



Assisting the LDCs in WTO Trade Negotiations A Personal Assessment

December 2005

The following is an abridged version of a Personal Assessment by the RTFP Programme Director, Mark Pearson, of the process of assisting the LDCs in the Trade negotiations leading up to, and including, the Hong Kong Talks. The process was supported financially by RTFP and technically by the Programme Director.

Preparations for the LDC Ministerial Conference in Livingstone

The Zambian Permanent Mission (ZPM) in Geneva agreed to take on the coordination of the WTO LDCs in Geneva for the 6-month period January to June 2005. Coordination of the LDC Group has traditionally been on a six-month rotating basis and Members with permanent missions in Geneva volunteer or are volunteered to coordinate the Group.

The Minister, Hon. Dipak Patel, decided that, if Zambia was to achieve anything in its role as Coordinator, the Ministry and the ZPM needed assistance.

The first task was to prepare for the LDC Ministerial Meeting in Livingstone in July 2005. For this, a core support team (using GRZ and DfID funding) was put together. The objective was to prepare a LDC Draft Declaration which would have been through the Geneva process and so would have the total support of the Geneva-based LDC permanent missions. The intention was to ensure that the process was as transparent as possible so that the Draft Declaration would pass smoothly through the meetings of first the Senior Officials and the Ministers.

In preparing the Draft Declaration the Zambian Team made reference to the previous Declarations of the LDCs from Zanzibar and Dhaka and previous WTO Ministerial Declarations, starting from the Marrakesh Declaration and including Singapore, Seattle, Doha and Cancun. A comprehensive analysis of the previous positions and the state of play in the on-going negotiations was made and this was presented as an "Issues Paper". The Draft Declaration was extracted from the Issues Paper.

Throughout this process there was a close liaison between Lusaka and the ZPM. The ZPM was working with the LDC Focal Points (Agriculture – Senegal and Benin; Services – Rwanda; SDT – Zambia and Rwanda; NAMA - Bangladesh; TRIPS – Uganda, Trade Facilitation- Nepal and Uganda) so although the Issues Paper and the Draft Declaration originated from Lusaka it was further developed in Geneva through the coordination process.

A number of trips from Lusaka were made to Geneva and detailed consultations were had with the LDCs, UNCTAD and the WTO Secretariat. UNCTAD was involved as traditionally UNCTAD has organised the LDC Ministerial meetings and, it would appear, had a major input into the development of the previous LDC Declarations.

The financing for the LDC Ministerial Conference was provided by bilateral donors (mainly the British, the Canadians and the Swedes) but was channelled through UNCTAD.

The outcome of the LDC Ministerial Conference was, therefore, considered to have been a success, and the experience and lessons learned in the process were valuable for the team as they went on to coordinate the process towards, and in, Hong Kong. For example, just prior to



Hong Kong, the Minister spoke to the DG of UNCTAD and explained that UNCTAD's inputs were valuable to the LDCs but that there should be a coordinated approach so that UNCTAD and the LDC Coordinator should work together for the benefit of the LDCs and not weaken the positions of the Group with different LDCs supporting different positions. In the main, apart from one NGO, there were no obvious attempts by either UNCTAD or the NGOs to introduce new text in Hong Kong that had not already been seen by the Coordinator and discussed in Geneva by the LDC Group.

Coordination of the LDCs in Geneva

Arising out of the Livingstone Declaration it was apparent that the primary objective of the LDC Group was to get a binding commitment for duty-free quota free market access for all LDCs for all products into the markets of developed countries. This was one of the 5 Agreement-specific proposals being considered by the Special Session of the Committee on Trade and Development (CTDSS).

Between July and the end of November the Zambian Ministry of Commerce Trade and Industry (MCTI) provided substantial support to the negotiating process in Geneva. This was necessary as there was, at the time, only one officer dealing with WTO matters at the Mission. During this period there was always at least one Capital-based person in Geneva. At one stage, and for a few days only, Zambia had six Capital based staff in Geneva working on LDC coordination at a time when five WTO Negotiating Committees (Agriculture, NAMA, CTDSS, Services and Trade Facilitation).

By November the LDC Group was functioning as a Group, with only Zambia speaking for the Group and, if necessary, other LDCs supporting the position explained by Zambia. In meetings in Geneva the LDC Group sat together and communicated by passing notes between each other so that, by the time we got to Hong Kong, we had a well-functioning unit, incorporating a number of LDCs, with a strong team spirit.

At all stages the Zambian team reported back to the full Group in Geneva and this process was probably the main reason why we managed to keep the Group together, even under extreme pressure. Even on the last day of the Hong Kong Ministerial Meeting there was an attempt to break up the Group from within by suggesting that Zambia had not adequately consulted and that the position negotiated by Zambia was not a LDC position. This was so obviously wrong that this attempt, rather than break up the Group, simply further strengthened the resolve of the LDC Group.

The importance of building a team well in advance of the "event" being prepared for, with each member of the team clear as to what role he or she is to play cannot be stressed enough.

The Negotiating Process in Hong Kong

A Briefing Book for Ministers was prepared, which was translated into French and 3 copies were given to each LDC Delegation which were well received and used extensively. The Zambian team also prepared a Briefing Book exclusively for Hon. Patel to use in the negotiations. This gave negotiating positions and possible positions of other Members as well as possible responses from the LDCs.

Zambia, as LDC Coordinator, was invited to the Green Room consultation process. The Green Room process, which was renamed Chairman's Consultative Group (CCG) is meant to assist the WTO to broker deals in seemingly difficult situations. There do not seem to be any rules



as to who is invited to the Green Room but all Group Coordinators are invited plus other influential countries. Some Groups or countries (including US, EU and South Africa) had two Ministers present, one Trade Minister and one Agricultural Minister). The rules are strict and each Minister is allowed to be accompanied by only one official (1+1). Only Ministers can sit at the table and only Ministers can speak. The meeting is done in English and, if necessary (such as for Japan and Senegal), personal interpretation is done.

Prior to Hong Kong the information was that the conference centre was covered by WiFi so the team opted to use WiFi-enabled PDAs to communicate between the CCG and the support team outside. As it turned out, there was WiFi throughout the Conference Centre except in the Green Room. Communication was done by SMS and Blackberry (USTR are issued with Blackberrys as standard) and by going out of the CCG, into an ante-room where other officials were allowed, to consult.

The negotiating process in Hong Kong was tortuous in that there was a CCG meeting held for 5 consecutive nights (Tuesday to Saturday) and two other CCG meetings during the day. For two nights the CCG went throughout the night and for the other 3 nights the meetings went on to around 3.00am to 4.00am. On Saturday night the CCG started at 10.30pm and finished at 9.00am the next morning.

The CCG process in HK started with Agriculture, then moved to NAMA then Services then Development. Special and Different Treatment (SDT) for LDCs, which was really the only development aspect discussed (apart from Cotton, which was discussed as part of Agriculture), was, therefore, always discussed in the early hours of the morning when Ministers were at their most-tired, with lowest concentration levels and lowest tolerance levels. There was a need to take these external factors into account in the negotiations. The positions and the arguments had to be expressed in a simplified, quick-fire manner as, by the time the LDC slot came up, Ministers were in no mood for long and detailed presentations and discussions.

Although there is only one official inside the CCG there is a need for other officials to be available during the CCG consultations. These other officials waited in anterooms. So it was not only the Minister and his official who lacked sleep. In the case of the LDCs it was the whole of the core negotiating team who had to stay up most of the night and then function effectively the next day.

Most of the negotiations are done bilaterally, either in the margins of the CCG process or during the day. In the case of the LDCs we had negotiated long and hard to get our text for the 5 Agreement-specific proposals into the draft Ministerial Declaration that went to Hong Kong. This in itself was no small achievement and gave us a platform from which to start from. If we had not managed to get our text into the draft Ministerial (and even as late as early December this was a real possibility) the LDC Group would have had no basis from which to move the negotiations forward. In addition, we had managed to negotiate a TRIPS extension for the LDCs as a Group, which was also a major achievement before HK so we could concentrate on the 5 Agreement-specific proposals.

The two main opposers to the DFQFMA proposal were the US and Japan. In HK, the Japanese conceded to providing DFQFMA to all LDCs for up to 98.6% of their tariff lines, to exclude leather and leather products, rice, sugar, starch and fish and fish products.

In HK, during bilaterals, the US conceded on all countries but would not go further than 95% product coverage and were insisting on the DFQFMA provisions coming into effect only when the implementation of Doha started (which is scheduled to be 1st January 2007 but may well slip).



The US also surprised the LDC Coordination Team by insisting that they had never excluded any member of the LDC Group from the provision of DFQFMA and yet throughout the process of negotiations in Geneva, from October the US negotiators insisted that Bangladesh and Cambodia would be excluded from the list of LDCs.

The Mandate the Coordinator had from the LDC Group was that implementation should start by 2008 at the latest and that product coverage should be between 97% to 100%. It was, therefore, vital to ensure that these red lines were not crossed. It took up until about 4.00am on Saturday morning in bilateral negotiations in the margins of the Green Room to get the 97% and 2008 approved by the US. However, when we presented our wording it was then the Pakistan delegation which objected so the CCG negotiations were about finding text to appease Pakistan. All other proposals were not discussed, apart from one sentence in proposal 88, as we had passed the text through the EC and US and other “major players” before it had gone to the Green Room. We also used Ministers from other Member countries (notably South Africa and India) to assist us in getting the LDC proposals passed through the CCG.

The Latin Americans had difficulties with wording dealing with preferences given to LDCs which may be detrimental to other developing countries in other proposals. However, through bilateral negotiations, we managed to trade off a change in wording in one proposal with wording in another so resolved this issue.

The US and others had serious reservations with the text on TRIMs. The LDCs agreed to a major reworking of the text but, in the end, were not prepared to go any lower than this compromise text, which was still not acceptable to some developed countries. However, in the end, the text was bulldozed through by the LDCs in the early hours of Saturday morning.

After the final CCG process, which ended at 9.00am on Saturday, we went back to the full LDC Group to explain what the outcome of the CCG process had been. There were attempts by one or two LDCs to convince the LDC Group to walk away from the agreement reached in the CCG. On the one hand there was the opinion that what had been agreed was of no value to the LDCs as it did not offer any more than what was already offered by EBA and AGOA¹. The other view was that the CCG agreement was a platform from which further progress could be made, and that if the Group walked away from this deal it would be a long time before the Group could be as organised as it was then to launch a similar offensive. The Coordinator suggested that the text agreed in the CCG could be accepted by the LDCs if it was adopted as a “framework” agreement, with the modalities to be worked out after HK. This compromise was acceptable to the LDC Group and this is how the text was accepted by the LDC Group.

¹ Although this opinion is valid it is not factually correct in that EBA and AGOA are GSPs and also AGOA provides about 83% product coverage for some LDCs (so may be challenged and then will be subject to a waiver, to be renewed every year).