#### WT/COMTD/M/122



25 January 2024

(24-0558) Page: 1/47

## **Committee on Trade and Development 122nd Session**

#### NOTE ON THE MEETING OF 17 NOVEMBER AND 24 NOVEMBER 2023

Chairman: H.E. Dr. José R. Sánchez-Fung (Dominican Republic)

1	ADOPTION OF THE AGENDA	2
2	OBSERVERS	3
(A)	) Request for attendance of <i>ad hoc</i> observers	. 3
Co Co	Further consideration of requests for observer status by the League of Arab States, Organization of Petroleum Exporting Countries (OPEC), the Gulf Organization for Industrial Insulting, the Organisation Internationale de la Francophonie, the Common Fund for Immodities, the Organization of Arab Petroleum Exporting Countries (OAPEC) and George Groupe de la Banque Africaine de Développement	3
	REPORT OF THE 57 <sup>TH</sup> SESSION OF THE JOINT ADVISORY GROUP ON THE ITERNATIONAL TRADE CENTRE UNCTAD/WTO (ITC/AG(LVII)/292)	3
4	TECHNICAL COOPERATION AND TRAINING	8
(A) Ins	) New functionalities in the Technical Assistance Management System – Presentation by the stitute for Training and Technical Cooperation	
5	DEVELOPMENTAL ASPECTS OF WTO REFORM	10
(A)	) Statement by the Chairman	10
	) A reflection on the discussions held in the development retreat (informal meeting on FO reform focussed on development) in February 2023 – Communication from India DB/COMTD/4)	.12
IN Me	HIGHLIGHTS OF ACTIVITIES ON BETTER INTEGRATION OF DEVELOPING COUNTRIES OF THE AGREEMENT ON THE APPLICATION OF SANITARY AND PHYTOSANITARY EASURES AND THE AGREEMENT ON TECHNICAL BARRIERS TO TRADE – DIMMUNICATION FROM THE UNITED STATES (WT/COMTD/W/285)	
	ENHANCING FOOD SECURITY THROUGH THE REFORM IN AGRICULTURE AND THE US CURRENT FLEXIBILITIES - COMMUNICATION FROM BRAZIL (JOB/COMTD/5)	
RU SU	POLICY SPACE FOR INDUSTRIAL DEVELOPMENT - A CASE FOR REBALANCING TRADI JLES TO PROMOTE INDUSTRIALISATION AND TO ADDRESS EMERGING CHALLENGES JCH AS CLIMATE CHANGE, CONCENTRATION OF PRODUCTION AND DIGITAL IDUSTRIALISATION – COMMUNICATION FROM THE AFRICAN GROUP	E
(W	VT/COMTD/W/270)	24
	) A case for rebalancing the Agreement on Subsidies and Countervailing Measures (ASCM) – licy space to promote industrialisation in Developing Countries – Communication from the rican Group (WT/COMTD/W/274)	
(W	) The role of transfer of technology in resilience building: reinvigorating the discussions in the foundarian of technology – Communications from the African Group (T/COMTD/W/277, WT/COMTD/W/278, WT/COMTD/W/279, WT/COMTD/W/280, T/COMTD/W/281, WT/COMTD/W/282)	
	A case for rebalancing the Agreement on Trade-related Investment Measures (TRIMs) – licy space to promote industrialisation and structural transformation in developing countries	24

9 MINISTERIAL DECLARATION FROM THE TWELFTH MINISTERIAL CONFERENCE ON THE WTO RESPONSE TO THE COVID-19 PANDEMIC AND PREPAREDNESS FOR FUTURE PANDEMICS (WT/MIN(22)/31 - WT/L/1142)32		
10 TRADE AND DEVELOPMENT - WORK IN THE COMMITTEE ON THE BASIS OF THE CHAIRMAN'S CONCLUDING STATEMENT FROM THE EIGHTH MINISTERIAL CONFERENCE		
(A) Committee on Trade and Development mandate: focal point for consideration and coordination of work on development in the WTO - proposal from Barbados, Belize, China, Cuba, Ecuador, India, and the African Group (WT/COMTD/W/208)		
(B) Operationalization of the CTD's mandate: a proposal to deliver outcomes based on theMC8 mandate - proposal from China, Cuba, Ecuador, India and the African Group (WT/COMTD/W/192)	34	
11 NOTIFICATIONS UNDER THE ENABLING CLAUSE	37	
(A) Gulf Cooperation Council (GCC) notification of Customs Union – Communication from China, Egypt and India (WT/COMTD/W/175)	37	
12 ANNUAL REVIEW OF THE STEPS TAKEN TO PROVIDE DUTY-FREE AND QUOTA FREE MARKET ACCESS TO LEAST DEVELOPED COUNTRIES		
13 WORK PROGRAMME ON ELECTRONIC COMMERCE	38	
(A) Reinvigorating the work under the 1998 Work Programme on Electronic Commerce:  A development approach to the Work Programme on E-commerce – Communication from the African Group (WT/COMTD/W/283)	39	
(B) Global electronic commerce for inclusive development – Communication from India and South Africa (WT/COMTD/W/264/Rev.1)	39	
14 PARAGRAPH 2 OF THE CTD'S TERMS OF REFERENCE (WT/L/46)	43	
(A) Update on the participation of developing economies in the global trading system – Presentation by the Secretariat	43	
(B) Members' views on any other work that could be undertaken under paragraph 2 of the CTD's terms of reference	45	
15 DRAFT ANNUAL REPORT FOR 2023 (WT/COMTD/W/286)	45	
16 CALENDAR OF CTD MEETINGS IN 2024 (WT/COMTD/W/287)	46	
17 OTHER BUSINESS	46	

#### 1 ADOPTION OF THE AGENDA

The Chairman said that, before turning to the draft agenda for the 122<sup>nd</sup> Regular Session of the Committee on Trade and Development (CTD), he wished to draw Members attention to a communication from the United States which was circulated on 10 August 2023 with the CTD document symbol JOB/COMTD/3. The communication was titled "Voices from the field: digital solutions and innovations to empower farmers and food security event". He understood that the communication described the discussion that took place during the thematic session that the United States organized prior to the last CTD meeting in July. This followed from the intervention that the United States had made on this matter at the July CTD meeting. The United States had not requested this communication to be reflected on the agenda for the present meeting, and he was therefore mentioning it for the record. He went on to say that the proposed agenda for the CTD's 122<sup>nd</sup> Regular Session was contained in Airgram WTO/AIR/COMTD/30/Rev.1 circulated on 7 November 2023. As foreshadowed in his communication of 2 October 2023 to Members, the Airgram had been reformulated as one of the measures being implemented to improve the functioning of the CTD. Among other things, the Airgram contained a simpler and more straightforward numbering system for agenda items. It also contained a hyperlink to access the annotated draft agenda which had been prepared for the meeting, and which was circulated in document JOB/COMTD/6. He would be saying more about these and other measures that were being implemented to improve the functioning of the CTD as part of his statement under Agenda Item 5 on the developmental aspects of WTO reform. He also noted that he would make a brief intervention

under "Other Business" concerning the election by the CTD of the Chairperson of the Sub-Committee on Least Developed Countries (LDCs).

2. The agenda was <u>adopted</u> as amended.

#### **2 OBSERVERS**

- (A) Request for attendance of *ad hoc* observers
- 3. The <u>Chairman</u> recalled that a number of intergovernmental organizations had been granted ad hoc observer status on a meeting-by-meeting basis. These were the Arab Maghreb Union, the Economic Community of Central African States, the Economic Community of West African States, the Economic Cooperation Organization, the Inter Arab Investment Guarantee Corporation, the Islamic Development Bank, the African Union, the Organization of the Islamic Conference, the South Centre, the Pacific Islands Forum, the United Nations Environment Programme, the West African Economic and Monetary Union, and the World Intellectual Property Organization. These organizations had been invited to the present meeting. He proposed that the same organizations be invited to the next formal meeting of the CTD.
- 4. It was so <u>agreed</u>.
  - (B) Further consideration of requests for observer status by the League of Arab States, the Organization of Petroleum Exporting Countries (OPEC), the Gulf Organization for Industrial Consulting, the Organisation Internationale de la Francophonie, the Common Fund for Commodities, the Organization of Arab Petroleum Exporting Countries (OAPEC) and the Groupe de la Banque Africaine de Développement
- 5. The <u>Chairman</u> said that the positions of delegations on this matter had been previously expressed. He inquired whether there were any changes in Members' positions on these requests for observer status.
- 6. No Member took the floor.
- 7. The <u>Chairman</u> noted that there were no changes in Members' positions, and that there was therefore no consensus at the present time to approve these requests for observer status. He suggested that the Committee take note and revert to these requests at the next meeting.
- 8. It was so <u>agreed</u>.

## 3 REPORT OF THE $57^{TH}$ SESSION OF THE JOINT ADVISORY GROUP ON THE INTERNATIONAL TRADE CENTRE <u>UNCTAD/WTO</u> (ITC/AG(LVII)/292)

- 9. The <u>Chairman</u> said that the 57<sup>th</sup> Session of the Joint Advisory Group (JAG) on the International Trade Centre <u>UNCTAD/WTO</u> (ITC) was held on 20 July 2023. The report of the meeting was contained in ITC document ITC/AG(LVII)/292. It had also been made available to delegations in Room Document <u>RD/COMTD/11</u>. He welcomed Ambassador Nadia Theodore of Canada, the Chairperson of the JAG, and invited her to introduce the report.
- 10. The <u>Chairperson of the JAG</u> provided an overview of the discussions that had taken place at the JAG meeting. She said that the JAG had evaluated the ITC's performance in 2022, which was outlined in the ITC's Annual Report. The ITC's Executive Director, Pamela Coke-Hamilton, had emphasized during the meeting that the world had grappled in 2022 with the four Cs: COVID-19, climate change, conflict, and the cost-of-living crisis. These crises continue to reshape the world on a daily basis. In this ever-evolving global trade landscape, the ITC had rightfully maintained its focus on empowering small businesses to compete in regional and global markets. Its added value was clear: the ITC presented practical and innovative solutions that these small firms could use to navigate the uncertainties and build greater resilience. During the meeting, the Executive Director had emphasized how the ITC was actively paving the way for its clients to explore new market avenues. The ITC's strategic interventions were aimed at removing the roadblocks that posed the greatest challenges to its clients. For instance, with the ITC's support, Iraq had successfully hosted its first Trade Forum. Young entrepreneurs from the Dadaab refugee camp in Kenya had gained

access to new markets, and music from Saint Lucia was transported to new geographies. This directly aligned with the WTO Director-General's view, expressed during her opening remarks at the meeting, that trade should benefit people by improving living standards and creating jobs. The ITC's work was turning this vision into reality. The Director-General also underscored the collaborative endeavours between the ITC and the WTO, with a distinct focus on inclusivity. For example, cooperative projects supported the Cotton-4 countries in West Africa so that their small businesses could become integrated into the global sports apparel value chain, which was a market valued at over USD 200 billion. The ITC was also actively assisting multiple WTO Observers in their accession processes, including Uzbekistan and Turkmenistan. The WTO and the ITC had a shared commitment to jointly mobilize resources to empower women in the realm of digital trade.

- She said that the Secretary-General of the United Nations Conference on Trade and Development (UNCTAD) had reiterated the Director-General's comments regarding the importance of collaboration in the face of escalating crises. The UNCTAD Secretary-General also highlighted the ongoing partnership between UNCTAD and the ITC, particularly in crucial areas like promoting digital and green transitions. In this context, the ITC had provided support for numerous e-trade readiness assessments and the development of e-commerce strategies and action plans. Another joint initiative was the United Nations Forum on Sustainability Standards (UNFSS), aimed at enhancing developing countries' understanding on the subject and ensuring that standards led to tangible opportunities for them. Delegations shared perspectives on the pressing needs of countries grappling with fragility, uncertainty and the post-pandemic recovery. What came through, loud and clear, was the importance of finding ways to connect with new markets, especially through digital platforms. There was a recognition of the ITC's role in facilitating the transfer of technology, providing market intelligence, and empowering small businesses to access and thrive in online marketplaces. An example of this was the Global Trade Helpdesk, a collaborative initiative led by the WTO, UNCTAD and the ITC. The platform served as a one-stop shop for global trade information for entrepreneurs worldwide. The Global Trade Helpdesk was recognized at the G20 trade and investment Ministers' meeting in Jaipur for its inclusivity and practicality. The ITC was now leading the work under the G20's Jaipur Call to Action to upgrade the Helpdesk and make it even more accessible and effective. As illustrated by initiatives such as the Global Trade Helpdesk, the ITC's value lay in its collaboration with national and international partners to identify key stakeholders and needs in beneficiary countries, adhere to global best practices, and address local challenges while navigating the intricacies of international markets. Delegations also expressed appreciation for the ITC's commitment to inclusivity and poverty reduction. The ITC's focus extended beyond merely finding new opportunities for small businesses. The organization was equally committed to ensuring that women, youth, refugees and vulnerable communities were driving the participation of micro, small and medium-sized enterprises (MSMEs) in the global economy.
- The SheTrades Hubs were particularly commended for providing a unique platform that encompassed training, tools and networking opportunities to boost the competitiveness of women-led businesses. As the ITC's evaluation unit noted during the meeting, these hubs were a key factor in enhancing the ITC's efficiency and effectiveness. They did so by establishing partnerships with local institutions and enabling outreach to a larger number of small businesses led and owned by women. This partnership-driven model, as a result, drove scalability to ensure maximum impact. During the meeting, appreciation was also expressed for the dedicated staff of the ITC, who poured their hard work and passion every day into projects that drove trade and development delivery and impact. This dedication extended to internal change management. The ITC's Moving Forward initiative, as highlighted by the Executive Director, represented a comprehensive roadmap to build a stronger ITC to tackle prohibited conduct and foster a better workplace culture. This was vital to ensure that the ITC continued to be an agile, responsive and fit-for-purpose channel to deliver the Sustainable Development Goals (SDGs) through global trade. There was also a resounding commitment from the three spokes of the Geneva Trade Hub to strengthen collaboration. This was exemplified by the upcoming Trade House at COP28 in the United Arab Emirates, jointly hosted by the WTO, UNCTAD and the ITC in partnership with the International Chamber of Commerce. The organizations would leverage their respective strengths to bring the voices of trade and the private sector in developing countries into the United Nations (UN) climate negotiations. At COP28, the ITC would bring five small businesses and five business support organizations to highlight the vital role of MSMEs in fostering an equitable green transition. The ITC would actively engage in high-level discussions on critical topics, such as the insights gained from efforts to establish deforestation-free global value chains, the need for climate finance tailored to the needs of small businesses, and the implications of various due

diligence regulations and measures. The organization was dedicated to amplifying the voices of small businesses and looked forward to delegations' engagement at these events.

- To summarize the discussion at the JAG meeting, the JAG Chairperson pointed to three main takeaways. First, there was a recognition that, despite the challenging trade and aid environment, the ITC continued to deliver at the top of its game, delivering on its core mission of ensuring the competitiveness of small businesses while adapting its offerings to address global challenges. Second, it was important for the ITC to scale up its successful approaches so that thousands more small businesses in developing countries could be supported to grow and thrive sustainably. For this to happen, there was a call for donors to keep financing the ITC's work at the intersection of trade and development. Third, it was clear that partnerships were vital for jointly addressing challenges, leveraging strengths and maximizing impact. Whether in Geneva or in cooperation with private sector partners, non-governmental organizations (NGOs) and foundations across the world, the ITC was committed to working with partners to meet the needs of small businesses. She thanked delegations for their confidence in the ITC and expressed hope to see the organization continue bringing its characteristic practical, SDG-focused approach to tackle challenges faced by small businesses to ensure the building of a connected, sustainable and inclusive global economy. In this regard, she looked forward to the ITC's intervention at the Thirteenth WTO Ministerial Conference (MC13), where it was partnering with the WTO on a major trade and gender event before the start of the Ministerial Conference. She had also learned that the ITC was mobilizing local and international partners to organize industry visits, knowledge sharing, and networking opportunities for women entrepreneurs. The ITC would also participate in the International Institute for Sustainable Development's Trade and Sustainability Hub event happening on the margins of MC13 and was currently in discussions with the African Group to strengthen Africa's voice within the WTO's Informal Working Group on MSMEs.
- 14. The representative of Nigeria delivered the following statement:
- 15. My delegation commends the ITC for its efforts in ensuring that developing countries better use trade to drive growth. The ITC has been working with Nigeria to unlock the productive capacities of MSMEs. This could not have been done without the support of donors. For example, we thank the United Kingdom for provided funding for the SheTrades project in Nigeria, which was implemented through the ITC. This project helps to connect our women entrepreneurs to the global market. On behalf of Africa, I would like to express appreciation for the African Trade Observatory. I was recently in Nigeria with the ITC team to launch the Inclusive Digital Entrepreneurship in the Agri-Food Sector (IDEAS) project. The project seeks to promote the development of e-commerce in Nigeria particularly for small businesses, by enhancing their technical and managerial capacities, strengthening market linkages and creating a conducive environment for their growth. I would like to thank Japan for supporting this project. Nigeria and other African countries need more help and the importance of the ITC scaling up its interventions cannot be over-emphasized. I want to use this opportunity to call on donors to continue to partner with the ITC with a view to improving the effective participation of MSMEs in developing countries in international trade.
- 16. The representative of Nepal, on behalf of the LDC Group, delivered the following statement:
- 17. The LDC Group thanks Ambassador Nadia Theodore for the report of the 57<sup>th</sup> JAG Session. The ITC's commitment to provide Aid for Trade to small business in LDCs, landlocked developing countries (LLDCs), small island developing states (SIDS), Sub-Saharan African countries and conflict-affected countries has played an important role in the recovery phase after the COVID-19 pandemic. The organization has been helping thousands of women-led businesses in these countries to strengthen and internationalize their enterprises via the SheTrades initiative. According to the ITC's Strategic Plan 2022-2025, the organization helped 27,000 MSMEs improve their competitiveness and 9,600 MSMEs transact international business. The ITC has been implementing projects in several LDCs. We are grateful for the support provided to our MSMEs to diversify our economies, achieve structural transformation and create jobs to fight poverty. These actions are key to strengthening LDCs' productive capacities and export competitiveness in order to integrate LDCs in global value chains and help them promote their sustainable development. In conclusion, it is equally important to make the ITC's interventions sustainable.

- 18. The representative of the <u>European Union</u> delivered the following statement:
- 19. The European Union and its Member States were very interested at the JAG to hear beneficiary partner countries, as well as donors, speak out about their experiences with the ITC in 2022. For its part, the European Union presented four forward-looking projects within the large portfolio that the European Union and its Member States have built up with the ITC. These are related to the African Continental Free Trade Area (AfCFTA), to climate, to gender, and to the competitiveness of African, Caribbean and Pacific countries. The European Union is very pleased to partner with the ITC to promote sustainable and inclusive development.
- 20. The representative of <u>India</u> delivered the following statement:
- 21. I would like to thank Ambassador Theodore for briefing the Committee on the 57<sup>th</sup> JAG Session. Some very impressive work is being done by the ITC. I would like to in particular express my appreciation to the Ambassador for reflecting on the Jaipur dialogue which took place this year under India's presidency of the G20, and where we embarked on an ambitious project with the ITC on an MSMEs portal. We are sure that the ITC will deliver a very good product that will help MSMEs across the world.
- 22. The representative of Ecuador delivered the following statement:
- 23. Thank you for this report. Ecuador has stepped up its activities with the ITC and is currently working to implement projects on gender, the environment, the promotion of non-traditional exports and investment facilitation. Based on our national experience, we wish to acknowledge the ITC's efforts to include cross-cutting issues such as gender equality and environmental sustainability in all its projects, while using digital tools to advance various stages of the projects virtually. I would like to express my delegation's appreciation to all the ITC teams that have worked with Ecuador on these projects. We are aware of the impact that these projects and initiatives have, and Ecuador is grateful for the support of donor countries. We also call upon the entire international community to consider increasing its support for these initiatives which have an impact not only on producer countries, but also their trading partners around the world in order to consolidate positive trade practices.
- 24. The representative of the <u>United Kingdom</u> delivered the following statement:
- 25. Thanks to Ambassador Theodore for the update, and for taking on the role as JAG Chair. The ITC has continued to deliver impact and results despite the very challenging circumstances of the four Cs, as the Executive Director calls them. That is one reason why the ITC is such a close and trusted partner of the United Kingdom. As my Ambassador said at the JAG, we particularly appreciate the ITC's ability to get close to what works for business, and bring realism to our policy instruments. The United Kingdom Trade Partnerships (UKTP) Programme with the ITC, for instance, helps us to understand what businesses need in order to take full advantage of the United Kingdom's new Developing Countries Trading Scheme. We were pleased to have more than doubled our funding to the UKTP Programme this year, which will help even more small and medium-sized enterprises (SMEs) take the first step to trade internationally and access new markets. We are also very proud of the United Kingdom-ITC partnership on trade and gender. Tackling gender inequality is a core part of the mission of the Government of the United Kingdom, and of our approach to trade and economic development. The United Kingdom was pleased to participate in the launch of Bangladesh's SheTrades Hub in March this year, and we are proud of our continuous support to SheTrades Outlook.
- 26. The representative of the <u>United States</u> delivered the following statement:
- 27. Thank you to Ambassador Theodore. The real-world trade capacity building provided by the ITC is important to help us understand how to make trade work for developing countries' exporters by building inclusive and sustainable programmes in line with post-pandemic recovery plans and national trade strategies. In fiscal year 2022, the United States Agency for International Development (USAID) obligated about USD 500,000 in earmarked funds to the ITC. The cumulative obligation amount has reached about USD 4.4 million since 2016. Specifically, USAID and the ITC are collaborating on some promising projects on developing small-business digital capabilities and improving e-commerce accessibility in developing countries through the ecomConnect programme.

I would also like to mention climate change resilience and sustainable business practices for MSMEs through the Green to Compete programme, the Market Access Map that covers export readiness for firms through market analysis tools and service, and promoting decent work in the context of informal cross-border trade in Central Asia through the CRECER initiative. This is just a snapshot of the partnerships and collaborations. Although we are in the CTD's Regular Session today, I would like to make the point that a lot of these topics are coming up as thematic areas for the CTD's Dedicated Session on Small Economies. There is therefore a lot of cross-collaboration that we can draw from. Ultimately, our hope is that the ITC's practical and reliable capacity-building programmes can build a record of Member-driven success stories to share in the CTD. We look forward to continuing to work with the ITC.

#### 28. The representative of <u>Egypt</u> delivered the following statement:

Allow me to extend my delegation's sincere appreciation to Ambassador Theodore for her tireless efforts in fostering collaboration and in driving impactful initiatives, as highlighted in the recent JAG discussion. Her dedication to achieving inclusivity, sustainable development and the improvement of small businesses is commendable. We would also like to commend the ITC for its pivotal role in connecting countries with new markets, especially through digital platforms. The collaborative projects supporting small businesses in West Africa, the Global Trade Helpdesk, and the commitment to inclusivity and poverty reduction demonstrate the ITC's commitment to making a positive impact on a global scale. The ITC's partnership-driven model, exemplified by the success of the SheTrades Hub, is particularly noteworthy. The focus on training, tools and networking opportunities for women-led businesses contributes significantly to enhancing efficiency and effectiveness, ensuring maximum impact. We also note the valuable work to assist and capacitate SMEs. Furthermore, Egypt acknowledges the ITC's Moving Forward initiative, which represents a comprehensive roadmap for building a stronger, more responsive organization. This initiative, coupled with the dedication of the ITC's staff, reflects a commitment to delivering on the SDGs through global trade. As we look forward to future engagements, including the Trade House at COP28 in the United Arab Emirates, we express our confidence in the ITC's ability to amplify the voices of small businesses and foster an equitable green transition. In conclusion, Egypt values the collaborative efforts led by Ambassador Theodore and the ITC, recognizing the need for continued support and financing to scale up successful approaches. We look forward to ongoing partnerships and engagements to ensure a connected, sustainable and inclusive global economy.

#### 30. The representative of <u>Fiji</u> delivered the following statement:

31. Thanks to Ambassador Theodore for the assessment of this important mandate and thank also to the ITC Executive Director and the ITC team for the continued good work. I take note of the various areas in which the ITC has managed to deliver, most of which are relevant to small economies. The discussion at the CTD's Dedicated Session on Small Economies yesterday was very much in line with much of the work that the ITC is doing on climate change, supply chain, digitalization, the environment and many more. We would like to encourage the ITC to continue to do such work, and to look into the various issues that small economies are facing. The ITC could play an important role to help small economies, many of which are vulnerable and face difficulties in doing business. There are in particular a couple of projects by the ITC in the Pacific on which we would like work to continue. My delegation also takes note of the continued good work in areas such as SMEs, economic empowerment, youth and migrant communities. It would be useful to hear of any challenges that the ITC is facing, and also to hear more success stories coming from the ITC's work. I would also like to thank the donors for their continued support now and in the future.

#### 32. The representative of Malaysia delivered the following statement:

33. I would like to thank Ambassador Theodore for the report. Malaysia recognizes the ITC and the European Union as important partners. We applaud the European Union's continued commitment through the Association of Southeast Asian Nations (ASEAN) Regional Integration Support by the European Union (ARISE) Plus Malaysia trade-related technical assistance (TA) project – particularly in the areas of trade policy formulation, quality infrastructure systems and sustainable agriculture practices. As a key partner in implementing the projects, we appreciate the ITC team for the cooperation rendered to the Ministry of Investment, Trade and Industry and other domestic stakeholders. In conclusion, we would once again like to record our appreciation to the ITC for the hard work and commitment. Malaysia has learned a lot from the experts, who have demonstrated a high level of professionalism in delivering this project.

- 34. The representative of the <u>ITC</u> expressed appreciation to delegations for their encouraging words regarding the work of the ITC. She believed that this was a clear indication of the usefulness of the ITC's work. She was pleased to note that the donors continued to consider the ITC a reliable partner. She also indicated that she had taken note of the request for scalability, the mention of cross-cutting themes and the call for the ITC to bring its practical experiences and success stories to the WTO.
- 35. The Committee <u>took note</u> of the report of the 57<sup>th</sup> Session of the JAG and <u>forwarded</u> it to the General Council for adoption.

#### **4 TECHNICAL COOPERATION AND TRAINING**

- (A) New functionalities in the Technical Assistance Management System Presentation by the Institute for Training and Technical Cooperation
- 36. The <u>Chairman</u> said that, under this agenda item, a brief presentation would be made by the Institute for Training and Technical Cooperation (ITTC) on new functionalities in the Technical Assistance Management System (TAMS). However, before giving the floor to the ITTC, he wished to take the opportunity to mention two issues concerning TA.
- 37. He firstly referred to the communication that he had sent to all delegations on 9 October 2023. In this communication, he recalled that the CTD had adopted the Biennial Technical Assistance and Training Plan (TA Plan) 2024-2025 contained in document WT/COMTD/W/273 at the 121st Regular Session held on 11 July 2023. The budgetary aspects of the TA Plan were subsequently considered by the Committee on Budget, Finance and Administration (CBFA) at its meeting of 21 September. As noted in his communication, he had been informed by the Chair of the CBFA that the CBFA had approved the budgetary aspects of the Plan, subject to the understanding that the term "donor" contained therein was to be read as referring to "contributor", and the term "country" when used in the Plan was to be understood as referring to Member and/or Observer. The CBFA agreed to ask the CTD to instruct the Secretariat to issue a corrigendum to document WT/COMTD/W/273 to reflect these changes. In his communication, he had invited any delegation that wished to share any thoughts or observations with him on this matter to do so by 13 October. As no indications to the contrary were received, he had proceeded to instruct the Secretariat, on behalf of the CTD, to issue a corrigendum to document WT/COMTD/W/273. The corrigendum was circulated on 20 October in document WT/COMTD/W/273/Corr.1.
- 38. The second issue he wished to mention concerned the WTO Chairs Programme (WCP). He recalled that, earlier in the year, the WCP had announced a call for applications. This call followed from the announcement by the WTO Director-General that smaller groups of institutions would be admitted more frequently to the WCP. The transition to this so-called "rolling" Chairs Programme with more frequent admissions was foreseen in the TA Plan 2024-2025. Following requests from a number of applicants experiencing difficulties in meeting the initial deadline set for 11 December 2023, and in light of the comprehensive application process, he informed the Committee that the deadline had been extended to 31 January 2024. This was being changed on the WTO website and the WTO Chairs website and would be communicated shortly in writing to the Members eligible for this call for applications. He then invited the ITTC to make its presentation.
- 39. The representative of <u>ITTC</u> said that the ITTC had begun sending, in a single communication to beneficiaries, information about future activities, with links provided to the details of these activities and how to apply to participate in them. It was explained that, in the past, separate communications were sent over several weeks concerning the same activity, which sometimes caused confusion. The procedure was changed for this reason. A demonstration was also given of the TA dashboard in the TAMS. The Committee was informed that the TA dashboard now contained information on contributions made by individual Members over the past five years, including whether these were unearmarked or earmarked to specific programmes. The objective was to provide a more accurate and up-to-date picture of the resources available to finance TA activities.
- 40. The representative of Nepal, on behalf of the LDC Group, delivered the following statement:
- 41. The LDC Group thanks the ITTC for the presentation. We take note of the new functionalities in the TAMS. The Group appreciates the ITTC's innovations in the TAMS to better support

WTO Members, especially the smallest and the most vulnerable ones. We are grateful for the TA provided by the ITTC to Members in terms of capacity building. The TA can be instrumental to LDCs in order to help them comply with their WTO obligations. The Group urges the ITTC to find creative solutions to keep providing national TA, based on the demand by Members in situations of conflict or other fragile situations. In conclusion, the LDC Group reaffirms the importance of the ITTC's TA to Members and is grateful for that support.

- 42. The representative of Nigeria delivered the following statement:
- 43. My delegation takes note of the functionalities of the portal that the ITTC representative just explained. I am taking the floor to thank the ITTC for its support to developing countries, especially Nigeria. This year, two national workshops were held in Nigeria, one on agriculture and the other one on sanitary and phytosanitary (SPS) measures and technical barriers to trade (TBT). We appreciate the ITTC's efforts to boost Members' capacity, and we hope that it will be able to intensify its efforts to provide more support to developing countries. I also call on donors to work closely with the ITTC to ensure that training activities continue to be delivered to boost the capacity of our officials in terms of implementation of the WTO Agreements.
- 44. The representative of <u>Ecuador</u> delivered the following statement:
- 45. My delegation takes note of the various updates provided by the Secretariat. We would also like to thank the ITTC for all the support it has provided to Ecuador this year, which was greatly appreciated by the participants. I would like to make a comment on the requests for TA that can be made through the TAMS. It appears that editing a draft request is not straightforward. We suggest that this could be made easier.
- 46. The representative of the United States delivered the following statement:
- 47. The United States thanks the ITTC for the very useful update. I would like to join my colleagues from Nepal, Ecuador, Nigeria and others in thanking you for keeping us abreast of all these changes. The United States remains a good reader of your annual report.
- 48. The representative of <u>China</u> delivered the following statement:
- 49. I would like to thank the ITTC for introducing the new version of the dashboard and for its work in streamlining the application. My delegation appreciates that the ITC provides regular updates on issues relating to TA and capacity building. We will go through the details of the webpage that has been introduced today. I have two preliminary questions. First, I would like to know whether the dashboard is open to the public, or only to Members and Observers. Second, with regard to the funding of TA capacity-building, I would like to know whether the charts are updated from time to time.
- 50. The representative of Fiji delivered the following statement:
- 51. I would like to echo the sentiments of gratitude to the ITTC and thank the donors. My country has greatly benefited from the various TA activities organized by the ITTC, which have allowed us to keep abreast of what is going on in Geneva. I would like to express appreciation for the very meaningful support that has been provided, including through the inclusive and transparent approach in the nomination of participants, the recruitment process and the regular notifications provided to participants. I think my colleagues from the Pacific will agree with me. I look forward to continuing to collaborate with the ITTC, especially in the context of its work in the Pacific.
- 52. The representative of the <u>European Union</u> delivered the following statement:
- 53. The European Union would like to thank the WTO Secretariat for the presentation and the interesting improvements made. The European Union welcomes the constant efforts by the WTO as well as the beneficiaries to enhance the efficiency, impact and management of the TA activities, which we consider very important.

- 54. The representative of the Republic of Korea delivered the following statement:
- 55. Korea thanks the ITTC for briefing the Membership on the new functionalities in the TAMS. TA and capacity-building activities are essential to ensure that all Members have access to the benefits of the multilateral trading system (MTS). Submitting applications for such programmes as well as their delivery can be hampered by inefficient systems. We therefore appreciate that the ITTC is constantly trying to improve the system and updating the Membership on a regular basis. Korea will be continuing its voluntary contributions in 2024 to the Global Trust Fund. We are a key donor to the WCP, which fosters understanding of the MTS among academics in developing countries who can best advise government policymakers on the ground. We look forward to working with the ITTC to maximize the impact of our collective efforts.
- 56. The representative of the <u>ITTC</u> said that he would first respond to the comment from Ecuador regarding the difficulties experienced in editing draft requests for TA activities. He noted that the drafts were meant to be edited and that the ITTC would contact the delegation of Ecuador to see how the problem could be fixed and whether there was a defect in the system. Turning to the questions from China, he said that some information on the TA dashboards was publicly available. However, detailed information on each beneficiary's participation was only available to the beneficiary concerned. With regard to whether the information was regularly updated, he said that there were some elements concerning activities and participants which were updated in real time and on a daily basis. The predefined graphs and information on contributions received were updated periodically, but not on a daily basis. Information in this regard was available up to the end of 2022. Information for 2023 was currently available in the real-time part of the dashboard and would be included in the other part of the dashboard in early 2024.
- 57. The Committee took note of the presentation by the ITTC, and of all interventions.

#### **5 DEVELOPMENTAL ASPECTS OF WTO REFORM**

58. The <u>Chairman</u> said that there were two sub-items under this agenda item. Under the first sub-item, he would make a statement on the developmental aspects of WTO reform. A communication from India appeared as a second sub-item. This communication, circulated in document <u>JOB/COMTD/4</u>, was titled "A reflection on the discussions held in the development retreat (informal meeting on WTO reform focused on development) in February 2023". After he made his statement, he would invite India to introduce its communication. The floor would then be opened for interventions by delegations.

#### (A) Statement by the Chairman<sup>1</sup>

The Chairman recalled that, at the last CTD meeting on 11 July 2023, he had made a statement on the informal discussions that he had held on the developmental aspects of WTO reform. The statement was circulated in JOB/COMTD/2. His statement at the present meeting served as a follow-up to his previous statement. In particular, he wished to highlight some developments that had taken place since July. The statement would be divided into two parts. In the first part, he would outline the status and progress made on some development-related work in the WTO. He would make reference to the Senior Officials Meeting (SOM) which was held in Geneva on 23 and 24 October 2023, and would touch on the three specific areas that had mentioned in his previous statement in July, which were LDC graduation, special and differential treatment (S&D), and the Work Programme on Small Economies. In the second part of the statement, he would summarize a number of measures that had started to be implemented to improve the functioning of the CTD. Members were aware that, in the context of reform, he had been working for the last few months to put these measures into place. After he completed his statement, he would invite the Committee to take note of the statement. In doing so, the Committee would also be invited to take note of the measures that had been put in place to improve the functioning of the CTD. He indicated that he would start with first issue, which concerned the status and progress made on some development-related work. He began by making reference to the SOM, which was held on 23 and 24 October 2023, and where trade and development was prominently discussed. He recalled that he had served as the Facilitator of the three breakout sessions that were held on trade and development. He did not intend to go into any detail of the discussions that took place at the SOM,

<sup>&</sup>lt;sup>1</sup> The statement by the Chairman was circulated to Members in document <u>JOB/COMTD/7</u>.

since these had already been reported on. He referred Members to documents <u>WT/GC/259/Rev.1</u> and <u>TN/C/22/Rev.1</u>, which contained the summary by the Chairpersons and the oral reports by the Facilitators – including his own report. Nevertheless, he wished to note that the discussions confirmed the importance that Members attached to the development dimension of the WTO's work.

- He turned to first specific area that he wished to highlight, which concerned LDC graduation. He said that, during the SOM, Members achieved an important milestone with the adoption of a Decision by the General Council on 23 October on the extension of unilateral duty-free and quota-free (DFQF) preferences in favour of countries graduated from the LDC category, contained in document WT/L/1172. In addition, pursuant to the General Council decision in July, the Sub-Committee on LDCs in September started its examination of Annex 2 of the LDC graduation proposal, contained in document WT/GC/W/807/Rev.2. Discussions were continuing on some 17 S&D provisions identified in Annex 2. These discussions were taking place in clusters with factual presentations by the Secretariat. Based on these discussions, a report would be provided to the General Council by 30 November 2023. With regard to S&D, which was the second issue he wished to highlight, he said that issues relating to S&D were extensively discussed during the SOM, including in the three breakout sessions on trade and development. Senior Officials addressed the question of effective S&D for the 21st century. The ongoing process taking place in the CTD in Special Session (CTD SS) was also welcomed. A formal CTD SS meeting would be held on 23 November 2023. At this meeting, the Facilitator for the discussions on the G90 Agreement-specific proposals (ASPs) on the SPS and TBT Agreements would report on the work undertaken in the past few months, and Members would exchange views on the next steps regarding these two proposals. The G90 would also provide an update on the status of preparation of textual submissions on the other eight ASPs. As he had said before, having an outcome on S&D at the Thirteenth WTO Ministerial Conference (MC13) would certainly strengthen the overall development package from the Ministerial Conference. He therefore encouraged Members to continue to work on issues relating to S&D with this objective in mind.
- 61. He next turned to the Work Programme on Small Economies. He said that, at the meeting of the CTD's Dedicated Session on Small Economies on 16 November 2023, Members discussed a draft proposal submitted by Guatemala on behalf of the Group of Small, Vulnerable Economies (SVEs) for a Ministerial Decision at MC13 on the Work Programme on Small Economies. In his view, it was a good discussion, and there was a willingness expressed by Members to have a text submitted to Ministers for approval at MC13. The meeting was suspended, in order to allow Members more time to discuss the SVE Group's proposal. He would also be facilitating informal discussions among Members with a view to concluding the consideration of the SVE Group proposal as soon as possible. Overall, it appeared that some good progress was being made on a number of development-related issues. Although he had highlighted these three areas in particular, in order to provide continuity from his last statement, several other issues with a development dimension were raised by Members in the informal meetings that he had held, as well as at the SOM. He wished to conclude this part of his statement by noting that, at the SOM, delegations generally expressed willingness to continue discussing the developmental aspects of WTO reform in the CTD. He saw this as a positive endorsement of the discussions that were started in the CTD in 2023. However, it would also be important to have some concrete outcomes from these discussions. Submissions or proposals from Members would be welcome. In this regard, he appreciated the communication from the United Kingdom that was reflected under this agenda item at the last meeting, as well as the communication from India that the Committee would turn to after his statement was concluded. If delegations wished to explore the possibility of an outcome at MC13 on the developmental aspects of WTO reform emanating from the work of the CTD, he would be happy to facilitate discussions among Members to see how to take any proposals forward. This concluded the first part of his statement.
- 62. He indicated that he would move on to the second part of his statement, which concerned the measures that had been put in place to improve the functioning of the CTD. He recalled that, on 2 October 2023, he had sent a communication to Members proposing a number of measures to improve the functioning of the CTD. He had invited any delegation wishing to share any thoughts with him on these proposed measures to do so by 6 October 2023. As there were no indications to the contrary received by this date, he had worked with the Secretariat to put these measures into place for the four CTD meetings held on 17 November 2023: the 19<sup>th</sup> Dedicated Session on the Monitoring Mechanism on S&D; the 21<sup>st</sup> Dedicated Session on RTAs; the 13<sup>th</sup> Dedicated Session on PTAs, and the 122<sup>nd</sup> Regular Session. These measures would be implemented henceforth for all CTD meetings chaired by the CTD Chair which, in addition to the bodies he had just mentioned, also

included the CTD's Dedicated Session on Small Economies and the CTD's Session on Aid for Trade. The measures could be summarized in the following way. First, the airgrams had been reformulated in a number of ways. A simpler and more straightforward numbering system for agenda items had been adopted – similar to what was done in the General Council and some other WTO bodies. The current practice of circulating an airgram with a preliminary agenda four weeks before a CTD meeting would continue. However, initial airgrams would now include information on how delegations could request the addition of an item on the agenda, and the date by which items could be added before the closure of the agenda. A revised airgram would be circulated ten days before the meeting. Second, annotated draft agendas had been prepared for the four CTD meetings held on 17 November. He said that he had initially envisaged initiating all the new measures beginning with these four CTD meetings. However, given that the CTD's 59<sup>th</sup> Session on Aid for Trade took place just a few days ago – on 14 November – and the CTD's 46<sup>th</sup> Dedicated Session on Small Economies took place on 16 November, he had worked with the Secretariat to prepared draft annotated agendas for these two meetings as well. An annotated draft agenda would henceforth be circulated a few days before each formal meeting.

- Third, hyperlinking to the WTO's Documents Online had become a feature of all documents relating to the bodies chaired by the CTD Chair. Fourth, a calendar of CTD meetings in 2024 had been prepared and was reflected on the agenda for the present meeting. The item concerning the calendar of CTD meetings replaced the "date of the next meeting" item which previously appeared on the CTD's agenda. The calendar of meetings would be updated in the course of 2024 as necessary. Fifth, with regard to e-agendas, he believed that the e-agenda had many useful functions that could be applied in the context of the CTD. The e-agenda would be introduced on a trial basis in the Regular Session of the CTD. As it had not been technically feasible to have the e-agenda ready for present meeting, it would be introduced starting from the next meeting of the Regular Session in March 2024. If Members so wished, it could in due course be introduced in other bodies chaired by the CTD Chair as well. He went on to say that, in addition to the measures that he had just outlined, he wished to inform Members that the CTD webpage on the WTO website had been updated to include more information on the work of the Committee. Training material had also been added, which would be particularly useful for new delegates. He would be sharing the link to the updated CTD webpage in his statement that would be circulated to Members after the present meeting.<sup>2</sup> Other related webpages would also be updated as necessary. He noted that the measures that he had outlined should be seen as one step in the process of improving the functioning of the CTD. He would be continuing to explore with Members other measures that could eventually be put in place, as well as other ways to allow the CTD to improve its functioning.
- 64. The Committee <u>took note</u> of the Chairman's statement and in doing so also <u>took note</u> of the measures that had been put in place to improve the functioning of the CTD.
  - (B) A reflection on the discussions held in the development retreat (informal meeting on WTO reform focussed on development) in February 2023 Communication from India (<u>JOB/COMTD/4</u>)
- 65. The representative of <u>India</u> delivered the following statement:
- 66. I would like to thank the Chair for outlining the measures that have been put in place to improve the functioning of the CTD. We had an excellent retreat in February this year. As Deputy Director-General (DDG) Xiangchen Zhang mentioned in his reflections at the plenary, it was a good restart to the discussions on development. The retreat witnessed free and frank discussions on the development dimension. Members' expectations from the WTO were clearly spelled out. The DDG's reflections captured them brilliantly. However, despite several requests to the Secretariat, these reflections were not circulated. Perhaps the Secretariat had certain constraints, but these were not made known. Under the circumstances, India has tried to capture these reflections in document JOB/COMTD/4, so that the good work is not lost sight of. The Committee should take good note of this document. As a focal point on development work, the CTD should coordinate to allow for focused discussions on all these issues. I would like to invite attention to the last paragraph of the submission, where action points are clearly reiterated. After the circulation of the submission, DDG Zhang's reflections in this area were incorporated in paragraph 1.13 of document JOB/GC/357, which was prepared by the Secretariat for the SOM. For example, the DDG noted that he had heard the need to ensure that the CTD remained the focal

<sup>&</sup>lt;sup>2</sup> The CTD webpage can be found at: <a href="https://www.wto.org/english/tratop\_e/devel\_e/d3ctte\_e.htm">https://www.wto.org/english/tratop\_e/devel\_e/d3ctte\_e.htm</a>.

point on development and that its work be revitalized including through thematic discussions and more meetings. Several delegations also pointed to the need to reinvigorate the work of the Working Group on Trade and Transfer of Technology (WGTTT), the Working Group on Trade, Debt and Finance (WGTDF) and the Committee on Balance of Payments. Furthermore, the retreat identified several issues that the CTD should be engaging in directly. The retreat had such an excellent discussion on the development dimension that Members may not need to discuss what needs to be done on development. They should instead be discussing how it is to be done, so as to effectively use resources to have meaningful discussions. As mentioned in our submission, Members are welcome to add anything to these reflections that we may not have captured. We would like to suggest that the CTD, in its role as focal point on development, take note of the issues identified for action in the retreat and document the work being done on these points in various WTO bodies. It has also been suggested that the CTD do a lot of work, including through compiling all Ministerial mandates on development, compiling a list of reverse S&D, undertaking a stocktaking exercise to see how the flexibilities in WTO Agreements have contributed to development, and identifying key performance indicators (KPIs) for industrialization and diversification. The retreat has given Members a good starting point for doing further good work in this Committee.

- 67. The representative of Nepal, on behalf of the LDC Group, delivered the following statement:
- The LDC Group supports the Chair's work, which is well done and highly appreciated. We also thank the Secretariat. On the functioning of the Committees, the LDC Group would like to simply record in the CTD the points which we raised in the General Council, which are of a systemic nature. We have certainly found the annotated agendas extremely useful. This was part of the practical steps the LDC Group advocated for in our submission of April 2022. We recount our points made at the General Council this month, for reference in the CTD. To complement the work done, we suggest that some improvements in the process of the reform could be considered. For example, future proposals requiring adoption, and of a crosscutting nature with impact on LDC participation, should be sent to the General Council for discussion and decision. LDCs and small delegations are all at the General Council. LDCs are in the best place to evaluate the impact of reform-by-doing proposals on their participation in the WTO. As an additional step, some recent adoptions might be considered by the General Council to apply on a trial or pilot basis, similar to what was done for the proposal on e-agenda. The trial basis for e-agenda was reflected in the state-of-play report sent to the GC. We can test the impact of some of the adoptions on LDCs and the LDC Group. We also feel that, while some steps may have been taken, more effort must be made to avoid overlapping meetings. There are a number of clashes in the last three months that posed serious challenges for LDCs. This is preventing small delegations from an active and productive participation. We appreciate the Chair's initiative to adopt the e-agenda. We are happy to note the decision taken on Annex 1 of the LDC Group's proposal at the special meeting of the General Council ahead of the SOM. We thank all Members for this decision and hope for similar support on Annex 2, which is under discussion in the Sub-Committee on LDCs. The LDC Group supports discussion on the submission from India. Many elements align with LDC principles and positions. The LDC Group also participated actively in the retreat. We reflected our views regarding reform on development issues and found that the retreat allowed for important and frank discussions. The issues identified and discussed are relevant for further action. India's submission provides Members a good basis to delve further into these issues in the CTD. We support that the CTD take up further work on the issues raised, and on WTO reform focused on development.
- 69. The representative of <u>Egypt</u> delivered the following statement:
- 70. I would like to start by thanking the Chair for the comprehensive report. I would also like to thank India for the presentation today and for the submission. Egypt commends the initiative to reignite discussions on the development dimension within the WTO, as reflected at the development retreat held in February 2023. We echo the sentiment that this represents a positive restart to Members' collective efforts towards a more inclusive and mutually beneficial MTS. In alignment with the discussions and reflections presented by India, my delegation would like to offer the following practical and implementable suggestions to further enhance the development focus in the ongoing WTO reform process. First, there is a need to enhance the implementation of S&D. This could be done by conducting regular assessments to identify challenges faced by developing and LDC Members in utilizing S&D provisions and by providing targeted TA to address these challenges. There are multiple ways to do this, but it must be done. The second point concerns mainstreaming development in the WTO's work by advocating for the establishment of a focal point within the relevant subsidiary bodies for example, the Committee on Agriculture, the Council for Trade in

Services and the Council for Trade-Related Aspects of Intellectual Property Rights (TRIPS) – to systemically integrate development considerations into their respective areas of work. Members can base this on the ideas presented in document <a href="https://www.wt/wt/wt/208/">wt/comtp/w/208</a>, which will be discussed under Agenda Item 10.B. Delegation should be encouraged to submit concrete proposals on how existing Agreements can be amended or adapted to better accommodate the development needs of all Members. Third, there should be integrated approaches for vulnerable Members. Members should develop these approaches through the establishment of a comprehensive framework within the CTD to address the specific challenges faced by different categories of Members including LDCs, SIDS and net food-importing developing countries (NFIDCs). Finally, the Secretariat should be encouraged to provide regular analysis reports that would assist Members in advancing their development priorities, particularly in relation to the SDGs. Egypt firmly believes that operationalizing these suggestions within the existing subsidiary bodies of the WTO can translate Members' shared aspirations for development into tangible and meaningful outcomes.

#### 71. The representative of <u>South Africa</u> delivered the following statement:

My delegation thanks the Chair for the comprehensive report, including his reflections on the SOM last month. South Africa welcomes the various initiatives to improve the functioning of the CTD which include, among others, the streamlining of the agenda and the circulation of an annotated agenda with hyperlinks. We also support the introduction of an e-agenda on a trial basis. In this regard, we would like to express our appreciation to all Members that made constructive suggestions in these areas, as well as the Secretariat for the hard work in implementing the new measures. As a Committee responsible for development, the CTD can certainly lead by example in giving true meaning to a development-centred institutional reform to ensure that developing countries, particularly those with limited resources, are able to effectively participate in the Committee's work. I would also like to thank India for its valuable contribution on what was an important activity in the WTO's calendar after the Twelfth WTO Ministerial Conference (MC12). A dedicated retreat that focused on the development dimension of WTO reform was testament to the centrality of economic development for the very existence of the WTO. As consistently stated in various WTO forums and Committees - including in the development retreat and the SOM - we completely align ourselves with the expectations of the African Group for an MC13 outcome that prioritizes issues of development, including those captured in the submission by India. Some of these issues are part of the agenda for today's meeting, which the African Group will be presenting.

#### 73. The representative of <u>Ecuador</u> delivered the following statement:

74. I would like to begin by thanking the Chair for his detailed report on the progress made on the developmental aspects of WTO reform. Ecuador supports the measures that have been put in place to improve the functioning of the CTD. My delegation has been following these conversations in other bodies as well. We believe that the improvements being made are of benefit not only to delegates in Geneva, but also to capital-based officials. I would like to particularly highlight the benefits of the annotated draft agendas which were prepared for the various CTD meetings this week. Furthermore, Ecuador wishes to express its interest in the reflections and suggestions offered by India to reinvigorate the CTD's work. We believe that the concrete actions proposed could lead to specific outcomes within the framework of the discussions on the developmental aspects of WTO reform.

#### 75. The representative of <u>Brazil</u> delivered the following statement:

76. I would like to commend the Chair for organizing these discussions and for facilitating Members' participation. I also thank India for the communication and would like to stress in particular the importance of the work of the WGTTT. In order to allow developing countries to achieve the SDGs, Members need to focus on financing, stimulating and creating an international framework for the transfer of technology. My delegation therefore supports India's proposal in this regard.

#### 77. The representative of the <u>European Union</u> delivered the following statement:

78. The European Union would like to thank the Chair for the improvements that are being introduced in the work of the CTD in its different configurations. My delegation supports such improvements, and we hope that they may give rise to further enhancements in the foreseeable future. We also thank India for its communication and engagement. The European Union would like

to further explore the positive link between trade and development on the basis of focused work. We would like to put on record our sincere appreciation for the submission by India, as well as the fact that there is not yet consensus on all of the items included in the paper. We think that the development retreat, as well as the SOM and the retreat on trade and industrial policy, contributed to a better understanding between Members. As we said at the development retreat, it is well known that Members have differing appreciations of how trade supports development and that these differences cut across developed and developing country Members. Having said this, the Indian submission contains a significant number of pertinent points. We believe that Members should focus on the whole paper, and not only on the suggestions in section (vi). We would be interested in discussing these further. This includes a few points of disagreement, and some questions. For instance, I am not sure how the development needs assessments fit in, or the KPIs mentioned in section (vi). At the development retreat, the European Union noted that agreement could be reached on LDC graduation; further deliberations in the CTD in its different configurations on current development challenges; and the need for a safe space for further discussion notably on trade and industrial policy, which has a clear development dimension. Under the banner of mainstreaming development, we also identified possibilities for this in each of the WTO's three main functions. This is the start of a journey that we are happy to embark on.

#### 79. The representative of <u>Canada</u> delivered the following statement:

I would like to thank the Chair for all the efforts that have been put in to improve the functioning of the CTD. Canada also thanks India for its very good proposal and its reflections on the February development retreat, including the thoughtful suggestions for steps forward. As mentioned on previous occasions, Canada thinks there are various ways in which development discussions could advance, including through the CTD. The statement I am making here is also in response to Agenda Item 14.B. As such, I am adding to the list of ideas for the process ahead, including ideas relating to the CTD's terms of reference (TORs). Some suggestions to advance development discussions include more analysis of the existing flexibilities in current Agreements and why some developing countries are not using these flexibilities. For those using the flexibilities, it would be useful to know what worked well, and what didn't work well. Discussions could also include more analysis and presentations from the ITTC and the Aid for Trade Unit on what TA has worked particularly well, or not, for developing countries. Some of this information could more broadly help Members refer specific S&D to the Monitoring Mechanism. We think that, in addition to simply listing activities, presentations from other organizations working on trade and development could focus more strongly on recommendations, lessons learned and what worked and did not work. There is also the important consideration of ensuring a reduction of duplication and that the right technical experts are having discussions on respective issues. We understand the intent of placing a proposal on the agenda of various Committees but, at some point, it would be helpful to move those discussions to their respective technical bodies. Perhaps these could come back onto the CTD's agenda once there are important decisions taken or major new information is obtained. This would be a good way to address some of the challenges faced by Members, especially those from smaller delegations or with several responsibilities, to effectively engage and benefit more fully from the regular work of the WTO. Similarly, we think that Members should work to ensure that longstanding agenda items are agreed on more expeditiously and then removed from subsequent agendas. One other suggestion would be to use the outcomes of Trade Policy Reviews to better understand challenges and successes of developing country Members. Finally, we think that the discussions around development and trade could be improved by greater participation from non-government actors such as NGOs, think-tanks, academics and exporters.

#### 81. The representative of the <u>Republic of Korea</u> delivered the following statement:

82. Korea thanks the Chair for the comprehensive overview of the many facets of WTO reform. We also thank India for its reflections. Given the resource constraints, it is important to move our discussions forward in the most efficient manner possible, and the methods described today by the Chair will bring us closer to that. We hope that the Membership can also respond to the need for improved efficiency by reducing what may be parallel discussions on similar proposals and communications. An explanation of how new proposals differ from or develop on previous iterations would be helpful and appreciated. We welcome the adoption of Annex 1 of the LDC graduation proposal and look forward to continued discussions on Annex 2 on the basis of the limitations that are identified in the current S&D provisions. Canada's intervention was very helpful in that regard.

- 83. The representative of the <u>United States</u> delivered the following statement:
- 84. My delegation thanks India for putting forward this document. The United States took away two key messages from this year's development retreat. First, Members have a commitment to reinvigorate this Committee's work by bringing, among other things, local stakeholders and local voices to the table to ground our discussions in real-world problems and solutions. The second key message is that Members should use the CTD as a forum to create good governance outcomes for Members implementing WTO Agreements. In the vein of bringing trade back to the WTO, we should continue to use the CTD as a venue to share constructive examples of how Members have solved trade challenges through a range of real-world practices. Examples include best practices in TBT notifications by LDCs, the US-funded ride-sharing app for tractors in Africa that was presented last July, and better understanding of what drives foreign investment decisions in emerging markets.
- 85. The representative of <u>China</u> delivered the following statement:
- 86. The CTD is on the path of reform by doing, which is very encouraging and helpful. We appreciate India's paper and its engagement. We agree that the retreat was not an end, and that the momentum on development work should be seized. China is open to discuss the contents of India's submission and future pathways. We would like to ask for clarification from India as to why the submission was circulated as a JOB document. We also note that there is some overlap between this submission and another submission by India contained in document <a href="https://www.wtr.gc/w/865"><u>WT/GC/W/865</u></a>. We would therefore like to know how India sees the relationship between the two papers and what are the differences between them.
- 87. The representative of the <u>United Kingdom</u> delivered the following statement:
- 88. The United Kingdom fully supports practical measures to improve the functioning of WTO Committees. The Chair already referenced the paper that my delegation submitted at the July meeting, which drew heavily on the LDC submission of April 2022. We are pleased to see that a number of those proposals are being implemented and hope that further improvements can be made. My delegation thanks India for the comprehensive reflections on the February retreat. When reading through the document, I was pleased to note how much Members have already acted on since February. I do wonder what reverse S&D means, and I hope for some clarity on that phrase. On the three specific issues that the Chair mentioned, my delegation is pleased with the progress we have made on them, including the agreement reached at the SOM on Annex 1 of the LDC graduation proposal. I am not completely clear about the distinction between the developmental aspects of WTO reform and potential development outcomes at MC13. These three issues look to me like potential MC13 outcomes. Finally, it will be important for Members to not limit themselves to issues discussed in this Committee when thinking about MC13 outcomes.
- 89. The representative of <u>India</u> delivered the following statement:
- I would like to thank Members for their constructive and useful comments on India's submission. My delegation would like to reiterate that the paper is a reflection of what Members discussed at the retreat in February. The European Union asked how development assistance and KPIs fit in. These issues were discussed at the retreat. China asked for an explanation as to why the submission was circulated as a JOB document and also asked for clarification on the relationship between this submission and document WT/GC/W/865. Let me firstly explain that document WT/GC/W/865 is a communication that India circulated in the General Council with some suggestions. On the other hand, the communication circulated in document JOB/COMTD/4 reflects the discussions that took place at the development retreat. My delegation appreciated these discussions and does not want Members to lose sight of them. However, India also recognizes that this is work in progress, and we have therefore invited Members to add any points that we may have missed. This is why the submission has been circulated as a JOB document. In response to the comment by the United Kingdom on reverse S&D, this was another issue that was discussed at the retreat. All these issues can be discussed in more detail in future CTD meetings. I hope that India's submission will help the Committee to undertake some good work on the development dimension. Let me also thank the delegations - including Canada, Egypt and the United States that shared some constructive ideas today on how take this work forward.
- 91. The Committee took note of the communication from India, and of all interventions.

6 HIGHLIGHTS OF ACTIVITIES ON BETTER INTEGRATION OF DEVELOPING COUNTRIES IN THE AGREEMENT ON THE APPLICATION OF SANITARY AND PHYTOSANITARY MEASURES AND THE AGREEMENT ON TECHNICAL BARRIERS TO TRADE – COMMUNICATION FROM THE UNITED STATES (WT/COMTD/W/285)

- 92. The <u>Chairman</u> said that the Committee would consider a communication from the United States, which was circulated with the CTD document symbol <u>WT/COMTD/W/285</u>. The communication was titled "Highlights of activities on better integration of developing countries in the Agreement on the Application of Sanitary and Phytosanitary Measures and the Agreement on Technical Barriers to Trade". He invited the United States to introduce the communication.
- 93. The representative of the <u>United States</u> delivered the following statement:
- The United States supports a learning culture where we can learn from and share knowledge and lessons with other Members and international organizations regarding efforts to better integrate developing countries in the Agreement on the Application of Sanitary and Phytosanitary Measures (SPS Agreement) and the Agreement on Technical Barriers to Trade (TBT Agreement). The thematic work we have started in the CTD SS is part of a broader dialogue on how to better operationalize the existing flexibilities in key WTO Agreements - including the SPS Agreement, the TBT Agreement, the TRIPS Agreement, the TRIMs Agreement and the ASCM – which do not appear to be fully utilized, and work towards a collection of developing country-led best practices. In early November 2023, in collaboration with the SPS and TBT Committees, we circulated a paper entitled "Highlights of activities on better integration of developing countries in the Agreement on the Application on Sanitary and Phytosanitary Measures and the Agreement on Technical Barriers to Trade". The paper addresses a number of points. It firstly addresses some of the challenges and opportunities of using digital tools like the ePing SPS and TBT platform. Second, it addresses the collaborative role that a worldwide network of national SPS and TBT enquiry point offices play in facilitating comments on notifications and responses to Members on their inquiries. Third, it addresses the progress developing countries are making towards a building-block approach to implementation and operation of competent enquiry points that are responsive to stakeholders, and where countries showcase progress in becoming TBT and SPS leaders in the activities and discussions of their Committees. The United States will continue to work with WTO Members to bring diverse and insightful perspectives to the WTO. We remain open to build on the work started in the CTD SS thematic session earlier this month, and we invite everyone to take a look at our paper. We also look forward to engaging with Members on the ideas that build on our submission, and we hope to generate a productive discussion.
- 95. The representative of <u>Egyp</u>t delivered the following statement:
- I would like to express appreciation to the United States for the insightful presentation on activities aimed at better integrating developing countries in the SPS and TBT Agreements. The detailed number of experiences, collaborative initiatives and best practices shared by the United States during the thematic event at the CTD SS on 4 October 2023 has been invaluable in fostering a deeper understanding of the challenges and opportunities in this critical domain. The United States has offered a comprehensive overview of collaborative efforts and success stories related to TBT enquiry points, notifying and commenting procedures, and the utilization of the ePing platform. We appreciate the emphasis on experience sharing and the positive impact of tools like ePing in facilitating communication among Members, thereby enhancing transparency and cooperation. Considering the presented information, it is evident that developing country Members, including those in the G90, have made commendable strides in various aspects of the SPS and TBT Committees. The acknowledgment of their leadership in areas such as TBT notifications, development of comments, and participation in thematic discussions is a testament to the progress achieved. However, a lot remains to be done. It is essential to recognize the existing challenges that developing countries face in fully implementing the SPS Agreement within the WTO framework. As exporters, they encounter hurdles related to meeting international standards and complying with complex SPS measures. As importers, they grapple with issues relating to insufficient capacity and resources, which hinder their effective participation in standard-setting bodies. In this regard, we would encourage the United States to consider supplementing this document by providing specific examples or initiatives aimed at capacity building for developing countries, particularly in the context of technical regulations and standards. More insights into the challenges faced by developing countries in implementing SPS and TBT measures, along with proposed solutions or collaborative programmes, would contribute to a more comprehensive understanding of the problems faced and

the means to deal with them. Members could also benefit from the United States' expertise in addressing the limitations faced by developing countries in actively participating and influencing decision-making processes within international standardization bodies. We encourage further dialogue and collaboration on these critical issues to ensure that the benefits of the SPS and TBT Agreements are accessible to all, particularly developing countries. We look forward to continued engagement and appreciate the United States' commitment to advancing these discussions for the collective benefit of WTO Members.

- 97. The representative of <u>Canada</u> delivered the following statement:
- 98. My delegation would like to thank the United States for the communication, which includes a summary of their presentation on TBT issues during the CTD SS thematic session on 4 October 2023, as well as a useful list of examples where developing countries have been taking the lead in the TBT Committee. In addition to hearing from other Members on their good news stories and best practices, it could be something that the TBT and SPS Committees might want to take up on a more regular basis.
- 99. The representative of the European Union delivered the following statement:
- 100. The European Union shares the assessment by the United States that the thematic session on the application of the SPS and TBT Agreements held by the CTD SS on 4 October 2023 is a promising and productive way of sharing experiences and approaches regarding the implementation of these Agreements. Events like this not only help to better understand the challenges that developing and LDC Members face in implementing and reaping the benefits of the SPS and TBT Agreements. They are also an opportunity to share information about available tools, programmes and initiatives, as well as best practices. The event highlighted that the existing flexibilities in these and other Agreements could be better used and operationalized. The European Union stands ready to build on this experience and work towards a collection of best practices that could focus on improving the implementation of the S&D provisions in the SPS and TBT Agreements, including with regard to digital tools and TA programmes as pragmatic and practical ways to better use existing flexibilities.
- 101. The representative of Nepal, on behalf of the LDC Group, delivered the following statement:
- 102. The LDC Group would like to thank the United States for this important submission and the presentation. We welcome the submission, as we understand SPS measures and TBT are important elements of international trade. We are currently reviewing the paper in capitals and will come back later with any questions we might have.
- 103. The representative of India delivered the following statement:
- 104. My delegation thanks the United States for the submission on better integration of developing countries in the SPS and TBT Agreements, which is a reflection of the presentation made by the representative of the United States at the CTD SS thematic session on 4 October 2023. This thematic session was held in the context of deliberations on the G90 ASPs. We appreciate this effort by the United States. Digital tools like ePing and worldwide networks are building blocks that developing countries are using to handle SPS and TBT challenges. However, this should not in any way be taken to mean that developing countries do not face hardships in compliance with the obligations in SPS and TBT Agreements and the challenges therein. This was clearly brought out in several other presentations made in the thematic session, including by India. The flexibilities that have been asked for in the G90 proposals are needed to make developing countries SPS and TBT champions over time.
- 105. The representative of <u>Japan</u> delivered the following statement:
- 106. I would like to express appreciation for the submission by the United States. I recall that the expert from the United States made a very useful presentation at the thematic session held on 4 October 2023. Such evidence-based discussions are very useful for Members. Unfortunately, Members could not exhaust the discussions on 4 October due to the time constraint. My delegation would like to continue this kind of exercise in due course.

- 107. The representative of <u>Brazil</u> delivered the following statement:
- 108. Brazil commends the United States for the commentaries. It is important to facilitate the utilization of digital tools like ePing and to have greater cooperation and transparency. My capital, including the Ministry of Agriculture, is currently considering the flexibilities being sought by the G90. It can take time for countries to export products to Brazil, especially those that do not have embassies or agricultural attachés in Brasilia. There are many forms and technical procedures to be completed. Technical cooperation and mentoring programmes can possibly help the process. The Ministry of Agriculture is also considering implementing a fast-track process with prioritized risk analysis for products from LDCs. If Members are interested, this is something that could be discussed.
- 109. The representative of Norway delivered the following statement:
- 110. I would like to thank the United States for the useful contributions to the thematic session on 4 October 2023, as well as for the submission on better integration of developing countries in the SPS and TBT Agreements. The United States is doing a lot of good work to help overcome developing countries' challenges in these areas. Norway appreciates the United States' commitment in advancing these discussions for the benefit of all. The submission is a concrete step in that direction.
- 111. The representative of <u>Ecuador</u> delivered the following statement:
- 112. My delegation agrees with the United States that experience-sharing by Members is a pragmatic way to better understand the various approaches and methods that are used to fulfill obligations under the WTO Agreements. In this particular case, we are considering the SPS and TBT Agreements. We wish to register our support for the holding of thematic sessions to discuss WTO Agreements through the lens of practical case studies, which will serve as a useful reference for Members.
- 113. The representative of <u>South Africa</u> delivered the following statement:
- 114. South Africa thanks the United States for the submission and for the reflections on outcomes of the thematic session that took place under the CTD SS facilitator-led process. We take note of the strides that some developing countries have made in meeting their obligations under the SPS and TBT Agreements, as recorded in the submission. This should be applauded. However, we would like to point out that these aspects cover only a fraction of the challenges that developing countries and LDCs face in integrating into the MTS particularly with regard to their access to other markets, and especially developed country markets. South Africa looks forward to engaging with the United States and others in the CTD SS on the core elements of the challenges that the G90 seeks to address in the context of improving S&D to make it more precise, effective, and operational.<sup>3</sup>
- 115. The representative of the <u>United States</u> delivered the following statement:
- 116. I would like to thank the Members that expressed support for the communication. I would also like to invite collaboration with any delegations that are interested in a follow-up communication that could address additional challenges and how to address them from the perspective of developing countries and LDCs, as well as success stories.
- 117. The Committee  $\underline{\text{took note}}$  of the communication from the United States, and of all interventions.

## 7 ENHANCING FOOD SECURITY THROUGH THE REFORM IN AGRICULTURE AND THE USE OF CURRENT FLEXIBILITIES – COMMUNICATION FROM BRAZIL (JOB/COMTD/5)

118. The <u>Chairman</u> said that the Committee would consider a communication from Brazil, which was circulated with the CTD document symbol <u>JOB/COMTD/5</u>. The communication was titled

<sup>&</sup>lt;sup>3</sup> The representative of South Africa delivered this intervention as part of his statement under Agenda Item 7. It is reflected under Agenda Item 6 as he explained that he had intended to deliver the intervention under this agenda item.

"Enhancing food security through the reform in agriculture and the use of current flexibilities". He invited Brazil to introduce the communication.

- 119. The representative of <u>Brazil</u> delivered the following statement:
- 120. WTO Members recognize that trade with domestic production plays an essential role in improving global food security. Brazil's communication builds on a number of earlier communications, including from the Cairns Group and from a group of Latin American countries. The main drivers of trade in food and agricultural products have been the initial limits on agricultural subsidies and tariffs resulting from the WTO Agreement on Agriculture (AoA); bilateral and regional trade agreements; and rising incomes in developed and developing countries. This growth, however, has been slower since the 2008 financial crisis. National and international agrifood systems need to be reinvigorated to combat food insecurity. In this context, the WTO needs to be a space for promoting sustainable development, including through free trade. This is because trade is often a source of income for farmers from developing countries. Improving the functioning of agricultural markets and trade and limiting the effects of distortions caused by misguided agricultural policies are essential for a better distribution of food around the world. The UN's SDG target 2.b defines trade as a means of implementation of the zero-hunger target. Target 2.a mentions increased investment, while Target 2.c aims to ensure the proper functioning of commodity markets. For Brazil, building sustainable agrifood systems and promoting food and nutritional security also includes social protection initiatives and policies, including direct cash transfer programmes. More directly related to agriculture, the National Food Acquisition Programme (PAA), which provides food produced by family farming to people in situations of food insecurity, and the National School Feeding Programme (PNAE), which offers healthy meals to more than 40 million children every day, also contribute to increasing access to healthy food and strengthening sustainable food systems.
- Family farming plays a significant role in Brazil's food systems, representing 77% of rural establishments. Besides being primarily responsible for the diversity of the country's food supply, family farming has played a crucial role in the production of organic and agroecological food, the generation of renewable energy and the development of a bioeconomy model that integrates traditional knowledge and promotes the productive inclusion of traditional peoples and communities. To support such achievements, it is essential to implement specific public policies that provide technical assistance, enable access to markets, financing and allow for added value for family farmers in all their diversity, including smallholders, indigenous peoples and traditional peoples and communities. The development of these policies throughout the past decades were not hampered by the WTO rulebook. They are legitimate Green Box policies in line with provisions of the AoA. A negotiating agenda to reduce domestic support, tariffs and non-tariff barriers needs to be addressed so that sustainable and resilient national and international agrifood systems can be gradually built up. International trade is essential for the success of a global food security action. The reform under Article 20 of the AoA is essential for any WTO response to global food insecurity, since food security is inseparable from agricultural reform, especially in domestic support and in market access. Brazil reiterates its willingness to negotiate disciplines for public stockholding (PSH) programmes for food security purposes as part of a comprehensive package for all potentially distortive forms of domestic support. We call on all WTO Members to contribute to the negotiation and fulfilment of the mandate of the AoA.
- 122. The representative of <u>Egypt</u> delivered the following statement:
- 123. I would like to thank Brazil for the presentation and the submission. It is imperative that Members collectively address the critical issue of food security. My delegation commends all efforts in this regard. However, we must ensure that our endeavours are not only comprehensive but are also just, considering the unique challenges faced by individual countries. The document presented by Brazil acknowledges the importance of international trade in food but overlooks inequitable access issues. While advocating for free trade, it does not consider the limitations faced by NFIDCs and LDCs with limited agricultural production capacities. It highlights the mutual support of domestic supply and international trade but does not account for situations like emergencies where local food production and reserves are crucial, emphasizing the need for flexibility in addressing these issues. Trade and local production are both crucial in addressing food insecurity, especially in times of emergency. The WTO should be able to offer the necessary policy space, through its various provisions, for the most vulnerable countries to enable them to face their food security challenges. Article 20 of the AoA should not be synonymous with elimination but should be synonymous with reform. Reform implies levelling the playing field before getting to negotiations on domestic support

and market access. My delegation believes that the document overlooks the specific challenges faced by vulnerable low-income populations in accessing healthy diets. It oversimplifies the impact of reducing import tariffs on food security, neglects the importance of promoting local agriculture, and does not address global trade disparities. The proposed reforms may disproportionately impact NFIDCs, LDCs and other countries with limited foreign currency reserves, potentially hindering their ability to reduce dependence on food imports. The document's exclusive focus on long-term solutions may not address the immediate and urgent food security challenges faced by many developing countries, including NFIDCs and LDCs. Acute food insecurity is an ongoing, chronic issue, often interconnected with other crises. It requires immediate responses to save lives, prevent unrest and promote stability. Short-term actions, like food aid and relief, can be integrated into long-term solutions for sustainable development. However, Members still have to find the possible flexibilities that would allow countries to address their short-term challenges. To improve food security, the WTO may consider adopting more flexible trade rules for NFIDCs and LDCs to address their unique challenges, while also addressing technology transfer, domestic support and food security systems, including with respect to capacity building and TA. My delegation is ready to engage further with Brazil and other countries on food security. This is one of the most important challenges that Members face today. We need to address this challenge together.

- 124. The representative of <u>Ecuador</u> delivered the following statement:
- 125. In line with the "Food security through agricultural reform" proposal contained in document WT/GC/W/893, which was co-sponsored by Ecuador, my delegation wishes to register its support for the communication submitted by Brazil. My delegation also wishes to endorse the joint proposal by several Latin American countries to eliminate any distortive spending such as subsidies, while increasing the non-distortive spending which is permitted under the AoA and determined by the SDGs. Furthermore, it is important to continue the process of reform under Article 20 of the AoA to reduce domestic support, tariffs and non-tariff barriers so that sustainable and resilient national and international agrifood systems can be gradually built up, given that agricultural reform is crucial to help ensure global food security.
- 126. The representative of <u>Australia</u> delivered the following statement:
- 127. We thank Brazil for its submission, which highlights how effective the AoA in its current form can be in ensuring food security and delivering development outcomes. The points raised by Brazil are consistent with what Australia has advocated for many years. They reaffirm the positive contribution to food security that all Members, developed and developing, can achieve without relying heavily on subsidies or other production and trade distorting policies. We agree with Brazil that a permanent outcome on PSH needs to be part of a comprehensive and holistic agricultural reform package. We of course agree that countries may pursue PSH programmes in order to meet their own food security objectives. However, we cannot ignore the negative effects that these programmes, when managed at higher than market prices, can have on global agricultural markets, thereby disadvantaging producers in third markets.
- 128. The representative of Nepal, on behalf of the LDC Group, delivered the following statement:
- 129. The LDC Group welcomes the submission from Brazil. The Group is very concerned about food security. We have two submissions in the agricultural bodies, contained in documents <a href="10B/AG/227">10B/AG/227</a> and <a href="10B/AG/251">10B/AG/251</a>. We will study Brazil's paper further and look forward to discussing constructively.
- 130. The representative of Canada delivered the following statement:
- 131. Canada thanks Brazil for its communication arguing for a negotiating agenda to reduce domestic support, tariffs and non-tariff barriers. This is a very helpful submission that clearly outlines how and why trade is supportive of food security. It also makes clear the types of domestic support and government policies that are likely to have the greatest impact on domestic productivity and domestic food security namely, support for research and innovation, and social welfare programmes and schemes. Canada fully agrees with the importance of not moving backwards from current WTO commitments and with delivering reform as envisaged under Article 20 of the AoA. Canada fully understands the importance of domestic production for food security. We have not and will not contend that trade is a silver bullet that can solve the world's food security challenge. But

we are just as clear in knowing that trade is an integral part of the food security solution. All credible evidence, some of it outlined in the paper from Brazil, makes clear that this is the case. On a final note, we would encourage the proponents to ensure that any continued or more detailed discussions also happen in the appropriate Committees or bodies where the requisite expertise is found.

- 132. The representative of the <u>United Kingdom</u> delivered the following statement:
- 133. The United Kingdom would like to thank Brazil for this communication. We recognize the importance of international trade and agricultural reform to global food security. This paper provides a good history of agriculture and trade and reminds us what previous reforms have delivered, as well as what commitments were made for the SDGs. It also reminds us all of the case for repurposing agricultural support away from distortive spending and towards non-distortive improvements in productivity and sustainability. We note that worries about the reliability of agri-trade are a noted concern across the Membership, which is why the United Kingdom has recently tabled a proposal on tackling export restrictions in agri-food products ahead of MC13, as one way to improve the functioning of agricultural markets and trade. There is more to do across the agriculture negotiating agenda to contribute to building sustainable and resilient agrifood systems. We are committed to working with Brazil and all Members on this agenda at the WTO.
- 134. The representative of the European Union delivered the following statement:
- 135. The European Union thanks Brazil for this communication, which shows that food security is multifaceted and multidimensional. This submission is also on the table of the Committee on Agriculture in Special Session, and I would like to refer to the European Union's preliminary comments made there. In short, the European Union fully shares the view that it is high time that the WTO provides a response to the current food insecurity context while at the same time ensuring a way to advance on the agricultural reform agenda, which would also make an important contribution to improving food security in the long term. We concur with Brazil that we need to address food security in a holistic manner. This implies appropriate cooperation with other international organizations, use of research and technological innovation and full use of existing tools. Still, food security is also about the need to keep working on reducing and reforming trade distorting support. This is urgent. The European Union's experience shows that the Green Box is the better policy option with better budget efficiency, less trade distortion and better environmental outcomes. To echo Canada's point, we would like to understand how this Committee can add value to the ongoing discussions in more specialized bodies. However, we do wish to thank Brazil for giving this Committee an insight into those discussions.
- 136. The representative of the <u>United States</u> delivered the following statement:
- 137. The United States would like to thank Brazil for this submission, which echoes many of the same points as our submission contained in document JOB/AG/241 on how the WTO can enhance food security. We agree that, over time, remarkable achievements in agricultural productivity growth have been witnessed, showing that agri-food systems are not broken. Rather, they must be further developed. The WTO and the AoA have contributed to this success, thereby enhancing global food security. Without these rules, global food security and agri-food systems would have been much worse. We share the sentiment that continued agricultural reform, including for both domestic support and market access, is needed to improve global food security. We agree that there is a relationship between domestic supply and international trade of food and agricultural products that should not be considered as adversarial, but rather as complementary. We also agree that there is a need to look at these issues in a holistic manner, without limiting our discussions to only one type of policy or another. Finally, we agree strongly with Brazil that we must avoid a rolling back of the rules. We are continuing to study Brazil's submission closely, and we look forward to considering how the United States and Brazil can work together to reinvigorate agri-food systems in ways that will create a more sustainable and resilient approach to enhancing food security.
- 138. The representative of China delivered the following statement:
- 139. I would like to thank Brazil for presenting the paper. China appreciates the proposal's concern about the food security of developing Members, which is a rising and pressing challenge today. However, one of the lessons we learned from the MC12 negotiations is that a substantive food security outcome package with practicable ambition, though still difficult, could be the most realistic

path for Members to explore, taking into account the multiple realities we are facing. My delegation hopes that Members start this work without any delay. China has always supported the improvement of the food security of developing Members under the reform of Article 20 of the AoA by correcting the unfair and asymmetric rules for developing Members. It is also the key reason we ask to eliminate the Aggregate Measurement of Support (AMS) beyond de minimis to level the playing field in the domestic support negotiations. Compared to nearly 30 years ago, fundamental changes have taken place in the international market. As food security and climate change have emerged as the key concerns of Members, China is of the view that technical analysis and discussions should be conducted among Members on how to define real distortions in the current climate, and how to objectively reform the agricultural sector for better food security and better environment without negatively impacting global growth, agricultural production and other Members' food security. Only by reaching consensus first on these fundamental concepts in agriculture will Members be able find a way forward.

#### 140. The representative of <u>Indonesia</u> delivered the following statement:

141. Indonesia welcomes this agenda item and the paper provided by Brazil. We concur that food security is a critical issue, and we are committed to working with other Members to find solutions that will help to ensure that all people have access to safe, nutritious and affordable food. We agree with the assessment that PSH for food security purposes can be an important tool for developing countries. We are ready to negotiate further with other Members in the more appropriate Committee to find a permanent solution on PSH for food security purposes as mandated in Bali and Nairobi. We believe that the joint proposal JOB/AG/229, which has been backed by three major groupings – the African, Caribbean and Pacific (ACP) Group, the African Group and the G33, comprising 80 WTO Members from developing countries and LDCs – provides a solid basis for these negotiations. We urge other Members to engage seriously in these negotiations and show flexibility and a willingness to compromise. We believe that it is possible to find a solution that will meet the needs of all Members.

#### 142. The representative of India delivered the following statement:

143. I would like to thank Brazil for this submission. My delegation echoes the comments by Indonesia and also shares the views expressed by Egypt. The food security of communities, societies and nations - in particular the most vulnerable of these - has never been more critical than today, owing to developments in the last few years. It is ironic that, in these times of crises - when, in every meeting room in the WTO and other international organizations, discussions are being widely held on food security and the issues surrounding it - achieving a permanent solution to PSH for food security purposes remains elusive. This is despite the Ministerial mandate on this matter. PSH is a concrete solution to address the food security challenge. It is about the three A's of availability, affordability and accessibility for the masses. It is a resilient and substantial way towards food security for most in the world. Whenever we speak of food security, we need to be fully conscious of the fact that Members have different food security challenges and different policy needs and policy space requirements. In a seminar held in June of this year in these premises, the Food and Agriculture Organization (FAO) talked about how the PSH programmes of developing countries which cover more than 50% of the global population – have been effective in stabilizing prices across the globe. The majority of the globe is looking for a favourable permanent solution to PSH, as Indonesia mentioned by way of document <u>JOB/AG/229</u>. A decision is long overdue on this. Therefore, we are of the firm view that any approaches or solutions need to acknowledge and consider the centrality of a permanent solution to PSH for addressing food insecurity.

#### 144. The representative of South Africa delivered the following statement:

145. My delegation would like to thank Brazil for the submission. We note that the paper covers a number of areas and policies through which global food security may be enhanced. Food security is indeed a multidimensional and multifaceted topic and can be pursued via various means. We welcome the recognition in the submission that domestic production, like trade, is fundamentally important to addressing food security. Recent experiences with global supply chain disturbances have indeed shown the risks of an over-reliance on imports, including the risk of high levels of concentration in production and supply. To the extent that the submission refers to the longstanding reform in agriculture as an important element towards ensuring food security for all, South Africa broadly agrees. This is particularly the case as regards the reform of the unfair and imbalanced domestic support architecture in the AoA. We must also add to this other equally relevant negotiating

mandates, such as on PSH and the Special Safeguard Mechanism (SSM). In this regard, the submission by the African Group and Pakistan on domestic support, contained in document JOB/AG/242/Rev.1, is the co-sponsors' comprehensive articulation of the modalities towards such reforms. South Africa, as part of the African Group, remains convinced that the joint proposal of the ACP Group, the African Group and the G33 in document JOB/AG/229 provides a very good basis for engagement towards a permanent solution on PSH. In this sense, we associate ourselves with the statement delivered by Indonesia. We also agree with Egypt regarding the importance of policy space for developing countries and LDCs, including NFIDCs, to access the necessary policy tools to enhance their domestic production in the interests of food security and securing the livelihoods of their farmers – especially small-scale, low-income and resource-poor farmers. Like Brazil, South Africa is also concerned with the increasing barriers to exports due to SPS and TBT measures without sufficient basis in science. This not only affects food security, but also the livelihoods of farmers – especially in developing countries and LDCs. We look forward to engaging on the paper by Brazil in the Committee on Agriculture in Special Session, as well as in other appropriate bodies such as the SPS and TBT Committees, and the Committee on Trade and Environment (CTE).

- 146. The representative of <u>Brazil</u> delivered the following statement:
- 147. I would like to thank all the delegations that made comments and expressed support. I took note of Egypt's points regarding emergency situations, short-term challenges and the position of net importer countries. Brazil contributes a lot to food security in North Africa, including through our growing bilateral trade relations. The comments are therefore very important to us and our specialists in agriculture are ready to engage with you. I similarly took note of the comments by Indonesia and India. PSH is indeed one of the key elements of a comprehensive reform package. You are right that Members have different realities and different policies. Brazil's agriculture specialists are ready to engage with a view to achieving a comprehensive reform in agriculture and food security at MC13.
- 148. The Committee took note of the communication from Brazil, and of all interventions.

8 POLICY SPACE FOR INDUSTRIAL DEVELOPMENT - A CASE FOR REBALANCING TRADE RULES TO PROMOTE INDUSTRIALISATION AND TO ADDRESS EMERGING CHALLENGES SUCH AS CLIMATE CHANGE, CONCENTRATION OF PRODUCTION AND DIGITAL INDUSTRIALISATION - COMMUNICATION FROM THE AFRICAN GROUP (WT/COMTD/W/270)

- (A) A case for rebalancing the Agreement on Subsidies and Countervailing Measures (ASCM)

   Policy space to promote industrialisation in Developing Countries Communication from the African Group (WT/COMTD/W/274)
- (B) The role of transfer of technology in resilience building: reinvigorating the discussions in the WTO on trade and transfer of technology Communications from the African Group (WT/COMTD/W/277, WT/COMTD/W/278, WT/COMTD/W/279, WT/COMTD/W/280, WT/COMTD/W/281, WT/COMTD/W/282)
- (C) A case for rebalancing the Agreement on Trade-related Investment Measures (TRIMs)

   Policy space to promote industrialisation and structural transformation in developing countries (WT/COMTD/W/284)
- 149. The <u>Chairman</u> said that this agenda item concerned several communications from the African Group. He recalled that, at the 120<sup>th</sup> Session on 5 April 2023, the Committee had considered the communication from the African Group titled "Policy space for industrial development A case for rebalancing trade rules to promote industrialisation and to address emerging challenges such as climate change, concentration of production and digital industrialisation". The communication, which was contained in document <u>WT/COMTD/W/270</u>, had remained as an item on the agenda of the 121<sup>st</sup> Session on 11 July 2023. A sub-item under this agenda item reflected the communication titled "A case for rebalancing the Agreement on Subsidies and Countervailing Measures policy space to promote industrialisation in developing countries", which was circulated in document <u>WT/COMTD/W/274</u>. The same agenda item and sub-item were once again reflected on the agenda of the present meeting. Two additional sub-items were also reflected under this agenda item. One of these sub-items was titled "The role of transfer of technology in resilience building: reinvigorating

- 150. The representative of <u>South Africa</u>, on behalf of the African Group, delivered the following statement:
- 151. The submissions will be presented in turn by different speakers, in line with the way they are listed under this agenda item. I will be presenting the African Group submission contained in document WT/COMTD/W/274, titled "A Case for Rebalancing the Agreement on Subsidies and Countervailing Measures - Policies Based to Promote Industrialization in Developing Countries". This submission is an important element of the development package sought by the African Group. Africa remains locked in production patterns dominated by extractive sectors, with exports concentrated in a few resource-based and light manufacturing sectors, and with limited representation in advanced manufacturing and services. These trade patterns pose balance of payments risks. Furthermore, the over-concentration of production and supply among a few countries poses systemic risks to the economic resilience of many developing economies and hinders shared prosperity. Africa has substantial potential to develop various industries by leveraging its natural and comparative advantages. However, this potential is hindered by unfair and imbalanced trade rules that permit developed countries to offer excessive subsidies that sustain their comparative advantages. Today, industrialization and the need to pursue policy space has come to the mainstream. We are witnessing seismic shifts that require a response from the WTO. Policy tools that advanced economies once used for industrialization are now prohibited by current rules, despite their proven effectiveness in promoting advanced manufacturing, economic diversification and integration into global value chains. At the same time, there has been and continues to be extensive use of subsidies by some Members. We are increasingly seeing the use of unilateral tools by developed countries in their quest to address their vulnerabilities arising from the polycrisis. The current forms of constraints on policy space have become unworkable for developing countries, as they limit developing countries' ability to be resilient or adaptable to change. Industrialization options are quite limited, and the current policy space is not fit for its original purpose. Developing countries struggle to pursue the same development pathways that developed countries took, and there is little empirical evidence of successfully developing economically in other ways. Africa faces a myriad of unforeseen circumstances and challenges in an increasingly complex world. There is therefore a need for more policy space that enables and facilitates development goals and allows developing countries to develop, identify and pursue the most appropriate mix of economic and social policies to achieve the equitable and sustainable development best suited to their context.
- 152. In current times, it is becoming increasingly crucial to have the choice to pick the right development pathway. This process entails suitable consideration of how countries wish to approach development more fundamentally. Policy space needs to be clearly conceptualized as a tool that offers countries the ability to be resilient or adaptable to change. What the African Group seeks is that the same policy tools that have been used by others in their industrialization journey should be availed to developing countries. In our view, there is a need to level the playing field and to provide policy space and certainty to developing countries to implement their legitimate policy measures. There is also a need for the development of a multilateral framework that enables developing countries the policy space to industrialize in a manner that maintains the requisite balance to enable Members to respond to the current challenges of global commerce. Members should also be able to industrialize to address high levels of concentration on key essential products that pose a risk to resilience building for future crises while promoting international trade. The WTO, therefore, needs to discuss and evaluate policy space differently and assess how it fits into evolving circumstances. Linked to that is assessing whether the policy space is sufficient in today's world for developing countries that are still in the catch-up process. The assessment should also be made of whether these countries have sufficient policy space to decide how to advance onto increasingly complex, value-adding manufacturing and industrializing pathways should they wish to advance economically in a manner which reflects how the developed countries advanced. In the specific context of the ASCM, the aim is to provide a non-exhaustive list of issues that can be considered by Members to rebalance trade rules, to enable industrialization within the framework of the ASCM and to enable sustainable economic transformation in developing countries, particularly in Africa. This is important

in light of the relevance of subsidy disciplines to emerging policy orientations increasingly adopted by many governments. The role of subsidies in spurring investment remains an important policy lever for developing countries, including LDCs, that must be enhanced through appropriate flexibilities. Furthermore, in the context of the urgency and necessity for all countries to play their part in meeting global climate change mitigation targets, policy tools and flexibilities within the scope of the ASCM need to be unlocked for developing countries to become meaningful players in green industries and to promote green industrialization.

- 153. To this extent, the following is therefore proposed in the paper. First, a revisiting of the policy space articles that have since expired during implementation of the ASCM post-Uruguay Round including a revision of certain thresholds, such as definitions of actionable subsidies in the context of addressing contemporary challenges like climate change and the need for sustainable industrialization. Second, Article 27 - S&D flexibilities with transitional periods - has since expired, and the tools to address the compounding global challenges today are not equally available to all. There is therefore a need to level the playing field. The third point concerns Article 8 of the ASCM, which used to allow for non-actionable subsidies or green light subsidies. The expiry of these permissible subsidies towards research and development, regional development and environmental protection, wiped out the policy space for Members to address technological, poverty and environmental challenges. This also stifled the ambition to industrialize, whilst also placing existing exports at risk of non-compliance with increasingly stringent sustainability standards. It is therefore necessary to reinstate Article 8 of the ASCM to enable developing countries to grant subsidies to achieve legitimate policy objectives. Finally, the thresholds in the expired carve-outs are too conservative for current challenges. Therefore, both Articles 27 and 8 require adapting and updating to be fit for purpose. We look forward to active and focused engagement on this paper to address the constraints identified, which limit the policy space to drive industrialization, economic diversification and structural transformation. The African Group trusts that this Committee and other relevant bodies will earnestly consider the issues and concrete proposals we have tabled for recalibration of the ASCM with a view to registering clear outcomes at MC13.
- 154. The representative of <u>Japan</u> delivered the following statement:
- 155. In proceeding with this agenda item, I would like to suggest that we take into account the limited time we have left to conclude our meeting today. The policy space discussion is important and has been deliberated in each relevant Committee. Earlier this week, I participated in a discussion on policy space relating to the environment. The Committee on Subsidies and Countervailing Measures (SCM) discussed this paper as well. Relevant issues were also discussed in the WGTTT and the TRIMs Committee. It is important and necessary to address the negative impact of state intervention and discuss the consistency of each measure with the current trade rules and the existing gaps. Discussions on policy space and discussions on strengthening the rights and obligations in the current provisions should proceed in a balanced manner, and we understand that the appropriate forum for such kind of discussions has not yet been determined. Of course, everybody has the right to discuss. I will follow the Chair's guidance regarding my suggestion.
- 156. The <u>Chairman</u> said that it was the prerogative of Members to engage in discussions. However, due to the lengthy agenda of the meeting, he noted that it was unlikely that the CTD's  $121^{st}$  Session would be concluded on 17 November. If necessary, the meeting would be suspended at the end of the day. He would then reconvene the  $121^{st}$  Session on another day to allow the meeting to be concluded.
- 157. The representative of <u>Egypt</u>, on behalf of the African Group, delivered the following statement:
- 158. I will be making this presentation in a brief manner, as the African Group has made the same presentation in the context of relevant discussions in other subsidiary bodies. Given the nature of the CTD, we find it appropriate to be making this presentation here as well, and with some sort of aspiration with respect to the way the CTD could deal with the matter. Technology transfer is not new to this organization. The topic has been there since 2001. Members have been trying to figure out ways and means to make transfer of technology happen to assist developing countries in building their economic resilience and development. The African Group believes that the time has come for Members to rethink how the discussions are taking place and how they have evolved, and to look at what kind of recommendations Members can eventually agree on insofar as technology transfer and diffusion are concerned. This needs to be done in the context of the challenges that countries face today, including pandemics, food security, climate change, and the problem of development.

The African Group has submitted a number of documents. There is a general document that was submitted to the CTD and the General Council among others, and additional documents that were tailor-made for certain subsidiary bodies. Each document was discussed in the relevant subsidiary body. The documents have also been submitted in the CTD because of the nature of this Committee. We are not trying to repeat ourselves or duplicate the work that is taking place elsewhere. The CTD needs to pursue development and collaborate with the other bodies as we proceed. During the Doha Round, there was an extensive examination of the convergence of technology transfer and development, where the discussions focused on how technology can be effectively transferred to developing countries in order to foster growth and progress. The need for technology transfer to developing countries is explicitly mentioned in several WTO Agreements. It is evident that technology transfer is essential for the overall development of our economies. Accordingly, it has become crucial to further explore the interrelationship between technology transfer and resilience building. In an increasingly interconnected and fast-changing world, building resilience has become of paramount importance for developing countries and LDCs.

159. Technology transfer can play a significant role in enhancing resilience by improving productivity, promoting innovation and enabling countries to address the challenges they face effectively. Limited access to technology, high costs, and inadequate capacity-building initiatives often hinder our ability to benefit fully from technology transfer. Hence, it is Members' responsibility to recognize and create particular strategies under the WTO framework to enhance the transfer, dissemination and diffusion of technology to developing countries and LDCs. This would require a comprehensive approach that encompasses implementing current flexibilities and building synergies with other international organizations and stakeholders - such as the private sector, academia and research centres - to figure out the policy space needed to advance industrialization, digitalization and green transformation, including through agreeing new flexibilities when practicable. The set of submissions should be read in connection with the submission by the African Group on "Policy space for industrial development". We emphasize the crucial role of the WTO in promoting and identifying the best ways to facilitate the transfer and diffusion of technology to address the challenges countries are facing today - including food security, preparedness for pandemics, trade facilitation, climate change and e-commerce, among others. This communication, along with the specific issue-based submissions, will contribute to a comprehensive examination of this vital subject. Together, we can harness the potential of technology to promote resilience, prosperity and equitable development for all WTO Members. The African Group believes that the way forward until MC13 should be characterized by enhanced dialogue, cooperation and concrete actions. Members should be able to identify practical measures to promote policy coherence. We look forward to a productive discussion and the formulation of effective recommendations that will contribute to realizing the potential of technology transfer in fostering sustainable development and bridging the technological divide between nations. We think that this Committee should work with other subsidiary bodies and the General Council to eventually come to an agreement on a paragraph or a declaration that would promote transfer of technology. We want to reinvigorate the work on this matter, with the presumption that Members will reach an agreement on certain deliverables by MC13 that will be effective in terms of making transfer of technology happen in the context of the WTO.

160. The representative of <u>South Africa</u>, on behalf of the African Group, delivered the following statement:

161. I will briefly present the key elements of the paper listed under the third sub-item of this agenda item. As with the other papers, the African Group is not seeking mere deliberation, but is calling for concrete action and outcomes at MC13. The context within which these proposals have been submitted and the problems they seek to remedy are commonly known. I would like to highlight the importance of TRIMs as complementary policy tools to comprehensively support the industrialization of the African continent and other developing countries, and to allow them to graduate in global value chains and confront contemporary challenges such as climate change. With regard to the paper itself, it proposes to address the challenges that face the African continent and other developing countries in similar positions, and in particular to address the imbalances in the TRIMs Agreement. The following has been proposed. First, the provision of a flexibility under the TRIMs Agreement to allow developing countries policy space and tools in support of their developmental policies. Second, the implementation of measures to ameliorate their foreign exchange challenges. This exception should be availed to those countries that are facing balance of payments challenges. Third, the provisions of an exemption from the TRIMs Agreement together with Articles III and XI of the GATT, and the obligations under the ASCM to the extent they apply to the concerned measure for local content requirements and similar TRIMs undertaken to address

specific objectives aligned with the climate response and the "nationally determined contributions" under the Paris Agreement and targeted at averting balance of payment crisis. Fourth, the consideration of a threshold that can be applied to local content requirements to facilitate industrialization and structural transformation. Fifth, the consideration of a specific flexibility that would extend to cover situations of crises including, but not limited to, climatic and natural disasters, financial and economic crises, health emergencies, food-security related crises and similar crises. Sixth, TRIMs taken by LDCs shall be given an exemption under the TRIMs Agreement together with Articles III and XI of the GATT and the obligations under the ASCM to the extent they apply to the concerned measure. Referring to the retreat on the development dimension of WTO reform, the retreat on trade and industrial policy and the SOM, I would like to note that the issue of policy space for industrial development is a key element of the development package that a number of countries, especially the African Group, seeks at MC13. As a focal point on development, it will be important for the CTD to make a bold statement on this issue at MC13 or towards that.

#### 162. The representative of <u>India</u> provided the following statement<sup>4</sup>:

163. We reiterate our thanks to the African Group for making these excellent submissions on policy space for industrialisation and its various facets including under different agreements: the ASCM, the TRIMs Agreement, the TRIPS Agreement and technology transfer in its wider dimension. We are highly supportive of the African Group's articulation on policy space for industrial development. We associate fully with the African Group on working towards MC13 for a declaration, a decision or a paragraph on technology transfer in the outcome document. We will be working constructively towards this. As the focal point for development, the CTD must complement the discussions meaningfully on the proposals for facilitating an early decision on these points. These submissions contribute to the development dimension of WTO reform and build on the various conversations that Members have had, including in the development retreat held in February 2023. Our submission concerning the reflections on the retreat, which was discussed earlier, also reveals this. These issues are cross-cutting and related to development. Hence, the CTD is an appropriate forum to discuss these issues. The polycrisis exposed the fragility and vulnerability of developing countries and had severe impacts on these countries on account of supply-chain disruptions driven by the COVID-19 pandemic. While the MTS has led to benefits for developing countries, the gains have not been proportionate amongst Members and the development divide has widened. The submissions highlight that there are certain provisions that pose constraints to industrialisation and economic development. Members should be concerned by the experience of the African Group and that the continent has faced deindustrialisation in the last two decades, as mentioned in previous meetings. In this context, we see significant value in these submissions. Historically, advanced and industrialised Members used industrial measures to gain and have the first-mover advantage. In their development phase, these advanced Members used policy options like domestic industry protection and state support incentivization through subsidy regimes, which we are also seeing in certain areas today. In the first phase of industrialisation, no nascent industry can grow unless positive support is provided one way or the other. This requires some flexibility and policy space for countries that are now moving towards industrialization and want to progress in this direction.

164. However, as pointed out by the African Group, these policy options were not easily available for developing countries and LDCs as international trade rules unfolded. Unilateral protectionist measures have added to their misery. Consequently, developing countries and LDCs fall into a debt trap, while the North-South economic divide widens, unemployment rises, and SDGs remain only a talking point. The submission rightly emphasizes that trade rules should provide producers and nations in the developing world the necessary policy space to integrate more meaningfully and qualitatively in global value and supply chains - not only as suppliers and exporters of primary products, but also as producers of intermediate and final goods, with significant value added. This is in line with the objectives enshrined in the preamble of the Marrakesh Agreement. India agrees that rebalancing trade rules and guaranteeing access to the requisite policy tools will assist developing countries and LDCs in developing capacities and capabilities to contain, prevent, respond and recover more effectively from acute shocks and more chronic crises associated with a changing world. The submissions are well evidenced. The African Group narrated some of this evidence in previous meetings, as well as in other forums. For example, UNCTAD's 2021 Trade and Development Report notes that intellectual property rights (IPRs) can make accessing and adapting to the required technologies a difficult and expensive process for many developing countries. Its 2018 report reveals

<sup>&</sup>lt;sup>4</sup> A shortened version of this statement was delivered at the meeting. The representative of India indicated that he would submit the full statement to the Secretariat for inclusion in the minutes of the meeting.

that the ASCM has limited the use of industrial policies by developing countries. This has made it more difficult for developing countries to promote their domestic industries and attract foreign investment. Another study by the World Bank from 2019 found that the TRIMs Agreement has hurt the ability of developing countries to attract foreign direct investment (FDI). The World Health Organization (WHO) in 2016 showed that the high cost of patented medicines and technology has limited the access to healthcare in many developing countries. We would urge Members to have discussions on the proposals with an open mind for a fruitful outcome that will provide the necessary policy space to developing countries.

#### 165. The representative of <u>Pakistan</u> delivered the following statement:

166. We would like to thank the African Group for keeping their series of submissions on the agenda today. The submissions aptly recognize the horizontal role played by the transfer of technology for inclusive development in developing countries. Addressing the challenges of climate change, fostering agricultural development, and embracing digital transformation are imperative for the sustainable growth of developing countries. Pakistan is among the countries that are extremely affected by climate change. The role of transfer of technology in these domains emerges as a critical catalyst for resilience building. By facilitating the exchange and adoption of innovative technologies, communities are empowered to adapt to changing climates, enhance agricultural productivity, and leverage digital tools for socio-economic development. This interconnected approach not only accelerates progress but also builds a resilient foundation, enabling developing nations to navigate the complexities of a rapidly evolving world to get a decent market share. We would urge Members to collectively recognize and prioritize the pivotal role of technology transfer in shaping a more resilient and sustainable future.

#### 167. The representative of the <u>Russian Federation</u> delivered the following statement:

168. Russia thanks the delegations of South Africa and Egypt for presenting the African Group's proposals. We note the increased pace of the discussions on policy space for industrial development. Russia praises the efforts of the African Group to promote industrialisation in developing countries, especially LDCs. The African Group's initiative seeks relief from the requirements of certain WTO rules. However, the sought flexibilities as such can hardly guarantee the achievement of the expected goals – including industrialisation, addressing emerging challenges, concentration of production and digital industrialisation. The problems of the developing countries and LDCs are of a systemic nature. To solve them, we need to observe the whole picture. In this context, Russia believes that the Membership should look comprehensively at all contemporary challenges that the developing countries and LDCs face. First, the unfair trade practices conducted by some Members disrupt competition's neutrality. For instance, unilateral trade restrictive measures damage traditional trade flows. Another example is green transition measures that hasten Members to rush to meet ever-rising standards or even get in the subsidy race. In fact, these measures distort competition and the level playing field – apart from the fact that this race gets more costly as the unilateral politically motivated restrictions keep distorting logistics and fuelling inflation. Second, we also warned against nullification of the flexibilities' effects, in particular through the operation of transnational corporations. While they may contribute to the spread of technologies, they may equally pose a threat to development goals. Transnational corporations will likely take advantage of the flexibilities requested by the developing and least developed Members, while the profits will eventually be allocated to their parent companies in third - highly likely developed - states. Thus, as we have stated on numerous occasions, a comprehensive approach is needed. We support efforts to bridge the gaps between developed and developing countries, especially the LDCs, and we need to look carefully into what rules can help to solve trade and development issues. Otherwise, we risk facing a situation when the expected relief described in the African Group's proposals is reduced to nearly zero. We would also like to get more clarity about the African Group's plans on the way forward with its proposals, especially in light of the upcoming MC13. We kindly ask the African Group to share its expectations from the discussions within this Committee and other relevant Committees, as well as its views on how to proceed. The Russian Federation remains open and ready for further discussions.

#### 169. The representative of Nepal, on behalf of the LDC Group, delivered the following statement:

170. The LDC Group welcomes the important submissions by the African Group presented at this meeting by South Africa and Egypt, and which have been presented in other bodies as well as. We also appreciated the discussions held on this topic in the retreat format and at the SOM. We would

like to reiterate some points that we previously raised. The LDCs generally tend to exhibit in their trade patterns a lack of diversification, with exports dominated by basic commodities and raw materials. These are largely in the extractive industries like fossil fuels, metals and ores. The LDCs also tend to import value added goods. The global share of LDCs in international trade remains marginal, with total LDC exports accounting for less than 1% of global exports. There is a heavy concentration on basic commodities and raw materials largely in the extractive industries, with fossil fuels accounting for around 18% of LDC exports in 2021; and metals and ores accounting for around 11% of LDC exports in 2021. The share of LDC services trade is even smaller, accounting for only 0.49% of global services exports in 2021. This state of affairs has been a product of various phenomena, including a case of deindustrialisation for many economies; undiversified productive structures; lack of various types of infrastructure and low levels of investments therein; lack of high-value manufacturing capacity; and very little meaningful and qualitative integration into global production value chains. Thus, many developing economies and LDCs are relegated to the lowest ends of global value chains, with very little beneficiation. This also concerns products that have a high content of the very same raw materials and commodities in which LDCs have a comparative advantage, including natural endowments. The COVID-19 pandemic, the persisting and escalating food crises, and the scale and regularity of climate disasters have exposed the risks that LDCs face when there are unexpected disturbances or shocks in global supply chains. This is notwithstanding the vast potential that LDC economies possess to develop various industries through harnessing the natural and comparative advantages they have. This includes the untapped agricultural potential which remains suppressed by unfair and imbalanced rules that allow developed countries to provide obscenely extravagant subsidies to their farmers to sustain false comparative advantages. Such practices negatively affect many LDCs, which are facing the dilemma of cheap imports that destroy their industrial fabrics. Trade and industrial policies must be tools for economic development through industrial development, among others. Trade rules must take into account the differences in levels of development and facilitate the industrialisation and economic development aspirations of developing countries. We look forward to further discussions on these important matters raised by the African Group.

#### 171. The representative of the European Union delivered the following statement:

172. The European Union supports constructive initiatives to better integrate developing countries, and in particular LDCs, into the MTS. We are engaging on the African Group's proposals in several WTO bodies. We have exchanged in the General Council, the SCM Committee, the TRIMs Committee, the TRIPS Council and the WGTTT. The European Union would be interested in an in-depth discussion on how different countries make use of these Agreements and how that helps their economic development. In this context, it would be helpful for countries to continue providing updated notifications. I will limit myself to highlighting a few specific points of interest to this Committee. The subsidy-related topics introduced by South Africa are in line with European Union's suggestions to set up a dedicated space for deliberation on state intervention in support to industrial sectors, including the development dimension. We acknowledge the African Group's desire and efforts to promote industrialisation. We have also urged caution, and to shy away from protectionism and from undermining the legal frameworks needed to promote trade and investment. This discussion is ongoing and could be deepened. The European Union shares the premise of the African Group's submission that the transfer of technology is important to address global challenges. The European Union and its Member States promote and fund technology transfer programmes. We are open to discussions in the relevant bodies on how to boost successful technology transfer, to look at ways of incentivizing it, to look at what has worked and has not worked, and to consider how to enhance the absorption capacity of partner countries. It would be particularly useful to learn from receiving countries which approaches have been the most effective in terms of technology transfer and capacity building. The European Union looks forward to continuing to engage with the African Group and with all Members on these important topics. I believe we need to create the space for in-depth discussions, including but not exclusively under the aegis of the CTD.

#### 173. The representative of Canada delivered the following statement:

174. Canada thinks that the African Group proposal on policy space is worth careful consideration. A holistic discussion on trade and industrial policy is necessary to better understand the global context before we can have detailed discussions on how to change the rules. For example, we would need to better understand the impact that changes or exceptions to the rules would have on neighbouring countries or other countries at equal levels of development. We also think that it would not be appropriate to provide to all developing Members the new flexibilities being requested, given

significant differences in capacity and role in world trade between Members. In our view, a Member-driven dialogue on trade and industrial policy would be a promising path forward to improve our collective understanding of the issues and to lay the groundwork for potential solutions, alongside other proposals to enhance and modernize rules related to industrial subsidies and state-owned enterprises. I would like to echo in particular what Japan and the European Union said about the need for a dedicated space to discuss this issue. Efficiency and impact are achieved through specialization. Members should ensure that detailed, technical discussions take place in the requisite technical Committees or dedicated spaces. I am not suggesting that the CTD should not talk about these issues. My point is also related to the various areas addressed at today's meetings, including the Monitoring Mechanism on S&D, India's paper on the development retreat, as well as the upcoming agenda item on the CTD's TORs. This is about what Members want from the CTD. My delegation would like to strike the right balance between discussing issues of development here, while also making sure that we are being efficient and impactful through specialization and not having to discuss everything in detail in the CTD.

#### 175. The representative of <u>China</u> delivered the following statement:

176. China thanks the African Group for their communications. As a country which has striven for decades to industrialise, China sincerely understands and sympathizes the call for policy space made by many developing Members that are going through the same process we went through before. The call must be heard and taken into consideration seriously by all WTO Members. As we are starting a new conversation on industrial policies in the WTO, policy space for developing Members and LDCs in their industrialisation should be an integral part of that conversation. We recognize the important role of transfer of technology in dealing with global challenges and developing issues, especially for African Members. We are willing to enhance information exchanges and sharing of practices in this regard and engage in the discussions in an active and constructive manner. We think that the first step in the discussion should aim for a common understanding that policy space is a legitimate need of developing Members and LDCs. Members can discuss in general terms the categories of such needs. We believe that it is not appropriate to create a dedicated space at this stage.

#### 177. The representative of the <u>United States</u> delivered the following statement:

178. The United States would like to thank the African Group for the papers they submitted as part of the series on policy space for industrialisation and industrial development. I will intervene on documents <a href="https://www.wt.com/w/270">wt/com/w/270</a> and <a href="https://www.wt.com/w/270">wt/com/w/270</a>. The United States shares the goal of industrialisation for sustainable development. We also recognize that the ASCM is one of the most complex agreements in the WTO. We are open to a conversation on whether the ASCM is fulfilling its purposes. However, we cannot imagine considering additional flexibilities under the subsidies Agreement without a complete understanding of the subsidies being provided by Members who could take advantage of any flexibilities. In the spirit of mutual understanding and cooperation, we seek to better understand why developing countries in need believe that the rules impede their development and why they believe additional narrowly tailored flexibilities would allow for the industrialisation the proponents seek.

#### 179. The representative of <u>Ecuador</u> delivered the following statement:

180. Ecuador appreciates the communications submitted by the African Group. The documents are being considered in my capital. We have some questions which we will send directly to the African Group to better understand the communications. We wish to express our interest in continuing these exchanges within this Committee in a manner that complements, but does not repeat, the discussions taking place in other WTO Committees.

#### 181. The representative of <u>Brazil</u> delivered the following statement:

182. Brazil welcomes the presentations made by South Africa and Egypt on behalf of the African Group. Brazil is a friend of development. As my Ambassador said at the SOM, we think that policy space for industrialisation is a very important issue. We also want to ask the African Group what the expectations for an outcome on this matter at MC13 are, whether it is a declaration or a work programme. These are complex issues covering several agreements. Members need to understand which tools were used by countries that were able to industrialise and what countries

are doing today as well. It is important to prioritize and be specific. For example, Brazil is currently implementing a new industrialisation agenda. In this context, we are trying to understand the policies of other countries such as the United States and China and see what we can learn, even if we may not be able to implement exactly the same policies due to fiscal constraints. The CTD can discuss specific issues such as local content and the role of the public sector and also collaborate with other technical Committees. Evidence-based discussions will be important, and Members need to be flexible. Once again, I would ask the African Group to specify what are the issues to prioritize and what sort of outcomes are envisaged at MC13.

#### 183. The representative of the <u>United Kingdom</u> delivered the following statement:

184. The United Kingdom believes very fundamentally that WTO rules should, and do, act as drivers for development, and not a hindrance. Yet we also acknowledge the challenges of development and industrialisation. If the feeling from the African Group is that WTO rules are acting as a hindrance, then we will approach that discussion with an open mind. The September retreat and the SOM showed that these are issues that matter to the Membership, and that they require further deliberation – as well as a proper forum for deliberation. We therefore support the comments and suggestions made by other Members for focus on how we structure these conversations and find the right space for them. On technology transfer, we recognize that technology and innovation have a key role to play in achieving economic development and to achieving the SDGs. We also recognize that developing countries can face barriers to adopting innovations. The United Kingdom submitted a paper at the July General Council, offering reflections on intellectual property, technology transfer and voluntary licensing for health and pandemic preparedness, which we invite all Members to engage on. We have also taken part in discussions on how to reinvigorate the WGTTT and look forward to further conversations there as well.

#### 185. The representative of <u>Australia</u> delivered the following statement:

186. We thank the African Group for these papers, which add to the discussion on the need to deepen the WTO's deliberative function. Similar to the European Union, Canada, United Kingdom and others, Australia also supports establishing a dedicated space on trade and industrial policy at MC13 to consider these issues holistically given the complexity at play. In the interests of time, and noting the recent discussions on these proposals in separate bodies, I would like to refer the Committee to Australia's more extensive comments on these proposals in the Subsidies, TRIMs and TRIPS Committees, the WGTTT and the General Council.

187. The Committee  $\underline{\text{took note}}$  of the communications from the African Group, and of all interventions.

# 9 MINISTERIAL DECLARATION FROM THE TWELFTH MINISTERIAL CONFERENCE ON THE WTO RESPONSE TO THE COVID-19 PANDEMIC AND PREPAREDNESS FOR FUTURE PANDEMICS (WT/MIN(22)/31 - WT/L/1142)

188. The Chairman said that, at the 119th Session on 17 November 2022, the Committee had agreed that the item relating to the MC12 Ministerial Declaration on the WTO response to the COVID-19 pandemic and preparedness for future pandemics would remain on the CTD's agenda until the end of 2024. In this Ministerial Declaration, it was indicated that relevant WTO bodies would, within their fields of competence, and on the basis of proposals by Members, continue or initiate work as soon as possible, to analyze lessons that had been learned and challenges experienced during the COVID-19 pandemic. A stocktaking exercise would be taken of the work by WTO bodies under this declaration yearly at the General Council until the end of 2024, based on the reports of those relevant bodies. The Ministerial Declaration identified the CTD as one of the relevant WTO bodies to undertake work in this area. In previous meetings, Members had shared information on the impact of the COVID-19 pandemic on their trade and economies. Suggestions were made on possible work that could be done by the CTD in the context of the MC12 Ministerial Declaration. He said that continued engagement on this matter was important, and this was why this item remained on the agenda. However, he felt that written proposals from Members would be needed to focus the deliberations on this matter and identify concrete work that could be done in the CTD. He was therefore taking the opportunity to once again encourage Members to consider submitting written proposals. He noted that there were no written submissions from Members on the agenda for the

present meeting. However, delegations still had the opportunity to engage under this agenda item and share lessons learned and challenges experienced during the COVID-19 pandemic.

- 189. The representative of the <u>United States</u> delivered the following statement:
- 190. I recognize that there is no submission under this agenda item, but I would like to make this intervention in the spirit of remaining open to engage with Members and contributing to operationalizing the Ministerial Declaration. Looking ahead, my delegation would be interested in exploring the topic of humanitarian cargo relief work to address vulnerabilities to natural disasters, including pandemic responses, and the role that cross-border trade can play in mitigating such vulnerabilities. We also invite other Members to join us in this continued creative effort to generate and share knowledge in this Committee.
- 191. The representative of <u>Pakistan</u> delivered the following statement:
- 192. In the context of the COVID-19 pandemic and amidst the polycrises catalyzed ever since, developing countries and LDCs have been facing challenges to respond to these crises. Several developing countries and LDCs have been facing a domino effect whereby one crisis leads to another. They also often face severe financial and policy constraints to respond to these emergencies in a way that allows them to protect the lives of their people and the health of their economies. UNCTAD has pointed out that developing countries face mounting debt and insufficient international support, risking another lost decade. Growing global asymmetries threaten developing countries' resilience, requiring stronger multilateral action. In this context, developing countries and LDCs are: (i) struggling to not only raise standards of living but also to maintain the ones achieved; (ii) finding it hard to not only ensure decent jobs for all but also to hold on to the jobs generated to date; (iii) wrestling not only to grow real incomes but to also retain the real incomes generated over the years; and (iv) finding it challenging to achieve progress in fulfilling the SDGs. These aims are not the individual goals of developing Members and LDCs but were collectively agreed by this Membership when all of us agreed to the formation and collective aims of this organization. The latest health, food and economic crises have made it clear that the timeliness of the response is crucial to the ability to control a crisis and to avert a potential domino effect.
- 193. Developing countries and LDCs lack the breadth of policy tools, such as fiscal and monetary space, that developed countries have at their disposal to utilize in response to crises. Their capacity to respond expeditiously and effectively is further impacted by WTO rules that were designed with no consideration of the needed interventions in times of such crises. Furthermore, the COVID-19 response experience at the WTO showed that if negotiations on response mechanisms are to start in the context of a crisis, the result will be too little action too late. In light of these experiences, there is need for the pro-active design of a mechanism under WTO rules that allow the needed space for developing countries and LDCs facing a crisis to respond expeditiously and with enough policy tools to avert a deepening and spreading of the crisis. Pakistan's paper contained in document JOB/GC/347 presents a proposal for a crisis response mechanism (CRM) for developing countries and LDCs that could be incorporated in WTO rules. The CRM would enable access to a toolbox of policy options that are normally constrained by WTO disciplines, and which would be made accessible to developing countries and LDCs invoking the mechanism in order to enable robust responses to crises. The mechanism is to be used to help avert a deepening of a crisis and to enable a better response and containment of the crisis, with the objective of ending the adverse effects on the populations and the economy of the concerned Member. We urge Members, and especially developed country Members, to join in and work towards preparedness for future crisis situations including pandemics in a more proactive manner.
- 194. The representative of India delivered the following statement:
- 195. We value the Chair's observation in his opening remarks under this agenda item on the need for written submissions by Members. We would like to reiterate that the CTD, in its capacity as the focal point on development work, has significant work to do. This was made evident in the informal retreats that took place this year, as well as in discussions in the General Council. As observed in our submission providing reflections on the development retreat, as well as in the Chair's summary provided at the July CTD on the informal discussions held on the developmental aspects of WTO reform, there are several items that the CTD needs to address. There are submissions already on the agenda of the Committee which relate to addressing the multiple crises that are currently

being faced by developing countries. We would like the Committee to start with a stocktaking of the deliberations on development issues which were identified by Members in the retreat.

196. The <u>Chairman</u> encouraged Members to continue to engage and to consider submitting written proposals on work that the CTD could do on this matter.

197. The Committee took note of all interventions.

## 10 TRADE AND DEVELOPMENT - WORK IN THE COMMITTEE ON THE BASIS OF THE CHAIRMAN'S CONCLUDING STATEMENT FROM THE EIGHTH MINISTERIAL CONFERENCE

- (A) Committee on Trade and Development mandate: focal point for consideration and coordination of work on development in the WTO proposal from Barbados, Belize, China, Cuba, Ecuador, India, and the African Group (WT/COMTD/W/208)
- (B) Operationalization of the CTD's mandate: a proposal to deliver outcomes based on the MC8 mandate proposal from China, Cuba, Ecuador, India and the African Group (WT/COMTD/W/192)<sup>5</sup>

198. The Chairman said that Ministers at the Eighth WTO Ministerial Conference (MC8) had reaffirmed the positive link between trade and development and had called for focused work in the CTD. Ministers had called on Members to fully operationalize the mandate of the CTD as a focal point for development work. Two submissions containing proposals for work under the MC8 mandate were included on the agenda of the present meeting. The first submission - by Barbados, Belize, China, Cuba, Ecuador, India and the African Group (WT/COMTD/W/208) - contained a proposal for the CTD to report on the development-related work taking place in other WTO bodies. The second submission by China, Cuba, Ecuador, India and the African Group (WT/COMTD/W/192) - contained three proposals. In the order they were presented in the document, the first proposal was for the Secretariat to continue to update its report on the implementation of the S&D provisions in the WTO Agreements and Decisions. The second proposal was for the CTD to report on the development-related work taking place in other WTO bodies, while the third proposal was for the CTD to make a recommendation for parties to RTAs to submit their notification and information requirements jointly. He noted that the two submissions had remained on the CTD's agenda for several years. At the last meeting, India had requested that the submissions be maintained on the agenda. He indicated that he would first invite the proponents of the two submissions to brief the Committee on the status of the proposals after which the floor would be opened for interventions by other delegations.

#### 199. The representative of India delivered the following statement:

200. These submissions have been on the agenda for a long time and without any resolution. The focal point function of the CTD has been addressed here as well as in the development retreat and the General Council. My delegation has also held several bilateral consultations on these issues. I would like to explain once again what is being sought. The CTD's TORs require it to serve as a focal point for consideration and coordination of work on development in the WTO. However, the CTD is currently not undertaking this coordination work. This may not be feasible unless clear guidelines are provided. The present situation is that CTD is mandated to coordinate, but it has not been provided instructions on what it should do and how it should do it. There is no structured process in this regard. Consequently, there is no custodianship of the development dimension. Let me illustrate this by citing the retreat focusing on the development dimension of WTO reform. This was not coordinated by the CTD, and it was decided only after the retreat that the CTD would take this work forward. However, it was not made clear as to how the CTD would take forward the coordination of cross-cutting development issues. The CTD's mandate should therefore be operationalized through proper instructions and procedures. We have a few suggestions. For example, the CTD is already mandated to be a focal point on these issues. It should be allowed to engage with other bodies. The suggestion is basically that the CTD should coordinate on a horizontal level with other bodies on what is happening on the development dimension. There should be a process prescribed for this. Discussions on development issues are taking place in other bodies. These discussions should be coordinated so that the CTD is able to report on what is happening in the WTO on development

<sup>&</sup>lt;sup>5</sup> The discussion concerning documents <u>WT/COMTD/W/208</u> and <u>WT/COMTD/W/192</u> is presented together in this Note, as the Chairman invited the Committee to take up the two sub-items together.

work. If the CTD is able to report to the General Council in this manner, it would be working as a focal point on the development dimension.

201. I would like to compare this with the suggestions being made in the context of the debate on trade-related issues in climate - in particular that the CTE strengthen its coordination with other bodies, including the SPS and TBT Committees, the Committee on Agriculture in Special Session, and the SCM Committee. In fact, there is a demand to make the CTE a global forum on environment. On environment, the push is on the process before the substance. Furthermore, these Members are demanding that a process be articulated by Ministers for the CTE to function as a kind of focal point on environment. There are other instances that we all know, so no further elaboration is needed. In the proposal under consideration, the proponents are not ambitious on the development dimension when it comes to the CTD. What we are seeking here is very responsible. We are not asking the CTD to impinge on any other body's work or that it acts as a superior body over any other body. We are simply asking for better coordination on development so as retain good and coherent focus on the matter. By analogy, we are seeking a wheel-and-spoke kind of design for flow of information on the work being done on the development dimension in a structured manner. This would require the CTD to coordinate with other WTO bodies under some laid out guidelines or procedures, to act as information repository on development work done in the WTO, and to engage with other international organizations on development work in these bodies. My delegation strongly believes that the CTD has a critical role to play in advancing the development agenda of the WTO to the benefit of developing countries. By strengthening its functioning and ensuring the meaningful participation of all Members, we can work towards a more inclusive and sustainable global trading system that benefits all countries, particularly the developing nations. This agenda item concerns the CTD's TORs, and we do not have clarity as to how they are to be made operational. My delegation therefore requests that this item be maintained on the agenda until the issue is discussed and resolved.

#### 202. The representative of <u>Ecuador</u> delivered the following statement:

203. Ecuador reaffirms its position that the CTD should be an effective focal point for the coordination of development matters within the WTO. To this end, we could discuss in more detail the suggestions put forward by India, including the collection of regular reports from the WTO subsidiary bodies. Members could also consider potential joint meetings with other Committees, the adequate articulation of actions by the General Council and coordination meetings with the Chairs of the various Committees. As we have seen in the discussions today, various development-related matters are being discussed in different Committees. We therefore recognize the need for this Committee to exercise a coordinating function to avoid a duplication of efforts and parallel discussions.

#### 204. The representative of <u>Nepal</u> delivered the following statement:

205. My delegation thanks India for the presentation. Since development is a cross-cutting issue, work takes place in the relevant bodies according to their mandates. However, coordination is an important aspect. Smart coordination brings extra synergy and coherence. We therefore support the idea of making the CTD the focal point on development matters.

#### 206. The representative of Norway delivered the following statement:

207. We find India's idea to be good – the idea of the CTD coordinating what is happening on development in other bodies in the WTO. There could perhaps be some sort of communication with the Chair, who could report to Members on what is happening. Furthermore, as Ecuador said, the various good papers on development that are considered in other specialized bodies could perhaps be addressed as a step forward in the CTD. We could then pick up from where the discussion is at in other bodies and raise specific questions in the CTD on the papers. I also like what India said that in no way is it being proposed that the CTD be on a higher level than other bodies. Rather, the basic idea is to make sure that we are coordinating in a better way. I see the need for that as well. Norway would be interested in hearing more from India and to discuss further how to do that in a hands-on and preferably simple manner without having to alter too many procedures.

- 208. The representative of <u>South Africa</u> delivered the following statement:
- 209. We would like to support India with regard to the matter remaining on the agenda of the CTD. What came out clearly from the discussions today and from the discussions during the February 2023 retreat is a common desire to enhance or revitalize the role of the CTD as a focal point on development matters. South Africa supports the proposal to consider how this role can be given practical meaning. The fact that there appears to be no structured procedure within the WTO system to facilitate the role of the CTD as the focal point on development, with an aerial view of what is happening in other Committees on development issues, is something that we could consider improving on. We agree that the CTD must indeed complement the work in other bodies of the WTO on development issues, in a manner that does not translate to overreach. We would be interested in taking part in such discussions.
- 210. The representative of the European Union delivered the following statement:
- 211. The European Union would like to recall that its understanding of the MC8 mandate is that the CTD should further explore the positive link between trade and development on the basis of focused work. The European Union's view is that this should be taken forward on the basis of constructive exchanges on clearly identified topics. Referring to India's communication on "Committee on Trade and Development Mandate: Focal Point for Consideration and Coordination of Work on Development in the WTO", which was on the agenda of the General Council in March and May 2023, India has pointed out that the mandate of the CTD, as focal point on development, is not to replace but to complement the work of other bodies on the development dimension through coordination and consultation with these WTO bodies. India is also one of the proponents of the documents for consideration under the current agenda item. We would therefore like to better understand to what extent the old submissions from 2012 and 2015 can be subsumed in discussions on the most recent communication yes or no and whether or not they now need revising.<sup>6</sup>
- 212. I have three points to add. First, I think there is consensus that the CTD has a role as a focal point for development in this organization. However, there is no clarity on what this means or how it is to be done. Perhaps Members should try and move there. Second, my impression is that the documents that were tabled in the previous decade do not provide those answers. Maybe other Members think the same. The third point was already mentioned at the last meeting in July. How does the Indian submission tabled in the General Council document <a href="https://www.wtf.gc/w/865">wtf.gc/w/865</a> relate to this? Doesn't the tabling of this submission already imply that the submissions of the previous decade should be reconsidered by the proponents? I want to echo a very important term used by South Africa, which is "overreach". I am sorry to say that we are experiencing it today. My delegation is hesitant to overload the CTD with work already taking place, or which could or should take place, in other WTO bodies. This brings me back to the question of how the CTD can be a focal point that adds value. This Committee needs the space for enhanced deliberations on key trade and development issues. I want to also echo what Ecuador said about the possibility of avoiding overlap by having more cross-Committee coordination, joint sessions and the like.
- 213. The representative of the United States delivered the following statement:
- 215. The representative of Norway delivered the following statement:
- 216. I realize that I mixed up the agenda items. What I said earlier under this agenda item would probably belong under Agenda Item 14. It would be really helpful to have good discussions here in

<sup>&</sup>lt;sup>6</sup> The intervention in this paragraph, made by the European Union at the 121<sup>st</sup> Session, is reflected in the minutes of this meeting at the request of the delegation of the European Union.

the CTD, if there could be some space on the agenda for things that we all agree we would like to move on.

- 217. The <u>Chairman</u> encouraged continued engagement among Members in order to make progress on these proposals. If it was felt that informal discussions facilitated by the Chair could help Members make progress, he indicated that he would be happy to organize such discussions. This would be in line with Members' common goal of further improving the functioning of the CTD.
- 218. The Committee took note of all interventions.

#### 11 NOTIFICATIONS UNDER THE ENABLING CLAUSE

- (A) Gulf Cooperation Council (GCC) notification of Customs Union Communication from China, Egypt and India (WT/COMTD/W/175)
- 219. The <u>Chairman</u> said that the sub-item listed under the present agenda item made reference to the GCC Customs Union notification. It also referred to the communication from China, Egypt and India, which was circulated in document <u>WT/COMTD/W/175</u>. He noted that the sub-item had remained on the CTD's agenda for several years. At the last meeting, India had requested that the sub-item be maintained on the agenda.
- 220. The representative of <u>India</u> delivered the following statement:
- 221. Like the previous agenda item, this agenda item has been pending in the CTD for many years. Both agenda items are essentially about the scope of the work of this Committee. One is about how the CTD discharges its function as a focal point and the other relates to regional trade agreements under the Enabling Clause. Both matters therefore require resolution. My delegation has been undertaking bilateral consultations, and we are also willing to participate in any informal consultations organized by the Chair. However, in the interest of defining a clear-cut role for the CTD, both these items need to remain on the agenda until Members are sure what the Committee is supposed to do on both issues. It is one thing to say that the agenda is overloaded and that these items have been on the agenda for a long time. Another thing is to define clearly the role that this Committee has and how it should discharge its functions. We need to understand how the Committee will revitalize, reinvigorate and fully operationalize its role as a focal point. My delegation would be happy if the Chair could hold informal discussions on these agenda items to find a way forward, but a resolution is necessary. Until there is a resolution, and Members are very clear as to what is the mandate of this Committee on these items and how it will proceed, these items should remain on the agenda.
- 222. The representative of <u>Ecuador</u> delivered the following statement:
- 223. I would like to register our interest in participating in informal consultations. My delegation believes that there is still room to clarify this issue, which is important for the Committee's work. It would be useful to have some clarity on how Members would move forward with the informal consultation process.
- 224. The <u>Chairman</u> said that he would look into the issues raised to see how he could work with Members to find a solution that was agreeable to all.
- 225. The Committee took note of all interventions.

## 12 ANNUAL REVIEW OF THE STEPS TAKEN TO PROVIDE DUTY-FREE AND QUOTA FREE MARKET ACCESS TO LEAST DEVELOPED COUNTRIES

226. The <u>Chairman</u> said that the Committee's annual duty-free and quota-free (DFQF) review for LDCs for 2023 was to take place at the present meeting. In light of this, he would pick up briefly on the matter of the Secretariat report on Members' DFQF market access schemes, which was prepared and updated in 2014, 2015 and 2016 for the CTD's DFQF annual reviews. This was in response to the instructions given by Ministers in the DFQF Decision from the Ninth WTO Ministerial Conference (MC9). However, there had been no reports prepared since 2016, because of divergent views among some Members on the scope and coverage of the report. Previous CTD Chairs had held informal

consultations on the matter but were unable to find a way to unblock the situation. Most recently, his predecessor - Ambassador Canabady of Mauritius - informed the Committee that her own informal consultations had also not found a way forward that would allow the Secretariat to update its report. This was regardless of the language found in paragraph 8 of the MC12 Outcome Document, which reaffirmed the DFQF Decision taken at MC9 and instructed the CTD to "re-commence the annual review process on preferential DFQF market access for LDCs". He recalled that, at the last meeting, he had echoed Ambassador Canabady's words by inviting Members to consider the matter and provide guidance. He had also indicated that, in the meantime, the CTD would continue with its annual DFQF reviews even without a Secretariat report, as it had been doing since 2017. He was open to hearing thoughts from Members on possible ways forward on the matter of the Secretariat report. Ultimately, guidance on the way forward had to come from Members. He invited delegations to share their ideas at the present meeting. Alternatively, delegations could contact him after the meeting. He said that he would be happy to facilitate discussions among Members on any ideas that were shared, if it seemed that there was scope to make progress. It would be necessary for the Committee to eventually agree to any possible ways forward for the Secretariat report. However, as he had indicated at the last meeting, the first step would be for Members to share their ideas.

- 227. The representative of the <u>United States</u> delivered the following statement:
- 228. My delegation would like to ask the Chair to take a hard look at what we think is an obsolete purpose and rationale for this report, and work with us and others who would like to join to take action to remove this longstanding item from the agenda. This said, it is recognized that Members have to submit reports on their preference programmes. For instance, the Sub-Committee on LDCs puts out exactly the same information, and the market access report circulated for the Sub-Committee is up to date. Perhaps that would be an entry point for a conversation to find a landing zone with other Members. Once again, we call on the Chair's ability as a facilitator to work with us to take action to try and remove this longstanding item from the agenda.
- 229. The representative of Nepal, on behalf of the LDC Group, delivered the following statement:
- 230. The LDC Group welcomes the initiation of the annual review on DFQF. We wish to emphasize that, in the annotated draft agenda that the Chair circulated for this meeting, this issue is referenced only in the context of the Hong Kong Ministerial Decision. However, it was also squarely instructed by Ministers in paragraph 8 of the MC12 Outcome Document. As instructed by Ministers, Members must also ensure that the General Council reports to the next Ministerial Conference on progress made. We are fully aware that there has been no report in the CTD on this issue for a long time. The LDC Group requests the Chair to initiate the annual report on the LDCs' access to DFQF schemes under the renewed mandate from MC12, perhaps with a new format acceptable to all Members.
- 231. The representative of the European Union delivered the following statement:
- 232. I was waiting to hear from the LDC Group on what they expect from this agenda item at this stage and how they would like to take it forward. I am also aware that we got some marching orders at MC12. I thought we were making progress under the Chair and his predecessor on possibly doing something without revising the 2016 report, and instead using the document that the United States referred to. However, if we prolong this agenda item today, we might see further backtracking. I think that those who suggested having informal consultations facilitated by the Chair are probably right. The European Union has been providing DFQF market access to LDCs since 2001, and I had prepared a review of the last three years. However, I will keep that for some other time when Members address this issue in substance.
- 233. The Committee took note of all interventions.

#### 13 WORK PROGRAMME ON ELECTRONIC COMMERCE

234. The <u>Chairman</u> recalled that a Ministerial Decision was taken at MC12 on the WTO's Work Programme on E-Commerce (WPEC). The Decision was contained in documents <u>WT/MIN(22)/32</u> and <u>WT/L/1143</u>. It was agreed, *inter alia*, in this Decision to reinvigorate the work under the Work Programme, particularly in line with its development dimension. The CTD was one of the subsidiary bodies of the General Council mandated to undertake work under the Work Programme. There were two sub-items listed under this agenda item. The first sub-item related to a

communication from the African Group titled "Reinvigorating the work under the 1998 Work Programme on Electronic Commerce: A development approach to the Work Programme on E-Commerce" (WT/COMTD/W/283). The second sub-item was concerned with the revised communication from India and South Africa on "Global electronic commerce for inclusive development". This revised communication had been discussed in the past few meetings and appeared once again on the agenda at the request of the co-sponsors.

- (A) Reinvigorating the work under the 1998 Work Programme on Electronic Commerce: A development approach to the Work Programme on E-commerce Communication from the African Group (WT/COMTD/W/283)
- 235. The representative of <u>South Africa</u>, on behalf of the African Group, delivered the following statement:
- 236. The submission by the African Group highlights the need to reinvigorate the WPEC, aligning with its development dimension, as stated in document WT/L/274 and based on the emphasis made by Ministers at MC12. The main focus is on the development mandate to ensure that developing countries benefit from the growth of global e-commerce. Strategic interventions are required to boost growth and well-being, support digital industrialisation, address the digital divide, and promote domestic data sectors and small digital firms in developing countries. A developmental and inclusive approach is necessary, encouraging developing countries to participate not only as consumers, but also as producers in the context of e-commerce. The paper outlines critical elements for the developmental agenda, including supporting digital industrialisation, addressing the digital divide, creating and enabling the legal and regulatory framework, promoting domestic digital sectors, and building national and regional digital platforms. Moreover, the communication raises concerns about the lack of common understanding on the scope and definition of electronic transmissions, which could lead to legal and regulatory uncertainty for firms involved in cross-border e-commerce. It calls for clarity on the scope and definition of electronic transmissions to understand the implications of the moratorium on digital industrialization. The communication emphasizes the importance of continuing work under the WPEC to ensure inclusivity and extend the benefits of e-commerce, especially to developing countries. The communication provides three recommendations. The first recommendation is to make the Work Programme a standing item under the General Council, with the Facilitator reporting on activities and progress. The second recommendation is to establish the Work Programme as a standing item in the relevant bodies, as mentioned in document WT/L/274. The third recommendation is to conduct a review of discussions in mandated bodies to assess progress on the development dimension of the Work Programme. In conclusion, I would like to re-emphasize the significance of focusing on development in the e-commerce sector and ensuring broader benefits and inclusivity for all WTO Members, particularly developing countries.<sup>7</sup>
  - (B) Global electronic commerce for inclusive development Communication from India and South Africa (WT/COMTD/W/264/Rev.1)
- 237. The representative of <u>South Africa</u> delivered the following statement:
- 238. I am pleased to present the joint Indian and South African paper on "Global electronic commerce for inclusive development". The e-commerce landscape has become increasingly dynamic and complex as digital transformation has accelerated. Hence the continued relevance of the WPEC, and in particular its development dimension. New players have emerged, at the same time that established actors have taken on new roles and new business models have transformed buyer-seller relationships and pushed out the frontier of what is possible to buy and sell online. Above all, new opportunities have arisen to unlock the potential of e-commerce to boost growth and well-being. However, what is clear is that the gains from growing global e-commerce will not be automatic for developing countries. This will require strategic interventions at all levels, including at the national and international levels. In the context of the polycrisis, policy and fiscal space will be required by the developing world to rebuild their economies and revive their declining trade competitiveness and falling exports, including in relation to e-commerce. The asymmetries associated with the digital divide became starkly apparent during the aftermath and during the course of the COVID-19 pandemic, when the differences in capacities of Members were demonstrated. The lack of

 $<sup>^{7}</sup>$  After this statement, the Committee moved directly to the second sub-item at the request of the representative of South Africa, who indicated that he wished to introduce both sub-items while he had the floor.

common understanding on the scope and definition of electronic transmissions is also an issue of concern as it has implications for developing countries, including in relation to the use of tariffs to protect domestic industries and promote digital industrialisation.

- 239. South Africa and India have participated actively in the dedicated discussions on the WPEC. We would like to emphasize that, while we appreciate the dedicated discussions, they were never intended to replace Ministerially mandated processes, including the role of the CTD as part of the family of bodies tasked with addressing specific issues and questions on e-commerce. To broaden the benefits of e-commerce and allow developing countries to be integrated as producers and not mere consumers, the developmental aspects of the WPEC can play an important role. Moreover, this body is mandated to serve as the WTO fulcrum on development. In this regard, it is apt to recall the 1998 Work Programme, which instructs this body to examine relevant issues. The issues to be examined include the effects of e-commerce on the trade and economic prospects of developing countries, notably SMEs and means of maximizing possible benefits accruing to them; challenges to and ways of enhancing the participation of developing countries in e-commerce, in particular as exporters of electronically delivered products: role of improved access to infrastructure and technology transfer and movement of natural persons; use of information technology and the integration of developing countries in the MTS; implications for developing countries of the possible impact of e-commerce and the traditional means of distribution of physical goods; and financial implications of e-commerce for developing countries. The guiding questions in section 6 of our joint paper are aimed at allowing the WTO to play such a role. We particularly welcome interventions that engage with the questions. Before concluding, I think it is important to re-emphasize that the dedicated discussions led by the Ambassador of Mauritius do not replace the role of mandated bodies when it comes to the developmental elements of the WPEC. This forum remains very relevant in that regard. We look forward to fruitful discussions with a particular emphasis on the questions raised in section 6.
- 240. The representative of Norway delivered the following statement:
- 241. I want to share that, on 14 November 2023, the United States and Norway held a panel discussion on the side-lines of the WPEC. It was held quite fittingly right after a dedicated session on the e-commerce moratorium. We had participation from two private sector firms Yara International from Norway and iFarmer from Bangladesh. Both firms specialize in delivering digital solutions for agriculture in Africa and Southeast Asia. We also had a smallholder farmer from Tanzania. Valuable perspectives on the development dimension of e-commerce were brought to the WTO. The main message from all these participants was that the digital divide and the technology transfer, that tend to be presented in the WTO as divisive and zero-sum, are on the contrary part of the reality of these companies. Increasing technology transfer and bridging the digital divide represent new opportunities for them. Their message was basically to extend the moratorium in order to keep up the technology transfer and the bridging of the digital divide. This is because any added costs would be detrimental for companies that specialize in the large-scale spread of digital solutions to developing countries and their smallholder farmers, and for the smallholder farmers themselves with already pressured profit margins.
- 242. The representative of Nepal, on behalf of the LDC Group, delivered the following statement:
- 243. The LDC Group appreciates the two submissions reflected under this agenda item. The decision last year at MC12 required the reinvigoration of the WPEC, in particular with regard to the development dimension. We would like to commend the discussions in the CTD, as well as the dedicated discussions facilitated by Ambassador Canabady of Mauritius. E-commerce has proven its importance. However, this opportunity might turn into a challenge for LDCs due to the huge digital divide, including poor digital infrastructure, that needs to be addressed. The LDC Group submission of 2019 has been discussed as well. We announced in the dedicated discussions that we will soon circulate to the General Council our updated communication, which we have been working on this year. We will also circulate the submission in the CTD.
- 244. The representative of the <u>United States</u> delivered the following statement:
- 245. We recognize the rich and comprehensive exchanges that have taken place in the thematic sessions of the Work Programme since it was reinvigorated at MC12. In light of this work,

the United States believes it is important that Members be prepared at MC13 to extend both the WPEC and the moratorium.

- 246. The representative of the European Union delivered the following statement:
- 247. I would like to seize the opportunity to thank the African Group for its communication, which was submitted only days after the previous CTD meeting. I would also like to thank South Africa for presenting its communication with India once again. These documents have been discussed several times. I do not have much to add, and certainly not as eloquently as my Norwegian colleague, whose contribution I welcome. I also agree with my colleague from the United States. Generally, in the area of e-commerce and digitalization, the European Union has emphasized the importance of developing legal and regulatory frameworks that bring legal certainty and predictability for businesses, but also increase consumer trust and participation in e-commerce. Together with stable and predictable trade practices, these will promote the growth of the internal digital economy in developing countries and enable these countries to take full advantage of the necessary complementary investment in digital infrastructure and digital skills. With this in mind, the European Union is happy to continue the discussions under the WPEC in order to help develop digital capacity in developing countries and in LDCs.
- 248. The representative of <u>Canada</u> delivered the following statement:
- 249. Canada welcomes the intervention by the African Group at the CTD. We echo the observations that e-commerce has the ability to boost growth and well-being, and that the digital divide must be addressed in all countries, including Canada. Furthermore, Canada agrees that the WPEC is a relevant and useful forum to identify issues in unlocking the benefits of e-commerce. The surest way for all Members to reap the full benefits of e-commerce is by maintaining a predictable environment for all businesses, especially MSMEs, through creating internationally agreed rules on e-commerce and by maintaining existing measures, such as the moratorium on customs duties on electronic transmissions.
- 250. The representative of the <u>United Kingdom</u> delivered the following statement:
- 251. In the interests of time, I would refer Members to my Ambassador's intervention at the General Council. I would also like to say that the United Kingdom commends Members for their efforts to revitalize the WPEC. We call for the e-commerce moratorium to be rolled over. Failing to do so would undermine the credibility of the WTO. The moratorium benefits SMEs, particularly in developing countries, by reducing the cost of engaging in trade by up to 30%.
- 252. The representative of Switzerland delivered the following statement:
- 253. Switzerland thanks India, South Africa and the African Group for their communications on e-commerce. Switzerland also welcomes the very substantive contributions made so far on this important topic. We note that the topics raised in the communications have the potential to be deepened through direct dialogue with relevant organizations and stakeholder representatives. Given the discussions in the dedicated session, and in order to avoid duplications of debates, discussions should be continued in the dedicated forum. Switzerland sees no particular merits in including a standing agenda item in the CTD to deal with e-commerce. As Members agreed on the extension of the moratorium on e-commerce at MC12, they have ensured that the WTO remains a relevant forum for trade governance in this century. We are convinced that the discussions in the dedicated forum will provide an opportunity for fruitful exchanges.
- 254. The representative of <u>Australia</u> delivered the following statement:
- 255. In the interests of time, I would like to refer the Committee to Australia's previous statement on this item in July. We also support the rollover of the moratorium at or before MC13. We commend the efforts of Members in reinvigorating the work under the WPEC, as mandated at MC12.
- 256. The representative of <u>Japan</u> delivered the following statement:
- 257. We had some good outcomes at MC12. It was also an opportunity to reach a common understanding on the moratorium. Japan's view is that the moratorium should be permanent. We

would also like to continue discussions in the dedicated sessions on the WPEC, including discussions on trade-related matters.

- 258. The representative of <u>Indonesia</u> delivered the following statement:
- 259. Indonesia commends and appreciates the submissions by the African Group, South Africa and India, recognizing the need for inclusive and strategic interventions to ensure that the benefits of global e-commerce are shared equitably among all WTO Members. The documents presented comprehensively address the challenges and opportunities presented by the evolving landscape of global e-commerce. These issues are inherently linked to the developmental concerns of many WTO Members, especially those in the developing world. Therefore, they are highly relevant to the mandate and scope of the CTD. The CTD can play a pivotal role in addressing the digital divide and advancing a development-oriented approach to e-commerce. With regard to the moratorium issue, Indonesia appreciates the ongoing discussion under the WPEC, and we want to point out that a one-size-fits-all approach to regulating electronic transmissions would be detrimental to developing countries like Indonesia, which are still striving to bridge the digital divide. The moratorium on custom duties on electronic transmissions, however, raises concerns as it may perpetuate a dynamic where technologically advanced countries could potentially hinder the growth of others, relegating them to consumer roles rather than fostering their development and competitiveness. Developing countries require adequate policy space to implement strategies that align with their unique circumstances and development objectives. This flexibility is crucial for fostering their digital economies and enabling them to catch up with more advanced countries. We remain convinced that it is important to end the moratorium as one of the decisions in the forthcoming MC13, taking into account the absence of mutual agreement on the scope, definition, and impacts of the moratorium. In conclusion, Indonesia anticipates robust discussions within the CTD, leveraging its pivotal role to address the developmental dimension of the WPEC.
- 260. The representative of <u>Brazil</u> delivered the following statement:
- 261. I would like to recognize the leadership of Indonesia. I take note of the very interesting comments. I would also like to thank India and South Africa for submitting and presenting the communications. At this time in Brasilia, we are under consultations on all the issues that are being discussed in the technical Committee as well.
- 262. The representative of <u>India</u> delivered the following statement:
- 263. I understand that I am making concluding remarks on this agenda item. I thank the African Group for their presentation and thank South Africa for making initial remarks on the joint proposal by India and South Africa. I also thank the delegations that made interventions and shared their views. I heard some Members say that discussions should be taking place in the dedicated session on the WPEC. However, based on the 1998 WPEC, the CTD is the body where discussions on the developmental aspects should take place. The dedicated session does not replace the CTD on this. I heard Norway's observations regarding the positive views on the moratorium expressed by two entities that participated in a panel discussion on the side-lines of a dedicated session. However, to conclude from this that the continuation of the moratorium would help the entire globe is a myopic view taken by those with the privilege of having the first-mover advantage. It is for the sovereign to use policy space in a way that best provides the benefits of policy for development, for the development of domestic industry and for growth. This is why developing countries have been seeking policy space. If the moratorium is lifted, it will not mean that all countries would impose custom duties. This is currently not the case when there are flexibilities on the imposition of customs duties. Having said this, the submission in the CTD is not only about the moratorium. It is more broadly on the development aspects of e-commerce and how to bridge the gaps. There is clear evidence that the digital divide is increasing. This has been demonstrated by international organizations working on these issues. Reports by the International Telecommunications Union (ITU) show a wide gap in internet access accessibility and digital infrastructure. The gap is widening even further for LDCs. We have seen the serious consequences of e-commerce on MSMEs in developing countries, how they have suffered and are trying to cope with the challenges. The paper by India and South African reflects how the landscape of global trade will change as e-commerce grows and how that will impact on developing countries. We urge Members to have a structured discussion on the guiding questions listed in our submission, understanding the need to have a serious reflection on this crucial development concerns arising from recent technological

advancements. We particularly invite those delegations that believe that policy space is not justified to discuss the guiding questions. We would like Members to come to the table with an open mind.

- 264. The Committee took note of all interventions.
- 265. The meeting was <u>suspended</u> at the end of the day on 17 November 2023.
- 266. The meeting was <u>reconvened</u> on 24 November 2023.

#### 14 PARAGRAPH 2 OF THE CTD'S TERMS OF REFERENCE (WT/L/46)

267. The Chairman said that, at the last CTD meeting on 11 July 2023, he had made an intervention under "Other Business" regarding the Secretariat paper on the participation of developing economies in the global trading system. He had recalled that this paper had been prepared over the years in the context of the mandate in paragraph 2 of the CTD's TORs to keep under continuous review the participation of developing country Members in the MTS. It had been the CTD's practice to hold a discussion on this subject every two years or so, at which time the paper was updated to assist Members in their discussion. The last such discussion by the CTD on this subject took place in November 2021, and an update to the previous version of the Secretariat paper - contained in document WT/COMTD/W/262 - would therefore normally have been due for the present meeting. However, as he had explained at the July meeting, it would not be possible for the paper to be updated in 2023, due to resource constraints that the Secretariat was facing. He understood that there was only a small team within the Secretariat that had been preparing these types of documents up to now. With current resources, this team did not have the capacity to prepare this particular document for the CTD. When he had made his intervention in July, it was unclear how the situation would be resolved. He had indicated that he would be keeping in touch with the Secretariat on this matter and would keep Members informed. He had also indicated that not having a Secretariat report in 2023 could provide Members with an opportunity to consider how this particular area of the CTD's mandate could be addressed in the future. With this in mind, he had informed the Committee that he would place an item on the agenda of the present meeting concerning Members' views on work that could be undertaken under paragraph 2 of the CTD's TORs.

268. He went on to say that, since his intervention in July, there had been some positive developments. In particular, some additional resources had been provided to the CTD Unit, which would allow the paper on the participation of developing economies in the global trading system to be updated in early 2024. While waiting for the updated paper – which would be on the agenda of the next CTD meeting – he believed that it would be useful if the Secretariat could already provide some relevant updates to the Committee. This explained the first sub-item under this agenda item. Under the second sub-item, Members would be given the opportunity to share views on any other work that could be undertaken under paragraph 2 of the CTD's TORs.

## (A) Update on the participation of developing economies in the global trading system – Presentation by the Secretariat

269. The representative of the <u>Secretariat</u> presented an update on the participation of developing economies in the global trading system, focusing particularly on trade developments since the COVID-19 pandemic. He noted that the presentation would be followed by a report which would be presented at the next CTD meeting, and that some findings might be updated for the report. With regard to merchandise trade, he said that, since 2020, global trade in value terms recovered markedly, both for developing and developed economies. The percentage of global exports by developing economies continued to increase, with China, the Republic of Korea and Mexico being the main developing economy exporters in 2022. While total developing economy exports exceeded pre-COVID-19 levels, the situation varied significantly between economies. Several economies had still not reached their 2019 levels of exports. In terms of merchandise imports, China, the Republic of Korea and India were the largest importers among developing economies. The United States, China and the European Union were the largest export destinations for developing economies. Compared to merchandise trade, trade in commercial services had rebounded less strongly since 2020. While the share of commercial services exports by developing economies in 2022 exceeded the 2019 level, the share in global imports remained subdued. The largest commercial services exporters among developing economies were China followed by India and Singapore. The finding of an uneven recovery was even more true in commercial services, with most

economies still below their export levels of 2019. In 2021, the main destinations of developing economies' services exports – not reflecting the European Union as a single destination – were the United States, China and Hong Kong, China.

- 270. The representative of <u>India</u> delivered the following statement:
- 271. We are happy that the CTD has made some progress on this matter. At the last meeting, we were very disheartened to hear that the Secretariat was not in a position to prepare the report because of resource constraints. However, we now see a good resource coming to the CTD. On the basis of this initial presentation, we are optimistic that the report, which is to be presented at the next meeting, will be of good quality and will contain a lot of information. For the report, we would like to see more than the factual part presented today. In particular, we would also like to see more analytical work, including information on the constraints faced by developing economies and the issues which may have hampered their trade growth, or which may have contributed to their trade growth. We would also like to say that having a resource working on this report and other CTD issues is welcome, but this is only one part of the picture. The CTD should also be able to continue to benefit from inputs from the Economic Research and Statistics Division (ERSD). There is a need to determine what data and information is required for studies to be prepared for the CTD and to ensure that this flows seamlessly to CTD. We would be interested to know what information the CTD will be requiring and from where it will be coming.
- 272. The representative of the European Union delivered the following statement:
- 273. I would like to say three things. First, congratulations and thank you for having unblocked this useful work. My second point has to do with reform by doing. I recall the great advances that were made at the last meeting on Aid for Trade, where presentations were made available before the meeting. Today's presentation would have been a good candidate as well. I know that Members are going to get a whole report, but I say this for your consideration. Third, I would like to thank the presenter and would also note that it would be interesting to look at the goods and services trade data from the European Union as an aggregate, since we are a single market. I would also like to speak regarding Agenda Item 14.B. We still have the impression that, for the work referred to in paragraph 2 of the CTD's TORs, this sort of report remains extremely useful. The European Union has plenty of ideas for this Committee, but for this particular paragraph, the suggestion is that Members continue discussing this sort of report.
- 274. The representative of <u>Brazil</u> delivered the following statement:
- 275. I fully support what my colleague from India said. I commend the Secretariat for the information shared, but I would like to see more analytical work on the constraints that developing countries face to export more, to import, and to participate more in international trade.
- 276. The representative of China delivered the following statement:
- 277. Thank you to the Secretariat for this presentation on the participation of developing economies in the global trading system. It is very informative. I compared the presentation today with the paper that was circulated two years ago. I find that the main contents are the same. We encourage the Secretariat to circulate the updated paper at an appropriate time to give us more detailed information about today's presentation as well as some other graphs and numbers that go beyond the presentation.
- 278. The representative of the <u>United States</u> delivered the following statement:
- 279. Thanks to the Secretariat for the report. It is useful information to have. I have a question about the information that was provided on developing economies and the way that they have been disaggregated. Was a disaggregation made for LDCs, and is this information available?
- 280. The representative of the <u>Secretariat</u> said that, while data on LDCs was available, this was not the focus of the presentation or the report that would be prepared. He noted that a separate report had recently been circulated for the Sub-Committee on LDCs which looked specifically at LDCs. If there was interest, some information on LDCs could be included in the report for the CTD. Regarding the comment by the European Union, he confirmed that the intention was to aggregate trade flows

to the European Union level. Finally, with respect to analytical work, he said that the Secretariat would try to present more analysis in the final report.

- 281. The <u>Chairman</u> said that delegations could email the Secretariat if they had any further comments or suggestions. As long as the data was available, the Secretariat could consider incorporating any additional elements in the report.
- 282. The Committee took note of the presentation by the Secretariat, and of the interventions.
  - (B) Members' views on any other work that could be undertaken under paragraph 2 of the CTD's terms of reference
- 283. The <u>Chairman</u> said that the second sub-item under Agenda Item 14 concerned Members' views on any other work that could be undertaken under paragraph 2 of the CTD's TORs. The full text of this paragraph read as follows: "To keep under continuous review the participation of developing country Members in the multilateral trading system and to consider measures and initiatives to assist developing country Members, and in particular the least-developed country Members, in the expansion of their trade and investment opportunities, including support for their measures of trade liberalization".
- 284. The representative of India delivered the following statement:
- 285. Paragraph 2 of the CTD's TORs has a wide scope. There have been significant discussions on it in the past, and several suggestions were made. In addition, in the development retreat held in February of this year, a lot of ideas were shared on work that the CTD could do not only on the integration of developing countries and LDCs in the MTS, but also in other areas such as S&D and KPIs for industrialisation. A number of these items are mentioned in India's reflections on the development retreat, contained in document <a href="JOB/COMTD/4">JOB/COMTD/4</a>. There is therefore ample scope for work to be done in the CTD. Going forward, we will be suggesting areas for work under paragraph 2. For the time being, there is a lot to pick up from the discussions which took place in the development retreat this February, as well as in subsequent discussions.
- 286. The representative of the <u>United States</u> delivered the following statement:
- 287. I would like to thank my colleague from India for his suggestions. To reiterate my delegation's position, we certainly support the idea of the CTD functioning more effectively and working on its core issues of development in the WTO. From our perspective, the mandate is there to periodically review the application of special provisions. We certainly welcome ideas on how we can do that effectively, but what concerns us is to establish some kind of structured reporting mechanism. Information on the work that is done on development in other Committees is publicly available, and the CTD and its delegates therefore have access to that information. This could be taken up and periodically reviewed, but we are not comfortable with any sort of structured reporting situation. We welcome ideas from India and others as to how we can make this more effective.
- 288. The Committee took note of the interventions.

#### 15 DRAFT ANNUAL REPORT FOR 2023 (WT/COMTD/W/286)

289. The <u>Chairman</u> said that a communication was sent to Members on 7 November 2023, indicating that the CTD's draft annual report had been circulated in document <u>WT/COMTD/W/286</u>. The draft contained a number of square brackets relating to items discussed at the CTD's 59<sup>th</sup> Session on Aid for Trade on 14 November; the CTD's 46<sup>th</sup> Dedicated Session on Small Economies on 16 November and which was reconvened on 24 November; as well as the four CTD meetings which took place on 17 November. These were the 19<sup>th</sup> Dedicated Session on the Monitoring Mechanism on S&D; the 21<sup>st</sup> Dedicated Session on Regional Trade Agreements; the 13<sup>th</sup> Dedicated Session on Preferential Trade Arrangements and the 122<sup>nd</sup> Regular Session. As part of the process of adopting the report, the square brackets would be removed, and the necessary updates to be made in the document would be reflected in the final report. Members had been requested to submit in writing any comments on the draft annual report by 10 November. No comments on the draft annual report were received. He went on to say that, at the reconvened 46<sup>th</sup> Dedicated Session on Small Economies which was held on 24 November, it had not been possible

for the Dedicated Session to agree to the proposed revised text submitted by Guatemala on behalf of the SVE Group for a Ministerial Decision at MC13 on the Work Programme on Small Economies. He would be facilitating further informal discussions among Members, with a view to concluding the consideration of the SVE Group's proposal as soon as possible. Once the discussions on the SVE Group's proposal were concluded, the Dedicated Session would be able to adopt its own report to the General Council, which would be circulated in document <a href="https://www.wtc.en/wt/wt/wt/wt/wt/">wt/comtd/se/12</a>. For purposes of the CTD's annual report for 2023, which was to be adopted at the present meeting, his suggestion was that a cross-reference be made in the CTD's annual report to the Dedicated Session's report to the General Council. This would allow the CTD's annual report for 2023 to be circulated soon after the present meeting, while still maintaining a reference to the discussions taking place in the Dedicated Session on Small Economies.

290. The Committee adopted its annual report for 2023.8

#### 16 CALENDAR OF CTD MEETINGS IN 2024 (WT/COMTD/W/287)

- 291. The <u>Chairman</u> said that the calendar of CTD meetings in 2024 was circulated in document <u>WT/COMTD/W/287</u>. The document contained all the dates of formal CTD meetings chaired by the CTD Chair that were currently known. These included the dates of the CTD's Regular Session; the Dedicated Session on Regional Trade Agreements; the Dedicated Session on Preferential Trade Arrangements; the Dedicated Session on the Monitoring Mechanism on S&D, and the Session on Aid for Trade. In line with the practice, formal meetings of the Dedicated Session on Small Economies would be organized when topics for discussion were determined. The calendar of meetings would be updated in the course of 2024 as necessary. At this stage, he wished to note that the next meeting of the Regular Session was scheduled for Friday, 15 March 2024. An initial agenda would be circulated four weeks before the meeting, on 16 February 2024, as per the CTD's rules of procedure. After the circulation of this initial meeting notice, Members would still have the opportunity to request items on the agenda for the meeting. The agenda would close on Monday, 4 March, and would be circulated on Tuesday, 5 March.
- 292. The representative of <u>India</u> delivered the following statement:
- 293. Thank you for this update on the calendar. Considering the increased workload of the Committee, and the fact that the set of four CTD meetings which began on 17 November were spread over two days with the continued Regular Session today, we are wondering whether it would be worth already keeping a reserve day for each set of meetings from now. The reserve day could be used in case the meetings continue into a second day.
- 294. The Chairman indicated that he would reflect on this suggestion with the Secretariat.
- 295. The representative of the <u>United States</u> delivered the following statement:
- 296. Thank you for the calendar, which will be helpful for planning purposes. My only comment is that the agenda for the next meeting closes on 4 March 2024. This will be challenging, as it is right after MC13. Members may need some flexibility in terms of timing.
- 297. The <u>Chairman</u> believed that this request could be accommodated, in light of the scheduled dates for MC13.
- 298. The representative of the <u>Secretariat</u> explained that the dates for the closure of agendas reflected in the calendar of meetings were linked to the 10-day rule for the circulation of agendas. He took note that Members may need some flexibility on these dates for the next meeting.
- 299. The Committee <u>took note</u> of the calendar of CTD meetings in 2024, and of the interventions.

#### 17 OTHER BUSINESS

300. The <u>Chairman</u> said that he wished to make a brief intervention regarding the election of the Chairperson of the Sub-Committee on LDCs. He recalled that, at the 120<sup>th</sup> Session on 5 April 2023,

<sup>&</sup>lt;sup>8</sup> The report was circulated in document <u>WT/COMTD/103</u>.

Ambassador Erik Brøgger Rasmussen of Denmark was elected Chairperson of the Sub-Committee on LDCs for 2023. Ambassador Rasmussen subsequently relinquished his responsibilities on 15 September 2023. Since then, the position of the Sub-Committee Chair had remained vacant, and he had been overseeing that work. He said that he had recently received an indication of a potential candidate to take up the position of Chairperson of the Sub-Committee on LDCs. He would be consulting delegations on this matter and would put forward the name at the first meeting of the CTD's Regular Session in 2024, where an item on the election of the Chairperson of the Sub-Committee on LDCs would be included. He looked forward to welcoming the new Chairperson of the Sub-Committee.

301. The meeting was adjourned.