WORLD TRADE ORGANIZATION

WT/COMTD/SE/W/22/Rev.10

6 October 2021

(21-7526)

Committee on Trade and Development
Dedicated Session

WORK PROGRAMME ON SMALL ECONOMIES

COMPILATION PAPER PREPARED BY THE SECRETARIAT

Revision

I. INTRODUCTION....4

II. MANDATE AND LEGAL FRAMEWORK....4

A. PARAGRAPH 35 OF THE DOHA MINISTERIAL DECLARATION – WT/MIN(01)/DEC/1 (20 NOVEMBER 2001)....4

B. PARAGRAPH 2 OF THE WORK PROGRAMME ON SMALL ECONOMIES FRAMEWORK AND PROCEDURES – WT/L/447 (1 MARCH 2002)....4

C. PARAGRAPH 1.D OF THE 1 AUGUST 2004 GENERAL COUNCIL DECISION - WT/L/579....5

D. PARAGRAPH 41 OF THE HONG KONG MINISTERIAL DECLARATION - WT/MIN(05)/DEC (18 DECEMBER 2005)....5

D.1 REFERENCES TO SMALL ECONOMIES IN PARAGRAPH 21 OF THE SECTION ON NAMA IN THE HONG KONG MINISTERIAL DECLARATION....6

D.2 REFERENCES TO SMALL ECONOMIES IN THE SERVICES – ANNEX C OF THE HONG KONG MINISTERIAL DECLARATION....6

III. MINISTERIAL DECISIONS....6

A. WORK PROGRAMME ON SMALL ECONOMIES, WT/L/844 (17 DECEMBER 2011)....6

B. WORK PROGRAMME ON SMALL ECONOMIES, WT/L/908 (7 DECEMBER 2013)....6

C. WORK PROGRAMME ON SMALL ECONOMIES, WT/L/975 (19 DECEMBER 2015)....7

D. WORK PROGRAMME ON SMALL ECONOMIES, WT/L/1030 (13 DECEMBER 2017)....7

IV. COMMITTEE ON TRADE AND DEVELOPMENT DEDICATED SESSION ON SMALL ECONOMIES....8

A. REPORT TO THE GENERAL COUNCIL ON MEASURES TO ASSIST SMALL ECONOMIES IN MEETING THEIR OBLIGATIONS UNDER THE AGREEMENTS ON SPS MEASURES, TBT AND TRIPS - WT/COMTD/SE/5 (3 OCTOBER 2006)....8

B. SVE GROUP PROPOSAL TO ADVANCE WORK ON "CHALLENGES SMALL ECONOMIES EXPERIENCE IN THEIR EFFORTS TO REDUCE TRADE COSTS, PARTICULARLY IN THE AREA OF TRADE FACILITATION" - WT/COMTD/SE/W/33/REV.1 (7 NOVEMBER 2016)....9

C. OUTCOMES FROM DISCUSSIONS ON THE "CHALLENGES AND OPPORTUNITIES EXPERIENCED BY SMALL ECONOMIES WHEN LINKING INTO GLOBAL VALUE CHAINS IN TRADE IN GOODS AND SERVICES" - WT/COMTD/SE/W/35 (2 MAY 2017)....10

D. OUTCOME OF THE WORK ON "CHALLENGES SMALL ECONOMIES EXPERIENCE IN THEIR EFFORTS TO REDUCE TRADE COSTS, PARTICULARLY IN THE AREA OF TRADE FACILITATION" - WT/COMTD/SE/W/38 (15 APRIL 2019)....14

E. INVESTMENT ATTRACTION: SMALL ECONOMIES' OPPORTUNITIES AND CHALLENGES – PROPOSAL BY THE GROUP OF SMALL, VULNERABLE ECONOMIES – WT/COMTD/SE/W/40 (10 FEBRUARY 2020) 17

F. ECONOMIC AND TRADE IMPACT OF NATURAL DISASTERS ON SMALL ECONOMIES – PROPOSAL BY THE GROUP OF SMALL, VULNERABLE ECONOMIES – WT/COMTD/SE/W/41 (5 MAY 2021) 18

V. COMMITTEE ON SUBSIDIES AND COUNTERVAILING MEASURES 19

A. REPORT (2010) OF THE COMMITTEE ON SUBSIDIES AND COUNTERVAILING MEASURES - G/L/937 (29 OCTOBER 2010) 19

B. DECISION OF THE GENERAL COUNCIL OF 27 JULY 2007 - WT/L/691 (31 JULY 2007) BASED ON THE DRAFT DECISION OF THE COMMITTEE ON SUBSIDIES AND COUNTERVAILING MEASURES OF 13 JULY 2007 (G/SCM/120) 20

VI. TRADE NEGOTIATIONS COMMITTEE 26

A. SMALL, VULNERABLE ECONOMIES (SVES) CONTRIBUTION FOR THE POST BALI WORK PROGRAMME – JOB/TNC/49 (17 JUNE 2015) 26

VII. COMMITTEE ON AGRICULTURE - SPECIAL SESSION 28

A. REVISED DRAFT MODALITIES FOR AGRICULTURE - TN/AG/W/4/REV.4 (6 DECEMBER 2008) 28

B. LATEST SVE SUBMISSIONS 30

1. Flexibilities in the Agricultural Modalities on the Pillars of Domestic Support and Export Competition, Communication by the Group of Small and Vulnerable Economies (SVEs) - JOB/AG/16 (24 March 2011) 30

2. The Special Safeguard Mechanism (SSM) Modalities to Apply to Small Vulnerable Economies (SVEs), Communication by the Group of Small Vulnerable Economies (SVEs), the African, Caribbean and Pacific (ACP) Group, and the African Group - JOB/AG/17 (24 March 2011) 31

VIII. NEGOTIATING GROUP ON MARKET ACCESS FOR NON-AGRICULTURAL PRODUCTS 37

A. FOURTH REVISION OF DRAFT MODALITIES FOR NON-AGRICULTURAL MARKET ACCESS – TN/MA/W/103/REV.3 (6 DECEMBER 2008) 37

B. LATEST SVE SUBMISSIONS 38

1. Contribution to the Special and Differential Treatment and Technical Assistance Provisions on the "Horizontal Mechanism", Communication from El Salvador on behalf of Small Vulnerable, Economies - JOB/MA/89 (19 April 2011) ...38

2. Questions to the co-sponsors of the proposal of "Ministerial Decision on procedures for the facilitation of solutions to Non-Tariff Barriers", Communication from the group of small vulnerable economies – JOB/MA/55 (3 November 2010) 38

3. Questions to the co-sponsors of the proposal of "Negotiating Text on Liberalizing Trade in Remanufactured Goods", Communication from the group of small vulnerable economies – JOB/MA/56 (3 November 2010) 39

IX. COUNCIL FOR TRADE IN SERVICES SPECIAL SESSION 40

A. ELEMENTS REQUIRED FOR THE COMPLETION OF THE SERVICES NEGOTIATIONS, REPORT BY THE CHAIRMAN - TN/S/34 (28 JULY 2008) 40

X. WORKING PARTY ON DOMESTIC REGULATION 41

A. SERVICES - TRADE-RELATED CONCERNS OF SMALL, VULNERABLE ECONOMIES IN THE WORKING PARTY ON DOMESTIC REGULATION - JOB(06)/66/REV.2 (10 JULY 2006) 41

XI. NEGOTIATING GROUP ON RULES 43

A. TEXTUAL PROPOSAL FOR ADDITIONAL FLEXIBILITIES FOR SMALL AND VULNERABLE ECONOMIES UNDER ARTICLE III OF THE PROPOSED DRAFT CHAIR'S TEXT ON FISHERIES SUBSIDIES – TN/RL/GEN/162/REV.1 (20 APRIL 2011) 43

B. TEXTUAL PROPOSAL FOR ADDITIONAL FLEXIBILITIES FOR SMALL AND VULNERABLE ECONOMIES UNDER ARTICLE III OF THE PROPOSED DRAFT CHAIR'S TEXT ON FISHERIES SUBSIDIES – TN/RL/GEN/162 (8 JANUARY 2010) 46

C. DRAFTING PROPOSAL ON ISSUES RELATING TO ARTICLE III.4 ("SPECIAL AND DIFFERENTIAL TREATMENT OF DEVELOPING COUNTRY MEMBERS") OF THE FISHERIES SUBSIDIES ANNEX TO THE SCM AGREEMENT AS PROPOSED BY THE CHAIR IN TN/RL/W/213 - TN/RL/GEN/158 (22 MAY 2008) 46

XII. COMMITTEE ON TRADE AND ENVIRONMENT 47

A. VIEWS OF THE SMALL VULNERABLE ECONOMIES ON THE NEGOTIATIONS OF PARAGRAPH 31(III) OF THE DOHA MINISTERIAL DECLARATION, COMMUNICATION FROM THE SMALL, VULNERABLE ECONOMIES - JOB/TE/18 (1 APRIL 2011) 47

XIII. NEGOTIATING GROUP ON TRADE FACILITATION 48

A. DRAFT CONSOLIDATED NEGOTIATING TEXT - TN/TF/W/165/REV.5 (5 NOVEMBER 2010) 48

XIV. AID FOR TRADE TASK FORCE 48

A. AID FOR TRADE - WT/AFT/W/18 (15 JUNE 2006) 48

I. INTRODUCTION

Paragraph 41 of the Hong Kong Ministerial Declaration[1] instructs the Committee on Trade and Development (CTD) in Dedicated Session to monitor progress of the small economies' proposals in the Doha Development Agenda (DDA) negotiating groups and other WTO bodies. At its Fifteenth Dedicated Session on 20 July 2006, Members requested the Secretariat to prepare a note based on an initial paper prepared by a group of small economies.[2] The paper was to help the CTD in Dedicated Session to monitor work currently underway in the WTO and in the DDA negotiating groups. Its aim was to track proposals made by the proponents of small economies as well as relevant WTO reports and draft texts circulated to date by the various Chairs of the DDA negotiating groups.[3]

The paper was expanded in document WT/COMTD/SE/W/22 to reflect the state of play of all the small economies' issues discussed in WTO bodies and negotiating groups since the launch of the Work Programme on Small Economies in 2001. This paper was revised several times over the years, in order to provide updates regarding the state of play. The present revision, the tenth, builds on the prevision revision – which was issued in October 2019 – by incorporating references to relevant documents circulated since that time. Like its predecessors, this tenth revision has been prepared under the Secretariat's own responsibility and does not prejudice the right of any Member to raise other concerns or views related to the Work Programme on Small Economies.

II. MANDATE AND LEGAL FRAMEWORK

A. PARAGRAPH 35 OF THE DOHA MINISTERIAL DECLARATION – WT/MIN(01)/DEC/1 (20 NOVEMBER 2001)

> *We agree to a work programme, under the auspices of the General Council, to examine issues relating to the trade of small economies. The objective of this work is to frame responses to the trade-related issues identified for the fuller integration of small, vulnerable economies into the multilateral trading system, and not to create a sub-category of WTO Members. The General Council shall review the work programme and make recommendations for action to the Fifth Session of the Ministerial Conference.*

B. PARAGRAPH 2 OF THE WORK PROGRAMME ON SMALL ECONOMIES FRAMEWORK AND PROCEDURES – WT/L/447 (1 MARCH 2002)

> *In pursuance of this mandate, the Work Programme shall be undertaken in accordance with the following framework and procedures:*
>
> *(a) The Work Programme shall remain under the overall responsibility of the General Council.*
>
> *(b) The General Council shall have the Work Programme on Small Economies (WPSE) as a standing item on its agenda.*
>
> *(c) The objective of this work is to frame responses to the trade-related issues identified for the fuller integration of small, vulnerable economies into the multilateral trading system.*
>
> *(d) The General Council shall instruct the CTD to have a programme of work on small economies which will be conducted in dedicated sessions of the CTD.*
>
> *(e) The CTD shall report regularly to the General Council on the progress of work in the dedicated sessions.*
>
> *(f) The Chairperson of the regular CTD shall also be the Chair for the dedicated sessions of the CTD.*

[1] WT/MIN(05)/DEC.
[2] WT/COMTD/SE/W/21/Rev.1.
[3] Note that the numbering of footnotes in this document may not correspond to the numbering of footnotes of the original documents included herein.

(g) The dedicated sessions of the CTD shall have an agreed calendar of meetings to complete the work under its mandate.

(h) The CTD will hold informal meetings as necessary with a view to assisting the formal process in the dedicated sessions of the CTD.

(i) In accordance with the outcome of the programme of work in the CTD, the General Council shall, as appropriate, direct relevant subsidiary bodies to frame responses to the trade-related issues identified by the CTD with a view to making recommendations for action to the Fifth Session of the Ministerial Conference as mandated. This does not prejudice the right of Members to submit for consideration proposals relating to the concerns of small economies to the relevant WTO bodies.

(j) As and when necessary, the dedicated sessions of the CTD will work in collaboration with relevant subsidiary bodies.

(k) Members are urged to make their own contributions to the work of the CTD under its programme of work. The General Council shall instruct the WTO Secretariat to provide relevant information and factual analysis, inter alia,

(i) on the impact of WTO rules on Small Economies;

(ii) on the constraints faced by Small Economies as well as their shortfalls in institutional and administrative capacities, including in the area of human resources;

(iii) on the effects of Trade Liberalization on Small Economies.

The CTD will also request information and analysis from other agencies and bodies that carry out work on small economies.

C. PARAGRAPH 1.D OF THE 1 AUGUST 2004 GENERAL COUNCIL DECISION - WT/L/579

The trade-related issues identified for the fuller integration of small, vulnerable economies into the multilateral trading system, should also be addressed, without creating a sub-category of Members, as part of a work programme, as mandated in paragraph 35 of the Doha Ministerial Declaration.

D. PARAGRAPH 41 OF THE HONG KONG MINISTERIAL DECLARATION - WT/MIN(05)/DEC (18 DECEMBER 2005)

We reaffirm our commitment to the Work Programme on Small Economies and urge Members to adopt specific measures that would facilitate the fuller integration of small, vulnerable economies into the multilateral trading system, without creating a sub-category of WTO Members. We take note of the report of the Committee on Trade and Development in Dedicated Session on the Work Programme on Small Economies to the General Council and agree to the recommendations on future work. We instruct the Committee on Trade and Development, under the overall responsibility of the General Council, to continue the work in the Dedicated Session and to monitor progress of the small economies' proposals in the negotiating and other bodies, with the aim of providing responses to the trade-related issues of small economies as soon as possible but no later than 31 December 2006. We instruct the General Council to report on progress and action taken, together with any further recommendations as appropriate, to our next Session.

D.1 REFERENCES TO SMALL ECONOMIES IN PARAGRAPH 21 OF THE SECTION ON NAMA IN THE HONG KONG MINISTERIAL DECLARATION

PARAGRAPH 21

We note the concerns raised by small, vulnerable economies, and instruct the Negotiating Group to establish ways to provide flexibilities for these Members without creating a sub-category of WTO Members.

D.2 REFERENCES TO SMALL ECONOMIES IN THE SERVICES – ANNEX C OF THE HONG KONG MINISTERIAL DECLARATION

PARAGRAPH 8

Due consideration shall be given to proposals on trade-related concerns of small economies.

III. MINISTERIAL DECISIONS

A. WORK PROGRAMME ON SMALL ECONOMIES, WT/L/844 (17 DECEMBER 2011)

The Ministerial Conference *decides* as follows:

We reaffirm our commitment to the Work Programme on Small Economies and take note of all the work conducted to date and duly reflected in document WT/COMTD/SE/W/22/Rev.6 and its previous revisions. We instruct the CTD to continue its work in Dedicated Sessions under the overall responsibility of the General Council. Furthermore, it shall consider in further detail the proposals contained in the various submissions that have been received to date, examine any additional proposals that Members might wish to submit and, where possible, and within its mandate, make recommendations to the General Council, on any of these proposals. We instruct the General Council to direct relevant subsidiary bodies to frame responses to the trade-related issues identified by the CTD with a view to making recommendations for action and instruct the WTO Secretariat to provide relevant information and factual analysis for discussion among Members in the CTD Dedicated Session, *inter alia*, in the areas identified in item (k) of paragraph 2 of the Work Programme on Small Economies, and on the identification and effects of non-tariff measures on Small Economies. We instruct the CTD in Dedicated Session to continue monitoring the progress of the SVE proposals in WTO bodies and negotiating groups with the aim of providing responses, as soon as possible, to the trade-related issues identified for the fuller integration of small, vulnerable economies in an appropriate manner in the multilateral trading system. We instruct the General Council to report on progress and action taken, together with any further recommendations as appropriate, to our next Session.

B. WORK PROGRAMME ON SMALL ECONOMIES, WT/L/908 (7 DECEMBER 2013)

The Ministerial Conference *decides* as follows:

We reaffirm our commitment to the Work Programme on Small Economies and take note of all the work conducted to date. In particular we note that document WT/COMTD/SE/W/22/Rev.6 and its previous revisions reflect the work of the Committee on Trade and Development (CTD) up to the Eighth Ministerial. We take note of the work carried out since 2011 including that on the effects of non-tariff measures on Small Economies and instruct the CTD to continue its work in Dedicated Sessions under the overall responsibility of the General Council.

Furthermore, we instruct the Dedicated Session to consider in further detail the proposals contained in the various submissions that have been received to date, to examine any additional proposals that Members might wish to submit and, where possible, and within its mandate, to make recommendations to the General Council on any of these proposals.

We instruct the General Council to direct relevant subsidiary bodies to frame responses to the trade-related issues identified by the CTD with a view to making recommendations for action. We instruct the WTO Secretariat to provide relevant information and factual analysis for

discussion among Members in the CTD's Dedicated Session, *inter alia*, in the areas identified in item (k) of paragraph 2 of the Work Programme on Small Economies and, in particular, the challenges and opportunities experienced by small economies when linking into global value chains in trade in goods and services.

C. WORK PROGRAMME ON SMALL ECONOMIES, WT/L/975 (19 DECEMBER 2015)

The Ministerial Conference decides as follows:

We reaffirm our commitment to the Work Programme on Small Economies and take note of all the work conducted to date. In particular, we note that document WT/COMTD/SE/W/22/Rev.7 and its previous revisions reflect the work of the Dedicated Session up to the Tenth Ministerial Conference. We take note of the work carried out since 2013, including that on the challenges and opportunities faced by small economies when linking into global value chains in trade in goods and services, and instruct the CTD to continue its work in Dedicated Session under the overall responsibility of the General Council.

Furthermore, we instruct the Dedicated Session to consider in further detail the various submissions that have been received to date, examine any additional proposals that Members might wish to submit and, where possible, and within its mandate, make recommendations to the General Council on any of these proposals. The General Council shall direct relevant subsidiary bodies to frame responses to the trade-related issues identified by the CTD with a view to making recommendations for action. We instruct the WTO Secretariat to provide relevant information and factual analysis for discussion among Members in the CTD's Dedicated Session, *inter alia*, in the areas identified in item (k) of paragraph 2 of the Work Programme on Small Economies and, in particular, to continue its work on the challenges and opportunities experienced by small economies when linking into global value chains in trade in goods and services. We request the Secretariat to also conduct work on the challenges small economies experience in their efforts to reduce trade costs, particularly in the area of trade facilitation.

The CTD in Dedicated Session shall continue monitoring the progress of the small economy proposals in WTO bodies and in negotiating groups with the aim of providing responses, as soon as possible, to the trade-related issues identified for the fuller integration of SVEs in the multilateral trading system.

D. WORK PROGRAMME ON SMALL ECONOMIES, WT/L/1030 (13 DECEMBER 2017)

The Ministerial Conference decides as follows:

We reaffirm our commitment to the Work Programme on Small Economies and take note of all the work conducted to date. In particular, we note that document WT/COMTD/SE/W/22/Rev.8 and its previous revisions reflect the work of the Dedicated Session up to the Eleventh Ministerial Conference. We take note of the work carried out since 2015, including that on the challenges and opportunities faced by small economies when linking into global value chains in trade in goods and services, and instruct the CTD to continue its work in Dedicated Session under the overall responsibility of the General Council.

Furthermore, we instruct the Dedicated Session to consider in further detail the various submissions that have been received to date, examine any additional proposals that Members might wish to submit and, where possible, and within its mandate, make recommendations to the General Council on any of these proposals. The General Council shall direct relevant subsidiary bodies to frame responses to the trade-related issues identified by the CTD with a view to making recommendations for action. We instruct the WTO Secretariat to provide relevant information and factual analysis for discussion among Members in the CTD's Dedicated Session, inter alia, in the areas identified in item (k) of paragraph 2 of the Work Programme on Small Economies and, in particular, to continue its work on the challenges small economies experience in their efforts to reduce trade costs, particularly in the area of trade facilitation.

The CTD in Dedicated Session shall continue monitoring the progress of the small economy proposals in WTO bodies and in negotiating groups with the aim of providing responses, as

soon as possible, to the trade-related issues identified for the fuller integration of SVEs in the multilateral trading system.

IV. COMMITTEE ON TRADE AND DEVELOPMENT DEDICATED SESSION ON SMALL ECONOMIES[4]

A. REPORT TO THE GENERAL COUNCIL ON MEASURES TO ASSIST SMALL ECONOMIES IN MEETING THEIR OBLIGATIONS UNDER THE AGREEMENTS ON SPS MEASURES, TBT AND TRIPS - WT/COMTD/SE/5 (3 OCTOBER 2006)

1. In paragraph 35 of the Doha Ministerial Declaration[5], Ministers established a work programme under the auspices of the General Council to examine issues relating to the trade of small economies with the objective of framing responses to the trade-related issues identified for the fuller integration of small, vulnerable economies into the multilateral trading system, without creating a sub-category of WTO Members.

2. On 1 March 2002, the General Council took note of a framework and procedures for the conduct of the Work Programme on Small Economies[6] and instructed the Committee on Trade and Development (CTD) to conduct this programme of work in Dedicated Sessions and to report regularly on the progress of its work to the General Council. This mandate was reaffirmed by the 1 August 2004 Decision of the General Council.[7] At the Hong Kong Ministerial Conference, Ministers reaffirmed their commitment to this Work Programme and urged Members to adopt specific measures that would facilitate the fuller integration of small economies into the multilateral trading system.[8]

3. In discussions in the CTD in Dedicated Session, the proponents of small economies identified, as one of the trade-related issues affecting the fuller integration of their economies into the multilateral trading system, their limited administrative capacities to implement complex rules and procedures and, in particular, to fulfil their obligations under the Agreements on Technical Barriers to Trade (TBT), on Sanitary and Phytosanitary Measures (SPS) and on Trade-Related Aspects of Intellectual Property Rights (TRIPS).

4. In documents WT/COMTD/SE/W/15, WT/COMTD/SE/W/16 and WT/COMTD/SE/W/18, the proponents suggested that they be allowed to designate regional bodies to assist them in the implementation of their obligations in the SPS, TBT and TRIPS Agreements and sought explicit approval from Members to do so. The proposals underwent two revisions[9] to take into account the concerns raised by other Members in the Dedicated Session and at informal and/or formal meetings of the SPS and TBT Committees and the TRIPS Council.

5. Reports from the Chairpersons of these bodies were sent to the Chairperson of the CTD in Dedicated Session. The proponents of small economies also clarified that it was not their intention to modify, amend or alter the balance of rights and obligations contained in the SPS, TBT or TRIPS Agreements and that they, as Members, remain ultimately responsible for adhering to the obligations they contain.

6. On the basis of the discussions that have been held on this matter, the CTD in Dedicated Session considers that the use by small, vulnerable economies of regional bodies to provide technical support and assistance as necessary could help them implement their obligations in the areas of SPS, TBT and TRIPS, and thereby facilitate their fuller integration into the multilateral trading system. Accordingly, and in pursuance of the provisions of paragraph 41 of the Hong Kong Ministerial Declaration, the CTD in Dedicated Session recommends that the General Council agrees that small economies are allowed to use such regional bodies to assist

[4] The Committee on Trade and Development in Dedicated Session has issued the following reports to the General Council in regard to its Work Programme on Small Economies: WT/COMTD/SE/1, WT/COMTD/SE/4, WT/COMTD/SE/6, WT/COMTD/SE/7 and WT/COMTD/SE/7/Add.1; WT/COMTD/SE/8, WT/COMTD/SE/9, and WT/COMTD/SE/10

[5] WT/MIN(01)/DEC/1.

[6] WT/L/447.

[7] WT/L/579.

[8] WT/MIN(05)/DEC, paragraph 41.

[9] The latest versions have been circulated as WT/COMTD/SE/W/15/Rev.2, WT/COMTD/SE/W/16/Rev.2 and WT/COMTD/SE/W/18/Rev.2.

them in the implementation of their obligations under the SPS, TBT and TRIPS Agreements. It also recommends that Members and the WTO, within its competence, when providing technical and financial assistance to support small, vulnerable economies in fulfilling their rights and obligations under the agreements concerned, shall consider the advantages of providing that assistance to the regional body where such exists. It is understood that individual Members benefiting from these recommendations will continue to be legally responsible and accountable for their individual notifications and other obligations under these Agreements. This recommendation is without prejudice both to the identification of other specific measures in due course to facilitate the fuller integration of small economies into the multilateral trading system and to the use of regional bodies as described in this report by other developing country Members.

B. SVE GROUP PROPOSAL TO ADVANCE WORK ON "CHALLENGES SMALL ECONOMIES EXPERIENCE IN THEIR EFFORTS TO REDUCE TRADE COSTS, PARTICULARLY IN THE AREA OF TRADE FACILITATION" - WT/COMTD/SE/W/33/REV.1 (7 NOVEMBER 2016)

1 Background

1.1. Ministers adopted a decision contained in document WT/MIN(15)/40 - WT/L/975 on the Work Programme on Small Economies on the WTO Tenth Ministerial Conference in Nairobi. In such decision, Ministers instructed the Committee on Trade and Development (CTD) to continue its work in the Dedicated Session on global value chains in trade in goods and services and requested the Secretariat to also conduct work on the challenges small economies experience in their efforts to reduce trade costs, particularly in the area of trade facilitation.

1.2. On the topic of reducing trade costs, the WTO Secretariat issued a joint publication with OECD entitled: "Aid for Trade at a Glance 2015"[10] for the Global Review of Aid for Trade. This publication provides a solid basis for discussions within the CTD Dedicated Session on reducing trade costs.

2 Proposal

2.1 Objective

2.1. The objective of this work is to identify and discuss the specific challenges experienced by small, vulnerable economies in their efforts to reduce trade costs, and then analyze best practices and policy approaches for reducing the negative impacts of these challenges in their productive capacity and export competitiveness.

2.2 Background Statistics

2.2. In order to facilitate a focused discussion, SVEs propose that the Secretariat disaggregates the relevant statistical information from the "Aid for Trade at a Glance 2015" study, in particular, the statistics on important sources of trade costs in goods and services most commonly identified by small economies in their survey responses, impacts from policy actions taken to reduce trade costs, and types of policy actions that have achieved the most positive results in reducing trade costs for goods and services.

2.3 Meetings

2.3. SVEs propose that the discussion of the topic of "challenges small economies experience in their efforts to reduce trade costs, particularly in the area of trade facilitation", be taken in two sessions to be held in the first semester of 2017.

2.4. The first session will focus on the most important sources of merchandise and services trade costs reported by small, vulnerable economies. The aim of the session is to identify the specific challenges faced by these Members and have an in-depth conversation on the particularities. In this session, substantive discussions will follow the elements from the results of the Aid for Trade at a Glance 2015 publication.

[10] OECD/WTO (2015), Aid for Trade at a Glance 2015: Reducing Trade Costs for Inclusive, Sustainable Growth, OECD Publishing, Paris. http://dx.doi.org/10.1787/aid_glance-2015-en.

2.5. The second session will focus on the actions and policies associated with the most positive results in reducing trade costs for goods and services. The aim of this session is to discuss best practices and policy approaches for addressing the challenges identified in the previous session.

2.4 Participation

2.6. To facilitate an active participation of small economies representatives as speakers for the sessions, SVEs request that the WTO Secretariat finance the costs of the participation and travel of two representatives per session.

C. OUTCOMES FROM DISCUSSIONS ON THE "CHALLENGES AND OPPORTUNITIES EXPERIENCED BY SMALL ECONOMIES WHEN LINKING INTO GLOBAL VALUE CHAINS IN TRADE IN GOODS AND SERVICES" - WT/COMTD/SE/W/35 (2 MAY 2017)

1 Introduction

At the Ninth Ministerial Conference in Bali, Ministers reaffirmed their commitment to the Work Programme on Small Economies and instructed the WTO Secretariat to provide relevant information and factual analysis for discussion among Members in the CTD's Dedicated Session on "The challenges and opportunities experienced by small economies when linking into global value chains in trade in goods and services".

At the Tenth Ministerial Conference in Nairobi, Kenya, Ministers instructed the WTO Secretariat to continue its work on this subject.

In accordance with this mandate, the Secretariat prepared the Background Note contained in document WT/COMTD/SE/W/31. The Committee of Trade and Development agreed to discuss the background document in different sessions that would deal with the different sectors discussed in the paper, mainly: agrifood, seafood, textiles and apparel in the goods value chains; and Tourism, IT, business process outsourcing and trade logistics in the services value chains.

Five meetings were organized throughout years 2015 and 2016, to discuss these topics. International organizations, such as UNCTAD and ITC, participated in the discussions. SVE representatives also made several presentations on the topics and substantial discussions and exchange of experiences took place during the meetings.

As a result of these fruitful discussions, the SVEs where able to identify specific challenges they face when linking into Global Value Chains in Trade in Goods and Services, and where able to gather some recommendations on how to mitigate such challenges. The following is a document that presents a summary of the outcomes of the discussions. With this basis, the group will continue its work and present proposals or support existing initiatives in the different committees in WTO, in order to facilitate the implementation of some of the recommendations contained in the document.

2 Outcomes of discussions

In this section, the SVEs group presents the results of the discussions during the CTD Dedicated Session on Small Economies, emphasizing the challenges that SVEs face when linking into global value chains, and making some recommendations that the group sees as necessary to overcome such challenges.

2.1 Agrifood and Seafood value chains

Challenges

- The implementation of measures for the control, inspection and approval procedures may disrupt trade more than necessary.
- Small Economies or small islands with unique bio-diversity systems are now being affected by invasive alien species and the spread of pests.
- One of the main challenges of joining a value chain is to meet the required sustainability standards. This is particularly when there has been a proliferation of these standards with their increasing number resulting in a degree of confusion amongst exporters.

- There are many challenges in identifying the gaps towards integration and moving up the value chains.
- The main obstacles for SVE exporters were the increasing number of public and private standards.
- The lack of institutional capacity and technical know-how in small economies to integrate in GVCs.
- The difficulty in accessing funds for investment and technology in GVCs. The underdeveloped and inappropriate technology for product development and packaging.
- External fluctuations in supply and demand.
- Poor Research and Development capacity.
- Disorganized production chains-i.e. increase in fragmentation of production.
- Lack of Transparency on NTMs.
- Access to transportation.
- Low economies of scale.
- Lack of competitiveness.

Recommendations

- In developing SPS measures, governments should ensure that SPS measures are non-discriminatory and based on scientific risk assessment to ensure that the measure is not more trade restrictive than necessary, and they should be transparent.
- In implementing the Trade Facilitation Agreement, Members should facilitate the control, inspection and approval procedures, so that they may be undertaken without delay. The information should be limited to what is necessary and the fees should reflect the actual costs of the services provided.
- There are measures to cut costs in the agricultural area, such as streamlining and simplifying regulations, by implementing a risk-based approach with inspections at the borders.
- The coordination has to be improved between SPS agencies and customs officials.
- Strengthen capacity building programmes for SVEs, with an increased focus on the use of non-tariff measures.
- Long-term investment is needed to control plant pests and animal diseases such as avian influenza, foot and mouth disease and fruit fly pests.
- There should be a focus on increasing the institutional capacity of countries by international and regional organizations, bilateral donors and development banks. Partnership with relevant institutions such as the ITC and UNIDO to improve standards and conformity is also important.
- Harmonization of NTMs at a regional level is advisable in order to facilitate trade among actors.
- Consideration of harmonization of standards in relation to products of export interest.
- More focus shall be given to work on international trade and invasive alien species, which is a critical area of work, especially for small economies and small islands with unique bio-diversity systems.
- Funding assistance for hard infrastructure that improves transportation and logistics in small economies.
- Better coordination between suppliers at the national level in SVEs (farm to market).

2.2 Textiles and Apparel value chains

Challenges

- Most of the foreign investment to SVEs was attracted by labour-intensive activities and low wages. When these wages increased over a period of time because sectors sought to add more value, foreign investors would relocate.
- The industry is capital intensive and this makes it difficult for vertical integration, since the production is concentrated in a few countries, given that not all countries are capable of making significant investments.

- Working conditions are often overlooked by companies trying to be competitive by reducing costs.
- Challenges of preference erosion and relocation of investors to cheaper markets.

Recommendations

- In spite of relocation due to increases in costs related to labour, the best way to stay competitive is by enhancing productivity, updating equipment, improving the business environment and upgrading product quality.
- In reference to the challenges related to vertical integration, it is recommended to shift to other high value-added sectors, rather than trying to integrate in the upward value chain.
- From a development perspective, some recommended that SVEs should diversify away from the assembly stage, by moving up in the "smiley curve" to the left towards purchasing and research and design, or to the right, towards distribution and marketing. Case stories showed that some SVEs were successful in trying to diversify to the finishing stages of clothing production such as washing and painting and aspects of logistics operations. Some SVEs have been able to enter into niche markets by diversifying their production in design, such as traditional customs and carnival clothes.
- In terms of regional integration, small companies should partner with other companies at a national or regional level.
- Attention should be paid to the development of partnerships along the value chain, either by partnering with major buyers in the target markets or with multinationals established in the domestic market.

2.3 Tourism Value Chains

Challenges

The following challenges were identified in the Secretariat's report and by presenters:

- Low labour skills and limited training opportunities.
- Complicated or difficult regulatory business environment.
- Problems with access to finance.
- Poor or inadequate airport or port capacity and infrastructure.
- The inability to meet international hospitality standards.
- The lack of dialogue with authorities.
- Lack of skills in the private sector.
- Accessibility.

The following additional challenges were identified by Member States:

- Small population base and small local markets.
- Lack of competitiveness.
- High transportation costs and limited connectivity.
- Low levels of critical mass and limited economies of scale.
- Economic and currency fluctuations.
- Rising input prices.
- Distortion effects of government taxation and other regulations.
- Limited domestic capital for investment.
- High costs of infrastructure and services.
- Complex land tenure systems.
- Other socio-economic considerations such as economic volatility and epidemics and even terrorism.
- Frequent natural disasters and specific challenges posed by climate change.
- Lack of ecommerce policy, infrastructure and skill.
- "A disconnect" between trade and tourism. Poor institutional links between the ministries of trade and ministries of tourism.

Recommendations

- FDI to help upgrade the size and quality of infrastructure.

- Conservation of the natural resources.
- An engaged and active private sector through tourism associations or working groups.
- Harnessing IT technology, ecommerce and social media to allow internet-based marketing and online reservation systems.
- Putting in place necessary ecommerce infrastructure and appropriate regulatory frameworks.
- Deepening or expanding tourism products as well as diversifying to new markets.
- Strengthening the specific institutions dealing with the tourism sector.
- Invest in staff training.
- A transparent and predictable FDI regime to attract investors to develop tourism infrastructure.
- Upgrading of tour operator's services from being local guides and excursion operators to becoming local or national organizers for incoming agents.

Possible Multilateral Solutions

- A transparent and predictable FDI regime to attract investors to develop tourism infrastructure.
- More statistics and better data including undertaking tourism satellite accounts to measure export diversification, employment creation, rural development and the participation of micro- and medium sized enterprises.
- Strong and coordinated action towards developing tourism export strategies and sustainable tourism programmes.
- Proper coordination of tourism policy and aid for trade across different ministries and implementing agencies.
- Establishing secure access to markets.

2.4 Trade Logistics and Business Processing Outsourcing Services

Challenges

Regarding logistics services, some challenges were identified such as:

- The volume of goods in transit due to connectivity issues:
  - This is a difficult area for many small economies which lack the necessary economies of scale.
  - Other factors involved: geography, port efficiency and trade facilitation.
- Freight costs due to:
  - Distances.
  - Low shipping volumes.
- The size of the containers:
  - Container ships becoming larger this implies more investments to acquire additional equipment and port infrastructure in order to service such ships.
- Difficulties to link into Global Value Chains:
  - The presence of transnational corporations which account for 80% of global trade.
  - Challenges to compete against them due to their sophisticated and high technology.
  - Difficulties in meeting standards or rules concerning quantity, quality, speed of delivery and intellectual property protection.
  - Lack of basic infrastructure and limited connection between the production chain which causes inefficiencies, high costs and loss in competitiveness.
- Vulnerability to external factors:
  - Loss of market access due to external factors such as trade measures, preference erosion or non-diversified markets.
- Absence or scattered legal framework over various institutions.
- Lack of external investors and little investment from the private sector.
- Shortage of human resources at a technical level.
- Lack of Information Communication Technologies (ICT) services to support the business sector.
- Lack of financial institutions and access to capital flows.
- Inefficient customs systems.

Recommendations

- SVEs should concentrate their efforts to be better integrated into global value chains.
- Provide incentives and legal security for investors to attract FDI.
- Business promotion - develop business process outsourcing industry (call centers and back-office processing of transactions).
- Develop highly skilled human resources.
- Use technological advances and transparent business processes to promote and increase global distribution.
- Upgrade educational and skills levels.
- Offer diverse financial instruments.
- Privatizing port operations could help lower transportation costs and enhance connectivity.
- Diversify industries with strategies that could involve the creation of special economic zones.
- Modernization of custom in order to speed up export transactions.
- Private, public co-operation.
- Increase large-scale production through partnerships and proper logistics.
- Elaborating plans to improve potential of export products.
- Increase regular market data to optimize product marketing.
- Establishment of policies encouraging decentralization to avoid the concentration of development of the sector only in the cities.
- Promote innovation.

D. OUTCOME OF THE WORK ON "CHALLENGES SMALL ECONOMIES EXPERIENCE IN THEIR EFFORTS TO REDUCE TRADE COSTS, PARTICULARLY IN THE AREA OF TRADE FACILITATION" - WT/COMTD/SE/W/38 (15 APRIL 2019)

1 Background

1.1. At the Eleventh Ministerial Conference in Buenos Aires, Argentina, Ministers adopted a Ministerial Decision on the Work Programme on Small Economies (WT/MIN(17)/63) reaffirming their commitment to the Work Programme and instructing the Secretariat to provide relevant information and factual analysis for discussion among Members in the CTD's Dedicated Session, in particular to continue its work on the challenges small economies experience in their efforts to reduce trade costs, particularly in the area of trade facilitation.

1.2. In response to this mandate, the SVEs group presented a proposal on the work on "Challenges small economies experience in their efforts to reduce trade costs, particularly in the area of trade facilitation" (WT/COMTD/SE/W/33/Rev.1) which was agreed by consensus by the CTD Dedicated Session on Small Economies. Based on this proposal, the Secretariat would issue a background document that disaggregated relevant statistical information from the "Aid for Trade at a Glance 2015" study, in particular, statistics on important sources of trade costs in goods and services most commonly identified by small economies in their survey responses. The note would also consider impacts from policy actions taken to reduce trade costs, and types of policy actions that have achieved the most positive results in reducing trade costs for goods and services.

1.3. After the publication of the background note, an introductory meeting was held, where the Secretariat had the opportunity to present the document and Members had an opportunity to comment on it. Following this initial session, two more sessions were held, one focused on the most important sources of merchandise and services trade costs and challenges SVE Members faced in order to reduce them. The third session focused on the actions and policies associated with the most positive results in reducing trade costs for goods and services.

2 Topics of discussion

2.1 Trade costs in goods

2.1. The background note of the Secretariat identified the following as the main challenges (mentioned in descending order of importance) for SVEs in the goods side: transport infrastructure, NTMs, border procedures, tariffs, fees and other charges and access to trade finance.

2.2. SVEs are devoid of raw materials and therefore have to import all production inputs which increases the final cost of production in view of the cost involved in importing these inputs. It was mentioned that one way of addressing this issue from a trade perspective was to substantially review the rules of origin requirements to make them more flexible for small economies, not only at a multilateral level, but in the context of bilateral and regional agreements.

2.3. With regards to commodities, it is a matter of concern that massive subsidies provided by big, competitive economies to some of their commodities are having a devastating impact on small economies. Outcomes in negotiations on domestic support in agriculture could help SVEs maintain their competitiveness.

2.4. As regards to the regional export markets of SVEs, the main challenges were: transport infrastructure and border procedures, closely followed by NTMs.

2.2 Transport Infrastructure and costs

2.5. Transport is one of the highest costs in SVE countries. In fact, for Small Island Developing States costs are higher than landlocked developing countries and LDCs.

2.6. Some of the reasons for these high costs where the distance from SVEs to their main export/import markets; high costs imposed by main freight companies; economies of scale; and deficient port infrastructure.

Some of the solutions mentioned were:

- Better port infrastructure.
- Better port efficiency.
- Port privatization in the exporting country.
- Better connectivity, which fosters competition among carriers which may result in a reduction of freight prices.

The following policy solutions were mentioned:

- Include transport connectivity in planning and trade models: for this purpose, improved data on maritime transport networks in necessary.
- Opportunities from modern network technologies: cargo and vessel tracking, and other digital developments can help enhance maritime connectivity.
- Linkages between national, regional and intercontinental shipping services.
- Plan port investments jointly to accommodate the vessel that will serve the route.
- Investments in the form of PPPs for the improvement of seaport infrastructure and intermodal connections.
- A Member mentioned that in some circumstances, government support to help lower freight costs might be necessary, but in this sense, flexibility might be needed for SVE countries since the SCM may consider such support as a prohibited subsidy.

2.3 Border Measures and Procedures

2.7. During the sessions, SVEs highlighted specific border procedures that they considered to be the most burdensome regarding costs:

- Delays in examining cargo.
- Lack of inter-agency coordination.
- Multiple submissions of applications at the border.

- Multiple payments.

2.8. Many SVEs highlighted the importance of the implementation of TFA measures to reduce these challenges, but many also recognized that further measures would be needed for SVE Members to fully respond to the high costs of border procedures.

2.9. One of the possibilities was Customs Modernization, that could include organization and restructuring, legal reforms, and in particular automation and business process re-engineering with tools like:

- Digital manifests (real time online submission of cargo manifest).
- Digital customs declaration (real-time online submission of customs declaration, online assessment of taxes payable).
- Online payments.
- Paperless processing: digitally signed customs declaration, commercial invoice, bill of lading, delivery order and other documents.
- Implementation of national single window.
- Establishment of central cargo examination centre.
- Implementation of container tracking system and automated gate.

2.10. It was also mentioned that many of these tools represented a considerable investment, and that SVEs would need financial and technical support to implement many of them.

2.11. Regional integration was identified as an important tool for reducing trade costs and allow better economies of scale. In the area of trade facilitation, some of the possible solutions were: coordinated customs administration, use of regional certification centres, fostering harmonization or equivalence of standards, and postal services agreements.

2.4 Trade costs in Services

2.12. The background note of the Secretariat identified the following main drivers of high costs in many SVEs, in the area of services: network infrastructure, transport infrastructure. Non-recognition of professional qualification and the restrictions on movement of natural persons, poor regulatory environments, low level of skills in the services sector, restrictions on commercial presence and tariffs on product inputs.

2.13. In the case of services trade in regional markets, the first driver of high costs was the non-recognition of professional qualifications, restrictions on movement of natural persons, poor network and transport infrastructure, restrictions on commercial presence and inefficient government regulations.

2.14. It is becoming increasingly difficult for small states to compete on the goods export market given their smaller size, low production capacity and connectivity issues. That is why many small states have tried to diversify their economies into trade in services.

2.15. Various reports have pointed out that there is a direct correlation between efficient business services and enhanced competitiveness on the goods trade. Countries that undertake enhanced liberalization commitments experience a reduction transaction costs and hence higher productivity.

2.16. During the meetings, a Member suggested a services waiver for SVEs where preferences to services and service suppliers from small economies could be granted.

2.5 Technology and Trade Costs

2.17. During discussions, the importance of technology in reducing trade costs was highlighted. Many ICT solutions targeted different aspects of border measures and procedures, payments, costs in services, but in order to make use of these tools, there are several elements that have to be in place such as:

- Updating national legislation: SVEs are yet to reach the fifth generation of regulations, many are only in the second or third generation.

- Investing in digital skills and life-learning training.
- Appropriate ICT infrastructure.
- Payment solutions.

2.18. During discussions, it was evident that Aid for Trade and other types of cooperation to the ICT sector remains limited. There is also a need for greater country-specific analysis of the digital dimension in order to better understand the AFT needs.

2.6 Non-Trade Measures

2.19. NTMs comprise a significant source of trade costs, and SVEs identified the difficulties they experienced with these barriers. Usually, small economies are more specialized in products that are significantly exposed to NTMs, especially SPS measures. For example, fats, oils and vegetable products, and foodstuffs. According to the Secretariat's background note, foodstuffs is the product group with the second highest number of TBT notifications and the highest number of TBT significant concerns. In addition to these difficulties, many SVEs have poor access to information and an impossibility to comply with product standards and certification procedures due to their high costs.

2.20. Most of the companies in SVE countries are MSMEs, and they face serious difficulties when trying to adapt to constant changes in private standards, TBT and other NTMs.

2.7 Natural Disasters and their impact in trade

2.21. Exogenous sources of trade costs were also discussed, in particular the effects of natural disasters in trade. SVEs are vulnerable to natural disasters, in particular due to their geographical location, dependency on agriculture, among others. Damages to infrastructure due to natural disasters, in particular on roads and port infrastructure were recognized as increasing significantly the costs of trade.

2.22. As the WTO Secretariat is currently working on the topic of natural disasters and their effect on trade, the group will seek further in-depth discussions on this issue.

E. INVESTMENT ATTRACTION: SMALL ECONOMIES' OPPORTUNITIES AND CHALLENGES – PROPOSAL BY THE GROUP OF SMALL, VULNERABLE ECONOMIES – WT/COMTD/SE/W/40 (10 FEBRUARY 2020)[11]

1. Introduction

1.1 In the past, the Work Programme discussed the topic of integration into global value chains and reducing trade cost. It became clear that investment in particular sectors, (i.e. infrastructure, international certifications and standards, research and development, technology, transportation infrastructure, innovation, etc.) can enable small economies to participate into global value chains and reduce trade costs. It is important to explore further this kind of issues, in order small economies to take benefit from the opportunities derived from investment. Some questions arise, like: Which are the key sectors to attract investments? Which are the challenges SVEs face relating the attraction of investments? How can they be overcome?

2. Objective

2.1 To explore the role of investments in the enhancement of small economies' competitiveness and the reduction of trade costs, as well as best practices on attracting investments with positive and long-lasting impact on development.

[11] A discussion on the opportunities and challenges for small economies in attracting investments took place on the basis of this proposal at the CTD's 40th Dedicated Session on Small Economies on 2 November 2020. The minutes of this meeting are contained in document WT/COMTD/SE/M/40. At the meeting, the Dedicated Session also discussed the impact of the COVID-19 outbreak on the trade of small economies.

3. Proposed activity

3.1 A short session, where the WTO Secretariat and other relevant international organizations present the insights and experiences resulted from their work in the proposed topics. The proposed format is a seminar back to back to the CTD Dedicated Session to be held in March 2020.

4. Topics to be addressed

4.1 Importance of investment for small economies.

a. Relevance of investment attraction to the participation of small economies into global value chains.
b. Key sectors for investment attraction and how to channel it to contribute to export diversification and the development of local innovation.
c. Relevance of investment attraction to the reduction of trade costs.
d. Regulatory and policy frameworks: challenges for a long-lasting impact.
e. Mobilizing investments to finance climate change mitigation and adaptation.

4.2 Challenges faced by the small economies in the attraction of investments.

4.3 Success stories.

5. Relevant experts

5.1 Besides the WTO Secretariat, experts from the United Nations Conference on Trade and Development and the International Trade Centre or other relevant international organizations, could share some results of their work in these areas.

6. Cost

6.1 There should be no expected additional costs to the session that will be convened in March by the Chair, regardless of the format chosen. If it is a seminar or a dedicated session, it should be organized back to back with the March meeting. The participation of other international organizations in Geneva should be done through existing collaboration envisaged between international organizations.

F. ECONOMIC AND TRADE IMPACT OF NATURAL DISASTERS ON SMALL ECONOMIES – PROPOSAL BY THE GROUP OF SMALL, VULNERABLE ECONOMIES – WT/COMTD/SE/W/41 (5 MAY 2021)[12]

1. Introduction

1.1 Small and Vulnerable Economies continue to face several challenges which hinder their ability to be fully integrated in the multilateral trade system. SVEs are particularly vulnerable to natural disasters and have greater difficulties to recover and experience long lasting negative effects after disasters strike their territories. In addition, climate change is aggravating and causing more frequent extreme weather events and natural disasters. According to a recent study from WTO, even though all countries may suffer economic losses from natural disasters, when expressed relative to national population or GDP, the impacts of disasters on smaller economies reflect higher values.[13] It was evident from this study that natural disasters have important economic and trade impacts. It is also clear that climate change requires global responses that can only occur as a result of international cooperation. Therefore, it is imperative to consider policy options on how to respond to, and recover from natural disasters; build resilience; and adopt climate change mitigation measures.

[12] A discussion on the economic and trade impact of natural disasters on small economies took place on the basis of this proposal at the CTD's 41st Dedicated Session on Small Economies on 6 July 2021. The minutes of this meeting are contained in document WT/COMTD/SE/M/41.

[13] Natural Disasters and Trade Study 1, World Trade Organization 2019.

2. Objective

2.1 The objective of this session is to have an in-depth conversation on what are the main economic and trade impacts suffered by SVEs as a consequence of natural disasters; what trade policy responses under existing WTO Rules can SVEs adopt to recover from natural disasters and build resilience; and how, and in which areas, SVEs could benefit from international cooperation to adopt climate change mitigation measures.

3. Proposed Activity

3.1 A Dedicated Session on Small Economies under the Work Programme on Small Economies in May-June 2021.

4. Topics to be addressed

4.1 Impact of natural disasters on trade of SVEs, with respect to:

- Infrastructure resilience (ports, roads, telecommunications).
- Sectoral Production (e.g. Agriculture, fisheries, agro-processing, manufacturing and services).
- Trade performance (goods and services/ volume and value) including challenges in mitigating the negative trade effects.

4.2 Assessing vulnerability and risk factors of SVEs with respect to natural disasters.

4.3 Adopting economic recovery measures consistent with the WTO Agreement.

4.4 How to strengthen resilience in SVEs and explore policy options in respect to preventative measures.

4.5 How, and in which areas, the SVEs could benefit from international cooperation to adopt climate change mitigation measures, like the use and transfer of new technologies and renewable energies, change in consumer behavior, etc.

5. Relevant Experts

5.1 Besides the WTO Secretariat, experts from the United Nations Conference on Trade and Development and the International Trade Centre or other relevant international organizations such as FAO, could share some results of their work in these areas.

6. Costs

6.1 There should be no expected additional costs to the session that will be convened in May-June by the Chair. The participation of other international organizations in Geneva should be done through existing collaboration envisaged between international organizations.

V. COMMITTEE ON SUBSIDIES AND COUNTERVAILING MEASURES

A. REPORT (2010) OF THE COMMITTEE ON SUBSIDIES AND COUNTERVAILING MEASURES - G/L/937 (29 OCTOBER 2010)

1. A General Council Decision adopted on 27 July 2007 (WT/L/691) lays down procedures whereby during the period 2008-2012 the Committee will continue to grant extensions under Article 27.4 of the Agreement of the transition period for the elimination of export subsidies. Among other things, this Decision states, in paragraph 1(f), that Members benefiting from such extensions shall submit an action plan as an integral part of their annual updating notification in 2010. At its regular meeting of 28 October 2010, the Committee conducted a review of the transparency and standstill requirements contained in this Decision as well as the action plans submitted by the Members concerned and agreed to continue for calendar

year 2011 the extensions of the transition period that the Committee had previously granted for calendar years 2003-2010.[14]

B. DECISION OF THE GENERAL COUNCIL OF 27 JULY 2007 - WT/L/691 (31 JULY 2007) BASED ON THE DRAFT DECISION OF THE COMMITTEE ON SUBSIDIES AND COUNTERVAILING MEASURES OF 13 JULY 2007 (G/SCM/120)

ARTICLE 27.4 OF THE AGREEMENT ON SUBSIDIES AND COUNTERVAILING MEASURES

Decision of 27 July 2007

The General Council,

Having regard to Articles IV:1 and 2 and IX:1 of the Marrakesh Agreement Establishing the World Trade Organization ("WTO Agreement") and Article 27.4 of the *Agreement on Subsidies and Countervailing Measures* ("*SCM Agreement*");

Recalling that the Members of the Committee on Subsidies and Countervailing Measures ("SCM Committee" or "Committee"), as directed by the Ministerial Conference[15] have granted, pursuant to the procedures set forth in document G/SCM/39, extensions pursuant to Article 27.4 of the *SCM Agreement* of the transition period under Article 27.2(b) of the *SCM Agreement* for the elimination of export subsidies, in respect of certain programmes of certain developing country Members;

Noting the proposals submitted by those developing country Members to extend the procedures contained in G/SCM/39;[16]

Noting the terms of paragraph 5 of this Decision;

Recognizing the economic, financial and development needs, as well as the capacity and administrative constraints, of those Members in implementing their commitments pursuant to the *SCM Agreement* in respect of the elimination of export subsidies;

On the basis of the commitment of those Members to eliminate the export subsidies in question not later than 31 December 2015, with no requests for extension beyond those foreseen pursuant to this Decision;

Decides to adopt the following procedures.

PROCEDURES FOR CONTINUATION OF EXTENSIONS PURSUANT TO ARTICLE 27.4 OF THE SCM AGREEMENT OF THE TRANSITION PERIOD UNDER ARTICLE 27.2(b) OF THE SCM AGREEMENT FOR CERTAIN DEVELOPING COUNTRY MEMBERS

The SCM Committee shall follow the procedures set forth below in respect of the continuation of extensions pursuant to Article 27.4 of the *SCM Agreement* ("SCM Article 27.4") of the transition period under Article 27.2(b) of the *SCM Agreement* for certain programmes, identified in the Annex.[17]

[14] The Committee decisions continuing the extensions of the transition period for calendar year 2011 may be found in the following documents: Antigua & Barbuda (G/SCM/50/Add.8 and G/SCM/51/Add.8); Barbados (G/SCM/52/Add.8 and G/SCM/56/Add.8); Belize (G/SCM/57/Add.8 and G/SCM/59/Add.8); Costa Rica (G/SCM/61/Add.8 and G/SCM/62/Add.8); Dominica (G/SCM/63/Add.8); Dominican Republic (G/SCM/64/Add.8); El Salvador (G/SCM/65/Add.8); Fiji (G/SCM/66/Add.8 and G/SCM/67/Add.8); Grenada (G/SCM/69/Add.8 and G/SCM/71/Add.8); Guatemala (G/SCM/72/Add.8 and G/SCM/74/Add.8); Jamaica (G/SCM/75/Add.8 and G/SCM/78/Add.8); Jordan (G/SCM/79/Add.8); Mauritius (G/SCM/83/Add.8); Panama (G/SCM/84/Add.8 and G/SCM/85/Add.8); Papua New Guinea (G/SCM/86/Add.8); St. Lucia (G/SCM/87/Add.8 and G/SCM/89/Add.8); St. Kitts and Nevis (G/SCM/90/Add.8); St. Vincent and the Grenadines (G/SCM/91/Add.8); and Uruguay (G/SCM/92/Add.8).

[15] Ministerial Decision on Implementation-Related Issues and Concerns, (WT/MIN(01)/17), paragraph 10.6.

[16] See documents G/SCM/W/535 and G/SCM/W/537 and addenda.

[17] The programmes eligible for continuations of extensions under these procedures are programmes providing export subsidies in the form of full or partial exemptions from import duties and internal taxes for

1. Mechanism for continuation of extension

(a) A Member that wishes to seek a continuation, for calendar year 2008, of the extension under SCM Article 27.4 for a programme listed in the Annex, shall submit a request to that effect to the SCM Committee not later than 3 September 2007. The request also shall include a reference to the WTO document containing the corresponding updating notification covering calendar year 2006, which the Member shall have submitted to the SCM Committee pursuant to 1(d) of G/SCM/39.[18]

(b) Not later than 26 October 2007, Members of the SCM Committee shall agree to continue the extensions, for calendar year 2008, for programmes listed in the Annex in respect of which requests have been submitted pursuant to 1(a) and for which the Committee has verified, in its annual review conducted pursuant to G/SCM/39[19], that the transparency and standstill requirements under G/SCM/39 were fulfilled during 2006.

(c) As provided for in SCM Article 27.4, the continuation of extensions by the SCM Committee pursuant to these procedures shall be subject to annual reviews in the form of consultations between the Committee and the Members receiving continuations of extensions. These annual reviews shall be conducted on the basis of annual updating notifications from the Members in question, as referred to in 2(a). The purpose of the annual reviews shall be to verify that the transparency and standstill requirements set forth in 2 and 3 are being fulfilled.

(d) During the period 2008-2012, Members of the SCM Committee shall agree to continue the extensions pursuant to these procedures, subject to verification through annual reviews as provided for in 1(c) that the transparency and standstill requirements set forth in 2 and 3 are being fulfilled.[20] The "last authorized period" referred to in the last sentence of SCM Article 27.4 shall not extend beyond 31 December 2013, and the final two-year phase-out period provided for in the last sentence of SCM Article 27.4 shall end not later than 31 December 2015.

(e) A Member receiving a continuation of an extension under these procedures shall take, from 1 January 2008, the necessary internal steps with a view to eliminating export subsidies under the programme before the end of the final two-year phase-out period provided for in the last sentence of SCM Article 27.4. These steps shall include consultations with relevant government bodies and organisations and any necessary technical and/or legal assessments. In addition, from 1 January 2008 and in no case later than 31 December 2009, the Member shall notify each beneficiary under the programme indicating that no export subsidies within the meaning of SCM Article 3.1(a) will be granted or maintained beyond the end of calendar year 2015.

(f) A Member receiving a continuation of an extension under these procedures shall provide, for transparency purposes, an action plan for eliminating export subsidies under the programme, as an integral part of the annual updating notification submitted for the annual review to be conducted in 2010.[21] As part of this review, the SCM Committee shall undertake a mid-period assessment of each programme for which it has continued an extension under these procedures. During this mid-period assessment, the SCM Committee shall take stock of the steps undertaken as of that

which the SCM Committee continued extensions of the transition period under SCM Article 27.4 for calendar year 2007 pursuant to the procedures in G/SCM/39.

[18] At the regular meeting of the Committee in April 2007, these Members were reminded to submit their updating notifications by 30 June 2007.

[19] The procedures in G/SCM/39 shall cease to be effective upon completion of this 2007 annual review.

[20] This extension mechanism shall cease to be effective upon completion in 2012 of the annual review by the Committee to continue the extensions for calendar year 2013, such that there will be no basis for requests for extension beyond those foreseen in this Decision.

[21] The action plan shall indicate how the Member intends to eliminate export subsidies under the programme not later than the end of the final two-year phase-out period provided for in the last sentence of SCM Article 27.4, including information as to legislative changes, administrative amendments and/or other procedures as may be necessary, and whether any of these actions have been undertaken or are in the process of being undertaken, including how the individual beneficiaries have been notified pursuant to 1(e).

point by the notifying Member pursuant to 1(e), and shall discuss the action plan provided by the Member.

(g) A Member receiving a continuation of an extension under these procedures may request the WTO Secretariat to provide technical assistance for eliminating export subsidies under the programme.

2. Transparency

(a) The annual updating notifications shall follow the agreed format for subsidy notifications under SCM Article 25 (found in G/SCM/6/Rev.1). Beginning with the updating notifications covering calendar year 2008, notifying Members also shall provide information regarding the actions they have taken pursuant to 1(e) and 1(f).

(b) During the annual reviews by the SCM Committee referred to in 1(c), notifying Members can be requested by other Members to provide additional detail and clarification with a view to maintaining transparency in respect of the scope, coverage and intensity of benefits (the "favourability") of the programmes in question[22] and the form of the subsidies provided thereunder; and in respect of the actions taken pursuant to 1(e) and 1(f). Any information provided in response to such requests shall be considered part of the notified information.

(c) A Member receiving a continuation of an extension under these procedures shall ensure transparency in respect of the final two-year phase-out period provided for in the last sentence of SCM Article 27.4 by submitting updating notifications under paragraph 2(a), which shall be subject to annual review by the Committee.

3. Standstill

(a) Through the end of the final two-year phase-out period provided for in SCM Article 27.4, the programmes for which extensions are continued under these procedures shall not be modified so as to make them more favourable than they were as at 1 September 2001, as specified in the notified information previously submitted pursuant to the procedures in G/SCM/39. The continuation of an expiring programme without modification shall not be deemed to violate standstill.

(b) The verification of standstill in respect of the scope, coverage and intensity of benefits (the "favourability") of the programmes shall be based on the notified information referred to in 1(c), 2(a), 2(b) and 3(a).

4. Product graduation on the basis of export competitiveness

Notwithstanding these procedures, Articles 27.5 and 27.6 shall apply in respect of export subsidies for which extensions are continued pursuant to these procedures.

5. Members listed in Annex VII(b) which reserved rights pursuant to the procedures in G/SCM/39

(a) This Decision does not prejudge rights of Annex VII Members.

(b) If, during the period 2008-2015, the per capita GNP of a Member that reserved rights under paragraph 6(b) of G/SCM/39[23] reaches the level provided for in Annex VII(b) of the *SCM Agreement* such that the Member is no longer included in Annex VII(b), that Member shall be able to make use of these procedures as from the date at which its per capita GNP reaches that level and for the remainder of that period. The effective date for the standstill requirement referred to in 3(a) shall be the year in which that Member's

[22] The scope, coverage and intensity of benefits of the programmes in question will be determined on the basis of the legal instruments underlying the programmes.

[23] The Members that reserved rights, and the programmes in respect of which these rights were reserved, are identified in documents G/SCM/N/74/BOL & G/SCM/N/74/BOL/Suppl.1, G/SCM/N/74/HND, G/SCM/N/74/KEN, and G/SCM/N/74/LKA.

GNP per capita reaches the level provided for in Annex VII(b) such that it is no longer included in Annex VII(b).

ANNEX

LIST OF PROGRAMMES ELIGIBLE FOR CONTINUATION OF EXTENSIONS UNDER THE PROCEDURES[24], AND DOCUMENT REFERENCES FOR THE EXTENSION DECISIONS BY THE SCM COMMITTEE COVERING CALENDAR YEAR 2007

Antigua & Barbuda
- Fiscal Incentive Act Cap 172 (December 1975) (G/SCM/50/Add.4)
- Free Trade and Processing Zone Act No. 12 of 1994 (G/SCM/51/Add.4)

Barbados
- Fiscal Incentive Programme (G/SCM/52/Add.4)
- Export Allowance (G/SCM/53/Add.4)
- Research & Development Allowance (G/SCM/54/Add.4)
- International Business Incentives (G/SCM/55/Add.4)
- Societies with Restricted Liability (G/SCM/56/Add.4)

Belize
- Fiscal Incentives Act (G/SCM/57/Add.4)
- Export Processing Zone Act (G/SCM/58/Add. 4)
- Commercial Free Zone Act (G/SCM/59/Add.4)
- Conditional Duty Exemptions Facility under Treaty of Chaguaramas (G/SCM/60/Add.4)

Costa Rica
- Free Zone Regime (G/SCM/61/Add.4)
- Inward Processing Regime (G/SCM/62/Add.4)

Dominica
- Fiscal Incentives Programme (G/SCM/63/Add.4)

Dominican Republic
- Law No. 8-90 to "Promote the Establishment of New Free Zones and Expand Existing Ones" (G/SCM/64/Add.4)

El Salvador
- Export Processing Zones and Marketing Act, as amended (G/SCM/65/Add.4)

Fiji
- Short-Term Export Profit Deduction (G/SCM/66/Add.4)
- Export Processing Factories/Export Processing Zones Scheme (G/SCM/67/Add.4)
- The Income Tax Act (Film Making and Audio Visual Incentive Amendment Decree 2000) (G/SCM/68/Add.4)

[24] Programmes for which the SCM Committee continued extensions of the transition period under SCM Article 27.4 for calendar year 2007 pursuant to the procedures in G/SCM/39. It is recalled that the eligibility criteria in G/SCM/39 on the basis of which the original extension decisions pursuant to those procedures (for calendar year 2003) were taken for the listed programmes were as follows (footnotes omitted):

"Programmes eligible for extension pursuant to these procedures, and for which Members shall therefore grant extensions for calendar year 2003 [...], are export subsidy programmes (i) in the form of full or partial exemptions from import duties and internal taxes, (ii) which were in existence not later than 1 September 2001, and (iii) which are provided by developing country Members (iv) whose share of world merchandise export trade was not greater than 0.10%, (v) whose total Gross National Income ("GNI") for the year 2000 as published by the World Bank was at or below US$20 billion, (vi) and who are otherwise eligible to request an extension pursuant to Article 27.4, and (vii) in respect of which these procedures are followed."

It is further recalled that, in respect of the above eligibility criteria, G/SCM/39 also provided that:

"The criteria set forth in these procedures are solely and strictly for the purpose of determining whether Members are eligible to invoke these procedures. Members of the Committee agree that these criteria have no precedential value or relevance, direct or indirect, for any other purpose."

Grenada
- Fiscal Incentives Act No. 41 of 1974 (G/SCM/69/Add.4)
- Statutory Rules and Orders No. 37 of 1999 (G/SCM/70/Add.4)
- Qualified Enterprises Act No. 18 of 1978 (G/SCM/71/Add.4)

Guatemala
- Exemption from Company Tax, Customs Duties and Other Import Taxes for Companies under Special Customs Regimes (G/SCM/72/Add.4)
- Exemption from Company Tax, Customs Duties and Other Import Taxes for the Production Process Relating to Activities of Managers and Users of Free Zones (G/SCM/73/Add.4)
- Exemption from Company Tax, Customs Duties and Other Import Taxes for the Production Process of Commercial and Industrial Enterprises Operating in the Industrial and Free Trade Zone (G/SCM/74/Add.4)

Jamaica
- Export Industry Encouragement Act (G/SCM/75/Add.4)
- Jamaica Export Free Zone Act (G/SCM/76/Add.4)
- Foreign Sales Corporation Act (G/SCM/77/Add.4)
- Industrial Incentives (Factory Construction) Act (G/SCM/78/Add.4)

Jordan
- Partial or Total Exemption from Income Tax of Profits Generated from Exports under Law No. 57 of 1985, as amended (G/SCM/79/Add.4)

Mauritius
- Export Enterprise Scheme (G/SCM/80/Add.4)
- Pioneer Status Enterprise Scheme (G/SCM/81/Add.4)
- Export Promotion (G/SCM/82/Add.4)
- Freeport Scheme (G/SCM/83/Add.4)

Panama
- Official Industry Register (G/SCM/84/Add.4
- Export Processing Zones (G/SCM/85/Add.4)

Papua New Guinea
- Section 45 of the Income Tax (G/SCM/86/Add.4)

St. Kitts and Nevis
- Fiscal Incentives Act No. 17 of 1974 (G/SCM/90/Add.4)

St. Lucia
- Fiscal Incentives Act No. 15 of 1974 (G/SCM/87/Add.4)
- Free Zone Act, No. 10 of 1999 (G/SCM/88/Add.4)
- Micro and Small Scale Business Enterprises Act, No. 19 of 1998 (G/SCM/89/Add.4)

St. Vincent & Grenadines
- Fiscal Incentives Act No. 5 of 1982, as amended (G/SCM/91/Add.4)

Uruguay
- Automotive Industry Export Promotion Regime (G/SCM/92/Add.4)

VI. TRADE NEGOTIATIONS COMMITTEE

A. SMALL, VULNERABLE ECONOMIES (SVES) CONTRIBUTION FOR THE POST BALI WORK PROGRAMME – JOB/TNC/49 (17 JUNE 2015)

Submission from Guatemala on behalf of the SVEs Group

The following communication is being circulated at the request of the delegation of Guatemala, on behalf of the SVEs Group.

_____

INTRODUCTION

Recalling Paragraph 35 of the Doha Ministerial Declaration that provides:

> "We agree to a work programme, under the auspices of the General Council, to examine issues relating to the trade of small economies. The objective of this work is to frame responses to the trade-related issues identified for the fuller integration of small, vulnerable economies into the multilateral trading system, and not to create a sub-category of WTO Members. The General Council shall review the work programme and make recommendations for action to the Fifth Session of the Ministerial Conference."[25]

Recalling the proposals and work undertaken up to now, contained in document **WT/COMTD/SE/W/22/Rev.6.**

Stressing the particular economic conditions of the small, vulnerable economies such as: exposure to natural disasters, narrow economic base, small domestic markets, high level of poverty, high external debt, and negligible shares in Agricultural and NAMA world trade, minimal share of global fisheries catch, small participation in services global trade, low FDI, among others.

Recalling the Bali Ministerial Decision on the Work Programme on Small Economies where Ministers reaffirmed their commitment to the work programme and instructed the General Council and subsidiary bodies to frame responses to the trade-related issues identified by the CTD with a view to making recommendations for action.[26]

Recalling Paragraph 1.11 of the Bali Ministerial Declaration that provides:

> "… we instruct the Trade Negotiations Committee to prepare within the next 12 months a clearly defined work program on the remaining Doha Development Agenda issues".[27]

The SVEs group submits the following contribution to the definition of the Work Programme:

GENERAL PRINCIPLES

The following are the general principles that SVEs believe should be an integral part of the Post-Bali Work Programme:

1. Development dimension of the Doha Development Agenda is central.

2. Basic principles for the negotiation process: Bottom-up, transparent and inclusive process, Member driven process and less than full reciprocity.

3. Special and Differential Treatment (SDT) should be an integral component in all areas of the Work Programme.

[25] Doha WTO Ministerial Declaration. WT/MIN(01)/DEC/1, 20 November 2001.
[26] Work Programme on Small Economies, Ministerial Decision (WT/MIN(13)/33 or WT/L/908).
[27] WT/MIN(13)/DEC.

4. SDT for the SVEs: enhanced flexibilities for SVEs on all elements of Agriculture, NAMA and services, as well as in any other component of the Work Programme of our interest.

5. SVEs believe in building future work on the basis of the agreed mandates and the stabilized flexibilities contained in the Draft Modalities of 2008 and 2011.

6. Balanced outcome according to the level of ambition and contributions of Members. If as a result of the negotiations there is a lowering of the level of ambition, SVEs flexibilities and contributions will also have to be revisited in that same way.

KEY ELEMENTS

Flexibilities captured for SVEs in Rev.4 and Rev.3 are the basis for future work.

The level of ambition in Agriculture is central to the Round. Progress should be made across all negotiating areas in the Post-Bali Work Programme.

Agriculture:

Market Access: Enhanced flexibilities for SVEs, Special Safeguard Mechanism (SSM), Special products, Tariff Rate Quotas (TRQs) and TN/AG/W/4/Rev.4[28], Paragraphs 65, 112, 127, 130, 144, 157, 158.

Domestic Support: Enhanced flexibilities for de minimis, overall trade-distorting domestic support (OTDS), Blue Box. (TN/AG/W/4/Rev.4 paragraph 10, 32, 50 and JOB/AG/16).

Export Competition:

- Enhanced Flexibilities in Export Credits[29], Export prohibitions and restrictions[30], Food Aid[31], and State Trading Enterprises[32]. (JOB/AG/16).

- Cuba's proposal on Export Credits.[33]

NAMA:

Market Access: Enhanced flexibilities. (Including specific flexibilities for Fiji, Bolivia, and Gabon) TN/MA/W/103/Rev.3, para.13.

Participation in sectorial initiatives should remain on a voluntary basis.

General Concerns on Non-Tariff Measures (NTMs): Especially the NTMs identified in the Secretariat's Studies: WT/COMTD/SE/W/26/Rev.1 and WT/COMTD/SE/W/28.

Services:

Market Access: Flexibilities contained in Paragraph 8 of Annex C of the Hong Kong Declaration Articles XIX.2 and in the Guidelines and Procedures on the Negotiations in Trade in Services.

Domestic regulation: Enhanced SDT for SVEs.

We reiterate that targeted technical assistance as agreed in paragraph 10, Annex C of the Hong Kong Ministerial should enable developing countries to participate effectively in the negotiations.

[28] TN/AG/W/4/Rev4. Revised Draft Modalities for Agriculture.
[29] TN/AG/W/4/Rev4. Paragraph 5 of Annex J, and JOB/AG/16.
[30] *Idem,* paragraphs 180, and JOB/AG/16.
[31] *Idem,* paragraph 12 of Annex L, and JOB/AG/16.
[32] *Idem*, paragraph 6 of Annex K, and JOB/AG/16.
[33] TN/AG/GEN/31.

Fisheries Subsidies:

Additional Flexibilities for Small and Vulnerable Economies under article III of the proposed draft Chair's text on fisheries subsidies, based on the SVEs' proposal (TN/RL/GEN/162/Rev.1).

We reiterate that the referred proposal seeks some additional flexibility for SVEs with respect to the proposed exemptions to the prohibited subsidies under Article I.

TN/RL/GEN/162/Rev.1 sought some additional flexibility for SVEs with respect to the proposed exemptions to the prohibited subsidies proposed under Article I, in the context of a core set of forms of disciplines of fisheries subsidies and fisheries management related criterion easily enforceable in developing countries.

In the context of the current recalibration of ambition across all areas, the SVEs are willing to engage on a discussion of special and differential treatment based on minimum disciplines on fisheries subsidies to address overcapacity and overfishing are agreed to. SVEs note that transparency alone will not address the sustainability concerns that underpinned the mandate for the fisheries subsidies negotiations.

VII. COMMITTEE ON AGRICULTURE - SPECIAL SESSION

A. REVISED DRAFT MODALITIES FOR AGRICULTURE - TN/AG/W/4/REV.4 (6 DECEMBER 2008)

II. MARKET ACCESS

A. TIERED FORMULA FOR TARIFF REDUCTIONS

63. Developing country Members other than those specified in paragraph 65 below shall reduce their final bound tariffs in eleven equal annual instalments over ten years in accordance with the following tiered formula:

(a) where the final bound tariff or ad valorem equivalent is greater than 0 and less than or equal to 30%, the reduction shall be 2/3 of the cut for developed country Members in paragraph 61(a) above;

(b) where the final bound tariff or ad valorem equivalent is greater than 30% and less than or equal to 80%, the reduction shall be 2/3 of the cut for developed country Members in paragraph 61(b) above;

(c) where the final bound tariff or ad valorem equivalent is greater than 80% and less than or equal to 130%, the reduction shall be 2/3 of the cut for developed country Members in paragraph 61(c) above; and

(d) where the final bound tariff or ad valorem equivalent is greater than 130%, the reduction shall be 2/3 of the cut for developed country Members in paragraph 61(d) above.

65. Those small, vulnerable economies[34], including those among them which are ceiling binding and homogenously low binding countries, which choose to exercise the option set forth

[34] The Members concerned are those that meet the criteria set out in paragraph 151 and are listed in Annex I. As is made clear in the Agreed Framework, Small Vulnerable Economies (SVEs) are not meant to create any sub-category of Members. Bearing that principle in mind, the following Members could also be deemed to be eligible for this treatment, should they choose to avail themselves of it, despite not being members of the SVE Group *per se* given that this treatment could be deemed to be broadly comparably appropriate: Republic of Congo, Côte d'Ivoire and Nigeria (plus other Members that can provide data that show that they meet the criteria in paragraph 147). Additionally, Bolivia shall have access, exceptionally, to treatment equivalent to that provided for in paragraph 142. As an exception, Suriname shall rebind its agricultural tariffs on a line by line basis at the level of the average bound tariff of Antigua and Barbuda, Barbados, Belize, Dominica, Grenada, Guyana, Jamaica, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines and Trinidad and Tobago resulting from these modalities.

in paragraph 130 below shall be entitled to moderate the cuts specified in paragraph 63 above by a further 10 ad valorem percentage points in each band.

D. SPECIAL AND DIFFERENTIAL TREATMENT

Special Products

129. Developing country Members shall be entitled to self-designate Special Products guided by indicators[35] based on the criteria of food security, livelihood security and rural development. There shall be 12% of tariff lines available for self-designation as Special Products. Up to 5% of lines may have no cut. The overall average cut shall, in any case, be 11%.*

> * A number of developing country Members have expressed reservations concerning the numbers specified in this paragraph, noting also that this may be affected by what is decided in other areas of the text.

130. In the case of small vulnerable economies, including those among them which are ceiling binding and homogenously low binding countries, they may, if they choose to do so, apply the moderated tariff tiered formula for SVEs provided for in paragraph 65 above plus the Special Product entitlement outlined above. Alternatively, they may choose not to apply the tiered formula but simply meet an overall average cut of 24% through having in effect opted to designate as many tariff lines as they choose as Special Products. The tariff lines so chosen need not be subject to any minimum tariff cut and need not be guided by the indicators.

Special Safeguard Mechanism (SSM)

144. [In the case of SVE's referred to in footnote 11 (see footnote 20 of this compilation) to these modalities, they may apply the maximum remedy provided for above even if this would otherwise entail breach of a pre Doha bound tariff, provided that the maximum increase over a pre-Doha bound tariff does not exceed 20 *ad valorem* percentage points or 20% of the current bound tariff, whichever is higher, for up to a maximum of (10-15)% of tariff lines in any given period. This would be provided that all other relevant conditions for application of the measure have been met.

145. For developing country Members other than those referred to in the preceding paragraph, they may apply the maximum remedy provided for above even if this would otherwise entail breach of a pre-Doha bound tariff provided that (a) the maximum increase over the pre-Doha bound tariffs would be no more than 15 *ad valorem* percentage points or 15% of the current bound tariff, whichever is the higher; (b) the maximum number of products for which this provision would be invoked would be no more than 2-6[36] in any given period; and (c) this would not be permissible for two consecutive periods. All other provisions would be applicable.]

G. SMALL, VULNERABLE ECONOMIES

157. For the purposes of this Agreement, this term applies to Members with economies that, in the period 1999 to 2004, had an average share of (a) world merchandise trade of no more than 0.16% or less, and (b) world trade in non-agricultural products of no more than 0.1% and (c) world trade in agricultural products of no more than 0.4%.

158. Developed country Members and developing country Members in a position to do so shall provide enhanced improvements in market access for products of export interest to Members with small, vulnerable economies.

159. More specific provisions are to be found in relevant sections of this document.

---

[35] See Annex F.

[36] For the purposes of this provision a "product" is identifiable at the 6-digit level of the Harmonized System (HS) nomenclature, but with the understanding that this can entail a maximum of [4 - 8] tariff lines *per product* below that 6-digit level.

B. LATEST SVE SUBMISSIONS

1. Flexibilities in the Agricultural Modalities on the Pillars of Domestic Support and Export Competition, Communication by the Group of Small and Vulnerable Economies (SVEs) - JOB/AG/16 (24 March 2011)

1. This proposal is submitted with the objective of securing flexibilities for those Small Vulnerable Economies (SVEs), including non-resident delegations, that are not currently listed as Net Food Importing Developing Countries (NFIDCs).[37]

2. The SVEs believe that in the agricultural negotiations, the special circumstances and characteristics of our members should be taken into account, in compliance with the mandate outlined in paragraph 35 of the Doha Ministerial Declaration which refers to the Work Program on Small Economies, as well as paragraph 41 of the Hong Kong, Ministerial Declaration which Ministers instruct the Dedicated Session of the CTD to *"monitor progress of the small economies' proposals in the negotiating and other bodies, with the aim of providing responses to the trade-related issues of small economies as soon as possible".*

3. It is widely acknowledged that the Agriculture sector remains a major component of economic activity in rural areas in developing countries, especially the smallest among them. It generates employment, meets food security objectives, and can be a vital source of foreign exchange earnings. In this sense, the importance of obtaining flexibilities for our members in the pillars of domestic support and export competition becomes an essential part of the balance that we are seeking from these negotiations.

4. In contrast with the considerable distorting support provided by some Members, our countries are amongst those who have given relatively small amounts of support to their agricultural sector although an important percentage of it is represented by small and subsistence farmers. In most cases this is due to the financial constraints faced by our countries which prevent us from providing subsidies to our farmers, as well as the constraints derived from the Uruguay Round, in this area, for small countries like ours. In this sense, we believe that there are some flexibilities in the pillars of domestic support and export competition that should also be granted to our countries, in order to achieve a balanced outcome.

5. In putting our proposal forward, we would like to stress that our countries recognize the enormous amount of work which has gone into the agriculture negotiations and believe that the current Draft Modalities contained in document TN/AG/W/4/Rev.4 are a good reflection of the work that has been done in this area throughout the years.

6. In this sense, we would not be seeking to reopen whole issues, but that the flexibility that we are pursuing can be reflected in the form of footnotes as presented below, as has been utilized before in the text. We believe that this proposal will not harm in any way the balance of these negotiations as members of our group represent a very small share of global agricultural trade.

Specific proposals:

Paragraph 10, amend the footnote as follows:

"[2] **Antigua and Barbuda, Belize, Bolivia**, Cameroon, Congo (Brazzaville), **El Salvador, Fiji**, Ghana, **Grenada, Guatemala, Guyana, Maldives, Nicaragua**, Nigeria, **Suriname** and Swaziland shall have access also to this provision."

Paragraph 50, include a footnote as follows:

" … . For least-developed country Members and for NFIDCs these limits shall be 75% and 25% respectively.*"

> *** Antigua and Barbuda, Belize, Bolivia, El Salvador, Fiji, Grenada, Guatemala, Guyana, Maldives, Nicaragua, and Suriname shall have access also to this provision.**

[37] Antigua and Barbuda, Belize, Bolivia, El Salvador, Fiji, Grenada, Guatemala, Guyana, Maldives, Nicaragua, Papua New Guinea and Suriname.

Paragraph 180, amend the footnote as follows:

"[29] **Antigua and Barbuda, Belize, Bolivia**, Cameroon, Congo (Brazzaville), **El Salvador, Fiji,** Ghana, **Grenada, Guatemala, Guyana, Maldives, Nicaragua**, Nigeria, **Papua New Guinea, Suriname** and Swaziland shall have access also to this provision."

Annex J Paragraph 5, include a footnote as follows:

"5. Notwithstanding the terms of paragraphs 3(a) and 4(a) above, Least-developed and net food-importing developing countries as listed in G/AG/5/Rev.8 shall be accorded differential and more favourable treatment comprising allowance for a repayment term in respect of them of between 360 and 540 days for the acquisition of basic foodstuffs*…"

> *** Antigua and Barbuda, Belize, Bolivia, El Salvador, Fiji, Grenada, Guatemala, Guyana, Maldives, Nicaragua, Papua New Guinea and Suriname shall have access also to this provision.**

Annex L Paragraph 12, include a footnote as follows:

"12. Monetization of in-kind food aid in non-emergency situations shall be prohibited except where it is in conformity with the provisions of paragraph 11 above and, as a means to meet direct nutritional requirements of least-developed and net food-importing developing country members*, it is necessary to fund the internal transportation and delivery of the food aid to, or the procurement of agricultural inputs to low-income or resource-poor producers in, those Members."

> *** Antigua and Barbuda, Belize, Bolivia, El Salvador, Fiji, Grenada, Guatemala, Guyana, Maldives, Nicaragua, Papua New Guinea and Suriname shall have access also to this provision.**

2. The Special Safeguard Mechanism (SSM) Modalities to Apply to Small Vulnerable Economies (SVEs), Communication by the Group of Small Vulnerable Economies (SVEs)[38], the African, Caribbean and Pacific (ACP) Group, and the African Group[39] - JOB/AG/17 (24 March 2011)

1. The Group of Small Vulnerable Economies (SVEs), the African, Caribbean and Pacific (ACP) Group, and the African Group take note of documents TN/AG/W/4/Rev.4 and TN/AG/W/7 prepared by the former Chairman of the Committee on Agriculture (Special Session), Ambassador Crawford Falconer. The Groups acknowledge the efforts of the current Chair, Ambassador David Walker, to find balanced solutions in the framework of the Agriculture negotiations.

2. It should nonetheless be recalled that the G-33, on behalf of the SVEs, made a submission in February 2009 (TN/AG/GEN/29) which sought, among other things, to address the issues raised in paragraph 5(b) of the document TN/AG/W/7 on the SSM. It remains the case that the specific modalities to be applied to SVEs have not been discussed.

3. The SVEs, ACP, and the African Group Members wish to recall that, since July 2008, there have not been any real discussions regarding the specific treatment for SVEs on the SSM. Since that time, on behalf of its SVEs Members, the G-33 presented two documents regarding the treatment for the SVEs within the SSM. These are: TN/AG/GEN/29, "*G-33 Proposal on the Treatment of SSM Provided to the SVEs*", dated 10 February 2009 and JOB/AG/6, "*G-33 Submission on the SSM: Flexibilities for SVEs*", dated 4 March 2010. These submissions should be read in conjunction with the present document.

4. It has been the understanding of the SVEs, ACP, and the African Group Members that emphasis would first be on finding a solution for developing countries, in general, before proceeding

[38] This submission is without prejudice to the negotiating positions of the Group of Least-Developed Countries. It is recognised that, in accordance with the established principle of differentiated treatment, LDCs shall have more flexible treatment than SVEs.

[39] This submission is without prejudice to the negotiating positions of the SVEs, ACP and the African Group. Countries reserve the right to submit further proposals elaborating on Group or individual needs.

to outline the specific treatment for the SVEs, taking into account that it has generally been recognized by the WTO membership that SVEs should have more flexible treatment within the SSM.

5. The SVEs, ACP, and the African Group present this document to clarify the position of the SVEs on various elements of the SSM and in order to address sub-paragraphs 5(b) and (c) of document TN/AG/W/7 and is without prejudice to the positions regarding the general solution for other developing countries. This submission is made pursuant to the mandate of paragraph 35 of the Doha Ministerial Declaration and paragraph 42 of the Hong Kong Ministerial Declaration, to frame responses to the trade-related issues identified for the fuller integration of the SVEs into the multilateral trading system.

6. The rationale and structure of the SSM should be agreed on the basis of the elements contained in the document TN/AG/W/4/Rev.4. Whilst some of the paragraphs on the SSM are unbracketed, important gaps remain, including in respect of the treatment for the SVEs. In that regard, any future revised draft modalities should include the following elements in order to close those gaps and address the needs of SVEs:

New Paragraph 133*bis*

In the case of SVEs referred to in footnote 11 to these modalities, the volume-based SSM shall be applied on the basis of a rolling average of imports in the preceding three-year period for which data are available (hereafter "base imports"). On this basis, the applicable triggers and remedies shall be set as follows:

(a) where the volume of imports during any year exceeds 110% but does not exceed 115% of base imports, the maximum additional duty that may be imposed shall not exceed 25% of the current bound tariff or 25 percentage points, whichever is higher;

(b) where the volume of imports during any year exceeds 115% but does not exceed 120% of base imports, the maximum additional duty that may be imposed shall not exceed 40% of the current bound tariff or 40 percentage points, whichever is higher;

(c) where the volume of imports during any year exceeds 120% of base imports, the maximum additional duty that may be imposed shall not exceed 50% of the current bound tariff or 50 percentage points, whichever is higher.

The above triggers and remedies shall apply notwithstanding that the pre-Doha bound rate may be breached, subject to the limitation in paragraph 144.

New Paragraph 135*bis*

In the case of SVEs referred to in footnote 11 to these modalities, the price-based SSM shall be applicable where the c.i.f. import price of the shipment entering the customs territory of the SVEs Member concerned, expressed in terms of its domestic currency falls below a trigger price equal to 90% of the average price for that product for the most recent three-year period preceding the year of importation for which data is available, provided that, where the Member's domestic currency, has at the time of importation, depreciated by at least 10% over the preceding 12 months against the international currency or currencies against which it is normally valued the import price shall be computed using the average exchange rate of the domestic currency against such international currency or currencies for the three-year period referred to above.

New Paragraph 136*bis*

In the case of SVEs referred to in footnote 11 to these modalities, the price-based SSM remedy shall apply on a shipment-by-shipment basis. The additional duty shall not exceed the difference between the import price of the shipment concerned and the reference[40] price.

[40] See Footnote 26 of TN/AG/W/4/Rev.4.

New Paragraph 138*bis*

In the case of SVEs referred to in footnote 11 to these modalities, paragraph 138 shall not be applicable.

Paragraph 144

In the case of SVEs referred to in footnote 11 to these modalities, they may apply the maximum remedy provided for above even if this would otherwise entail breach of a pre-Doha bound tariff, provided that the maximum increase over a pre-Doha bound tariff does not exceed 75 ad valorem percentage points or 75% of the bound tariff, whichever is higher, for up to a maximum of 30% of tariff lines in any given period. This would be provided that all other relevant conditions for application of the measure have been met.[41]

[41] The Plurinational State of Bolivia is not in a position to support these numbers at this stage and remains with the pre-July 2008 position of the Group.

ANNEX I

SMALL, VULNERABLE ECONOMIES

1. The data are based on the methodology that was used to prepare a previous Secretariat paper on shares of WTO Members in world non-agricultural trade, 1999-2004 (TN/MA/S/18). Individual Members' data were extracted from the United Nations Comtrade database on 6 June 2007. World export and import totals, excluding significant re-exports were taken from the Secretariat's International Trade Statistics Report 2006. This time period has been updated to 2000-2005 and a cif-fob adjustment has been applied to world exports by commodity group to derive respective world imports, but this does not change the overall results[42]. The country averages are calculated on the basis of the years for which data are available.

2. A small, vulnerable economy is defined as one whose average share for the period 1999-2004 (a) of world merchandise trade does not exceed 0.16% and (b) of world NAMA trade does not exceed 0.10% and (c) of world agricultural trade does not exceed 0.40%.

3. The attached table does not include those Members that are defined as least developed countries by the United Nations Economic and Social Council and those Members for which no data are available.

[42] Cif-fob factors were estimated based on the ratio of imports to exports for a matched group of reporters in Comtrade. World imports by commodity group were derived by applying these cif-fob factors to the WTO's world exports by commodity group and aligning the resulting figures to the WTO's world total imports Intra-trade of the 25 EC member States was then subtracted from the totals.

WTO Member	Share of total merchandise trade (%)			Share of world agriculture (AOA) trade (%)			Share of non-agriculture (NAMA) trade (%)		
	Total (exports + imports	*Exports*	*Imports*	*Total (exports + imports*	*Exports*	*Imports*	*Total (exports + imports*	*Exports*	*Imports*
World[a]	100	100	100	100	100	100	100	100	100
Albania	0.019	0.008	0.029	0.050	0.008	0.087	0.017	0.008	0.026
Antigua and Barbuda	0.004	0.001	0.007	0.011	0.000	0.020	0.004	0.001	0.006
Armenia	0.015	0.010	0.019	0.040	0.018	0.060	0.013	0.010	0.016
Barbados	0.013	0.005	0.020	0.037	0.022	0.050	0.011	0.004	0.019
Belize	0.006	0.004	0.008	0.023	0.029	0.017	0.004	0.001	0.007
Bolivia, Plurinational State of	0.032	0.032	0.032	0.102	0.143	0.065	0.028	0.025	0.030
Botswana	0.057	0.061	0.053	0.075	0.030	0.116	0.056	0.065	0.048
Brunei Darussalam	0.050	0.078	0.025	0.029	0.000	0.056	0.053	0.086	0.023
Cameroon	0.036	0.038	0.035	0.112	0.140	0.087	0.032	0.032	0.032
Cuba	0.063	0.034	0.089	0.240	0.223	0.256	0.052	0.022	0.080
Dominica	0.002	0.001	0.002	0.007	0.005	0.008	0.001	0.001	0.002
Dominican Rep.	0.068	0.018	0.113	0.154	0.115	0.189	0.063	0.011	0.111
Ecuador	0.110	0.112	0.108	0.326	0.515	0.154	0.098	0.087	0.107
El Salvador	0.051	0.026	0.075	0.173	0.136	0.206	0.044	0.018	0.068
Fiji	0.014	0.010	0.018	0.047	0.055	0.040	0.012	0.007	0.017
Gabon	0.031	0.046	0.017	0.026	0.004	0.046	0.032	0.051	0.015
Georgia	0.014	0.009	0.020	0.052	0.044	0.060	0.012	0.006	0.018
Ghana	0.057	0.044	0.067	0.221	0.302	0.144	0.047	0.027	0.063
Grenada	0.003	0.001	0.004	0.009	0.006	0.012	0.002	0.001	0.004
Guatemala	0.086	0.053	0.116	0.319	0.416	0.231	0.072	0.030	0.110
Guyana	0.010	0.009	0.010	0.037	0.052	0.024	0.008	0.007	0.010
Honduras	0.041	0.026	0.056	0.190	0.223	0.160	0.032	0.013	0.049
Jamaica	0.044	0.024	0.063	0.114	0.091	0.136	0.040	0.020	0.059
Jordan	0.079	0.052	0.104	0.198	0.120	0.269	0.071	0.049	0.092
Kenya	0.052	0.037	0.065	0.215	0.314	0.126	0.041	0.019	0.062
Kyrgyz Republic	0.011	0.010	0.012	0.029	0.032	0.026	0.010	0.009	0.011
Macao, China	0.049	0.049	0.048	0.055	0.013	0.093	0.050	0.053	0.046

WTO Member	Share of total merchandise trade (%)			Share of world agriculture (AOA) trade (%)			Share of non-agriculture (NAMA) trade (%)		
	Total (exports + imports	Exports	Imports	Total (exports + imports	Exports	Imports	Total (exports + imports	Exports	Imports
Mauritius	0.037	0.032	0.041	0.096	0.102	0.090	0.034	0.028	0.038
Moldova, Rep of	0.018	0.013	0.022	0.089	0.132	0.051	0.013	0.006	0.021
Mongolia	0.013	0.011	0.014	0.025	0.017	0.033	0.012	0.011	0.013
Namibia	0.030	0.030	0.029	0.072	0.073	0.070	0.028	0.028	0.027
Nicaragua	0.023	0.012	0.034	0.102	0.129	0.079	0.018	0.004	0.031
Panama	0.038	0.016	0.059	0.105	0.091	0.114	0.035	0.011	0.056
Papua New Guinea	0.032	0.042	0.023	0.070	0.086	0.056	0.030	0.040	0.022
Paraguay	0.032	0.022	0.042	0.173	0.280	0.077	0.023	0.005	0.040
Saint Kitts and Nevis	0.002	0.001	0.003	0.006	0.002	0.009	0.002	0.001	0.003
Saint Lucia	0.004	0.001	0.006	0.016	0.009	0.022	0.003	0.001	0.005
Saint Vincent and the Grenadines	0.002	0.001	0.003	0.011	0.009	0.012	0.002	0.000	0.003
Sri Lanka	0.102	0.092	0.112	0.249	0.284	0.217	0.095	0.081	0.107
Suriname	0.009	0.009	0.011	0.017	0.007	0.027	0.009	0.009	0.010
Swaziland	0.019	0.018	0.019	0.068	0.082	0.056	0.015	0.014	0.016
The FYR of Macedonia	0.033	0.026	0.039	0.076	0.069	0.083	0.027	0.024	0.030
Trinidad and Tobago	0.086	0.102	0.071	0.086	0.072	0.098	0.088	0.107	0.071
Uruguay	0.047	0.044	0.050	0.209	0.333	0.096	0.037	0.025	0.048
Zimbabwe	0.037	0.037	0.039	0.151	0.280	0.067	0.030	0.021	0.037

a Excludes intra-EC trade (25 member States) and significant re-exports.

Source: All data are from the United Nations Comtrade database except for world totals, which are WTO estimates.

VIII. NEGOTIATING GROUP ON MARKET ACCESS FOR NON-AGRICULTURAL PRODUCTS

A. FOURTH REVISION OF DRAFT MODALITIES FOR NON-AGRICULTURAL MARKET ACCESS – TN/MA/W/103/REV.3 (6 DECEMBER 2008)

Small, Vulnerable Economies

13. With the exception of developed Members, those Members having a share of less than 0.1% of world NAMA trade for the reference period of 1999 to 2001 or best available data as contained in document TN/MA/S/18 may apply the following modality of tariff reduction instead of the formula modality which is contained in paragraphs 5, 6 and 7 above.

(a) Members with a bound tariff average of non-agricultural tariff lines[43]:

(i) at or above 50% shall bind all of their non-agricultural tariff lines at an average level that does not exceed an overall average of 30%;

(ii) at or above 30% but below 50% shall bind all their non-agricultural tariff lines at an average level that does not exceed an overall average of 27%;

(iii) at or above 20% but below 30 shall bind all their non-agricultural tariff lines at an average level that does not exceed an overall average 18%; and

(iv) below 20%, shall apply a minimum line-by-line reduction of 5% on 95% of all non-agricultural tariff lines or bind at the overall average that would result from that line-by-line reduction.

As an exception, Bolivia shall not be required but is encouraged to apply the modalities in paragraph 13.

As an exception, Fiji shall be deemed to fall under (a)(i).

As an exception, Gabon shall engage in GATT Article XXVIII negotiations to reach the overall target average of 20%.

(b) All tariff lines shall be bound on 1 January of the year following the entry into force of the DDA results at initial bound rates. As an exception, Fiji shall have the flexibility to maintain 10% of non-agricultural tariff lines unbound.

(c) The initial bound rates shall be established as follows: for bound tariff lines the existing bindings shall be used, and for unbound tariff lines the Member subject to this modality will determine the level of the initial binding of those tariff lines.

(d) The overall binding target average shall be made effective at the end of the implementation period as follows: the tariff reductions shall be implemented in 11 equal rate reductions. The first reduction shall be implemented on 1 January of the year following the entry into force of the DDA results and each successive reduction shall be made effective on 1 January of each of the following years, except for lines covered under 13(e) where the first reduction shall be implemented on 1 January of the year following completion of the grace period.

(e) For those Recently Acceded Members applying this modality, a grace period of 3 years shall be applied on those lines on which accession commitments are not fully implemented before entry into force of the DDA results. This grace period shall begin as of the date of full implementation of the accession commitment on that tariff line.

(f) All duties shall be bound on an ad valorem basis. Existing bindings on a non ad valorem basis shall be converted to ad valorem equivalents on the basis of the methodology outlined in document TN/MA/20.

[43] See document TN/MA/S/4 and TN/MA/S/4/Corr.1 for the bound tariff averages of Members.

B. LATEST SVE SUBMISSIONS

1. Contribution to the Special and Differential Treatment and Technical Assistance Provisions on the "Horizontal Mechanism", Communication from El Salvador on behalf of Small Vulnerable, Economies - JOB/MA/89 (19 April 2011)

Special and Differential Treatment

Paragraph 7 bis

SVE's shall be granted an additional period of [40] days to present the written response, referred to in paragraph 7 of this Decision.

General conditions on Special and Differential Treatment

The Horizontal Mechanism shall not be applicable in so far as SVEs are concerned, until two years after the beginning of the implementation period.

Technical Assistance

Technical assistance

1. Members agree that technical assistance in using the mechanism shall be provided to SVEs. It shall take the following forms:

(i) In case of a requesting Member, necessary assistance for the formulation of a request and assessment of possible solutions.

(ii) In the case of a responding Member, appropriate assistance to analyze the request received, for the formulation of responses and exploration of possible solutions.

General conditions of Technical Assistance

2. Technical assistance under this paragraph shall be (a) demand driven (b) available at all the stages of the procedure and (c) fully take into account the rights and obligations of Members under the WTO Agreement.

3. Implementation of technical assistance and/or capacity building agreed as part of a mutually agreed solution shall be monitored by the Committee on Trade and Development.

4. The WTO Secretariat shall incorporate these Procedures into its technical assistance and capacity building programmes related to non-tariff measures.

2. Questions to the co-sponsors of the proposal of "Ministerial Decision on procedures for the facilitation of solutions to Non-Tariff Barriers", Communication from the group of small vulnerable economies – JOB/MA/55 (3 November 2010)

1) While understanding that the objective of this mechanism is to establish procedures of a conciliatory nature, with a view to promoting mutually acceptable solutions to Members' concerns regarding non-tariff barriers, we understand that SVEs may be frequently targeted through this mechanism as many have limited export base and therefore, imports play an important part of their trade. In this regard, would proponents envisage special consideration for SVEs in the application of the Mechanism?

2) Do proponents envisage the possibility of extending the period of response contained in Article 7 of the Decision, taking into account the limited resources of some countries and the process of internal consultations that should take place once the mechanism is invoked, as one possible provision of SDT?

3) Given that Article 12.2 of the SPS Agreement already contemplates a consultation mechanism for the resolution of SPS trade related measures, and since the SPS Committee is already discussing

its implementation, what is the relationship of the Horizontal Mechanism with the SPS mechanism that is currently being discussed?

3. Questions to the co-sponsors of the proposal of "Negotiating Text on Liberalizing Trade in Remanufactured Goods", Communication from the group of small vulnerable economies – JOB/MA/56 (3 November 2010)

1) It is noted that the proponents have indicated that remanufacturing is a growing area for many developing countries. However, many SVEs comprise small delegations, have capacity constraints and, in some cases are not represented in Geneva. How do the proponents envision that the creation of an additional Work Programme under the WTO structure can facilitate SVEs' participation in this area?

2) Is it envisaged that the Work Programme on Remanufacturing would have a previously agreed review period to ensure that it is working properly, that the original intentions are being met and that small countries are able to participate effectively in the Work Programme?

3) Within the possible implementation of this decision, how do proponents envisage the issues of capacity building and transfer of technology for developing countries, including SVEs to ensure that they effectively benefit from this decision?

4) Given that remanufacturing incorporates "product life extension" processes for goods that are at the end of their life-cycle, can the proponents elaborate on environmental impact on remanufacturing products? What are the proponents views on environmental levies to ensure that used and remanufactured products do not pose harm to the health and environment of SVEs?

5) How do the proponents envisage the implementation of these modalities for remanufactured goods insofar as there is no intent to have a separate tariff line for such products? How is it envisioned that domestic Customs authorities would differentiate between goods that are remanufactured and those that are re-used, repaired, reconditioned, refurbished, etc? In order to facilitate the consideration of this proposal taking into account the aforementioned, is an eventual definition/identification of remanufacturing tariff lines envisioned?

6) Given that different countries have different consumer protection legislation regarding warranties and conditions of return, could the proponents elaborate on the envisioned process where importers act as re-distributors for goods? Will such entail greater burden on regulatory authorities in small developing countries? Is there a possible mechanism to minimise any potential additional burden?

7) Taking into account the importance of the exceptions contained in Article XX of GATT 1994 to protect health and life of people and the conservation of scarce natural resources, amongst others, would proponents consider the possibility of including a reference in the body of the decision in the sense that "nothing in this decision shall undermine Members' rights and obligations under Article XX of GATT 1994"?

IX. COUNCIL FOR TRADE IN SERVICES SPECIAL SESSION

A. ELEMENTS REQUIRED FOR THE COMPLETION OF THE SERVICES NEGOTIATIONS, REPORT BY THE CHAIRMAN - TN/S/34 (28 JULY 2008)[44]

ANNEX

Elements Required for the Completion of the Services Negotiations

10. Members shall continue to give due consideration to proposals on trade-related concerns of small economies. In recognizing their special situation, further liberalization shall be in accordance with their development needs.

[44] At the meeting of the Special Session on 23 July 2008, the delegations of Bolivia, Cuba, Nicaragua and Venezuela expressed their disagreement with this annex and requested that their position be registered. For that purpose, the following text has been provided by the delegation of Venezuela on behalf of Bolivia, Cuba and Nicaragua, with the request that it appear in this Annex. It has not been subject to any discussion by other delegations at the Special Session.

"There is no consensus on a new text on services. Various delegations consider that there is no mandate to agree on elements that go beyond the points agreed by all Members in the Hong Kong Ministerial Declaration and that there is no obligation to make commitments at the highest possible level. Any language that modifies Members' current obligations has no binding force. However, there is total agreement on immediate implementation of any treatment in favour of the least developed countries and the small and vulnerable economies."

X. WORKING PARTY ON DOMESTIC REGULATION

A. SERVICES - TRADE-RELATED CONCERNS OF SMALL, VULNERABLE ECONOMIES IN THE WORKING PARTY ON DOMESTIC REGULATION – JOB (06)/66/REV.2 (10 JULY 2006)

Proponents: *Antigua and Barbuda, Barbados, Cuba, Dominica, Dominican Republic, El Salvador, Fiji, Grenada, Guatemala, Honduras, Jamaica, Mauritius, Mongolia, Nicaragua, Paraguay, St. Kitts and Nevis, St. Vincent and the Grenadines and Trinidad and Tobago.*

Small, vulnerable economies recommend that the following elements be included in any future disciplines on domestic regulation in services.

III. RECOMMENDATIONS TO ADDRESS THE CONCERNS OF SMALL, VULNERABLE ECONOMIES

A. GENERAL PRINCIPLES

(i) These disciplines shall not affect nor limit a Member's right to regulate, and shall not prevent or prescribe the development and adoption of future legislation to meet Members' national policy objectives.

(ii) Developing country Members shall implement the disciplines that require adjustment of existing domestic regulation and/or the adoption of new implementation mechanisms to the extent consistent with their financial, administrative and institutional capabilities and according to their size and level of development.

(iii) Developing country Members shall be accorded adequate time frames to upgrade their legislative, regulatory, administrative and institutional capacity to implement these disciplines. Members shall provide technical assistance and capacity-building assistance in order to help developing country Members to develop such capacity.

(iv) These disciplines shall apply to a Member's measures only to the extent that these affect sectors, sub-sectors and modes of supply covered by the respective Member's schedule of commitments.

(v) These disciplines shall not prevent a Member from establishing measures or mechanisms to support the development of regional economic integration.

B. QUALIFICATION REQUIREMENTS

(i) The establishment of qualification requirements by the competent authorities shall not be limited to the recognition and verification of specific diplomas, test scores or the like, but shall include where possible, the opportunity to fulfil such requirements by the recognition and verification of relevant experience and other education methods for establishing a provider's competence to supply the respective services.

(ii) To ensure that qualification requirements do not in themselves constitute barriers to trade, Members shall provide technical assistance and capacity building assistance in order to help developing country Members and their suppliers meet such requirements.

C. QUALIFICATION PROCEDURES

(i) Fees charged by the competent authorities should not be an impediment in themselves to practising the relevant activity. Developing country Members are not precluded from recovering fees where fees are utilised to meet national policy objectives.

(ii) Procedures for the verification of qualifications shall be limited to those required to establish the minimum qualifications required for supplying the service.

(iii) Members shall ensure that its competent authorities provide for clear and practical mechanisms for recognizing as being comparable, education or experience obtained, requirements met, or licences or certifications granted in the territory of another Member.

(iv) To ensure that qualification procedures do not in themselves constitute barriers to trade, Members shall provide technical assistance and capacity building assistance in order to help developing country Members and their suppliers meet such procedures.

D. LICENSING REQUIREMENTS

(i) Fees charged by the competent authorities should not be an impediment in themselves to practising the relevant activity. Developing country Members are not precluded from recovering fees where fees are utilised to meet national policy objectives.

(ii) To ensure that licensing requirements do not in themselves constitute barriers to trade, Members shall provide technical assistance and capacity building assistance in order to help developing country Members and their suppliers meet such requirements.

E. LICENSING PROCEDURES

(i) Members shall ensure that licensing procedures applied by its competent authorities are of minimal complexity and entail minimal costs for meeting requirements and fulfilling procedures for entry into export markets. Members may grant reduced licensing and other related fees to service providers from developing country Members.

(ii) To ensure that licensing procedures do not in themselves constitute barriers to trade, Members shall provide technical assistance and capacity building assistance in order to help developing country Members and their suppliers meet such procedures.

F. TECHNICAL STANDARDS

(i) Members shall in reasonable time publish a notice in a publication, print or electronic, and notify other Members through the Secretariat, of the establishment and application of measures relating to national or international technical standards relating to services and service providers.

(ii) Members shall, where requested, grant other Members, especially developing country Members, technical assistance on mutually agreed terms and conditions regarding the establishment of technical standards and participation in the international standardizing bodies in the area of services.

(iii) As a matter of good practice, Members involved in the development and application of measures relating to plurilateral standards, and standards developed and applied by non-governmental standardisation bodies should ensure maximum transparency of relevant processes for the benefit of other Members.

G. TRANSPARENCY

(i) Members shall ensure access for service suppliers of other Members to relevant information on legislative, regulatory and administrative measures relating to qualification requirements and procedures, licensing requirements and procedures, and technical standards.

(ii) Members shall ensure the establishment of appropriate, transparent and accessible administrative and judicial channels for reviewing decisions.

XI. NEGOTIATING GROUP ON RULES

A. TEXTUAL PROPOSAL FOR ADDITIONAL FLEXIBILITIES FOR SMALL AND VULNERABLE ECONOMIES UNDER ARTICLE III OF THE PROPOSED DRAFT CHAIR'S TEXT ON FISHERIES SUBSIDIES – TN/RL/GEN/162/REV.1 (20 APRIL 2011)

I. INTRODUCTION

1. The co-sponsors of this proposal are all proponents of the WTO Work Programme on Small Economies which has its mandate in Paragraph 35 of the Doha Ministerial Declaration[45] and Paragraph 41 of the Hong Kong Ministerial Mandate.[46] The co-sponsors recall WTO document TN/RL/W/242 which represents the statement delivered by Barbados on behalf of Small and Vulnerable Economies (SVEs) under item 15(c) of the Chair's roadmap for discussions on fisheries subsidies (Annex VIII, TN/RL/W/236).

2. SVEs recall the Hong Kong mandate for fisheries subsidies, which calls on Members to "strengthen disciplines on subsidies in the fisheries sector, *including* through the prohibition of *certain* forms of fisheries subsidies that contribute to overcapacity and over-fishing ...". We also recall the Chair's roadmap for discussions which calls on the Negotiating Group to "work to identify *those* subsidies that contribute to overcapacity of over-fishing, with a view to determining which of these *should and should not be prohibited*, while considering at the same time how to effectively address the *needs and particularities of developing members*".

3. SVEs highlight the following special characteristics and peculiarities of SVEs, in the fisheries context:

- As per data presented in Annex I of this proposal, a majority of the SVEs have a share of global marine wild capture less than 0.1%. The magnitude of subsidies typically provided by SVEs is small and, at this stage in their development, many SVEs are not even in a position to provide subsidies. In this context, it is well-known that SVEs have a negligible impact on overcapacity and overfishing.

- In contrast, several SVEs are characterised by heavy economic dependence on the fisheries sector. Thus, any disciplines would have profound implications for the maintenance of basic livelihoods, economic survival and sustainable development.

- SVEs require the necessary policy space to provide subsidies of small magnitudes in the future, to be better equipped to harvest their own resources, within sustainable limits.

4. SVEs reiterate their commitment towards finding fair solutions in the debate on fisheries subsidies negotiations. We believe that those Members that have had a history of providing the highest magnitude of harmful subsidies should bear the greatest burden in these disciplines.

5. The SVEs have attempted to incorporate their special circumstances in the current architecture of the proposed Chair's text[47], as is proposed in Section II below, for the consideration of all Members.

---

[45] "We agree to a work programme, under the auspices of the General Council, to examine issues relating to the trade of small economies. The objective of this work is to frame responses to the trade-related issues identified for the fuller integration of small, vulnerable economies into the multilateral trading system, and not to create a sub-category of WTO Members. The General Council shall review the work programme and make recommendations for action to the Fifth Session of the Ministerial Conference."

[46] "We reaffirm our commitment to the Work Programme on Small Economies and urge Members to adopt specific measures that would facilitate the fuller integration of small, vulnerable economies into the multilateral trading system, without creating a sub-category of WTO Members. We take note of the report of the Committee on Trade and Development in Dedicated Session on the Work Programme on Small Economies to the General Council and agree to the recommendations on future work. We instruct the Committee on Trade and Development, under the overall responsibility of the General Council, to continue the work in the Dedicated Session and to monitor progress of the small economies' proposals in the negotiating and other bodies, with the aim of providing responses to the trade-related issues of small economies as soon as possible but no later than 31 December 2006. We instruct the General Council to report on progress and action taken, together with any further recommendations as appropriate, to our next Session."

[47] For ease of reference, textual changes proposed by SVEs in this document are in bold and underlined form and elements of the Draft Chair's text replicated here are not presented in underlined form.

II. PROPOSED TEXTUAL REVISIONS TO ARTICLE III.2(B) OF CHAIR'S TEXT, ANNEX VIII, TN/RL/W/213

(b) In addition, subject to the provisions of Article V:

(1) Subsidies referred to in Articles I.1(d), I.1(e) and I.1(f) shall not be prohibited.

(2) **(i)** Subsidies referred to in Article I.1(a) and I.1(c) shall not be prohibited provided that they are used exclusively for marine wild capture fishing employing decked vessels not greater than 10 meters or 34 feet in length overall, or undecked vessels of any length. **OR**

(ii) Subsidies referred to in Article I.1(a) and Article I.1(c) should not be prohibited for those developing country Members whose percentage share in world NAMA trade is not more than 0.1% and whose percentage share of global marine wild capture is not more than 1%.

(3) For fishing and service vessels of such Members other than the vessels referred to in paragraph (b)(2), subsidies referred to in Article I.1(a) shall not be prohibited provided that (i) the vessels are used exclusively for marine wild capture fishing activities of such Members in respect of particular, identified target stocks within their Exclusive Economic Zones ("EEZ"); (ii) those stocks have been subject to prior scientific status assessment conducted in accordance with relevant international standards, aimed at ensuring that the resulting capacity does not exceed a sustainable level; and (iii) that assessment has been subject to peer review in the relevant body of the United Nations Food and Agriculture Organization ("FAO").[48]

III. TECHNICAL NOTES TO EXPLAIN THE PROPOSED REVISIONS UNDER SECTION II

- Share of world NAMA trade less than 0.1% is a criterion used for the treatment of SVEs under Paragraph 13 of the December 2008 NAMA text, TN/MA/W/103/Rev.3 and one of the criterion used for the definition of an SVE under Annex I of the December 2008 Agriculture, TN/AG/W/4/Rev.4. One of the benefits of using this criterion is that it is obtained from texts where the definition of an SVE is stabilized in the context of the Doha round of negotiations.

- All Members with a share of world NAMA trade less than 0.1% also have a share of global fisheries catch less than one percent, as per FAO's average estimates for 2006-2008. In fact, 23 out of the 28 countries in the list in Annex 1 (inclusive of the 03 landlocked countries) have a share of global fisheries catch less than 0.1% each.

IV. CONCLUDING REMARKS

The SVEs have accepted all forms of other disciplines on fisheries subsidies proposed in the Draft Chair's Text, including through enhanced transparency disciplines, an actionability clause and even through the concept of the proposed Article I.2. In addition, the SVEs have accepted the principle of conditioning Special and Differential Treatment exemptions on a core set of fisheries-management related criterion easily enforceable in developing countries. This proposal only seeks for some additional flexibility for SVEs with respect to the proposed exemptions to the prohibited subsidies under Article I.

[48] If the Member in question is not a member of the FAO, the peer review shall take place in another recognized and competent international organization.

ANNEX 1

List of SVEs with Share of World NAMA Trade of less than 0.1% and whose percentage share of global marine wild capture is not more than 1%

Non-LDC WTO Developing Country Members with Share of World NAMA trade less than 0.1% (See Note 1 below)	Share of World NAMA trade (Average of period 1999-2004)	Share of global total catch (marine wild capture fishing only), Average of period 2006 – 2008) (See Note 2 below)
Antigua and Barbuda	**0.004**	**0.004**
Barbados	**0.011**	**0.003**
Belize	**0.004**	**0.028**
Bolivia, Plurinational State of (landlocked)	**0.028**	**n/a**
Cuba	**0.052**	**0.034**
Dominica	**0.001**	**0.001**
Dominican Rep.	**0.063**	**0.016**
Ecuador	**0.098**	**0.487**
El Salvador	**0.044**	**0.046**
Fiji	**0.012**	**0.051**
Grenada	**0.002**	**0.003**
Guatemala	**0.072**	**0.022**
Guyana	**0.008**	**0.054**
Honduras	**0.032**	**0.018**
Jamaica	**0.040**	**0.018**
Jordan	**0.071**	**0.001**
Kenya	**0.041**	**0.159**
Mauritius	**0.034**	**0.009**
Mongolia (landlocked)	**0.012**	**n/a**
Nicaragua	**0.018**	**0.032**
Panama	**0.035**	**0.264**
Papua New Guinea	**0.030**	**0.270**
Paraguay (landlocked)	**0.023**	**n/a**
Saint Kitts and Nevis	**0.002**	**0.001**
Saint Lucia	**0.003**	**0.002**
Saint Vincent and the Grenadines	**0.002**	**0.005**
Trinidad and Tobago	**0.088**	**0.015**
Uruguay	**0.037**	**0.131**

Note 1: Data compiled from WTO document TN/MA/S/18, as referenced in Paragraph 13 of TN/MA/W/103/Rev.3, 8 December 2008. The above list is also contained in Annex I, TN/AG/W/4/Rev.4, 8 December 2008.

Note 2: Statistics relating to global fisheries catch for the average period 2006-2008 have been directly obtained from the FAO. Statistics in relation to share of global fisheries capture for the Members referenced as "landlocked" was not available primarily due to these Members being landlocked countries, with little marine wild capture fishing activity.

B. TEXTUAL PROPOSAL FOR ADDITIONAL FLEXIBILITIES FOR SMALL AND VULNERABLE ECONOMIES UNDER ARTICLE III OF THE PROPOSED DRAFT CHAIR'S TEXT ON FISHERIES SUBSIDIES – TN/RL/GEN/162 (8 JANUARY 2010)

II. PROPOSED TEXTUAL REVISIONS TO ARTICLE III.2(B) OF CHAIR'S TEXT, ANNEX VIII, TN/RL/W/213

(b) In addition, subject to the provisions of Article V:

(1) Subsidies referred to in Articles I.1(d), I.1(e) and I.1(f) shall not be prohibited.

(2) **(i)** Subsidies referred to in Article I.1(a) and I.1(c) shall not be prohibited provided that they are used exclusively for marine wild capture fishing employing decked vessels not greater than 10 meters or 34 feet in length overall, or undecked vessels of any length. **OR**

(ii) Subsidies referred to in Article I.1(a) and Article I.1(c) should not be prohibited for those developing country Members whose percentage share in world NAMA trade is not more than 0.1% and whose percentage share of global marine wild capture is not more than 1%.

(3) For fishing and service vessels of such Members other than the vessels referred to in paragraph (b)(2), subsidies referred to in Article I.1(a) shall not be prohibited provided that (i) the vessels are used exclusively for marine wild capture fishing activities of such Members in respect of particular, identified target stocks within their Exclusive Economic Zones ("EEZ"); (ii) those stocks have been subject to prior scientific status assessment conducted in accordance with relevant international standards, aimed at ensuring that the resulting capacity does not exceed a sustainable level; and (iii) that assessment has been subject to peer review in the relevant body of the United Nations Food and Agriculture Organization ("FAO").[49]

C. DRAFTING PROPOSAL ON ISSUES RELATING TO ARTICLE III.4 ("SPECIAL AND DIFFERENTIAL TREATMENT OF DEVELOPING COUNTRY MEMBERS") OF THE FISHERIES SUBSIDIES ANNEX TO THE SCM AGREEMENT AS PROPOSED BY THE CHAIR IN TN/RL/W/213 - TN/RL/GEN/158 (22 MAY 2008)

Proponents: ACP and SVEs Groups

6. In line with the above considerations, it is suggested to modify Article III.4 as follows:

III.4.1 "Members recognize that developing country Members, especially least-developed countries and small, vulnerable economies, will face serious challenges in complying with the requirements of this Annex, in particular as regards the conditions and criteria set forth in this Article and in Articles V ("Fisheries Management") and VI ("Notifications and Surveillance").

III.4.2 Members recognize that the ability of developing country Members, especially least-developed countries and small, vulnerable economies, to adopt, implement and sustain measures necessary for complying with the requirements of this Annex may depend on the effective and timely provision of technical assistance by Members to developing country Members in accordance with their demands and needs. Members recognize that developing country Members will have different implementation needs and capacities and to this end, developing countries which indicate a need for technical assistance shall be provided with such assistance through bilateral processes, through new and/or existing WTO technical assistance and support mechanisms and through other mechanisms of relevant international and regional organisations.

III.4.3 The Committee on Subsidies and Countervailing Measures shall establish a Sub-Committee dealing exclusively with issues related to technical assistance and support programs under this Annex, specifically as regards fisheries management systems and measures related thereto. The Sub Committee shall coordinate the requests from developing

[49] If the Member in question is not a member of the FAO, the peer review shall take place in another recognized and competent international organization.

country Members for technical assistance and support programs and shall review the effectiveness of the technical assistance provided to developing country Members.[50] The Sub-Committee shall periodically report its findings to the Committee on Subsidies and Countervailing Measures and the Committee on Trade and Development.[51]

XII. COMMITTEE ON TRADE AND ENVIRONMENT

A. VIEWS OF THE SMALL VULNERABLE ECONOMIES ON THE NEGOTIATIONS OF PARAGRAPH 31(III) OF THE DOHA MINISTERIAL DECLARATION, COMMUNICATION FROM THE SMALL, VULNERABLE ECONOMIES52 - JOB/TE/18 (1 APRIL 2011)

1. This proposal sets out the views of the Group of Small, Vulnerable Economies (SVEs), in the negotiations derived from paragraph 31 (iii) of the Doha Ministerial Declaration, aimed at *"the reduction or, as appropriate, elimination of tariff and non-tariff barriers to environmental goods and services."*

2. This proposal is also premised on the recognition that the Doha Round is centered on the needs and interests of developing countries, and on the fact that in the Doha Declaration Ministers recognized that every country has the right to take measures deemed appropriate for, inter alia, the protection of the environment, provided that these measures do not constitute a means of arbitrary discrimination between countries where the same conditions prevail.[53]

3. Being widely acknowledged that the SVEs face special circumstances among developing countries due, *inter alia*, to their minimal participation in world trade, limited natural resources, severe fiscal constraints, and, in most cases, their vulnerability to natural disasters, the SVEs believe that in the trade and environment negotiations, the special circumstances and characteristics of their members should be duly taken into account, in compliance with the mandate outlined in paragraph 35 of the Doha Ministerial Declaration which refers to the Work Program on Small Economies, as well as paragraph 41 of the Hong Kong Ministerial Declaration in which Ministers instructed the Dedicated Session of the Committee on Trade and Development (CTD) *to "monitor progress of the small economies' proposals in the negotiating and other bodies, with the aim of providing responses to the trade-related issues of small economies as soon as possible"*.

4. The SVEs hereby draw the attention of the Members to their need for special and differential treatment, that in line with the mandate contained in paragraph 50 of the Doha Ministerial Declaration, would allow us in turn to meet the objective of paragraph 51 which states that sustainable development should be part of the outcome of the negotiations on trade and environment.

5. For this reason, our Group is interested in ensuring that any outcome in this negotiation effectively strikes a balance between market access, environmental benefits and the legitimate objective of our Members to maintain policies that will allow our sustainable development. Moreover, due recognition should be given to the fact that many developing countries, including SVEs, contribute least to the degradation of the environment, but suffer most of its negative consequences.

6. In any event, the SVE Group wishes to reiterate its strong opposition to any sectoral type market access approach to the negotiations on trade and environment, particularly to those on paragraph 31 (iii). In this respect, the Group maintains that these negotiations cannot and shall not adversely affect the flexibilities that have been agreed for SVEs in other negotiating areas of the Doha Development Agenda, such as in NAMA and Agriculture.

---

[50] The Sub-Committee, in consultation with the developing Member concerned, shall identify any additional needs of that Member for technical assistance and every effort shall be made to ensure that appropriate technical assistance is provided to that Member. The role of the Sub-Committee shall not be to determine the validity of a developing country's request for technical assistance.

[51] Future discussion would be required on the procedures to be followed if a developing country member does not receive the requested technical assistance.

[52] This communication is without prejudice to the final position that the SVEs will take regarding negotiations on trade and environment, including with regards to paragraph 31(iii) of the Doha Ministerial Declaration. The SVE Group and its individual members, reserve the right to submit further communication on this issue.

[53] From paragraphs 3 and 6 of the Doha Ministerial Declaration.

7. Finally, the SVEs would like to stress and reiterate the importance of technical assistance, capacity building and transfer of technology in these negotiations.

XIII. NEGOTIATING GROUP ON TRADE FACILITATION

A. DRAFT CONSOLIDATED NEGOTIATING TEXT - TN/TF/W/165/REV. 5 (5 NOVEMBER 2010)

ARTICLE 15: PREAMBLE/CROSS-CUTTING MATTERS

[1.1 [Small [and vulnerable] [economies]] developing [and least developed] countries which are Members of a customs union or a regional economic arrangement may adopt regional approaches to assist in the implementation of their obligations under the Trade Facilitation Agreement including through the establishment and use of regional bodies.]

XIV. AID FOR TRADE TASK FORCE

A. AID FOR TRADE - WT/AFT/W/18 (15 JUNE 2006)

Proponent: Barbados

III. SCOPE FOR AFT

9. In general, AFT should cover the following:

- Trade Policy and Regulations, (i.e. regional and multilateral negotiations, standards, implementation of trade agreements, trade policy and planning);
- Trade-Related Infrastructure (i.e. transport and storage, communications, energy, trade facilitation, etc);
- Trade Development (i.e. trade promotion strategy and implementation, market analysis and development);
- Productive Supply-Side Constraints, (i.e. banking and financial services, research and development and innovation; business and other services, agriculture, forestry, fishing, industry and mining, tourism etc.); and
- Trade Adjustment (abnormal adjustment resulting from severe adverse trade shocks).

IV. PRIORITY AREAS FOR INTERVENTION

A. TRADE POLICY AND REGULATIONS

B. TRADE ADJUSTMENT

C. TRADE-RELATED INFRASTRUCTURE

D. TRADE DEVELOPMENT

E. PRODUCTIVE SUPPLY-SIDE CONSTRAINTS

V. A PRIVATE SECTOR AID FOR TRADE PROGRAMME

29. A special effort should be made to ensure the involvement of the private sectors in both developed and developing countries and to connect them to each other.

30. The scope of a Private Sector Aid-For-Trade Programme should relate to activities capable of supporting private sector efforts to export. The identification of gaps in current Official Development Assistance in the trade-related field would be an appropriate starting point.

31. The delivery and monitoring of Private Sector AFT programmes should be vested in an organization agreed between interested multilateral and bilateral donor agencies and sector specific representative institutions on a country basis or, where appropriate, on a regional basis.

32. AFT participants should aim for a feasible programme of assistance that is based on professional diagnostic studies and needs assessments and on arrangements for a monitoring system using mutually agreed benchmarks. Improving coherence and coordination of action among multiple donors should also be part of this approach.

33. An existing international trade-related organization that has a comparative advantage in this field, and also enjoys the confidence of developing countries, should be given responsibility for managing the programme. On the recipient side, the executing agency could be the agreed representative institution such as regional development banks.

VI. VOLUME AND NATURE OF FINANCIAL SUPPORT

A. MOBILIZING ADDITIONAL FINANCIAL RESOURCES

34. According to the paragraph 57 mandate, additional funding is required. Between 1994-2004, development aid has been decreasing as debt relief became an increasing part of ODA. It would be important therefore that current aid budgets are not depleted in order to support AFT but rather additional resources would be tapped to add "new money" to ODA budgets.

35. The pledges so far for 2010 are promising but the challenge remains to realize additionality. In this respect, it is essential that in finalizing commitments to the provision of these resources that long-term sustainability of the AFT process and predictability in the provision of funds are assured.

B. NATURE OF AFT FINANCIAL SUPPORT

36. In order to avoid an increase in the debt burden of developing countries, particularly LDCs and small, vulnerable developing countries, aid-for-trade financial support should be provided primarily in the form of grants. However, for certain high cost physical infrastructure projects, these could be co-financed with long-term concessional loans from other multilateral financial institutions (e.g., regional development banks and the World Bank). Such loans should be on terms no less favourable than those of IDA or IFAD.

37. Funding should also not involve any burdensome conditionalities. The latter should be limited to monitoring and governance.

38. With regard to the financial instruments, there is as much a need for budgetary support that is available for sector-wide approaches on a multi-annual basis, as for specific "project financing". Budgetary support in situations of fiscal imbalance and balance of payments deficit ensures macroeconomic stability through quicker disbursement and a focus on the areas of adjustment most in need. It facilitates the development of projects by ensuring the correct macroeconomic environment.

C. DURATION AND SUSTAINABILITY OF AFT FUNDING

39. The problems related to supply-side capacity and trade-related infrastructure must be tackled on a sustainable basis. This essentially implies that projects must be developed and implemented over many years and be funded on a multi-year basis. AFT funds would therefore have to be replenished periodically according to an agreed schedule, and procedures would have to be established to ensure this.

40. Access to these funds would also have to be guaranteed and predictable, and to achieve this purpose, some agreement between donors and recipients would be needed to provide such security. In this context, some consideration could be given to strengthening the role of multilateral sources in the provision of the additional resources.

VII. MONITORING AND GOVERNANCE OF AFT

A. MONITORING MECHANISM

41. The role of the WTO in monitoring and evaluating performance of AFT programmes should be paramount, and this responsibility could be assigned to its highest Council and its subsidiary bodies (particularly the Committee on Trade and Development). The Joint WTO/OECD Database on TRTA/CB already constitutes a useful monitoring tool which could be further enhanced by improved supervision of the collection and processing of information. In addition, a mechanism would be needed to assess the impact of AFT. Monitoring should permit the involvement of recipients, donors and other interested parties.

B. GOVERNANCE MECHANISM

42. The wide range of bilateral, regional and multilateral mechanisms now in operation would suggest that the AFT governance mechanism should first explore the comparative advantage of existing institutions and seek to improve functioning where gaps exists.

43. Several forms of assistance suffer from insufficient resources as well as a lack of coordination between the institutions managing the projects. These weaknesses should be avoided in AFT.

44. There is need for credible mechanisms for delivering AFT and ways of improving existing national and regional mechanisms must be found. Regional development banks should play a key role in this area.

45. Any governance structure should ensure WTO involvement as well as provide for adequate coordination where gaps have been observed. The effective participation of WTO Members or their representatives – which again could be the regional development banks should be assured. It should also draw into the process international and regional financial agencies, the private sector, bilateral donors along with experts, and other interested parties. There should be an agreed administrative framework with agreed principles of management and allocation of funds. Institutional conditionalities should be avoided.

C. ELIGIBILITY

46. In terms of country coverage, AFT should address the relevant needs of all WTO developing-country Members with priority to LDCs, SVEs and acceding small developing countries.

VIII. PROCESSES TO IDENTIFY TRADE-RELATED NEEDS AT THE INDIVIDUAL COUNTRY LEVEL

47. In view of the wide variation in country situations, a country-specific approach to needs assessment will be necessary in order to identify both the priority needs of individual countries and the additional assistance required in each case. This effort should take into account the needs of the private sector.

48. For countries that are part of a regional integration scheme and would wish their national approaches to be complimented by a regional needs assessment approach, the latter should also be undertaken.

49. Aid for Trade should allow policy flexibilities and national ownership as mandated in the Paris Declaration of June 2005. Adopted at the High-Level Forum on Aid Effectiveness (March 2005) the Paris Declaration on Aid Effectiveness has been prepared with broad participation from development practitioners, through a process coordinated by the High-Level Forum Steering Committee. The declaration outlines a set of joint commitments and targets for governments and multilateral donors to reach over the next five years.