

# WORLD TRADE ORGANIZATION

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**General Council  
Special Session on Implementation  
20 July 2001**

## MINUTES OF MEETING

Held in the Centre William Rappard  
on 20 July 2001

*Chairman: Mr. Stuart Harbinson (Hong Kong, China)*

### Subjects discussed:

- 1. Report by the General Council Chairman and the Director-General on their consultations on the outstanding implementation-related issues and concerns**
- 2. Organization of further work**

1. The Chairman proposed that both agenda items be taken up together.
2. The General Council so agreed.
3. The Chairman presented a report by the Director-General and himself on the consultations they had been carrying out on the outstanding implementation issues and concerns. He recalled that at the General Council Special Session on 27 April, he had reported on the consultations he had been holding on the various subject areas. His assessment had been that notwithstanding the considerable time and effort dedicated to the implementation review mechanism by everyone, there was still a considerable gap between the positions of delegations.
4. He had stressed the need for the injection of fresh thinking into the process, so as to be able to fulfil the mandate conferred by the General Council in its 3 May 2000 Decision. He had underlined the importance of flexibility and realism, and had said that clinging to well-known positions would not help advance this vitally important work. He had invited delegations which had ideas on how to move the process forward to share them.
5. Since that meeting, Uruguay and six other Members (Argentina, Morocco, New Zealand, Norway, Switzerland and Thailand, referred to as the "G-7") had taken up the challenge and had produced a paper, which had been circulated to all delegations, with a view to contributing to the effort to find positive solutions. He expressed his sincere gratitude to these seven countries for their initiative, hard work and spirit of compromise which, no doubt, had called for considerable effort in terms of their own national positions.
6. He recalled that the G-7 paper was divided into four parts, namely (i) issues on which early agreement could be reached; (ii) issues that have been solved, clarified, or appear relatively less urgent; (iii) issues referred to subsidiary bodies to be taken up again possibly in September; and (iv)

other pending issues<sup>1</sup>. The reactions to the G-7 paper had been generally positive, as many delegations had expressed the view that it could help narrow the differences in the positions of delegations on several of the proposals.

7. Following the initial discussion of the G-7 paper by delegations, he had announced that it would be used as a basis for his further consultations on the subject, while bearing in mind the General Council's mandate of 3 May 2000 and the views expressed by Members at the General Council meeting of 21 June. Subsequent to that, the Director-General and he had held a number of consultations the previous week to discuss Section 1 of the G-7 paper which, as mentioned earlier, contained proposals on which, in the view of the G-7 countries, it was possible to reach "early agreement". He said it was important to point out that by "early agreement", he understood that the G-7 countries meant anytime between the present and the Fourth Ministerial Conference.

8. Following these consultations, and taking into account the need to move as rapidly as possible to fulfil the mandate of the General Council in its 3 May 2000 Decision, the Director-General and he had circulated a paper on 13 July (hereinafter the "Chairman's paper"<sup>2</sup>) building on the work done by the G-7 countries and identifying some elements on which they saw the possibility of early agreement. He reiterated, as was stated in the preface to this paper, that it was not to be considered as an agreed or definitive text. It was equally not an exhaustive list of possible elements. Most notably, it did not include proposals on the turrets relating to anti-dumping, textiles and clothing, and TRIMs, as consultations were continuing on these turrets. He also underlined that further consultations would be convened to discuss the remaining elements in Section I, as well as Sections II, III and IV of the G-7 paper, with a view to determining which additional issues could be added to the list they had put forward. They had already begun these consultations. He underlined that they saw this as a continuing effort, bearing in mind the framework of the G-7 paper and the General Council's decision of 3 May 2000.

9. He stressed that working on the basis of the G-7 paper did not in any way exclude early decisions at any time on any points contained in that paper, if Members were able to agree on them. This point had emphasized at the informal General Council meeting the previous day by the delegation of Norway.

10. He suggested that delegations also focus at the present meeting on the elements that had been suggested, which entailed that issues would be referred to subsidiary bodies for their consideration and for them to report back to the General Council before the Fourth Ministerial Conference, so that the General Council might be able to take action on the basis of the technical advice from these bodies. He was suggesting this for purely practical reasons: the subsidiary bodies had to be allowed adequate time to carry out their work and report back. He underlined that he was very aware of the concerns on the part of a number of delegations regarding such referrals. He wanted to make it absolutely clear that referral of issues to subsidiary bodies did not in any way mean that issues were being neglected or set aside. Any issues so referred to subsidiary bodies at the present stage would remain under the General Council process, and the General Council would come back to them. This also did not in any way preclude the General Council from taking any action it deemed appropriate on these or any other issues.

11. Also, in possibly forwarding these issues to the subsidiary bodies, he wanted to make two things clear: (i) that in addition to any specific mandates that had been provided, all of these bodies should aim, in addressing and reporting on these issues to the General Council, to assist the General Council to identify ways needed to resolve them and to take decisions for appropriate action in

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<sup>1</sup> The phrase "capable of being resolved after Doha" at the end of point (iv), which was included in the version of this report that was circulated at the meeting, has been deleted in order to reflect more accurately the heading used in the G-7 paper.

<sup>2</sup> Circulated in JOB(01)/112.

accordance with the 3 May Decision; and (ii) that these reports should be submitted to the General Council by 30 September.

12. Furthermore, to help address the concerns of Members, he also intended to request the Chairpersons of subsidiary bodies to which issues had already been referred, to report back to the General Council by the end of September, in sufficient time for these reports to be considered by the next Special Session. In this regard he had requested the Secretariat to prepare a paper indicating the current status of all issues which had been referred to subsidiary bodies. This had been circulated as Job(01)/115. This was in line with what the Director-General and he had foreshadowed in the preface to their paper of 13 July, regarding information on progress being made on issues already referred to subsidiary bodies.

13. The issues the Director-General and he were proposing, with Members' agreement, for submission to the relevant subsidiary bodies for their consideration and reporting to the General Council by 30 September, were the following:

14. Tired 4 – The consideration by the Market Access Committee of the proposal that a Member should be considered as having a substantial interest in a product when that product constitutes a significant share of its exports.

15. Tired 12 – The proposal requiring the SPS Committee to come up with concrete guidance in relation to the negotiation and conclusion of equivalency agreements.

16. Tired 56 – The proposal directing the Customs Valuation Committee to address Members' concerns relating to fraud in customs matters.

17. Tired 65 instructing the Subsidies Committee to examine all the relevant conditions for determining when export credits provided by developing-country members do not constitute export subsidies.

18. Tired 68 requesting the Subsidies Committee to consider the implementation of Article 27 of the SCM Agreement, taking into account the percentage share of exports of individual developing-country Members' products in import markets and in global trade.

19. Tired 80 requesting the SCM Committee to review the provisions of the SCM Agreement regarding countervailing duty investigations.

20. Tired 83 instructing the SCM Committee to examine the threshold in Annex VII to the SCM Agreement and to consider the issues raised by developing-country Members in that regard.

21. Tired 96 instructing the Committee on Trade and Development to review all S & D provisions in the WTO Agreements with a view to determining how they could be operationalized and further enhanced.

22. Members had reached a critical time in the preparatory process for Doha and it was imperative for all delegations to engage constructively and show flexibility. His consultations had made it clear to him that all delegations attached the highest priority to the implementation issue and would like to see it resolved within the shortest possible time. Having said that, he wanted to reiterate the need for realism, given the difficulties which some of the proposals presented. An honest dialogue was needed to move the process forward to the satisfaction of all delegations.

23. Many delegations thanked the Chairman and the Director-General for their report and their considerable efforts in regard to implementation-related issues, and expressed confidence in their leadership and in their process. They also expressed appreciation for the G-7 paper, which they said

had helped to inject a more constructive spirit into the discussions on implementation and had provided momentum to the process.

24. The representative of the United States said that her delegation recognized the importance of implementation issues to many countries and the need to find common ground where possible, recognizing the broader context within which this exercise had originally been initiated. The Chairman's paper was an important next step in the continuing evolution of this process. While there were many elements of that paper that were very difficult for the United States, just as some of the specific suggestions in the G-7 paper were sources of concern to her delegation, it was nonetheless willing to endorse the paper and the proposal as a fair way forward and to pursue the Chairman's suggestions as a basis for further work. Her delegation supported the proposals to refer a number of issues to subsidiary bodies, recognizing that these were complex issues on which there remained divergences of view and differences of opinion among Members that would benefit from expert input. The United States would engage constructively and in good faith on the substance. It had taken careful note of the intention expressed in the cover note to the paper to continue work and to turn to issues that the paper had not covered, using the contribution of the G-7 and others as a helpful approach to further consultations. The United States supported the process the Chairman had laid out and would continue to engage with a positive spirit, recognizing that flexibility and creativity would be required on the part of all concerned.

25. The representative of Zimbabwe, on behalf of the African Group, said that implementation-related issues and concerns was a subject to which all Members attached great importance, as reflected in paragraphs 8 and 9 of the Geneva Ministerial Declaration, in the preparatory process for the Third Ministerial Conference, and in numerous subsequent discussions in the General Council. He recalled in particular the General Council Decision of 15 December 2000, against which the African Group welcomed efforts in the Chairman's paper to identify elements on which further progress could be made. That initiative had been timely, as progress on outstanding implementation-related issues would be critical both to creating the right atmosphere as preparations for Doha intensified, and to the outcome of Doha itself. The African Group encouraged efforts to reach a satisfactory conclusion to this matter, taking into account the 15 December 2000 Decision. However, the proposals advanced in the paper were far from comprehensive and reflected only the present stage of consultations. The African Group was concerned at the lack of meaningful progress in resolving outstanding implementation-related issues to date. As the Chairman had recognised, key issues relating to TRIMs, anti-dumping, and textiles and clothing had been left out of the paper altogether. The African Group stood ready to work for consensus in taking forward the elements identified thus far, on the understanding that the remaining issues would be taken up before and at Doha in the light of the 15 December 2000 Decision, so that Ministers could give guidance on issues that might not have been fully resolved.

26. In particular, and without prejudice to the positions of individual members of the African Group, these Members attached special importance to the following implementation issues that were yet to be adequately addressed: the proposals in turrets 2 and 4 were a good basis for advancing work in this area; however, they urged the Committee on Market Access to expedite its consideration of the proposal in turret 4. In addition to the proposal in turret 5, there should be an urgent decision on turret 7, taking into account the elements contained in the proposals submitted by a group of countries in document G/AG/W/49 and G/AG/W/49/Add.1. Given the level of development of most African countries, the phrase "longer time-frame" referred to in Article 10.2 of the SPS Agreement and the phrase "reasonable interval" in Article 2.12 of the TBT Agreement should be understood to mean not less than 12 months, and the technical assistance provisions in these Agreements should be made mandatory. Further, the review of the operation and implementation of the SPS Agreement foreseen in Article 12.7 should be conducted every two years. The proposals on turret 56 provided a good basis for advancing work in this area, and the African Group was keenly awaiting finalisation of the text on technical assistance currently being considered by the Customs Valuation Committee. On Annex VII to the Subsidies Agreement, this review should take into account the specificities and development

needs of a number of African countries. On tirect 85, the proposal did not fully accommodate the African Group's concerns; an acceptable formulation should clearly state that "developed countries shall fully implement commitments undertaken by them in Mode 4". Further, there was a need for an early decision on the implementation of Article IV provisions of GATS. Regarding tirect 90, Article 66.2 of the TRIPS Agreement should be made mandatory. On tirect 92, he recalled that the African Group had submitted proposals to the TRIPS Council on the issue of TRIPS and public health containing elements for an appropriate decision to be taken by Ministers at Doha. Thus, it would be advisable to await the outcome of current discussions in the TRIPS Council. Regarding line 4 of tirect 96, the African Group preferred a formulation that made specific reference to making operational and binding S&D provisions in WTO Agreements. They welcomed the proposals on tirects 97 and 99.

27. These comments were limited to the proposals that had been made at the present stage and were not exhaustive. The African Group remained committed to the resolution of all outstanding implementation-related issues and concerns in the light of the 15 December 2000 Decision. Further issues of concern to the African Group were the following: the expeditious granting of the waiver request for the ACP/EU Partnership Agreement; the need to revisit Article XXIV of GATT 1994 and the 1979 Enabling Clause to ensure sufficient flexibility in regional trade agreements among developing countries and between developed and developing countries; further action towards implementation of the Marrakesh Declaration on Achieving Greater Coherence in Global Economic Policy-Making; the need to make technical assistance a core activity of the WTO and in this regard to substantially increase the regular budget for technical assistance; the need for the WTO and other international organisations to continue and increase technical and capacity-building assistance activities through the Integrated Framework and the strengthening and expansion to more African countries of the Joint Integrated Technical Assistance Programme for Selected Least Developed and Other African Countries (JITAP); and the granting of permanent observer status to the OAU, the Arab League and other intergovernmental organisations whose applications had been pending for a long time. All Members had a stake in seeing implementation-related issues through to a satisfactory conclusion.

28. The representative of Korea said that the report put elements forward in a positive and pragmatic manner by suggesting some parameters and a possible way forward. It would thus be a good starting point for the forthcoming discussion on this important subject, which would be conducive to preparing decisions on implementation before Doha. Korea hoped to be able to address as soon as possible the remaining issues in Section 1 of the G-7 paper, such as anti-dumping, textiles and TRIMS, as well as issues in Sections 2, 3 and 4. It supported the suggestion to refer some issues to subsidiary bodies, since further technical and expert input was required for a meaningful outcome. This work would require a sense of urgency. Members were more aware of the nature of each implementation issue, and it was encouraging that there was now a higher level of engagement on these issues since the G-7 paper had been submitted. More important, there was movement towards convergence through enhanced understanding of the issues. Korea encouraged the major players and other key interested Members to increase their leadership role. In parallel with discussions on implementation issues, there was also a need to expedite other processes in preparation for the Fourth Ministerial Conference. In particular, his delegation wished to continue consultations on bullet points 3 and 4 of the Chairman's checklist of issues<sup>3</sup>, which were also of great importance to other Members.

29. The representative of Japan said that the efforts of the G-7 countries and also of the Chairman and Director-General had been very positive and constructive. The report by the Chairman and the Director-General reflected their best efforts to make a fair assessment of the situation, taking into account the positions and views expressed by a number of countries in consultations. The Chairman's paper offered a good and useful basis for meaningful packages on implementation issues. While there were still some points on which further clarification and examination were necessary, Japan would address these and other remaining implementation issues in good faith and with all seriousness, and

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<sup>3</sup> JOB(01)/51.

would make utmost efforts to respond to them in a positive manner by Doha. As for the referral of certain issues to subsidiary bodies, this was a good practical suggestion in view of the nature of those issues, and Japan could support it. However, this exercise should not be a pretext to delay crucial decisions, and Japan also supported the proposal to set clear deadlines for reports by the subsidiary bodies.

30. The representative of Sri Lanka said that if the Chairman's paper was to constitute a positive evolution in the implementation review, it should yield concrete and meaningful decisions on these issues. A number of issues were being referred to subsidiary bodies and consultations would continue on remaining issues. Real progress would be when the General Council had before it agreed language for adoption in the form of decisions on these issues. Therefore, the paper in its present form did not meet Sri Lanka's expectations, as it had not yielded the desired results and fell short of minimum requirements. In addition, future consultations had to include tires on textiles and clothing, and anti-dumping. On textiles, this should include: elimination of all restraints on imports from small suppliers; elimination of restrictions on children's clothing up to size 14; advancing implementation of growth-on-growth to 1 January 2000; agreed percentage uplift in quota levels at the end of the current year, in which quota utilisation exceeded 95 per cent; and application of growth-on-growth methodology used by EC developing countries. The Agreement on Textiles and Clothing (ATC) provided the necessary flexibility to implement such decisions, which might not require any amendment of domestic legislation in restraining developed countries, as domestic legislation could not take away flexibility available in the ATC. Therefore, progress in this area was possible and would help to build developing countries' confidence in the multilateral trading system. Sri Lanka accepted the proposal to instruct the Committee on Trade and Development (COMTD) to review all S&D provisions, and a sense of urgency should be injected into this directive. He noted that the COMTD had had an item on its agenda on review and examination of the application of S&D provisions since 1998. The Secretariat, on the Committee's request, had compiled useful information on the implementation of S&D provisions of the WTO Agreements, as well as on any difficulties in that respect. One such document (WT/COMTD/W/35), which contained information on implementation experiences collected from Members, reflected points raised in various WTO meetings and issues raised in Trade Policy Reviews. Based on the information contained in this document and in supplements to it, the COMTD should be directed to identify legal means as to how the provisions could be operationalized in a meaningful manner, and to identify the measures to enhance those provisions in order to achieve the objectives of Part IV, with a report to the General Council before 30 September.

31. On TRIPS his delegation agreed that the implementation review mechanism should leave aside all TRIPS-related issues until the TRIPS Council had presented its recommendations to the General Council on the relationship between the TRIPS Agreement and health policy, since this issue had been listed under implementation issues much earlier and was now being addressed in special sessions of the TRIPS Council. In the subsidies area, tires 67, 82 and 83 did not meet the expectations of many developing countries, including Sri Lanka, to whom these issues were of particular importance. Sri Lanka strongly supported amending paragraphs 1 (a) and 2 of Annex VII to the Subsidies Agreement to read as follows: "The developing country Members not subject to the provisions of paragraph 1(a) of Article 3 under the terms of paragraph 2(a) of Article 27 are: (a) the developing countries, including the least-developed countries, Members of the WTO that are included up to and in the Lower-Middle Income Category of the World Bank. Countries indicated in paragraph 1(a) above should be excluded from this Annex if their GNP per capita has exceeded the top level of the Lower-Middle Income Category of the World Bank for three consecutive years. They will be automatically re-included in this Annex if their GNP per capita falls below the top level of the Lower-Middle Income Category of the World Bank." On the referrals to subsidiary bodies, his delegation agreed that the General Council should give clear guidelines on issues to be addressed and recommendations to be made, and that these bodies should report by 30 September to the General Council. Sri Lanka also shared the view that improvements both in substance and language to the elements set out in the Chairman's paper needed to be made if these were to address implementation

issues in a meaningful manner. In this context, an informal paper from a group of developing countries would be submitted as a contribution to addressing the implementation issues in Section 1 of the G-7 paper, some of which had been subsequently elaborated in the Chairman's paper. This contribution should form an integral part of consultations on these issues. His delegation, like many other developing countries, attached significant importance to addressing implementation issues and finding meaningful solutions before Doha. Addressing these issues in a meaningful way and taking decisions would help build confidence in the multilateral trading system and in domestic constituencies.

32. The representative of Guatemala expressed his delegation's concern over the lack of progress on tiret 83 and other matters in the Chairman's paper. That paper was a step backward rather than forward. His delegation was trying to maintain a positive outlook but could not support the proposal in tiret 83, which was crucial to Guatemala's economy. Guatemala had exhausted its reserves of patience and flexibility, and now awaited concrete progress and results. It realised with dismay that the most it could possibly hope for before Doha was a subsidiary body report to the General Council on this matter, as this was all that was requested in tiret 83. Guatemala wondered what contribution the subsidiary body could make to this matter, since it was not a technical issue.

33. The representative of Honduras said that although the Chairman's paper took into account the General Council Decision of 15 December 2000, most of the solutions it put forward were far from meeting expectations. His delegation had previously said that the G-7 paper could be deemed a positive contribution and a starting-point for further work, but that it remained convinced that use should have been made of paragraphs 21 and 22 of the draft Ministerial text of 19 October 1999, which included proposals that would lead to an acceptable solution to implementation concerns. However, as a sign of flexibility and goodwill, it had refrained from rejecting the G-7 paper. His delegation's concern over the Chairman's paper became even more acute in regard to the proposal to refer to subsidiary bodies matters that should be dealt with by the General Council. One such case was the proposal on Annex VII to the Subsidies Agreement, which was a matter of particular concern since no substantive headway had been made by the subsidiary body, nor had a report been made to the General Council reflecting any progress on this issue. His delegation therefore considered that this proposal should remain in the General Council, since the decision required was purely political and there was no reason for it to be discussed at a technical level. On this basis, his delegation was unable to accept the referral of this proposal to the respective subsidiary body. Developing countries had shown flexibility in many instances over the past two years, both in this General Council and in the subsidiary bodies. The time had come for the main trading partners to show some flexibility in return and to help resolve the implementation problems that beset a great many developing countries. His delegation, together with several others, would submit a paper putting forward alternative solutions that would meet their implementation concerns so that these could be approved prior to the Fourth Ministerial Conference. In addition, positive steps could be taken in relation to this paper even before that meeting, at the end of July, with a view to drawing up a balanced agenda for Doha that reflected the interests of all WTO Members.

34. The representative of India recalled that the 3 May 2000 Decision gave a deadline for resolution of implementation issues which was linked to the Fourth Ministerial Conference. In good faith his delegation had said it could use the G-7 paper as a trigger for further intensive consultations, so that meaningful decisions could be taken at the present Special Session. The Chairman and the Director-General had recently circulated what they had called elements for moving the process forward. While India understood and appreciated the spirit behind that effort, the paper had caused a lot of anxiety for his delegation. The first major problem was that many important subjects from Section 1 of the G-7 paper, such as textiles, anti-dumping and TRIMs, had been left out of the paper. India was also concerned that a large number of matters were being proposed for referral to subsidiary bodies, as this was not a solution in and of itself. One of India's major concerns about the paper related to the TRIPS Agreement, where the paper identified some elements regarding TRIPS and public health that would create an even worse situation than the existing one. The ongoing discussion

in the TRIPS Council on this matter should be allowed to conclude before further work was attempted. India, along with a number of other Members, was trying to make a contribution with a view to fine-tuning what had been suggested in the G-7 paper and the Chairman's paper, and hoped that in the days to come there could be intensive consultations on this matter in order to move the process forward. Sections 2, 3 and 4 of the G-7 paper were equally important and appropriate consultations should be held on them with a view to finding solutions to all of these issues at the earliest possible time.

35. Regarding the referral of some issues to subordinate bodies, the proponent of the proposal in tirt 4 should be consulted on this action. Regarding tirt 12, this issue had already been referred to the SPS Committee which was in the final stages of finalizing its report. Therefore, it was neither necessary nor useful to refer this tirt again to that Committee. The latter should be asked to submit its report by the end of July at the latest. Regarding tirt 56, there was no purpose in sending this matter back to the Customs Valuation Committee. Regarding tirt 65, India could agree to refer it to the subsidiary body, but there should be some overarching guidelines for consideration of this issue. Regarding tirt 68, the Subsidies Committee was currently examining this matter which should not be referred again to that Committee. Regarding tirt 80, India could go along with the referral. Regarding tirt 83, this was an intensely political question and not a technical issue, and it would be more appropriate for the General Council to hold consultations on it. Regarding tirt 96, India could go along with the referral. He suggested that the deadlines for reports from the subsidiary bodies be staggered, with those on matters already referred having deadlines prior to 30 September, in order to avoid having a large number of reports submitted at the same time. Further, all necessary logistics for the meetings of these bodies should be set well in advance in order to ensure completion of the work by the deadline set. India would continue to engage positively in the process on implementation issues and hoped that intensive consultations would be held in order to try to reach solutions on at least some of these issues, on the understanding that issues which had not yet been covered would be taken up very soon. He expressed India's gratitude to the US for its gesture in being the first speaker at the present meeting, and trusted that this gesture would be translated into meaningful decisions in the days to come.

36. The representative of the Dominican Republic recalled that the implementation review mechanism had been created on 3 May 2000 as a core element of a strategy to restore confidence in the multilateral trading system in the wake of the Seattle meeting. The Director-General had expressed his satisfaction with the creation of this mechanism which was to help solve the more complicated problems experienced by developing countries in implementing the results of the Uruguay Round. More than a year had passed since then, but not one implementation problem had yet been resolved. Of the long list of issues covered in paragraphs 21 and 22 of the draft Seattle Declaration, a few had been referred to subsidiary bodies, while the great majority continued to await settlement by the General Council. A paper had been submitted by the Chairman and the Director-General based on the useful G-7 paper, and the Dominican Republic, together with Cuba, Egypt, Honduras, India, Indonesia, Kenya, Malaysia, Pakistan, Sri Lanka, Tanzania, Uganda and Zimbabwe, had prepared a paper indicating their acceptance of several of the proposals outlined in these two papers, and suggesting slight amendments, in the form of alternative contributions, to the texts of both. These delegations hoped that the paper would be deemed a constructive contribution to the implementation process. They felt that this was the best way to ensure that their voices were heard in the consultations currently under way, to which his delegation had not been invited. Should a decision be taken to refer some of these issues to subsidiary bodies, they would like the suggestions in their paper to be taken into consideration.

37. However, his delegation wished to make a formal objection to the referral of tirt 83 to the Subsidies Committee, as it did not believe that this Committee had anything to contribute to the discussion of this issue. This matter required a purely political decision by the Ministerial Conference or the General Council. This proposal had been backed on two occasions by the 79 ACP Ministers, the members of the Like-Minded Group of countries and members of the Paradisus Group, which was

presently coordinated by the Dominican Republic. Failure to raise the threshold of Annex VII would mean that many developing countries would have to dismantle their few truly effective development policies aimed at diversifying exports and overcoming a situation that had resulted from colonial times. A further consequence of such a failure would be to prove right those members of civil society who had criticized the Uruguay Round Agreements for their distorting effect on development. Tires 83 would thus have to be included in the set of implementation problems subject to decisions requiring immediate action either before or after the Doha meeting. His delegation hoped that other tires that could benefit from decisions requiring immediate action could also be identified at the present meeting.

38. The representative of the European Communities said that implementation was and remained in the forefront of the Community's concerns. It was committed to working constructively toward a meaningful package of decisions between the present time and Doha. The present meeting would be an opportunity to reinforce this commitment and to move into a higher gear. The Community's assessment of the situation was certainly more optimistic than others'. One had to look at the dynamics of the process and make interpretations in a positive way. His delegation was doing this, from the perspective of one of the major trading partners who would have to deliver and was prepared to do so. The G-7 paper had been more than useful in getting the negotiating process under way. He was aware that other papers had also been submitted, and these would be examined positively. The Community had engaged itself and was looking hard at how to be able to deliver. This involved not only political will, but also a process of persuasion in each of its domestic constituencies, in which he and others were investing heavily and would continue to do so. While some of the implementation issues might appear to be easier to resolve, others were very sensitive in many of the countries that would have to deliver on them.

39. The Chairman's paper constituted more than elements for further progress – it provided the perspective of meaningful decisions on the issues it covered. While a number of proposals might require some fine tuning, others would need more in-depth examination, but he would not comment on them specifically at the present meeting. He acknowledged that not all issues had been covered and that some hard work needed to be done on textiles and anti-dumping, both of which were sensitive issues in some constituencies and would need careful handling. Even here, the Community would be ready to engage, within a wider context, to seek some positive results. The Community agreed that the subsidiary bodies should be asked to help shape further decisions, and that guidance and precise time-frames for reporting should be set. While one had to take account of practical constraints regarding the number of meetings that could be held, these bodies could make a valuable contribution in helping pave the way for decisions or solutions satisfactory to all. The Community regretted that some operational decisions were not being taken at the present juncture, even if these might have been considered falling short of expectations, and hoped that further consultations might make it possible to take decisions on TRIMs before the end of July. It was open to looking at other inputs and would continue to work in good faith towards meaningful decisions by the time of the Doha Ministerial.

40. The representative of Turkey said that the concept of sections in the G-7 paper had opened the way for future-oriented thinking. The Chairman's paper was another step forward, and Turkey could accept it, complemented with elements on the two or three issues it did not include, as the basis for work between now and Doha. The statement by the United States clearly indicated that further progress was possible. While only modest results might be attained by the time of Doha, it was important that the results of work until then should be a clear signal that developing countries would have an increasingly stronger say in WTO affairs and that the implementation exercise would continue in regard to the remaining issues.

41. The representative of Colombia said that the Chairman's paper was a development of the G-7 paper, which had put fresh impetus into work on implementation. Colombia agreed on referring certain additional issues to subsidiary bodies, but on condition that there be clear deadlines for this

work. In addition, guidance from the General Council on these and earlier referrals was important, as the subsidiary bodies' work should be basically technical in nature. For example, on one of the issues already referred, the subsidiary body had questioned whether the issue was implementation-related. This was not a determination for the subsidiary body to make. Apart from these referrals, there were 15 turrets on which the General Council was to reach agreement and take decisions, and thus far there was agreement on only turret 15 on SPS. On the other 14 turrets, it would be positive to have clear responses as to whether the proposals were generally acceptable. There were proposals in the Chairman's paper of considerable interest to Colombia, for example turrets 4, 5, 56 and 65, and his delegation hoped that solutions could be quickly found on these.

42. The representative of Mexico said that the Chairman's paper was a step forward in the implementation process and would enable progress to be made. This was a critical stage in the preparatory process for Doha, and failure could not be risked. Mexico hoped that all Members, in evaluating the proposals, would take into account not only criteria related to individual interests but also those relating to the promotion of a solid and efficient multilateral trading system.

43. The representative of Venezuela said the progress that had been made on implementation was thus far very modest, as could be seen in the scope of issues dealt with in consultations and in the proposed solutions on the table. His delegation would have liked to have been able to take substantive decisions on at least some of the issues that were of concern and importance to developing countries. The G-7 paper in some cases proposed simple and straightforward interpretations of S&D treatment provisions in Uruguay Round Agreements, but it seemed that even on these points it would not be possible to take any decisions at the present meeting. Venezuela had been participating constructively in the Doha preparatory process, and was willing to consider issues of interest to other Members on their merits if this would help make progress on implementation issues. If the WTO could not respond to the real concerns of a large number of its Members that had resulted from the implementation of existing agreements, Venezuela wondered how these same countries could be asked to embark on a new, wide-ranging round of multilateral trade negotiations. This could not be done on the basis of vague and general mandates that included only a certain amount of flexibility on the implementation of commitments, and a vague promise of technical assistance. Venezuela would not take a firm position at the present meeting on the proposals in the Chairman's paper because it still hoped that it would be possible to achieve solutions to some other problems on which it had made proposals. It appeared that the only decision the General Council could adopt at the present meeting was on the referral of issues to subsidiary bodies. There was still an enormous amount of work to be done. Acceptance of the methodology providing for consultations on the proposals in Sections 2, 3 and 4 of the G-7 paper did not prejudice the relevance or importance of the issues under discussion. In other words, the document was not merely a tool for classification or categorization of the issues. Venezuela had full confidence in the Chairman regarding both the implementation and preparatory process exercises, and could accept his suggestion on the referral of issues to the subsidiary bodies.

44. The representative of Jamaica said that his delegation had taken note of the Chairman's suggestions regarding elements on which further progress could be made and would examine them carefully. Jamaica shared a certain pessimism about the current state of this process, in that rather than having decisions to consider and agree on so that the mandate to complete this work by the time of the Fourth Ministerial Conference could be complied with, Members were being primarily asked to refer a number of proposals – some of which had already been altered from their original form – to subsidiary bodies for consideration. Experience did not suggest the likelihood of decisive results on these issues, and the fact that this work would take time meant a period of further uncertainty regarding the outcome of the implementation process. Apart from the substantive issues raised, implementation was vital to the post-Seattle confidence-building process. It now seemed certain there would be no meaningful progress on implementation issues, which was an essential element for a successful preparatory process and Ministerial meeting.

45. Implementation issues of particular interest to Jamaica were: tiret 4 on substantial interest and small suppliers; tiret 83 on Annex VII to the Subsidies Agreement; tiret 99 on the redistribution of negotiating rights; tiret 7 on net food-importing developing countries; the cross-cutting issues on S&D treatment and on preferential arrangements – those falling within the scope of the Enabling Clause and those governed by waivers; and proposals on the SPS and TBT Agreements. Jamaica was keenly interested in participating in the process for dealing with these and other issues not included in the Chairman's paper. His delegation hoped that all interested delegations would be included in the respective consultations in what appeared in some respects to be an increasingly opaque process. While limited consultations might at times be necessary, transparency was a critical element in confidence-building. Given the mandate in the Decision of 3 May and the urgency of resolving implementation issues, it was essential that specific mandates and time-frames be applied to the issues referred to subsidiary bodies. Progress would lie not in simply referring these matters, but in doing so in circumstances in which there was genuine likelihood of positive, decisive and timely outcomes. Jamaica did not believe that on many of these issues, given the time allotted, these bodies could be expected to make major progress without clear guidance for their technical considerations and input. In any event, tiret 83 was a matter requiring political decision and guidance. Some good proposals had been made by Zimbabwe on behalf of the African Group, Sri Lanka and India that his delegation hoped would assist further progress.

46. The representative of Cuba said that while Cuba recognized the efforts to promote the issue of implementation and to obtain commitments from developed countries, it was not appropriate to speak of progress when over 90 implementation issues remained to be resolved in the General Council and the subsidiary bodies. This figure reflected the real situation and the lack of political will on the part of developed-country partners. No satisfactory solution had been found to implementation proposals for the issues in question. The solutions proposed were far below Cuba's expectations, and in some cases were a step backward with regard to what was established in the Agreements. In others, issues had simply been referred to the subsidiary bodies or made the subject of consultations. In this regard, Cuba supported the statements by Zimbabwe, Sri Lanka, the Dominican Republic, India, Honduras and Jamaica. It also supported the proposal by Saint Lucia and the appropriate treatment of health within the framework of the TRIPS Council.

47. In order to help find a prompt solution to implementation issues and as further proof of its flexibility, Cuba, in conjunction with a number of other delegations, was working on a paper proposing solutions to the various elements in the G-7 paper, and hoped that it would be taken into consideration in, and prove of value to, future consultations. Given the urgent need to resolve such issues and the little time remaining before Doha, concrete results on implementation issues had to be achieved by the end of July, in particular with regard to the elements in Section 1 of the G-7 paper, where Cuba had yet to see evidence that the major trading countries were taking the demands of developing countries into consideration. Regarding the proposal to refer some issues to subsidiary bodies, experience to date had shown that none of the issues already referred had found any solution, for example tirets 4, 65, 68 and 80. In particular, Cuba could not agree to refer the proposal on Annex VII to the Subsidies Agreement to the subsidiary body, as this proposal required political will and not technical consideration. The General Council had to remain the body dealing with concerns raised by developing countries. Regarding procedure, issues should be dealt with within the framework of wide-ranging consultations in which all Members could participate. Cuba's response to other initiatives in WTO would, to a great extent, depend on progress on implementation. The outcome of the present discussion would have a particular impact on the credibility of the multilateral trading system, in particular for developing countries. Failure could have incalculable consequences for all Members.

48. The representative of Brazil said that Members had to approach the considerable amount of work remaining to be done with an enhanced sense of urgency and seriousness. Brazil would look at the Chairman's paper in that spirit and would give its reaction to individual suggestions in due course. However, it was not reassured by the procedural handling of such a large number of issues that had

been singled out by the G-7 for early agreement. While the procedural treatment proposed contained a kind of built-in sense of urgency, it had to be clear that the items referred to subsidiary bodies would receive the attention they deserved and would not again be dealt with procedurally in the future. The development of guidance and guidelines for this work would be indispensable for Brazil to work constructively in this respect. In addition, Brazil was not reassured by the language in tiret 92 on TRIPS and health, which represented a step backwards not only with respect to the G-7 formulation, but also with respect to the articles of the TRIPS Agreement themselves, by suggesting an unduly restrictive reading of the latter. Members should follow closely discussions taking place in the TRIPS Council and try to work in parallel with developments there. On a slightly more positive note, Brazil could support the language on agriculture in tiret 5. Developing countries should be given flexibility in implementing measures notified under the green box, especially regarding rural development and food-security concerns. Since those measures were supposed to have little or no trade-distorting effect, it was unlikely they would be challenged in any event. Brazil could also support the language in tirets 9 and 10 on SPS. He underlined the paramount importance of reaching meaningful results on implementation by the Doha Ministerial, and encouraged the Chairman to intensify his efforts on the remaining items: textiles, anti-dumping, TRIMs, and those items included under Sections 2, 3 and 4 of the G-7 paper. Brazil would also look at other inputs being proposed, and might suggest some language for some of the tirets. His delegation would work intensively to achieve meaningful progress. Satisfactory results on implementation would be a critical ingredient for a successful Ministerial meeting in Doha. He preferred not to contemplate the negative impact that failure to achieve such results could have.

49. The representative of El Salvador expressed concern at the lack of satisfactory results and the slow pace of progress on implementation issues. On 14 June 1999, a group of developing countries, including El Salvador, had presented a series of proposals on implementation issues within the framework of preparations for the Seattle Ministerial Conference. Two years had passed with no satisfactory response received from their trading partners. The latter had to show signs of flexibility so that the deadline stipulated in the 3 May Decision could be met. For many poor countries, including El Salvador, resolving implementation problems was a matter of particular importance, since this would help to rectify the imbalances resulting from the Uruguay Round and would lead to their fuller integration into the multilateral trading system. El Salvador had a particular interest in the proposal on Annex VII to the Subsidies Agreement, which it had always felt was an issue requiring a political decision rather than technical consideration, and which therefore should remain in the General Council. It was imperative to resolve implementation problems so that new commitments could be taken on. His delegation would work constructively to achieve mutually acceptable solutions, and could have accepted the suggestion to refer the Annex VII issue to the Subsidies Committee for examination – despite the fact that it considered this to be a step backward – had attempts been made to establish a clear, precise mandate. However, in view of the opposition of several delegations to this referral, this issue should continue to be discussed in the General Council.

50. The representative of Pakistan said that notwithstanding the initiative by the G-7, and notwithstanding the Chairman's and the Director-General's endeavours to put forward a text, his delegation, as many other developing countries, had a sense of both disappointment and frustration at the present stage. There had not only been a delay in the outcome that had been so long anticipated, but also a progressive diminution in the levels of ambition developing countries were being asked to entertain on implementation. While paragraph 21 of the draft Seattle text of 19 October 1999 contained roughly 50 proposals for early or immediate action, and the G-7 paper contained roughly 20 proposals for early action, the recently submitted Chairman's paper contained only around 10, excluding the procedural proposals. Further, the substance of the proposals was also disappointing. The proposals would not add much to rectifying the imbalance of the Uruguay Round Agreements, and most disappointing of all, thus far the key issues of textiles and anti-dumping, as well as TRIMs, had not even been addressed. While there had been consultations on TRIMs, these had thus far been unsatisfactory. Consultations on textiles had started only one day earlier, and consultations on anti-dumping implementation issues had yet to be held. The fact that for more than two years, the General

Council had been unable to come to grips with proposals on textiles and anti-dumping indicated a collective failure of will to respond to the concerns of developing countries. For Pakistan, 60 per cent of whose trade interests were concentrated in textiles and clothing, this failure was directly related to the level of disappointment and frustration it felt with regard to the present exercise. His delegation wondered where this downward trend would end, or whether implementation proposals would continue to be denuded until they were totally meaningless.

51. Regarding the question of referring issues to subsidiary bodies, Pakistan had been averse to such a course of action because of its sense that issues so referred did not seem to re-surface. It had urged that such issues be returned to the General Council as soon as possible. Any deadline – and 30 September was the outer limit for new referrals – should apply also to those issues already referred. Regarding the proposals for new referrals, there should be specific guidelines for action by the subsidiary body in question. Among the proposals in the Chairman's paper, Tires 12 had already been referred on 18 October 2000 to the SPS Committee, which should be urged to finalize its work and make its report at a definite date. Tire 56 had been referred on the same date to the Customs Valuation Committee, and it seemed pointless to refer it again. That Committee should be asked to report as soon as possible. Tire 68 had been referred on 15 December 2000 to the Subsidies Committee, which should be urged to make its report. On tire 83, Pakistan agreed with those who did not think this should be referred to the Subsidies Committee. Regarding other issues, his delegation was prepared to work with the Chairman on the specific guidelines to be provided for such referrals. Despite some of the interventions made at the present meeting, Pakistan continued to be extremely concerned about the lack of progress on implementation. At the "reality check" meeting on 30 July, Members would have to evaluate where they were and where they should go in the process towards Doha. If by then Pakistan felt there was no prospect of meaningful results on implementation issues, the levels of ambition for Doha would have to be severely constrained and, apart from implementation issues, focussed on progress relating to the built-in agenda.

52. The representative of Egypt fully supported the statement by Zimbabwe on behalf of the African Group. The present meeting was a critical juncture, and a moment of truth, in the painful history of the implementation process. The present situation regarding implementation issues was, to say the least, dismal. With a genuine spirit of flexibility and a serious sense of engagement, Egypt had been willing to work on the basis of the G-7 paper as a starting-point for faithful and serious negotiations on implementation, even though the paper fell short of its expectations. Unfortunately, and despite the Chairman's tireless efforts, no results had been achieved. The Chairman's paper was effectively a bridging proposal, which again fell far below Egypt's expectations and left out key issues such as textiles, anti-dumping and TRIMs. Time and time again the proponents of implementation issues had been presented with proposals that did not provide adequate solutions to legitimate concerns, despite the obligation to do so contained in the 3 May General Council Decision. Twenty-six months later there was neither a clear nor a concrete response from major trading partners. For Egypt, a concrete response meant readiness to adopt relevant decisions on the respective proposals.

53. Regarding the tires to be referred to the subsidiary bodies, his delegation was prepared to go along with this, provided there was a serious commitment by those bodies to present the General Council with complete operational decisions in the time-frame set. In this regard, the deadlines had to be respected. He suggested the Chairman hold consultations the following week with all interested delegations to set out the guidelines, criteria and time-frames for the subsidiary bodies' work on the referred issues. His delegation would also like to know the Chairman's intention regarding tires that were not to be referred to subsidiary bodies. His delegation and several others would submit an informal paper containing suggested ideas for achieving progress. This paper reflected a stretching of their flexibility to the limits in order to move the process forward, not only to a higher gear but hopefully to a final destination. Egypt hoped that what seemed to be a positive note struck by several of the major trading partners at the present meeting would be translated into concrete action for immediate decision. That was the litmus test – a test of Members' credibility and a challenge that had to be faced.

54. The representative of Malaysia said that his delegation viewed the Chairman's paper as a further step in the direction of attempting to find solutions. It had taken note that the elements in the paper should not be considered as exclusive or agreed or definitive, and that the Chairman would continue consultations on all of the other proposals, including those in Section 4 of the G-7 paper. However, time was running short. These issues had been on the table for almost two years and needed resolution immediately, in any case by the time of the Doha Ministerial Conference. His delegation, like many other developing countries, was deeply disappointed with the progress achieved thus far. Merely relegating subjects for consideration to subsidiary bodies, while it might give the optical illusion that there was movement or progress, was not the solution. What was needed were concrete decisions that addressed the imbalances in existing WTO agreements and operationalized the dead letters in GATT 1994. This was not to say that Malaysia was not happy with any of the proposals in the Chairman's paper; for example, on tiret 96 which referred work to the Committee on Trade and Development, his delegation hoped that work in the Committee would have a positive outcome. While Malaysia was willing to consider providing guidance on at least some of the issues to be referred to subsidiary bodies, the Like-Minded Group of countries intended to submit alternative suggestions for the solutions outlined in the Chairman's paper. It was hoped that this submission would become part of the consultative process and would be taken as a positive contribution.

55. Regarding the proposed referrals, tiret 56 on customs evaluation and 68 on subsidies did not need to be referred to the respective subsidiary bodies, since the Committee on Customs Valuation had already completed its work on tiret 56, and while recognizing that a problem of fraud existed, had not found any solutions. This issue should be dealt with in the General Council. Similarly, the Subsidies Committee had deliberated and continued to deliberate on tiret 68 under the mandate provided earlier, and there was no utility in providing a new mandate. Further, the report from that Committee was due at the end of July. If the matter remained unresolved at that point, the Committee could be given a firm deadline for its deliberations. With regard to tiret 83 on Annex VII to the Subsidies Agreement, this should be dealt with in, and required a decision by, the General Council, and there was no utility in passing it on to the Subsidies Committee for its input. In closing, he noted that the major trading partners had shown a very encouraging and positive attitude at the present meeting and had consistently indicated their readiness and willingness to work to resolve implementation issues. Regrettably, however, that enthusiasm and vigour had not been reflected in the consultations on these issues, as could be seen in the lack of progress. Malaysia hoped that what had been said at the present meeting by those Members would be reflected in future consultations, and that the major trading partners would collectively strengthen their resolve to find genuine and meaningful solutions to implementation issues.

56. The representative of Bolivia said that despite the energy and persistence of the Chairman, the Director-General and his Deputies, the desired results still had not been achieved. Bolivia supported the statements by Honduras and others. For Bolivia, a small economy, the implementation process was a source of hope. It wanted its few export products to be able to be exported to more countries and under better conditions, without discrimination, so that it could correct the problems of the failure to implement phytosanitary and sanitary measures properly and the problems related to textiles and clothing. Points 9 and 10 of the SPS Agreement had been dealt with in the G-7 paper, which proposed that the deadline set in Article 2.10 should be understood to be a minimum of six months. This proposal did not cover even the most minimal expectations of countries like Bolivia, which had been affected by the non-application or misguided application of this provision. The results achieved to date had been virtually non-existent, and the time left before Doha was running out fast. Bolivia again appealed to its major trading partners to show real political will and to make it possible to find a more flexible and wide-ranging solution to implementation problems. Bolivia reiterated its confidence in the Chairman and would support him in his continued efforts to find a solution satisfactory to all concerned. The credibility of the WTO was on the line, as was the credibility of its future work.

57. The representative of Indonesia said that despite the serious efforts made, the Chairman's paper failed to satisfactorily resolve implementation concerns, as it did not present satisfactory solutions to the problems raised and excluded proposals on problems of paramount importance to Indonesia, such as those in the areas of textiles and clothing, and anti-dumping. For this reason, members of the Like-Minded Group, including Indonesia, were proposing alternative suggestions on a number of turrets contained in that paper. These were being tabled in a spirit of compromise, in order to allow for forward movement. Her delegation believed that these contributions could be instrumental in laying the basis for further serious engagement. Regarding the suggestion that certain turrets be referred to subsidiary bodies, Indonesia agreed in principle with this suggestion, including that each subsidiary body report back to the General Council not later than 30 September 2001. Proper guidance from the General Council on the consideration of issues by the respective subsidiary bodies was needed, as well as a clear deadline for their reports. Indonesia was seriously concerned over the current stalemate, and hoped that all Members would become more seriously engaged so that satisfactory solutions could be found before Doha.

58. The representative of Singapore said that his delegation was pleased that the Chairman's paper had taken on board most of the elements under Section 1 of the G-7 paper, and had also incorporated some ideas from Sections 2 and 3 by giving more precision and guidance to the subsidiary bodies. Singapore noted that the Chairman's paper did not purport to be an agreed or definitive text, and that further consultations were needed to include, in particular, the turrets on anti-dumping and textiles and clothing. The paper was a good attempt by the Chairman, in light of his recent consultations, to put together possible solutions on what might be doable between the present time and Doha, and provided a good basis on which to build consensus and to advance work on implementation. His delegation saw the present process as a building-block process. Singapore supported that process and what the Chairman had suggested and encouraged him to continue with his consultations on the basis of the paper, with the aim of achieving consensus on a more complete paper as the Doha Ministerial Conference approached, keeping in mind the broader preparatory process for Doha. Members would have another opportunity at the "reality check" meeting on 30 July to see where things stood, not only on implementation but also on other issues that would form the scope of the Doha agenda. There was a need to manage the process between the present time and 30 July, as well as after the summer break. His delegation stood ready to work with the Chairman and with other delegations in finding ways to move the preparatory process forward.

59. The representative of Switzerland said that his delegation was encouraged by the useful discussion that had taken place thus far. While some critical views had been expressed, which Switzerland understood, the discussion had been quite positive. Thus far, it had confirmed the importance of implementation issues and the seriousness that all delegations attached to these issues in the framework of the broader preparations for Doha. It had also confirmed the sense of urgency that all attached to substantive progress on these issues and the commitment to make progress on them. His delegation was encouraged by the fact that Members seemed to take inspiration from the framework provided by the G-7 paper, which had been confirmed by the Chairman's paper as well as by numerous statements at the present meeting. However, on the substance, major gaps remained. As a co-author of the G-7 paper, Switzerland's position in this respect was clear. His delegation fully understood and could agree with the proposal to refer certain issues to subsidiary bodies, with the proper mandates and guidelines, as these bodies might provide important and useful inputs. It was imperative that these issues not get bogged down in the subsidiary body process, and it remained the responsibility of the General Council to find solutions to them. He reiterated Switzerland's strong commitment to finding solutions to implementation issues and its full support for the Chairman's efforts in this regard.

60. The representative of Nicaragua said that his delegation's reaction to the Chairman's and Director-General's goodwill in seeking a solution in this process was very positive. However, generally speaking the Chairman's paper failed to live up to expectations and his delegation wished to register its disappointment. Regarding turret 83, Nicaragua was concerned about the proposal to refer

this matter to the subsidiary body. As previous speakers had already pointed out, the significance of this proposal to developing countries had been understated, and his delegation supported those who had said this was not a technical matter but rather one requiring a political decision by the General Council. For this reason, his delegation wished to place on record its reservations on the referral of this matter to the Subsidies Committee. Regarding tiret 92, the wording of this proposal undermined the importance of discussions currently under way in the TRIPS Council. Thus, it would be better to await the conclusion of those discussions before proceeding with the tiret as proposed. He reiterated his delegation's goodwill in continuing to work with the Chairman and with other Members with a view to making headway on these and other issues and reaching a consensus before the Fourth Ministerial Conference.

61. The representative of Gabon, speaking on behalf of the ACP group of countries, said that these countries had shown considerable interest in the G-7 paper. The Chairman's paper was also clear, but was unfortunately incomplete. There were still some areas where progress could be made, not only in taking into account developing countries' major concerns, but also in trying to achieve specific objectives. There was a need for stronger commitment from the developed countries, particularly with respect to proposals that had a direct impact on the economic development of developing countries and the ACP countries in particular. These countries had prepared a text with the support of the ACP secretariat in Brussels, which contained proposed amendments to the Chairman's paper. These proposals should be considered and discussed, along with the papers that had already been tabled. The ACP group of countries welcomed the positive statements made by certain delegations who seemed willing to seek acceptable solutions not only with the Chairman but also with the support and involvement of other groups of delegations. They hoped to be able to deal with substantive issues on implementation soon, because their expectations were very high. The end of July would be a turning-point as far as implementation was concerned, and they hoped that by then, proposals would be more specific than the current ones.

62. The representative of Costa Rica said that the Chairman's paper was headed in the right direction and would enable Members to make some headway on the very important issue of implementation. The G-7 paper was also very useful, and had injected a considerable amount of impetus into the search for solutions, as had the Chairman's paper. These papers made his government feel more optimistic about the possible outcome of this process. Referral of some issues to the relevant subsidiary bodies appeared to be appropriate, as they could make an important technical contribution. This would enable Members to make greater and quicker progress than had been possible thus far in the General Council. Regarding the concern expressed by some Members over the referral of tiret 83 to the Subsidies Committee, Costa Rica was aware that some developing countries faced disadvantages regarding subsidies and incentives. However, this problem could not be solved by weakening the existing rules on subsidies, as this would make the way such tools were used more pernicious. Costa Rica wanted the misuse of subsidies to be eliminated entirely, and for that reason had opposed, and continued to oppose, amending Annex VII. Those Members seeking a solution to this issue should be more patient and should try to recognize that this was not merely a political issue but also a very complex one with many technical aspects and many differing positions that had to be taken into account, including on the part of developing countries like Costa Rica. It was thus appropriate to refer this issue to the relevant subsidiary body. Regarding the Chairman's paper, his delegation hoped that issues of great importance such as textiles and anti-dumping would be given the attention many delegations had said they deserved, and in the appropriate setting. Costa Rica supported the establishment of deadlines for reports by the subsidiary bodies, and hoped that solutions could be found to implementation-related problems before Doha. Some of these issues would probably be solved more appropriately in a slightly wider setting. No delegation could expect to get 100 per cent support for its proposals. It was with flexibility, a reasonable attitude and understanding that Members should continue to tackle the important issue of implementation, with a view to the forthcoming Ministerial Conference in Doha. Without this, Members could not hope to achieve the objective expressed by Mexico – to promote and strengthen a solid and efficient trading system. Costa Rica fully endorsed Mexico's statement.

63. The representative of the Czech Republic, also on behalf of Albania, Bulgaria, Croatia, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovak Republic and Slovenia, said that these countries were relieved to see that positive and pragmatic approaches had prevailed at the present meeting. This was important in order to energize the process and properly address implementation-related concerns. While these countries would have preferred some substantive decisions on several proposals at the present meeting in order to set aside some of these issues and to concentrate efforts on the more complex issues, no decisions were going to be taken. However, this did not mean that such decisions would not be taken in the weeks or months to come, and did not imply that nothing had been done and no major progress had been made towards finding common ground for future decisions. On the contrary, Members had reached a better understanding of a number of issues, and there was even some convergence of positions. There were also other positive developments, such as on TRIMs, which was poised for quick action. Moreover, the Chairman's report indicated that issues related to anti-dumping and textiles and clothing had yet to be addressed. The intent was not to paint a rosy picture but rather to do justice to a more balanced assessment of the situation. At the same time, all Members had to recognize that in order to succeed in the common objective of meaningful and acceptable results, they had to continue to be realistic about what was achievable and what would require further negotiations. They had to continue to show respect for each other's views and sensitivities and a sense of mutual responsibility. All the necessary elements were present for this, and a number of useful submissions had been made with a view to breaking the deadlock and making further progress, including the Chairman's paper, the G-7 paper and other submissions, on which further clarifications could be sought. The twelve countries for which he spoke took in a positive spirit the proposal to send certain issues to the subsidiary bodies for further consideration, and could support the deadline of 30 September for reports from these bodies. They also agreed with the suggestion that the Chairman meet with the Chairpersons of these bodies in order to convey a message of urgency when dealing with these issues. They looked forward to working with the Chairman and with other delegations to achieve a mutual accommodation.

64. The representative of Mauritius said that his delegation fully endorsed the comprehensive statement by Zimbabwe on behalf of the African Group. It also fully supported the Chairman's paper and encouraged him to continue the process and his consultations so that the concerns of all would be taken on board, and so that by the time of the "reality check" Members would know where they were heading.

65. The representative of Chile said that the G-7 paper had made a very constructive contribution to efforts to find solutions to implementation-related problems, and that the Chairman's paper was a further step forward. His delegation deemed this paper to be positive and hoped that delegations would be able to focus on it so as to be able to make further headway on the other matters still outstanding. Chile agreed with other delegations who had emphasized the need to move ahead more quickly and have a greater sense of urgency in order to find an effective package of solutions on these implementation-related issues. The work already done was a good basis for negotiation. Nonetheless, his delegation understood, and to a certain extent shared, the feeling of disappointment expressed by some delegations, because some matters had not been solved and showed little prospect of being solved. However, the present discussion had been useful and to a very great extent constructive. Any eventual package on implementation could not exclude issues such as textiles and clothing or other equally important issues. It was important in terms of balance and policy that these key issues were made an integral part of any implementation package, and that this be done as quickly as possible. The process outlined by the Chairman was appropriate, i.e. that certain issues should be handed over to the subsidiary bodies with deadlines for sorting them out and with clear instructions that they tackle the technical issues and refer back whatever contribution they could make to the General Council as soon as possible.

66. Regarding tiret 83, several delegations had indicated that this was a political issue and that it should not be referred to the Subsidies Committee. In Chile's view, this was not a political issue, but rather one that had technical aspects, and it therefore needed a thorough and detailed examination in

the Committee. What was at issue was trying to find a balance between those who wanted to have the possibility of subsidising their exports, and those, like Chile, who were developing countries and did not want to see their industries suffering from subsidised competition from other developing countries. Chile had a lot of trade with other developing countries, which was why this was an issue of such concern to it. A thorough technical analysis of this issue could help Members find some solution that would be satisfactory to most, if not in its entirety, at least in part. To leave this issue in the General Council would be the best way of killing it off entirely.

67. The representative of Australia said the Chairman's paper was a welcome contribution to the implementation process. His delegation viewed it as a basis for future consultations, recognizing that the paper was incomplete in areas of particular importance to many delegations. Australia had views on many elements in the paper, and looked forward to participating in the consultations that would take place on all elements that would make up the implementation package. It supported the next steps proposed by the Chairman, including the referral of a number of issues to relevant subsidiary bodies with appropriate guidance and deadlines for their work.

68. The representative of Israel said that flexibility and realism had to be the guidelines for all Members in order to progress and to achieve results on the complex and core issue of implementation. His delegation saw positively the comments of speakers at the present meeting. Israel supported the Chairman's suggestion to refer certain issues to subsidiary bodies with specific guidelines and a firm deadline. It hoped that the Chairman would continue with the consultation process in order to make progress on this important issue.

69. The representative of Thailand said that the introductory remarks in the cover note to the Chairman's paper clearly indicated that the text was not an agreed or definitive text on which a decision was to be made at the present meeting. The Chairman and the Director-General would have to pursue consultations on the elements listed in the paper for further improvement, both in terms of quality and quantity, in order to find broadly acceptable solutions. In addition, they would continue to use the G-7 paper as a basis for consultations with Members on the issues in their own paper and in the areas that had not yet been addressed, in particular the tirets on anti-dumping, textiles and clothing, and TRIMs, and those in Sections 2, 3 and 4 of the G-7 paper. On the question of how to further energize the implementation process, Thailand encouraged the Chairman to use the G-7 paper as a tool for further consultations in order to achieve substantive results on all outstanding issues by Doha. Thailand had no objection to sending some of the tirets, if deemed necessary, to subsidiary bodies. However, these bodies had to be given specific mandates and time-frames for reporting back to the General Council for early decisions in September. Time was running out, and Members had to be aware that progress on implementation would facilitate preparations for Doha, and that success at Doha would hinge on results on implementation issues. Thailand therefore urged all Members to strive to do their best to fulfill the 3 May mandate by taking political decisions on these issues. His delegation looked forward to working closely with the Chairman, the Director-General and other Members in a constructive manner, with a view to helping move the implementation process forward and for the success of the Doha Conference.

70. The representative of Hong Kong, China said that his delegation fully understood the sense of frustration expressed by some Members. While textiles, on which Hong Kong, China was a proponent, unfortunately did not feature in the Chairman's paper, his delegation nevertheless saw the process in a more positive light than some. At the informal meeting on 21 June, his delegation had been encouraged by the G-7 paper which had injected some fresh thinking into the process. There had been widespread support by Members for using the paper as a basis for further consultations. In the past few weeks, the Chairman had been using the G-7 paper as the basis for intensive consultations, focusing primarily on Section 1. The elements in the Chairman's were substantive and generally quite positive. While tirets relating to anti-dumping, textiles and TRIMs were not included in the paper, his delegation trusted that further consultations on these areas would be held to identify elements on which further progress could be made. On TRIMs extensions, it seemed that one was close to finding

common ground. It was significant that most, if not all, of the other elements under Section 1 of the G-7 paper were covered in the Chairman's paper, albeit some with modifications. In some respects the Chairman's paper went farther than the G-7 paper and gave more precise guidance to subsidiary bodies on certain elements in Sections 2 and 3 of the G-7 paper. As the G-7 paper had received wide support as a basis for discussion, the Chairman's paper could serve a similar purpose in guiding Members towards some early decisions. His delegation was hopeful that some decisions could be made after the summer break, provided the proponents and the key Members concerned could show more flexibility. His delegation had noted the concern of some Members that referral to subsidiary bodies might not result in any significant progress, and agreed that the General Council should give positive guidance to these bodies to come up with positive results by the end of September. It should be kept in mind that many of the proposals were complex and technical in nature, and expert input by these bodies could contribute to some early progress. The Chairman's paper was a positive evolution in the implementation review process, and Members were clearly on the right track. That process should be energized in the coming weeks before Doha. Implementation issues had to be dealt with satisfactorily in order to make Doha a success. This did not mean that every proposal could be resolved before Doha. A number of these issues could only be resolved in the context of negotiation, and Members should start thinking of appropriate mandates for such negotiation in the context of the work programme to be decided at Doha. Time was running out, and positive attitudes had to be translated into concrete actions and more flexibility, so that acceptable solutions could be identified before and at Doha.

71. The representative of Canada expressed appreciation for the initiative the Chairman and the Director-General had taken to advance the implementation process. Canada had attempted to engage constructively in the consultations held to date. The Chairman's paper brought together the wide range of views heard in those consultations, in that it offered a balanced and realistic assessment of what was required and what was achievable on the issues covered thus far. Canada was committed to continuing to engage in this process and to giving serious consideration and responses to the issues raised. In turn, it asked the proponents of implementation proposals to understand that domestic realities limited its ability to make the unilateral concessions required to meet some of their requests. The proposal on export credits in the Chairman's paper dealt with an issue of particular sensitivity to Canada, as it was at the crux of several WTO disputes in which Canada was engaged. His delegation continued to believe that this issue would be resolved only in the context of a negotiating process, and therefore wanted to be included in any consultations on its further disposition before it was referred to the subsidiary body. Canada recognized the importance of the implementation process to the broader preparatory process for Doha. With greater flexibility on all sides, and building on the Chairman's paper and contributions by the G-7 and others, it would hopefully be possible to close, in the near term, some of the substantial remaining gaps.

72. The representative of St. Lucia said that her delegation was heartened by the support which had been given to issues of particular importance to St. Lucia by a number of delegations in the consultations that had been held recently. The Implementation Review Mechanism had been designed to provide substantive justice. This encompassed a wider notion of justice as a condition to be achieved, i.e. transcending a mere procedural treatment of issues raised. Her delegation was disappointed that no substantive decisions were being taken at the present meeting. It had expected that the momentum deriving from the G-7 paper would have led to early agreement on a number of issues. By "early agreement", her delegation meant a decision sufficiently in advance of Doha to facilitate further decisions on other issues, in fulfilment of the General Council's mandate of 3 May 2000 and as affirmed on 15 December 2000, calling for satisfactory resolution of implementation concerns by Doha. While this would allow for decisions to be taken anytime between the present and the Fourth Ministerial Conference, in light of the pending "reality check" at the end of July her delegation had expected that there would have been significant advances before then. However, the present reality was no different from that of a month earlier. Indeed, given the passage of time and the apparent lack of progress on a number of issues of importance to St. Lucia, its assessment was less optimistic than it had been a month earlier. The credibility of the multilateral system depended on the

results achieved before Doha. If that meeting was not to be a repeat of the Seattle meeting, Members had to apply an even greater sense of urgency to their work. It was almost the end of July, and Members were yet to take any substantive decisions on issues of importance to the majority of developing countries.

73. Her delegation broadly supported the concerns of a number of developing countries, including India, Colombia, Cuba, Zimbabwe on behalf of the African Group, Sri Lanka, Pakistan, Egypt, Malaysia, Bolivia, the Dominican Republic, Mauritius and many others. The particular areas of concern raised by Jamaica were coincident with St. Lucia's, including on the increasingly opaque nature of the process. When one was left in the dark, one's assessment of progress was not tempered by the effort expended, when this showed no results. Specifically, with respect to tirt 4 the proposal advanced was one of principal, i.e. requiring a political decision of the General Council. The reality of the multifaceted WTO processes was that participation in consultations in one forum involved certain costs. As such, her delegation would not oppose referring tirt 4 to the Committee on Market Access under certain clearly defined conditions, which included instructions that the Committee treat the matter sufficiently expeditiously so as to report back with a draft decision for adoption by the General Council before Doha. Her delegation fully sympathized with the difficulties the Chairman faced in bringing about timely agreement on the issues raised, but wished to see a more definitive, results-oriented approach in addressing developing countries' implementation concerns.

74. The representative of Uruguay expressed his delegation's satisfaction with the positive tone of the present meeting and with the political will shown throughout the statements for continuing to work to move the process forward. His delegation was also gratified by the numerous and positive reactions to the G-7 paper and by the recognition of its usefulness as a basis for further consultations. At the same time, Uruguay had taken note of the concerns and disappointments expressed, and was very aware of the little time left and what had to be overcome in order to reach solutions satisfactory to all on this subject. Uruguay, together with the other co-sponsors of the G-7 paper, had already clearly stated its position on implementation issues and what it was willing to do in this connection. He encouraged the Chairman to continue his efforts and assured him of Uruguay's goodwill in continuing to work with him and with all other delegations in order to achieve concrete results.

75. The representative of the Philippines said that there seemed to be greater proactive engagement, more reasonable flexibility and utmost creativity in recent efforts on implementation issues, and his delegation hoped that in the coming months this would be able to move the process forward. It was in the interest of developing countries to leave doors clearly open to seek that proactive engagement, because the strength and viability of the WTO would play a big role in their future development and progress. If, in the end, the process did not result in a satisfactory outcome, at least Members would have tried. Along with TRIMs, anti-dumping and other rules issues, the Philippines gave high priority to the cross-cutting issue of the operationalization of S&D provisions as one of the pressing elements of this strengthened and viable WTO process. S&D treatment was a clear commitment, albeit on a voluntary basis, regarding existing agreements. His delegation supported the statements by Venezuela, Brazil, Zimbabwe and Sri Lanka on this issue, and particularly endorsed Sri Lanka's proposal for the Committee on Trade and Development to identify legal means that could lead to making S&D provisions operational and binding and enhance them so as to achieve the objective of development in consonance with Part IV of GATT 1994. Regarding the referral of issues to subsidiary bodies, his delegation endorsed the proposal that those issues already referred might be subject to an early harvest. It also supported the proposal that the subsidiary bodies be given specific mandates and deadlines. It was important that these mandates be clear on the specific objectives and deadlines involved. Submissions made at the present meeting by the Like-Minded Group, Gabon for the ACP, and others were an effort to clarify the issues and to work towards clear decisions, and the Philippines hoped that these would receive careful consideration by Members. His delegation also hoped that the energy from these fresh initiatives would be maintained in the coming weeks and would yield fruit and change, so as to create a healthier environment and climate for Doha.

76. The representative of Paraguay urged all delegations, not just developing countries, to show pragmatism and flexibility in reaching solutions to implementation issues. Work had been under way on these issues since May 2000, but unfortunately little or no headway had been made. The G-7 paper had increased confidence that it would be possible to make progress on all aspects of these issues without leaving any out. It should be possible, in a WTO that favoured free trade without obstacles and without discrimination, to bring together enough pragmatism and enough goodwill to find solutions. His delegation agreed that the subsidiary bodies should deal with some issues and that a deadline should be set for this work. The Doha Ministerial Conference was of extraordinary importance for the prestige and reputation of the WTO. There had already been one failure, and in order to avoid another one, solutions to implementation-related issues had to be found. A clear road map had been given in the mandated negotiations, and Members could not arrive in Doha with an aura of uncertainty, nor could they continue to defer deadlines from 30 July to 30 September and perhaps even later. This would be very harmful in the long run. To a great extent, the manner in which the mandated negotiations were carried out, and the implementation of the Uruguay Round Agreements and the commitments made, would determine the outcome of the Doha conference and its impact on WTO activities in the future. The WTO could not cope with another failure, and his delegation urged the Chairman, the Director-General and all Members to continue to work hard with a flexible attitude and in the spirit of pragmatism to find solutions to the problems that still remained outstanding.

77. The representative of Gabon clarified that in her earlier statement she had referred to a submission prepared by the secretariat of the group of ACP countries, and that this would be considered and examined by the members of that group. These countries were more than willing to look at the document with any other interested delegations.

78. The representative of Kenya associated his delegation with the statement by Zimbabwe on behalf of the African Group, and wished the Chairman the best of luck.

79. The Chairman, in summing up, said that in an overall and very general sense, and given the situation just prior to the informal General Council meeting on implementation held on 21 June, some progress had certainly been made over the past month. The deadlock existing at that time had been broken by the approach brought forward in the G-7 paper, and the present discussion indicated that this paper still had momentum. He believed that some headway had been made on the basis of that paper through the consultations held and the elements tabled on some of the turrets. New inputs had also been made or foreshadowed at the present meeting, which he believed had been offered in a constructive spirit. There had also been important indications of an enhanced sense of engagement and willingness on the part of key Members to address the implementation concerns raised. However, progress in terms of concrete results had not been as rapid as one might have hoped, and further hard work was needed in a number of respects. Specifically, but not in any order of priority, there was a need to do the following: (i) finalize the terms of any new referrals to subsidiary bodies where this could be agreed; (ii) identify elements on which more immediate action might be taken; (iii) pursue consultations on the remaining items on Section 1 of the G-7 paper, which many delegations had flagged as being of great importance to them, as well as on the remaining Sections in that paper; and (iv) inject a greater sense of urgency into the ongoing work in subsidiary bodies on issues already referred to them. He would pursue consultations in the very near future along these four tracks, including an early meeting with Chairpersons of the subsidiary bodies. While overall there was a need for a greater sense of urgency, flexibility and realism, the present meeting had made clear the significance all delegations continued to attach to the subject of implementation.

80. The representative of India said that it would be necessary to consider quickly what sort of guidance would be given to the subsidiary bodies to which referrals had been made, and that this could be left with the Chairman to decide. It would also be necessary for the subsidiary bodies to fix dates for meetings so that all delegations would know in advance when these would be held, as some of these bodies had not planned to meet at all in September. In all cases, both for the issues to be

referred and for those already referred, the reports should be made as quickly as possible, and in any event not later than 30 September.

81. The representative of Pakistan asked whether the Chairman intended, or whether it was the general sense, that Members would try to reach some early decisions on implementation by 31 July. It was important to do this and to reach some substantive conclusions on important implementation issues.

82. The representative of Kenya expressed concern that many of the subsidiary bodies to which issues had been referred would hold their meetings at the same time. In the interests of small delegations, this should be avoided as much as possible.

83. The Chairman said that, regarding the points raised by India in relation to guidance to subsidiary bodies and the setting of deadlines, he felt that given the tenure of the present discussion and the obvious importance Members attached to setting guidelines and deadlines, he should undertake consultations on this issue. On the question of trying to reach very early decisions on some issues, he would hold consultations to try to identify if there were some elements on which more immediate action could be taken. It was not for him to unilaterally set a deadline in this respect, but he would hold consultations the following week on this matter. He felt there had been a very useful discussion at the present meeting and that Members were much better informed of each other's positions, of the situation overall, and of the task ahead.

84. The General Council took note of the report by the Chairman and the Director-General, and of the statements.

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