about greater benefits for both developed and developing countries and that all countries therefore had a significant stake in a successful DDA. However, things had not progressed as expected since July, and the Hong Kong WTO Ministerial Meeting represented a crucial opportunity to promote the success of the round. All participants should redouble their efforts now. With regard to agriculture, which was one of the most important areas of the negotiations in ensuring a pro-development outcome, his country had been undertaking an ambitious restructuring process at home; Members must refrain from extreme demands in the WTO so as to achieve a balance of interests between importing and exporting countries. On NAMA, developing countries stood to gain more from progress in this area because of their trade amongst themselves. He expressed concern over the slow progress in the services negotiations and the unsatisfactory quality of offers. To infuse momentum into these negotiations, his country had proposed a complementary approach, seeking a quantitative multilateral target for the liberalization of services, in the hope that it would help Members make new commitments. A meaningful outcome in respect of rules would also be crucial for success. The greatest achievement of the round would be a balanced outcome, and a collective positive sum game would be the most constructive approach. S&D and the development perspective should be included in the negotiations across the board, but they should not be confused with the proliferation of exceptions, which led to distortions. UNCTAD should pursue its consensus-building, policy analysis and capacity-building assistance.

40. The representative of **Benin**, speaking on behalf of the **least developed countries**, said that a successful outcome to the negotiations involving important development initiatives would contribute to development, poverty reduction and the attainment of the MDGs. The failure of the Cancún negotiations had been partly due to a lack of dialogue between developed and developing countries, which had led to a wrong perception of developing countries' interests. In this regard, ways and strategies for developing countries to take advantage of the rapid growth of world trade should be looked for, and special attention should be devoted to special and differential treatment in sectors of importance to developing countries, such as agriculture and NAMA.

41. A multilateral forum remained the ideal framework for developing countries, since it allowed for transparency and non-discrimination. At the same time, regionalism constituted a testing ground for exchanges and taught about negotiating and trade rules and practices. It

would therefore be important to ensure that regionalism and multilateralism were not incompatible.

42. Removal of domestic support and reduction of export subsidies in agriculture remained priorities. The July Framework, by defining guidelines for the modalities of future negotiations, had given a fresh start to the Doha process. In order to achieve the Millennium Development Goals of reducing poverty and promoting development, all markets should be opened to all products originating from LDCs, and special funds should be set up for micro-credit and micro-projects in order to diversify LDCs' production.

43. Trade and development policies must be coherent, and rules and principles governing international trade should be enhanced to facilitate market access and eliminate production support and export subsidies for products where LDCs had a comparative advantage. Flexible rules, principles and mechanisms should be implemented to take into account the specific situation and needs of developing countries, and in particular LDCs, whose economies suffered from constraints and handicaps. Efforts should target the development of productive capacity, supply capacity and diversification of exports. Technical assistance should be granted to developing countries, and LDCs in particular, to achieve these objectives, including through the strengthening of the Integrated Framework (IF). LDCs also called on donors to increase their technical and financial support for UNCTAD's technical assistance programmes for LDCs.

*** ** ***