

**Informal Consultation at the level of Heads of Delegation**  
**Monday, 25 August 2003**  
**Statements by the Chairman of the General Council and the Director-General**

**Chairman of the General Council**

The purpose of today's meeting is to give delegations an opportunity to make their initial reactions to the draft Ministerial text in an informal setting. It will then be taken up by General Council. Let me say a few words by way of introduction.

I am aware that the text was distributed late, and that many delegations have yet to receive concrete instructions from capitals. So I am looking for preliminary reactions today, and I would suggest that delegations not deliver their General Council speeches here. I equally ask delegations not to embark on a procedural discussion today. I think it is important for everyone to hear substantive views.

This text is put forward on my own responsibility, and in close co-operation with the Director-General. However it is based on many hours of consultation and discussion, especially in this open-ended Heads of Delegation format. I would also like to express my particular gratitude to all those who have generously assisted me as Friends of the Chair, as well as to the Director-General, his Deputies and his staff.

This text is based on my best judgment. It does not purport to be agreed in any part at this stage, and is without prejudice to any delegation's position on any issue. In other words, the whole text is in square brackets. You will notice that, rather than including all possible options, which would have resulted in an unmanageable draft, I have come forward with a clear text in many areas.

I believe my approach is in keeping with the criteria I set out earlier of respecting the ambition of the Doha mandates, of respecting the development dimension, and of seeking overall balance.

It is also in keeping with the progress – or lack of progress – in our consultations and with the realities of our situation.

This is a pragmatic approach that should provide a workable framework for action by Ministers.

I would like to repeat that this is intended as an operational text, one which can assist Ministers at Cancún in taking the necessary action. As such it clearly cannot be a compendium of all views and positions, which would make the task of Ministers impossible. I have considered everything that I have heard very carefully, but in the end I had to make my own best judgement and assume my responsibility. In quite a number of areas I have put forward texts which have attracted a high level of convergence in our consultations, and which I believe could be agreed upon. In other, more controversial areas I have tried to find a possible compromise among competing positions within the generally-accepted concept of a framework for developing modalities. And concerning the Singapore Issues, where views remain more or less polarized, I have set out the two basic options.

I should also recall that Ministers will have at their disposal all the reports of the WTO bodies which have worked on these issues. These were forwarded to Ministers by the General Council in July. So, with briefings from their delegations as well, Ministers should be amply informed about the

positions on all the issues. What they need more is a means of helping them focus effectively on the key areas where they need to take decisions and give guidance, and this is the purpose of the present text.

As I said earlier, this text goes as far as I judge is possible in the Geneva process. From now on our attention should rather be on assisting Ministers in their heavy tasks at Cancún. We will all be listening attentively, and I urge you in making your comments to keep very much in mind our collective responsibility for the situation that your Ministers will face in two weeks' time.

I will now make some brief comments about some sections of the text before opening the floor. I will not, of course, speak to each and every paragraph, because I do not believe that is necessary.

Following my remarks, I will invite the Director-General to say a few words before inviting delegations to speak.

### TRIPS and Public Health

TRIPS and Public Health has remained an intractable issue since the General Council last considered it in February this year. However, I can report that intense diplomatic efforts are currently under way, and it is possible that we may have positive results to report very soon. Clearly, we must all recognize that this is politically a crucial issue, and one on which our collective aim must continue to be to reach agreement before Cancún. This matter is, as you know, on the agenda of the General Council meeting, and I am hopeful that the Chairman of the TRIPS Council, Amb. Menon, will be able to report to us positively in that vein. I would like to request all delegations to be ready to be called at short notice for a meeting of the TRIPS Council to consider the results of this work.

### Agriculture

First, I wish to point out an involuntary omission in the chapeau text to Annex A – that is, the mention of non-trade concerns. So after the words "special and differential treatment" the phrase "and taking into account non-trade concerns" should be added. A corrigendum to this effect will be prepared and submitted to the General Council.

One of the most sensitive areas of the negotiations is of course agriculture. Progress has been made since Doha but it is evident that we will not be able to establish fully-fledged modalities by Cancún.

In the context of the difficult situation we have been facing, I think that we have all appreciated the joint initiative by the European Communities and the United States in coming forward with the concept of a "framework" as a way to move forward. Their input does indeed seem to have energised the negotiations and prompted other Members, including large numbers of developing countries, to come forward with their own versions of a possible framework.

All of these inputs were extremely useful to me in drafting the text that you now have before you. This, I can assure you, was a very difficult task because, although the inputs represented significant moves towards convergence among certain Members, significantly differing perspectives remained between the various proposals put forward. It is not easy to reconcile these.

On the basis of the various inputs, there have been intensive consultations over the past two weeks at the level of Heads of Delegations and in various formats chaired both by myself and by Stuart Harbinson as a Friend of the Chair. As a result, Annex A to the draft Ministerial Text constitutes my best effort to provide you with a workable framework on agriculture for action by Ministers.

I should add that there seems to be general acceptance that we should proceed with a framework approach which leaves the figures for negotiation post-Cancún. This in my view still represents an important step forward towards the establishment of modalities in line with the Doha mandate on agriculture. It leaves room for various eventual outcomes depending on the hard negotiations on the figures that will inevitably follow Cancún. And, although the text takes a certain direction in various areas, it leaves the direction open in others.

### NAMA

On the NAMA negotiating modalities also, the idea of a framework has also emerged as a likely basis for decisions by Minister in Cancún. I acknowledge the intensive consultations over the past several weeks chaired by Amb. Girard as a Friend of the Chair.

However, I was confronted as late as Saturday by a text coming out of these consultations which still presented serious problems and reservations on many elements, especially paragraphs 3 and 6.

In the short time remaining to us before distributing the text, the Director-General conducted some consultations on my behalf, on the basis of which I decided on some revisions, particularly to paragraph 6, in order not to prejudice the strong positions maintained by some Members. I understand however that there may still remain some significant concerns and divergences that will have to be tackled by Ministers in Cancún.

### Special and Differential Treatment

Let me begin by recalling and again appreciating the involvement of the Heads of Delegation in a long and constructive process on special and differential treatment, which in my view has led to positive results on a number of Agreement-specific proposals. The recommendations that Members have agreed are contained in Annex C of the text. As indicated, Annex C also contains three proposals which had been agreed to ad referendum. I am happy to inform Members that the reservations expressed by Japan on one of these proposals, namely that on the Enabling Clause, have since been dropped. I hope that the other Members which had reservations on the other two proposals can also similarly go along with the consensus. Clearly, this is only an initial harvest of the work. As indicated in the text, there is still a lot of work to be done on S&D treatment, and indeed on the Agreement-specific proposals, and I fully acknowledge this.

In addition, I have tried to incorporate some of the other views and concerns that Members had expressed on the previous draft. Firstly, I have taken on board the request that the thrust of the Doha Declaration be reiterated, and accordingly I have reaffirmed Ministers' commitment that S&D provisions are an integral part of the WTO Agreements and that their review should be carried out with a view to strengthening and making them more precise, effective and operational. Secondly, in keeping with the commitment I had expressed to ensure that work on category II proposals is expedited, the General Council is being directed to monitor closely the work being done in this regard in negotiating groups and other WTO bodies. The text also reflects the suggestion made by a number of Members that future work on special and differential treatment should as far as possible be conducted in the Committee on Trade and Development in Special Session.

With respect to the need for a time-frame for the conclusion of our work, I have left it to Members to decide which time-frame would be realistic taking into account both the proponents needs and the amount and complexity of the work still ahead of us. Finally, let me also mention that the operative part of the language of some of the proposals in Annex C may change, since it is now the Ministers, and not the General Council, which would be adopting these proposals.

Singapore issues

Turning now to the four Singapore issues I would like initially to share with you the overall approach I have adopted in these areas. You will note that, in each area, I have opted for the inclusion of two alternatives.

Let me explain why I have taken this approach.

As you know, many delegations have pointed out that the establishment of modalities is an issue for Ministers to decide. I therefore felt that the best framework to give them for making those decisions would be to outline the proposals and positions at either end of the debate. I am fully aware that a number of delegations will not find their position on these issues reflected in the two options. I am also aware that this approach has not enabled me to include any possible intermediate option for one or more of the Singapore issues, despite the fact that the Chairs have informed me that some delegations would be comfortable with such a third option. These intermediate approaches, of course, remain available for further consideration by Ministers in Cancún.

I believe the formulation in the text reflects the prevailing sentiment at the level of Heads-of-Delegation about how best to present these issues to Ministers.

With respect to the bracketed options in the text, I would note the following:

In each of the four areas there is a first option containing a decision to launch negotiations and setting forth the modalities for such negotiations. There is then a second alternative which refers the matter back to the Working Group for further clarification. Clearly, these brackets reflect the fact that there are still considerable differences between Members, although the scope of divergence is greater in some areas than others. However, in all four areas, there is still considerable work for Ministers to do.

Lastly, let me note that new paragraphs have been added on three issues to respond to developments in the course of our consultations. These cover a Sectoral Initiative on Cotton, Commodity Issues and Coherence.

**Director-General**

Let me say immediately, Mr Chairman, that I completely associate myself with the highly pertinent remarks you have just made with respect to the various sections of the revised draft Cancún Ministerial text.

Putting this complex text together has been a major challenge for all of us – participants, the Secretariat, myself and perhaps especially you, Chairman. It has however been a very stimulating exercise, and I would like to pay tribute to the enormous energy and dedication which you personally have displayed.

Of course this is a very delicate exercise. Trying to reconcile the interests of 146 Members plus other participants is bound to be so. It is at this stage of the proceedings that we all begin to see much more clearly the difficult decisions and compromises that will await us at Cancún.

Participants must of course continue to pursue their own interests as they see them. That is what you are here for. But I would ask you to also bear in mind that your interests can only be achieved if we have an outcome that can offer something to all. This requires joint action and most importantly a willingness to engage in a process of give and take. I would urge you to continue to engage positively and focus on how to achieve an outcome which would contribute to making progress at Cancún.

We should look at the draft text in its broader perspective. In a short time, we have advanced through narrowing gaps in positions. However, we all know that, on certain key issues, the final movement towards convergence will only come at Cancún. But to be able to undertake the difficult compromises that await them, Ministers will need from us a workable basis for taking decisions and providing guidance. I recognise that, on some difficult issues, differences have persisted despite hard work and good faith efforts on the part of all delegations. The draft text does not purport to be agreed in any part at this stage, and is without prejudice to any delegation's position on any issue. But it does represent our best effort, following a large number of consultations, to narrow down the differences and to go as far as possible in meeting participants needs and concerns.

We should be under no illusion. Ministers face a tough but far from insurmountable challenge at Cancún. Thanks to the dedication and commitment shown by all of you, we now have a draft text that in my view provides a good working basis for their deliberations. It would be all too easy to unravel the text. But if we did so, it would be virtually impossible to put it all back together. We must not fail our Ministers by falling into this trap.

The world economy is in a difficult state. In just a couple of weeks time, at Cancún, we will have a chance to make a difference. The choice is clear, either we continue to strengthen the multilateral trading system and the world economy, or we flounder and add to the prevailing uncertainties. At Cancún, the world will judge us on the choice we make and on how well we have served them. The efforts that you have made in the last few weeks have demonstrated your commitment to delivering on the first choice.

The forthcoming General Council meeting will be crucial in terms of preparations for Cancún. It will determine the chances of success there. This is the time for us to all pull together and go the extra mile to make sure the outcome will be a good one for all of us.

My good friend, Ambassador Seixas Correa has likened our role to that of Sisyphus with his endless task of pushing an immense stone up to the top of the hill only to have it roll back just when he is near the top. Our stone is now three quarters of the way up the hill and we must not let it slip. And to do so, we need all of you to go one better than Sisyphus and help push that stone together all the way to the top.

---