



**General Council**

**REPORT BY THE DIRECTOR-GENERAL ON THE INFORMAL TNC  
AND HEADS OF DELEGATION MEETING**

MONDAY, 5 MARCH 2018

1.1. Good morning and welcome to this informal TNC and informal HODs meeting. Thank you all for being here today. This meeting is an opportunity to reflect on the way forward after MC11 and to raise and discuss issues ahead of the General Council meeting on Wednesday.

1.2. I recall that all your statements, and my own, will be reflected in the minutes of the General Council meeting. So I expect that all delegations and group coordinators will take the floor today and not at the General Council.

1.3. This is our first meeting of the year in this format, but there has already been a lot of activity. I have been engaging widely with Members since the Ministerial Conference in December. My meetings have included:

- The Swiss-organised informal ministerial gathering in Davos.
- Bilateral visits to the UAE and Bulgaria.
- The ACP retreat here in Geneva.
- Consultations with the Cotton-4.
- Discussions with various ministers and ambassadors.
- And of course last week we welcomed President Nyusi of Mozambique to the WTO.

1.4. In addition, I am also in close contact with the General Council Chair and the Negotiating Group Chairs, and met with them all together on Thursday last week.

1.5. There is clearly a desire among many Members to reflect on the problems we faced at MC11, and to find practical and constructive ways to move forward. Indeed, the ACP meeting I just mentioned was held precisely to reflect on MC11 and explore innovative ways to advance our work.

1.6. In reflecting on MC11, let me once again extend our sincere thanks and appreciation to Argentina, through Ambassador Cima, for the exemplary organization of the Conference.

1.7. There were many positives from MC11. The meeting was conducted in a very constructive and well-organized manner. Moreover, it was completely open and transparent. It was entirely member-driven. And levels of engagement were excellent.

1.8. We also saw very high levels of political support for our work, with the tone set on day one by the Presidential Declaration. And we saw strong engagement from other stakeholders – with the Business Forum convened by Argentina being a notable success.

1.9. Ministers adopted four decisions in Buenos Aires, covering our regular work:

- e-commerce;
- TRIPS non-violation and situation complaints;
- small economies; and,
- the working party on the accession of South Sudan.

1.10. And on the negotiating track – the decision on fisheries subsidies was agreed. The outcome on fisheries subsidies was a step forward, but it was not the ambitious outcome that many were hoping for, including myself. In addition, we did not meet the deadline on public stockholding. And we could not agree on more detailed work programmes in many areas. However, there was agreement to keep working in all areas. Let me quote Minister Malcorra's closing statement from the Ministerial Conference. She said: "Members agreed to advance negotiations on all remaining issues, including on the three pillars of agriculture, namely domestic support, market access and export competition, as well as non-agriculture market access, services, development, TRIPS, rules, and trade and environment."

1.11. This is very important. But if we want to make progress we need to face up to the problems before us. Pledges of support for the system need to be matched by deeds. I will come back to this point.

1.12. The final element from Buenos Aires which I want to recognise here is the various declarations from groups of Members covering:

- e-commerce,
- investment facilitation,
- MSMEs and
- women's economic empowerment.

1.13. So that's where we stand after MC11. Our task now is to find viable ways forward.

1.14. A few of the negotiating groups have already met.

1.15. The Negotiating Group on Rules met on 30 January to discuss the process for fisheries subsidies work pursuant to the Ministerial Decision. I am informed that there was considerable convergence across a broad spectrum of Members on a process of technical work, based on information exchange and workshops with outside experts, to inform the further negotiations. Views were also exchanged on how the negotiations as such should proceed. Members generally agreed that the Negotiating Group should establish a clear calendar of multi-day meeting clusters on fisheries subsidies for the remainder of this year. I would therefore anticipate an active programme of fisheries subsidies work once the new negotiating group Chair is in place.

1.16. With regard to the DSU Negotiations, in early January of this year, the Chair circulated an indicative timetable of focused work for the whole of 2018. In accordance with this timetable, the group has already held two meetings after MC11, and a third one is scheduled for later this week, all on the issue of Post-retaliation. In late March, the Chair intends to take up Transparency as the next issue after Post retaliation.

1.17. I hope we will find a way to make progress in other areas as well, including on Agriculture, Services, Development and Cotton. But, at present we still do not have a chair for the negotiating group on Agriculture. This is extremely urgent. I advise Members to work with the General Council Chair to resolve this issue.

1.18. In this regard, let me open a small parenthesis. I hope we will count on the readiness of Permanent Representatives to serve the Membership in this very sensitive position. I also hope you all understand that the designated Chair will be assisting you in his or her personal capacity, so that nationality should play a minor role in the nomination process. I remind you that when a nomination for Chair is objected, for you it's not personal, but for the Permanent Representative that was objected, it is indeed very, very personal. And I think this is partly why it has been so difficult to get nominations. So I ask you to please consider how to help the General Council Chair in his task of gathering consensus around Chairs' appointments.

1.19. Getting back to what I was saying before this small parenthesis, I think Members should seek to learn from the experience of MC11. If we simply repeat the same approaches, we will very likely arrive at the same results. If we want to go further and deliver substantive outcomes across the board, we shouldn't just go back to business as usual.

1.20. We need to reflect in an active way. With this in mind, I have suggested that the Negotiating Group Chairs guide a conversation about how to find approaches that could be more promising.

1.21. I stress that this is just a suggestion. Members and chairs will decide together the precise steps that they want to take. And in making this suggestion, let me be clear:

- First, this active and reflective process does not mean that we abandon the many proposals and ideas on the table.
- Second, the reflection should not be a protracted exercise – rather it could be just one or two meetings at most.
- And third; it is likely there will be different results in different groups – that is to be expected. Moreover, there will be different needs in different groups. In some groups this kind of conversation may be needed, in others maybe not. Again, this is for you to determine, together with the respective Chair.

1.22. I will be ready to help facilitate this conversation in any way that Members think can be useful.

1.23. As I have stressed many times, development and particularly the prospects for the LDCs must remain at the heart of our work. And I think we need to do some real soul searching here. The conversation facilitated in Buenos Aires by Minister Eriksen Soreide was very constructive. We should seek to build on that conversation. I think we can all agree that development should remain at the centre of our work, but it is quite obvious that there is a very deep divide among Members about how to help and achieve development. I believe that we must acknowledge these different views and find ways to make progress despite these divergences. This will not be easy, but we can do it if we truly commit to understand each other's views and to try to find a middle ground.

1.24. In terms of the various initiatives launched in Buenos Aires by like-minded Members, as always it will be up to proponents to take these initiatives forward. It's encouraging that, in each case, proponents are clear that these initiatives will be open-ended, inclusive and transparent. I have always stressed that these initiatives should not be a departure from multilateralism, but a way to help and support it. Let me note here that I have been approached by these groups asking for Secretariat support. As we do with all such requests, we will provide support strictly on a demand basis. So let me stress again, that it is for the proponents to lead these initiatives.

1.25. When I look at how we might move forward in all areas of our work, and when I discuss these issues with Members, it always comes back to one point: flexibility.

1.26. I think it is clear that the organization has changed significantly over the past two decades or so. Today the larger Members can't force their views on others. But, equally, groups of Members, no matter how numerous they are, cannot impose their views on others either.

1.27. So how do we respond to this scenario?

1.28. As I said at the closing ceremony in Buenos Aires – if Members are not prepared to put themselves in others' shoes and seek compromises, then we have little hope to move forward. The approach of 'I get what I want or no one gets anything' is very destructive. It does not encourage flexibility or efforts to find common ground.

1.29. We need to find ways of increasing the levels of flexibility that we show to each other. And we know that this flexibility is facilitated by the different approaches for which the system allows. For example, in terms of specific initiatives, we have:

- flexibility in substance, with the multilateral Trade Facilitation Agreement, for example,
- flexibility in geometry, with the plurilateral initiatives like the GPA or the ITA,
- and we are now seeing somewhat new flexibilities with these open-ended exploratory conversations.

1.30. In a system with 164 Members of different sizes, different priorities and different stages of development, these kinds of flexibilities are essential. Ultimately, no one should be forced to accept anything or to negotiate anything they don't want to. But, at the same time, everyone should be free to discuss issues that are of importance to them.

1.31. In my consultations so far this year I have been detecting a positive, pragmatic mood from Members. This is very welcome. We need to build on this. And I will remain ready to serve the Membership to that end in any way that I can.

1.32. That concludes my report.

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