From 9 to 14 November 2001, Qatar hosted the Fourth Ministerial Conference of the World Trade Organization (WTO) and a new trade round, the successor to the Uruguay round, was successfully launched in Doha. This was by no means a foregone conclusion and was a major feat. The outcome of the Doha Ministerial Conference was in doubt until the very end. Failure at Doha to resolve the issues left over from the inconclusive Seattle Ministerial Conference of 1999 would have seriously weakened the WTO and threatened the future of the multilateral trading system. In this article, WTO Director-General Mike Moore, describes the steps taken in a more transparent and inclusive preparatory process for the Doha meeting and the key achievements of the new round—the Doha Development Agenda. He concludes that as a “member-driven” organization, all WTO members share joint responsibility for a successful and inclusive multilateral trading system and describes the current preparations being made for the conclusion of the new round by the three-year time-frame, as agreed by ministers.

The year 2001 was one of outstanding achievements, important lessons, and new insights for the World Trade Organization (WTO). The successful outcome at the Fourth Ministerial Conference in Doha brought to an end the uncertainty, loss of momentum and lack of confidence created by the frustrating failure at Seattle two years earlier. The year 2001 will be remembered as a turning point in the history of the WTO, and in relations between developed and developing countries. At Doha, the WTO was given an important new negotiating mandate by ministers. The Doha Development Agenda places development issues and the interests of our poorer members at the very heart of our work. WTO members have agreed to a far-reaching set of negotiations that are to be completed within a three-year timeframe.

Last year was also one in which the WTO concluded the accessions of China, Chinese Taipei, Lithuania and Moldova and thus welcomed more than a quarter of the world’s population into our membership. Over the past two years, we also enjoyed the membership of Albania, Croatia, Estonia, Georgia, Jordan, Latvia and Oman.

There is much to do to ensure that the next ministerial conference in Mexico is a success and the new negotiations are concluded within the three year timeframe.
agreed by ministers in Doha. Some of the groundwork needed to make this possible has already been done while other elements are expected to fall in to place over the course of the preparations towards the 2003 Fifth Ministerial Conference.

The road from Seattle to Doha
The issues facing ministers at Doha were essentially the same as those they failed to resolve at Seattle. A second failure would have fatally weakened the WTO: the question would have been posed, inescapably, whether it had become impossible, given its greatly expanded membership and the huge disparities among members, to move the work of the WTO forward through the mechanism of consensus decision-making. Some hard lessons were learnt in Seattle and we were determined not to repeat them in preparing for Doha. As a result, the consultations which produced the draft texts sent to ministers were undoubtedly the most transparent and inclusive that we have ever seen, as was the process in Doha. There is no doubt that improved working methods contributed enormously to the spirit of the meeting and to the outcome.

Several elements were key to the overall strategy for ensuring a successful outcome to the Doha Ministerial Conference. Firstly, we started early and focused in the first instance on restoring confidence after Seattle. In early 2000, a comprehensive set of confidence building measures were announced. These included initiatives to help least developed countries (LDCs), a reassessment of technical cooperation and capacity building activities, establishment of a separate mechanism to deal with implementation related issues and concerns, and the establishment of a dedicated process to improve transparency, inclusiveness and the effective participation of all members in the WTO. Throughout 2000, these confidence building measures took center stage in the WTO and had exactly the right effect. At the same time, the WTO Secretariat pursued several parallel outreach initiatives to members with only modest capacity to follow WTO activities or with no representation in Geneva at all. We also sought closer cooperation with international agencies such as the World Bank and the International Monetary Fund (IMF).

Secondly, in addition to these confidence building measures, 2000 also marked the launch of the mandated negotiations on agriculture and services which combined, account for over two-thirds of the world’s economic output and employment. Solid progress in these negotiations was achieved throughout 2000 and 2001, and in many respects these negotiations provided important momentum to our broader efforts. Advancing the highly sensitive agricultural negotiations to a point where members were willing to recognize and accommodate each others needs, and to make concessions to achieve consensus, was critical to success at Doha.

Thirdly, great care was taken to ensure the negotiating process for Doha was inclusive, transparent, and led by a “bottom-up” approach. At the very start of the process, the General Council chairman, Stuart Harbinson, permanent representative of Hong Kong, China, circulated a checklist of possible issues to be included on
the agenda for the Doha Ministerial Conference. This checklist provided the chairman with a framework to consult members intensively in informal open-ended General Council meetings. The immediate focus of the chairman’s process at this stage in the preparations was to clarify and build towards agreement on elements of the Doha agenda. This approach reflected the wishes of members, as expressed during discussions on internal transparency, for a transparent, yet flexible and efficient process. A very important feature of the “bottom-up” approach was the “proponent-driven” process, which placed the responsibility for bringing inputs into the General Council preparatory process with the proponents of particular issues.

Fourthly, during the two years between the Seattle and Doha Ministerial Conferences, WTO members spent considerable time and effort on the development dimension of the WTO and implementation-related issues. Due to the importance attached to these issues by a great many developing countries and its political sensitivity, high priority was given throughout the preparations to finding an early breakthrough for Doha. A dedicated process for addressing implementation-related issues, the Implementation Review Mechanism, was established by the General Council. Efforts to reach agreement on implementation issues intensified throughout 2000 and 2001. Members were continually urged to demonstrate flexibility and realism to ensure that this complex and politically sensitive set of issues became a positive contributor to the Doha outcome rather than a stumbling block. The confidence building measures mentioned above, including the package of market access improvements for LDCs, were very important. Following consultations that I initiated, many countries including Japan, the European Union, US, Canada, New Zealand and Norway, unilaterally announced significant new measures for “duty-free and quota-free treatment” for LDC exports.

Fifthly, particular attention was given to the external environment with a view to building momentum for a positive outcome at Doha. During the two year period between the ministerial conferences, I personally traveled over 625,000 kilometers, visited 182 cities and met more than 100 ministers. I was the first director-general to officially visit Africa and the Caribbean and to meet important groups such as the Organization for African Unity (OAU) and African, Caribbean and Pacific (ACP). I also kept in daily contact with ministers, as well as hosting and participating in many informal meetings of ministers. In these meetings, I signaled the urgent need both for active political involvement to allow for the necessary flexibility in negotiating mandates and for close, continuous follow-up by ministers to ensure the boost in political momentum carried through into action in Geneva and ultimately at Doha. At each of these meetings, I stressed the importance of ensuring adequate funding for technical assistance, improved coherence between international organizations so that developing country needs are better addressed and the importance of keeping the development dimension of the WTO at the core of any future work program. Considerable efforts were also taken to improve our outreach activities with civil society. Indeed, in the brief two year period between Seattle
and Doha, contact and dialogue with NGOs has intensified. Significantly, during this period, we also launched a whole series of initiatives to better inform and involve parliamentarians—the all too often forgotten elected representatives of civil society—who in the end are responsible for ratifying our agreements in their respective parliaments and congresses.

The Doha Development Agenda results

The outcome of the Doha Ministerial Conference was in doubt until the very end. While arguments in favor of launching a new round appeared to be gaining ground, especially after the tragic 11 September terrorist attacks, nothing concrete was agreed prior to the conference. Nevertheless, there was a sense among ministers throughout the meeting that a positive result was not only possible but necessary. The negotiating atmosphere, in contrast to Seattle, was largely constructive. At Doha, it was recognized that there was an urgent need for solidarity in the face of dangerous economic and political uncertainty. Yet the differences between members in some areas, particularly agriculture, environment, investment and competition, remained large and trade-off between issues that held the key to consensus elusive. It was only at the end of the conference that consensus on the final text was achieved. Tribute should rightly be paid to our hosts the Qatari Government, his Highness the Emir and especially to Finance, Economic and Trade Minister Youssef Hussain Kamal, whose skills were employed to great effect. It was clear that the relationship between the director-general, the host minister and the chairperson of the General Council was critical to success.

The result of the Doha Ministerial Conference is a three-year work program covering key sectors with development at the core. In agriculture, developing countries stand to gain substantial commercial benefits under the negotiating mandate. At present, according to the Organization for Economic Cooperation and Development (OECD), rich countries pay out US$1 billion a day to their farmers in agricultural subsidies; that is more than six times all development assistance going to poor nations. Negociations will open markets, and reduce “with a view to phasing out, all forms of export subsidies” any trade-distorting domestic farm support, while taking into account non-trade and development concerns, including through appropriate special and differential treatment in favor of developing countries.

In services, liberalization could mean gains of between 1.6 percent of gross domestic product (GDP) (for India) to 4.2 percent of GDP (for Thailand) if tariff equivalents of protection were cut by one-third in all countries, according to the World Bank. Telecommunications, finance, transport and business services have many links to the rest of the economy and raise the productivity of many sectors. Under the Doha Development Agenda, special priority shall be given to LDCs, and sufficient flexibility to developing countries. Negotiations will liberalize entry of
foreign services in as many domestic sectors as governments choose and make it easier to employ foreign workers on temporary contracts.

In the preparations for Doha, implementation-related issues were a high priority for many developing countries. About half the original 90 implementation issues raised by developing countries were addressed by a separate declaration adopted at Doha. Of particular note is the decision on the extension of exemptions for certain small developing countries which allows a longer phase out period for certain types of export subsidies. The remaining implementation issues will be addressed under the relevant negotiating mandates of the new work program or in the standing WTO bodies on a priority basis.

Market access for industrial goods is another immediate priority for developing countries. The negotiating mandate focuses on reduction or elimination of tariff peaks and tariff escalation, in particular on products of export interest to developing countries, as well as on non-tariff barriers. Here too, the mandate states that “the negotiations shall take fully into account the special needs and interests of developing and least-developed country participants.” Moreover, ministers agreed to capacity-building measures to assist least-developed countries, and committed themselves to “the objective of duty-free, quota-free market access for products originating from LDCs.” According to the World Bank, complete liberalization of merchandise trade and elimination of subsidies could add US$1.5 trillion to developing country incomes. Reshaping the world’s trading system and reducing barriers to trade in goods could reduce the number of poor in developing countries by 300 million by 2015 and boost global income by as much as US$2.8 trillion over the next ten years.

The negotiating agenda also touches on a range of “new issues.” It has been agreed to establish multilateral framework rules for competition policy and foreign direct investment, with negotiations proper beginning after the Fifth Ministerial Conference if the members so agree by explicit consensus. The Doha Ministerial Declaration also provides for possible negotiations after the Fifth Ministerial Conference on transparency in government procurement and on trade facilitation.

Trade and environment was one of the most difficult issues at Doha. The commitment to negotiate on the environment is focused on the relationship between existing WTO rules and the trade obligations in multilateral environmental agreements, and on the reduction or elimination of tariff and non-tariff barriers to environmental goods and services. In its continuing work program, the Committee on Trade and Environment is directed to give particular attention to the effect of environmental measures on market access, the relevant provisions of the agreement on Trade-Related Aspects of Intellectual Property (TRIPS) and labeling requirements for environmental purposes. The committee will make recommendations to the Fifth Ministerial Conference on future action which may include negotiations on these subjects.
On drugs patents and public health, a separate ministerial declaration states that the WTO’s TRIPS agreement “does not and should not prevent members from taking measures to protect public health,” adding that it should be interpreted and implemented in a manner “supportive of WTO members’ right to protect public health and, in particular, to promote access to medicines for all.” This declaration is a shot in the arm for global efforts to address the public health problems afflicting many developing and least-developed countries, especially those resulting from HIV/AIDS, tuberculosis, malaria and other epidemics.

Near universal coverage
Ministers at Doha also successfully concluded the membership negotiations of China and Chinese Taipei. The importance of these accessions cannot be overstated. Membership of the WTO will commit China to implement legal and domestic policy reform. For other WTO members, China’s accession will cement and accelerate the benefits of the liberalization undertaken in China over the last 20 years. After implementing all its commitments, China’s average bound tariff level will decrease to 15 percent for agricultural products, and to 8.9 percent for industrial goods. In Chinese Taipei, tariffs will fall an average of just over 4 percent for industrial goods and to an average of just under 13 percent for agricultural items.

In addition to China and Chinese Taipei, the WTO accepted two other members in 2001: Lithuania (31 May), Moldova (26 July). Since Seattle, a total of about a quarter of the world’s population—some 1.5 billion people—have joined the WTO. Another 28 countries are currently negotiating their terms of membership. The WTO’s multilateral trading system is now near-universal covering more than 97 percent of total global trade.

The road ahead
In terms of the roadmap ahead, I have set a number of objectives that I believe will facilitate our members to conclude their work on the Doha Development Agenda by the tight deadline of 1 January 2005. Some of these have already been achieved and others are being put in place.

Firstly, the Doha success was built on a preparatory process that was transparent and inclusive. We share a collective responsibility to ensure these principles are carried into our future work. We must also ensure all our members, large and small, rich and poor, are given every assistance and opportunity to participate fully in our negotiations. For example, one initiative, the Geneva Week, which assists non-resident member officials to participate more fully in the work of the WTO is now mainstreamed and will be held twice a year.

Secondly, the WTO Secretariat has been reorganized to reflect the work priorities of the Doha Development Agenda, as set out by ministers. New resources have been directed towards mandated negotiations and work programs, technical cooperation and capacity building, accessions, coherence and outreach. Efficiency
gains and cost savings are being introduced. We will also review matters further in light of decisions taken by members on the trade negotiating machinery.

Thirdly, the reorganization of the secretariat has been supported by a budget approved by members for 2002 that closely reflects the priorities identified by ministers in Doha. Our budget for 2002 is around US$87 million, representing an increase of 6.75 percent over 2001.\textsuperscript{7} This is a good budget and an important first step. It is focused and balanced and helps us to deliver on the promise of Doha, particularly in terms of meeting increased technical assistance and training needs of developing countries. For instance, in the new budget, additional funding is provided to allow us to double the number of trainees from developing countries who can attend the recently established WTO Training Institute. In addition to increasing the regular budget, members are also delivering on their promise through specially targeted extra budgetary resources. In this regard, members have established the Doha Development Agenda Global Trust Fund with a proposed core budget of approximately US$9 million to provide secure and predictable resources to build capacity.\textsuperscript{8} To ensure that the necessary resources are forthcoming to the Global Trust Fund, plans to hold a Pledging Conference in the early part of 2002 are underway. We are also developing a regional model for capacity building with the Inter-American Development Bank, which could potentially be replicated by other development banks.

Fourthly, the development dimension of the WTO will be a cross-cutting theme in our future activities. The Doha Development Agenda recognizes that technical assistance and capacity building are essential to help developing and least-developed countries implement WTO rules and obligations, to prepare for effective participation in the work of the WTO, including in relation to future negotiations and the extensive work program envisaged, and thus to benefit from the open, rules-based multilateral trading system. All WTO members and the secretariat thus share joint responsibility for the challenge of providing enhanced support for technical assistance and capacity building for developing and least developed countries. A good first step has been taken to meet this challenge in our new budget. However, the WTO secretariat is neither the only nor the major instrument available in the international community for trade-related technical assistance and capacity building. There are a multiplicity of international agencies and donor governments involved in such technical cooperation. This multiplicity is welcomed but it carries with it a pressing need for coordination on the part of donors, recipients and agencies. In this regard, the WTO Secretariat will usefully act as a “clearing-house” or repository of information for WTO-related technical assistance, ensuring that both donors and recipients are fully and promptly apprised of ongoing efforts to meet the requirements set out in the Doha Development Agenda.

Fifthly, related to technical assistance, we will be focusing more closely on issues of coherence so we can produce models of cooperation and synergies with other institutions better suited to deliver fair results since Doha. I have already met
representatives of international agencies based in Geneva and I will continue to pursue coherence issues when I meet heads of agencies. Our staff resources in this area should also be reinforced. Of course, coherence is an issue that needs to be pursued by all stakeholders. Those seeking assistance need to be more specific about their needs. Donors need to better coordinate their own efforts both in capitals and amongst each other. The same is true of international agencies. Duplication and wastage is costly, not only in financial terms but in precious time and credibility.

Sixthly, we need to be more creative in our dealings with wider society including groups such as parliamentarians. Ministers have instructed this of us. A major symposium is planned for April this year, which will address the concerns expressed by some ministers at Doha on our relations with the public. Already, useful suggestions for the agenda of this symposium are emerging. They include development issues (such as trade and debt, trade and finance and the impact of technology and the digital divide); issues of participation and the problems of capacity constrained missions; the functioning and financing of the WTO; external relations; issues of social justice and the social, economic, environmental and political impacts of globalization. Much more consideration needs to be given before our agenda is finalized. A Group of Advisors, comprising some of the world’s most authoritative and distinguished experts on the multilateral trading system and the WTO, has been established to help us to think creatively about the challenges we face.

Distinct from the steps that the WTO secretariat can take are those which are rightfully within the prerogative of our members. WTO is first and foremost a “member-driven” organization led by ministers. It is therefore vital that our members start now to create the momentum to undertake and conclude the Doha Development Agenda negotiations within three years. Early agreement is needed on details of the structure for dealing with the work program from Doha. We have made a good start in this direction as members have shown their desire to get down to business quickly. Contrary to many expectations, members took only one meeting to decide that the venue for the Fifth Ministerial Conference should be Mexico. Our hosts have responded by commencing immediately to prepare the groundwork for hosting the conference.

During 2002, I intend to continue to urge members to build on the momentum from Doha towards the next ministerial conference in Mexico. WTO member governments assembled for the first meeting of the Trade Negotiations Committee (TNC) in January and reached a broad agreement on the structure of the negotiations launched at Doha. They elected the WTO director-general ex officio to chair the TNC. They also outlined the guidelines and procedures for the negotiations which are scheduled to run until 1 January 2005. The TNC agreed there should be a number of negotiating bodies, on agriculture, services, non-agricultural market access, rules, trade and environment, geographical indications for wines and spirits under the agreement on TRIPS and reform of the dispute settlement understanding (DSU).
Negotiations on agriculture, services, environment, TRIPS, and the DSU reform will all be conducted in special sessions of the regular committees and councils where these issues are discussed. New negotiating groups will be created for negotiations in non-agricultural market access and rules. Existing special and differential treatment provisions for developing and least-developed countries will be reviewed in special sessions of the Committee on Trade and Development. The TNC and all other negotiating bodies and groups will operate under the authority of the General Council, as decided by ministers in Doha. Early settlement of the procedural issues related to the establishment of the TNC will help members to commence addressing substantive matters and save valuable time.

The other steps that are being taken to help build on the Doha momentum include reaching out to countries to accelerate their accession process and further their integration into the multilateral trading system. Since Doha, I have visited countries in the process of accession such as Cambodia, Vietnam and Ethiopia, and convened a meeting of all ambassadors in Geneva representing countries in accession. The Accessions Division of the WTO secretariat has also been strengthened. In 2002, we will be preparing a program of activities that will give heightened attention to particular regions. Immediately following Doha, I met Ambassadors from Arab countries to discuss our Arab Strategy. We are increasing our resources in this area, in line with the Doha outcomes, and I have invited delegations to give me ideas for accelerating their accession processes. We are also increasing our efforts in favor of LDCs and economies in transition. Major initiatives are also being planned in coordination with other institutions in the Balkans and Central Asia. These areas have regrettably not been given adequate attention in the past.

Because of the commitment of our members, I believe we can now claim with confidence that we have truly given birth to the WTO. It is now not the old GATT with a few, symbolic gestures to the new global realities, but better reflects the new needs of our wider membership and instructions from ministers.

Notes
1. This calculation is based on a three-year average for the period 1998–2001.
3. Ibid., para.16
4. Ibid., para.42
5. World Bank, Global Economic Prospects and Developing Countries, 2002
7. The WTO Budget is officially in Swiss Francs. For 2002, the budget is CHF143 million.
8. The official target for the Doha Development Agenda Global Trust Fund is CHF 15 million.