

PREPARATIONS FOR THE 1999 MINISTERIAL CONFERENCE

The Future WTO Work Programme (under Paragraph 10
of the Geneva Ministerial Declaration)

Communication from Dominican Republic, Honduras and Pakistan

The following communication, dated 14 July 1999, has been received from the Permanent Mission of Pakistan.

1. Paragraph 10 of the Geneva Ministerial Declaration states:

"The General Council will also submit to the Third Session of the Ministerial Conference, on the basis of consensus, recommendations for decision concerning the further organization and management of the work programme arising from the above, including the scope, structure and time-frames, that will ensure that the work programme is begun and concluded expeditiously."

2. It is obvious that any recommendations for decision concerning further organization and management of the Work Programme will have to be made on the basis of consensus.

1. Scope of the future "work programme"

3. The scope of the "work programme" envisaged in paragraph 10 of the Geneva Ministerial Declaration is to "arise" from the "above" i.e. the preceding paragraphs, including paragraphs 8 and 9.

4. In paragraph 8, an "evaluation" of the status of implementation of the Uruguay Round Agreements is required to be agreed upon. This is a task which should be done before the "future" work programme can be initiated.

5. The legal and political hierarchy of issues that would be addressed in the future work programme is set out in paragraph 9. We need to maintain clarity with regard to the different nature, both legal and political, of the issues listed in the Geneva Ministerial Declaration i.e.:

- (i) Implementation issues - paragraph 9(a)(i). As the hierarchy in Geneva Ministerial Declaration has determined these have highest level of legal and political commitments.
- (ii) Built-in agenda issues - paragraphs 9(a)(ii) and (iii). Member States are committed to open negotiations or conduct reviews already agreed upon in Marrakesh.

- (iii) Singapore issues - paragraph 9(b) on which there is a commitment to a work programme to study the issues. Negotiations on these issues would require a new consensus.
- (iv) Follow-up to the High-Level Meeting on Least-Developed Countries – paragraph 9(c). There is broad agreement to move forward decisively on the necessary follow-up actions.
- (v) Other issues – paragraph 9(d). These "new issues" were not identified, nor have any been agreed. Some proposals e.g. on industrial tariffs, have been suggested by a large number of delegations. But, there are other proposals which the majority of Members have indicated are "non-receivable" e.g. attempts to link labour standards or environment with trade.

6. Paragraph 11 of the Geneva Ministerial Declaration called for achieving an overall balance of interests of all Members in the future work programme. There was no agreement on new "round" of negotiations, much less on a "single undertaking". The preparations underway are for the future work programme mentioned in paragraph 10 of the Geneva Ministerial Declaration. There is no consensus on structuring the future work programme as another "round".

7. Instead, the future "work programme" would entail addressing at least three different "clusters" of issues:

Pending issues arising from or related to the implementation of the Uruguay Round Agreements

8. Implementation issues should be resolved, ideally, before the Seattle Conference. But, if some of these issues remain pending, the Seattle Ministerial should set up a special mechanism, under the aegis of the General Council to resolve these issues within a period of one year. These issues should not form part of the "balance of interests" to be established in the future "work programme" (since there should not be "double payment" for the same concession made under the Uruguay Round Agreements).

The built-in agenda issues and other issues accepted for negotiations

9. These issues i.e. agriculture and services negotiations, the mandated reviews, plus some others would form the central part of the future "work programme". Any "other" issues included for negotiation in this "work programme" would need to be agreed by consensus. To do so, they would have to meet four criteria (which were outlined during the preparations for Singapore Ministerial Conference) i.e. the issues should:

- (a) be trade-related;
- (b) not strain the absorptive capacity of the WTO system;
- (c) be "mature" for consideration;
- (d) not add further to the existing asymmetry in market access benefits between the developed and developing countries.

10. It is within this central "cluster" of the future work programme that the "balance of interests" would have to be ensured. To a certain extent, this balance of interests, within each sector or agreement, could be introduced through provisions for "special and differential" treatment for developing countries. But the realization of an "overall balance of interest" would require that the negotiations should include areas of special trade interest to developing countries, e.g. tariff peaks and escalation in agriculture and industrial goods; liberalization of service sectors of interest to developing countries, including movement of natural persons, strengthening safeguards against abuse of anti-dumping measures, etc.

11. It may be noted that there are a large number of issues of economic interest to the developing countries which require consideration in the preparatory process for Seattle for appropriate inclusion in a future "work programme". These include: (a) interaction between trade policies and policies related to financial and monetary matters; (b) trade and debt issues; (c) commodity prices and terms of trade; (d) establishment of a mechanism for compensation for the erosion of preferences; (e) unilateral and extraterritorial measures; (f) transfer of technology; (g) safeguards for developing countries; (h) credit for autonomous liberalization.

"Other issues"

12. On issues on which there is no agreement reached at Seattle to undertake negotiations, the future work programme could envisage continuation of educative and exploratory work.

2. Structure of the future work programme

13. The structure of the future work programme will obviously depend on the agreement reached regarding its "scope". The "work programme" should be conducted by or under the aegis of the General Council, with periodic meetings at the Ministerial level to review progress and/or take decisions.

14. It seems essential that "implementation" issues should be resolved, if possible, before or at the Seattle Conference. To address implementation issues which may remain outstanding, a special negotiating mechanism should be established with a mandate to complete its work within one year. The commencement of negotiations on other issues, apart from agriculture and services and the mandated reviews, should await the resolution of the implementation issues unless otherwise agreed.

15. The negotiations on the Built-in Agenda sectors i.e. Agriculture and Services, should be entrusted to the existing Councils responsible for these sectors, operating under the supervision of the General Council. The Councils could meet in a "special mode" while conducting the negotiations. They could establish subsidiary bodies to take up specific areas or aspects of the negotiations.

16. The negotiations of any other issue included in the future work programme could be conducted either by the General Council itself or entrusted to a mechanism created under the aegis of the General Council.

17. It is premature to consider the question of a "single undertaking". Implementation issues should be resolved prior to agreement on any "package" of interlinked agreements.

3. Time-frame

18. A rigid time-frame cannot be set for the future "work programme". As stated above, implementation issues should be resolved at Seattle or, at most, one year thereafter. In any case, the three year time-frame suggested by some delegates is likely to be too short to enable the developing countries to participate effectively in negotiations and safeguard and promote their interests. Yet

another unbalanced package or outcome would further aggravate the existing asymmetry and imbalance in the multilateral trading system.

4. Decision making

19. Decisions could be incorporated in a declaration or in decisions on specific issues to be adopted at the Seattle Ministerial Conference.
