The G20 and the NAMA 11: 
The Role of Developing Countries in the WTO Doha Round

Faizel Ismail

ABSTRACT

The formation of the G20 group of developing countries in Cancún and the NAMA 11 in Hong Kong set the stage for a more assertive role to be played by developing countries in the WTO Doha Round. The author argues that whilst these major developing country groupings adopted a “welfarist approach” (a focus on their own well being) in the early stages of their development, they have increasingly begun to play the role of “agency” (“active agents of change”). However, the evolution of the role of the G20 and NAMA 11 to that of an agency role has been a learning process propelled by their active engagement with other developing country groups and the wider membership. In this latter role the G20 and NAMA 11 have begun to articulate and defend the interests of other developing country groups (such as the Africa Group, ACP, SVEs and LDCs), thus laying the bases for the building of common platforms. They have taken this process one step further in advancing the objective of a fair, balanced and development oriented multilateral trading system for all members of the WTO.

CONTENTS

I. INTRODUCTION ................................................................. 82
II. FROM DOHA TO CANCÚN .................................................. 85

1 This article is based largely on the author's new book, See ISMAIL, F., MAINSTREAMING DEVELOPMENT IN THE WTO. DEVELOPING COUNTRIES IN THE DOHA ROUND (2007). Faizel Ismail is the head of the South African Delegation to the World Trade Organization. He joined the new democratic government of South Africa in 1994 as it began its transition to re-integrate with the world economy and led South Africa's trade negotiations, with the European Union, the Southern African Development Community, the Southern African Customs Union, with a number of bilateral trading partners and the WTO. He joined South Africa's Mission to Geneva in May 2002. This paper is written in his personal capacity.
A. The EU rejects the Harbinson Agriculture Text! ....................... 87
B. The Cairns Group .......................................................... 87
C. The Genesis of the G20 ....................................................... 89
D. The Cancún Ministerial Conference ...................................... 90
E. Assessment – the failure of Cancún and the role of the G20 ....... 90

III. THE JULY 2004 FRAMEWORK AGREEMENT ............................. 91
A. The G20 succeeds in advancing its interests in the agriculture ...... negotiations – the Welfare Role ........................................... 92
B. The G20 and other developing country groups – the role of Agency .............................................................................. 93
D. An Evaluation of the NAMA text ........................................... 95

IV. THE HONG KONG MINISTERIAL CONFERENCE ...................... 96
A. On the Road to Hong Kong ....................................................... 96
B. What happened in Hong Kong? .............................................. 96
C. An Evaluation of the Agriculture Text – the G20 plays a Welfare and Agency role ............................................................... 97
D. An Evaluation of the NAMA text and the formation of the NAMA 11 ............................................................................... 98

V. FROM HONG KONG TO THE SUSPENSION OF THE DDA IN JULY 2006 ........................................................................ 99
A. From Hong Kong to the missed April 2006 Deadline ............... 99
B. Another failed attempt to conclude Modalities in June/July 2006 ......................................................................................... 100
C. Evaluation of the Suspension of the Doha round ...................... 101
D. The G20 and the NAMA 11 continue to play a Welfare and Agency role ............................................................................... 102

I. Introduction

Since the 5th WTO Ministerial Meeting that was held in Cancún, Mexico, in September 2003, the G20 alliance\(^2\) of developing countries has become a formidable and well known coalition in the WTO Doha Round negotiations. The NAMA 11 group\(^3\) of developing countries which was formed at the 6th WTO Hong Kong Ministerial Meeting is less well known. However, in the period since the Hong Kong Ministerial meeting, the NAMA 11 has become a significant group in the Doha Round negotiations on industrial tariffs (NAMA – Non-Agricultural Market Access), playing a similar role that the G20 is playing in the Doha Round agriculture negotiations. Other developing country groups, including the Least Developed Countries (LDCs), the Small and Vulnerable Economies (SVEs), the African, Caribbean and Pacific Group (ACP), and the Africa Group, have also played an increasingly assertive role in the WTO Doha round. These groups have jointly become known as the G90 group of developing countries. The G33 group\(^4\) of developing countries,

\(^2\) The G20 is an alliance of developing countries based on agricultural trade. It was formed in the period before the WTO Cancún Ministerial Conference held in September 2003. The members of the G20 include; Argentina, Brazil, Bolivia, Chile, China, Cuba, Egypt, Guatemala, India, Indonesia, Ecuador, Mexico, Nigeria, Pakistan, Paraguay, Peru, The Philippines, South Africa, Tanzania, Thailand, Uruguay, Venezuela, and Zimbabwe.

\(^3\) The NAMA 11 Group of developing countries was formed in the period shortly before the Hong Kong Ministerial Conference in December 2006. The NAMA 11 includes Argentina, Brazil, Egypt, India, Indonesia, South Africa, Philippines, Namibia, Tunisia, and Venezuela.

\(^4\) The G33 is an alliance of 47 developing countries in the WTO focused on defending their interests in subsistence based agriculture, food security and rural livelihoods. They include: Antigua and Barbuda, Barbados, Bolivia, Belize, Benin, Botswana, China, Cote d'Ivoire, Congo, Cuba, Dominica, Dominican Republic, El Salvador, Grenada, Guatemala, Guyana, Haiti, Honduras, India, Indonesia, Jamaica, Kenya, Korea, Madagascar, Mauritius, Mongolia, Montserrat, Mozambique, Nicaragua, Nigeria, Pakistan, Panama, The Philippines, Peru, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Senegal, Sri Lanka, Suriname, Tanzania, Trinidad and Tobago, Turkey, Uganda, Venezuela, Zambia, and Zimbabwe.
representing countries with predominantly small farms and concerned to protect their rural development, livelihood, and food security needs, is another important developing country alliance that was formed on the eve of the Cancún Ministerial Meeting.

This paper will evaluate the role of the G20, a group that was created to advance the common interests of its members in the agriculture negotiations; and the NAMA 11, a developing country coalition created to advance the interests of its members in the NAMA negotiations. It will be argued that while these groups adopted a "welfarist" approach in the early stages of their development (that is, one focused on "their own well being") they have increasingly begun to play an agency role (that is as "active agents of change"). Amartya Sen, in his analyses of the role of women in society, argues that in the early stages of their development, the women’s movements concentrated mainly on women’s wellbeing. However, their concentration gradually evolved and broadened from this welfarist focus to an active role of women’s agency. In this latter role women are seen 'as active agents of change; the dynamic promoters of social transformations that can alter the lives of both women and men.'

Sen uses the example of the Grameen Bank, started by another Nobel Prize winner, Muhammed Yunus, in Bangladesh. The Bank began a microcredit movement aimed at providing credit to women borrowers – a welfarist role. However, this movement, he states, also went on to play a greater role in making other major changes in society – the role of agency. Similarly, the author’s experience in the trade union movement in South Africa in the 1980s saw the trade unions initially being created to address their own wellbeing or welfare interests. However, in the context of apartheid South Africa, these trade unions soon became involved in the struggle for their political rights as well as the rights of other groups that were discriminated against for their race, gender or sexual preference. The trade union movement thus also began to play an agency role in the broader transformation of society and has become a pillar of South Africa’s new democracy.

In this paper the author uses the concept of "own well being" or "welfarist" approach to refer to the objective of the G20 and NAMA 11 groups to redress the continuing inequality and inequity that persists in the WTO, with regard to the interests of developing countries. These inequities, or what Rorden Wilkinson has called "asymmetry of economic opportunity," have been institutionalized in the GATT/WTO since its creation in 1947. The "welfarist approach" to the WTO negotiations focuses on these inequities and narrower interests (self-interest) of the G20 and NAMA 11 members. The concept of agency, Sen argues, "refers to the pursuit of goals and objectives that a person has reason to value and advance, whether or not they are connected with the person's own well-being." It is argued that adopting an agency role in the current WTO Doha round requires the G20 and the NAMA 11 groups of developing countries to also support the interests and concerns of the least developed countries, and other small and vulnerable economies. However, as Sen argued, there is an overlap between the two approaches (of welfare and agency). Therefore, in adopting an agency role, the G20 and NAMA 11 groups will also be advancing their own narrower welfare interests (self-interest).

The evolution of the role of the G20 and NAMA 11 from a "welfarist" approach to an "agency" role has been a learning process propelled by their active engagement with other developing country groups and the wider WTO membership. In this latter role the G20 and NAMA 11 have begun to articulate and defend the interests of other developing country groups, even where this would require them to adjust and transcend their own narrow self interest. This process has laid the basis for the building of common platforms (such as the G110 – i.e., the G90 plus the G20) by developing countries to advance their common interests, and to prevent attempts by the major trading partners to foist unfair deals on them. In striving to support the interests of other developing country groups in the WTO, especially the least developed countries and other small and vulnerable economies, it will also be argued that the G20 and NAMA 11 groups have contributed to advancing the objective of a fair, balanced and development-oriented multilateral trading system for both developed and developing country members of the WTO. The role of

agency of these groups is thus vital for the development of the WTO and the multilateral trading system as a fair, balanced and development-oriented institution.\(^8\)

This paper will focus on the role of the G20 and NAMA 11 group of developing countries and discuss the evolving relationship between the G20, the NAMA 11 and the G90 group of developing countries since the launch of the Doha Round. The paper will review and evaluate the progress made by the G20 and the NAMA 11 groups in the Doha negotiations. The role of these groups in advancing the interests of their members, i.e., their welfarist role, will be discussed. This assessment will also extend to the agency roles of these groups, especially in advancing the interests of the majority of developing countries in the WTO, namely, the SVEs and LDCs. This discussion will be divided into five phases: i) From Doha to Cancún (Section 2); ii) The WTO July Framework Agreement (Section 3); iii) The Hong Kong Ministerial Conference (Section 4); iv) From Hong Kong to the Suspension of the Doha Round (Section 5); v) The collapse of the G4 in Potsdam and the Draft Agriculture and NAMA modalities texts in July 2007 (Section 6). In the conclusion (Section 7), the paper will provide an overall assessment of both the welfarist and agency roles of the G20 and the NAMA 11 in the context of the unfolding Doha negotiations.

## II. From Doha to Cancún

The Doha Round was launched in November 2001, in the wake of the September 11 terrorist attack on the USA. The threat to global security focused the minds of the major players to unite in a common effort to build a more secure and peaceful world. The Doha Round thus promised to focus on the needs and interests of developing countries. It was to build on the decision of world leaders at the UN Millennium Summit, held in 2000, to launch the Millennium Development Goals that aimed to halve world poverty by 2015.\(^9\)

---


The Doha Ministerial Conference had launched a broad-based round of multilateral trade negotiations that included agriculture; services; certain aspects of intellectual property rights (TRIPS); industrial tariffs; rules (anti-dumping, subsidies); and trade and the environment. In addition, four other areas were to be considered for inclusion in the negotiations, if WTO members would agree on them by consensus at the subsequent Fifth Ministerial Conference at Cancún: investment; competition; transparency in government procurement; and trade facilitation. All negotiations were to be concluded by December 2004.¹⁰

Three key issues of great interest to developing countries – public health and TRIPS, special and differential treatment, and other problems with existing agreements (the so-called 'implementation issues') – had interim deadlines in December 2002. These were missed. The review of the dispute settlement system (DSU), which is not part of the Doha Round single undertaking, was agreed to be concluded by May 2003. This deadline too has been extended several times, with no agreement having been reached yet.¹¹ Consensus, however, was finally reached on the waiver for TRIPS and public health in August 2003¹² and an Amendment in December 2005¹³ – on establishing a mechanism that would allow countries with no, or insufficient, manufacturing capacity to import medicines for public health reasons under compulsory license. Two other deadlines were, however, missed. There was agreement in Doha that a range of provisions on special and differential treatment in favour of developing countries would need to be made operational and effective by December 2002. This deadline passed. Lastly, a range of implementation issues facing developing countries were also to be resolved by December 2002. Again, no progress was made on these issues.¹⁴

¹⁰ WTO doc, WT/MIN (01)/ (Nov 20, 2001).
¹¹ UNCTAD, What Should Developing Countries Be Requesting In the Doha Round With Regard To The WTO Dispute Settlement Understanding?, UNCTAD, (MAY 2003)
¹³ WTO doc, WT/L/641, (DEC 8, 2005).
The central issue of the Doha Round was agriculture. The built-in Agenda of the Uruguay Round had failed to make any real progress on agriculture liberalisation. The EU demanded a broad round, including several issues that could serve as trade-offs for concessions that they would need to make in agriculture.

The Doha Declaration had decided that modalities on Agriculture must be agreed by March 2003. The Chair of the Agriculture negotiating group, Stuart Harbinson, the Permanent Representative of Hong Kong, was in a very difficult position as he began to write his first draft text. There was very little engagement amongst the members. The EC only presented its proposal on the 16th of December which was described as 'too little too late' by the Cairns Group. The work programme agreed to call on the Chairperson to prepare an overview paper by the end of the year and provide a first draft of modalities in February 2003 and which was to be finalised by the end of March 2003. The text produced by the Chair – 'the Harbinson Text' – was roundly criticised from all sides.\textsuperscript{15} The Cairns Group\textsuperscript{16} and the US were prepared to use the text as a basis to continue the negotiations. However the EU refused to work with the text as a basis for negotiations and it gradually fell by the wayside.

B. The Cairns Group

At the time of the launch of the Doha Round the main demander for agricultural liberalisation was the Cairns Group.\textsuperscript{17} The Cairns group had a long history of fighting for the cause of agriculture liberalisation. It combined


\textsuperscript{16} A group of Three developed and Fourteen developing countries that are relatively competitive agricultural exporters. Pakistan became a member in 2006.

\textsuperscript{17} During the Uruguay Round, the Cairns Groups constituted a coalition of fourteen countries including: Argentina, Australia, Brazil, Canada, Chile, Colombia, Fiji, Hungary, Indonesia, Malaysia, New Zealand, the Philippines, Thailand and Uruguay. See Hoekman, B., & Kostecki, M., *THE POLITICAL ECONOMY OF THE WORLD TRADING SYSTEM: FROM GATT TO WTO* (2001).
the long struggle of developing countries to gain access to world markets for their exports of agricultural commodities, particularly tropical products, with that of some developed countries including Australia, New Zealand, Canada and Hungary. The Cairns Group worked closely with the United States during the Uruguay Round until the EU–US Blair House agreement in November 1992 settled for a lower level of ambition in agriculture.\textsuperscript{18}

In the first year of the Doha round the Cairns Group worked closely, once again, with the US. The Cairns Group in its efforts to gain greater access to developed country markets was supported by a significant number of developing countries. A majority of developing countries also wanted to reduce the high levels of trade-distorting subsidies of the developed countries as this high level of protection impacted negatively on their development prospects. India and the ACP group of countries were, however, concerned about some short-term negative effects of an ambitious multilateral liberalisation agenda. The ACP countries feared that faster multilateral liberalisation by the EU may erode ACP preferences, with negative consequences for their access to EU markets. India, for its part, was cautious about the liberalisation of its market, arguing that its small-scale farmers and rural population of 650 million people will need to be protected from subsidized EU imports.\textsuperscript{19}

The EU had been campaigning amongst the ACP countries to support its approach to gradual liberalisation and reform of its protection with the argument that this will favour the ACP countries by stemming the erosion of their preferences. Thus at the March 2003 TNC Meeting the EU gained the support of almost 70 countries, including India, in favour of a gradual approach to liberalisation on the basis of the Uruguay Round tariff reduction formula. These developing countries were afraid of the potential negative effect of the more aggressive liberalisation approach of the Cairns Group and the US on their small farmers, rural development, and food security.\textsuperscript{20}

\textsuperscript{18} Supra note 6 at 24.
\textsuperscript{19} See also Ismail, F., On the Road to Cancún—A Development Perspective on EU Trade Policies and Implications for Central and East European Countries, 4 J. WORLD INVESTMENT & TRADE 4, (2003).
countries were thus divided and in flux on the agriculture negotiations at this stage of the Doha Round.

C. The Genesis of the G20

The EU-US joint text tabled on the 13th of August 2003 galvanised developing countries into action to prevent another Blair House type of agreement that would accommodate the interests of the EU and the US and reduce the ambition of the round once again.21 In addition the joint text agreed on by the EU and the US on agriculture took the negotiating process further back by agreeing to a mere ‘framework’ for the agriculture negotiations just a few weeks (August 13th 2003) from the Cancún Ministerial meeting. The Doha mandate envisaged agreement on ‘modalities’ for the agriculture negotiations by March 2003. Brazil and India developed a draft framework proposal that quickly gained the support of other developing countries including China, South Africa, Indonesia, Philippines, and Argentina. The group, which was later to become known as the G20, was based on the need for developing countries to advance liberalisation and reform of agriculture in the developed world, with social justice and development in developing countries.22

The first draft text23 of the G20 combined the need to be aggressive on the reduction of trade-distorting domestic support, the elimination of export subsidies, and enhanced market access in the developed countries, with sufficient flexibilities for developing countries in order to enhance their rural development, livelihood and food security needs. The text spoke of the need to address the issue of preference erosion, which was a concern of ACP countries, and supported the demand for duty-free, quota-free market access for LDCs in developed countries. The G20 took a pragmatic approach to the

---

21 Ismail, F., Agricultural Trade Liberalisation and the Poor: A Development Perspective on Cancun, 8 BRIDGES 1, (2004).
22 Amorim, C., Statement to the 60th Session of the UN General Assembly, (Sept 17, 2005), at http://www.mre.gov.br/ingles/politica_externa/discursos/disco_ro_detalhe3.as
23 See WTO doc, Agriculture Framework Proposal, Joint Proposal by Argentina, Bolivia, Brazil, Chile, China, Colombia, Costa Rica, Cuba, Ecuador, El Salvador, Guatemala, India, Mexico, Pakistan, Paraguay, Perú, Philippines, South Africa, Thailand and Venezuela, WT/ MIN(03)/W/6 (Sept 4, 2003).
achievement of modalities and its text spoke of a "framework," rather than full modalities, to be agreed on in Cancún. The text thus combined the interests of the more competitive agricultural exporting Cairns Group members, such as Brazil, Argentina, Uruguay, Thailand, and the more cautious and less competitive agricultural producers such as Indonesia, India, China, etc.

D. The Cancún Ministerial Conference

The Cancún Ministerial Meeting was intended to be a review of progress made in the Doha Development Agenda. The Chair of the Ministerial Meeting, Minister Ernesto Derbez of Mexico, released his second Draft Ministerial Text on day 4 of the 5-day meeting. In the formal meeting that followed, developing countries in the G20 formation, and the numerically large Africa, ACP and LDC groups criticised the Chair's text as an unacceptable basis for negotiations. These countries believed that the text was unbalanced, and did not adequately reflect their interests and concerns. Alarmed at the reaction to his text and the attendant possibility of the failure of the Ministerial, the Chair decided to call the entire conference to a halt.24

E. Assessment – the failure of Cancún and the role of the G20

The unexpected closure of the Cancún Ministerial Meeting was a particularly great disappointment to the G20. The proximate cause of the breakdown of the meeting was the so-called Singapore issues. With more time, an acceptable compromise could have been found on the Singapore issues. However, on the more fundamental issues of agriculture (including cotton subsidies), the political conditions were not in place to overcome the divide. This was the real cause of the breakdown in the negotiations.25

The pressure on the G20 members from the developed countries was severe. At Cancún, the Minister of Trade of El Salvador announced that he regretted that his country had to withdraw from the G20. The pressure grew, and soon after the Conference, both Colombia and Peru announced their

24 Erwin, A., Developing Countries Were Held to Ransom in Cancún, FINANCIAL TIMES, Sept 29, 2003. See also supra note 22.
25 Id.
withdrawal. Within a few weeks this was followed by the withdrawals of Costa Rica, Guatemala and Ecuador. However, the G20 did not fall apart. More countries did join. By November 2007, Zimbabwe and Tanzania joined the G20 bringing the membership from Africa up to 5 (along with South Africa, Egypt and Nigeria). The silver lining was that developing country negotiators had come of age – they had galvanised a formidable group and skilfully forged a common negotiating position that had captured the attention and sympathy of the world. This was indeed a sound platform for the G20 and other developing countries to continue to negotiate for a fair and freer global market for agriculture. Thus, the G20 had begun to play a welfarist role in defending and advancing the interests of its members in the agriculture negotiations. However, it had also begun to play a broader agency role by providing leadership to the Round in its engagement with the major players and by striving to build convergence with other developing country groups.

III. The July 2004 Framework Agreement

In the period subsequent to the Cancún Ministerial, the G20 held a Ministerial Meeting in Brasilia on the 11th and 12th of December 2003 and invited Pascal Lamy, the then Commissioner of the EU, in an attempt to re-engage and reignite the negotiations. The G20 Ministerial Communiqué asserted the inclusive approach and consensus building role of the G20 by pointing to the diversity of its membership. It recognized the concerns of some developing countries with regard to the vexed issue of preference erosion, and supported the need to address the special concerns of LDCs. The G20 Communiqué noted that the Cairo Mini-Ministerial Meeting held in November had stated that there was a large degree of convergence between the G20 and the Africa Group.

A few months after the Cancún Ministerial Conference (by December 2003), the EU agreed to meet with G20 Ministers in Brasília, and the USTR (Bob Zoellick) sent a letter to all WTO Ministers in the first week of January 2004, changing its tone from rebuke and criticism to constructive dialogue.

Thus began the “Pascal and Bob” roadshows, with both Pascal Lamy and Bob Zoellick travelling to several capitals to discuss the re-launch of the negotiations. In the third week of March 2004, the US initiated an agriculture negotiating group of five countries – US, EU, Australia, India and Brazil, which began to meet regularly in the next few months (almost 7 or 8 such meetings were held) until the end of July 2004.

This process stimulated negotiations in the WTO TNC resulting in the July 2004 Framework Agreement which was based on five prioritized issues of the Doha round: Agriculture, Cotton, NAMA, Singapore Issues and the so-called “Development Issues.” In the overall evaluation below of the July Framework Agreement, the author will discuss the advances made by developing countries in the G20 in advancing their welfarist interests and their agency role in advancing the interests of other developing countries. The author will then discuss the outcome of the negotiations on NAMA in the July Framework Agreement and provide a brief assessment of this outcome.

A. The G20 succeeds in advancing its interests in the agriculture negotiations – the Welfare Role

The commitment made in the July 2004 Framework Agreement by developed countries to eliminate their export subsidies and make substantial reductions in their trade-distorting domestic support levels, together with the promise of substantial market opening, even for their sensitive products (through TRQs), had built the foundations for a potentially ambitious result for the removal of protection and distortions in global agricultural markets. Developing countries were successful in ensuring that the principles of “proportionality” and of “lesser reductions” were to be applied to their tariff reduction commitments. In addition, the text had a number of provisions which went beyond the traditional special and differential treatment provisions. The market access section agreed to allow developing country

---

27 Zoellick travelled to nine countries in ten days, including India, China, Indonesia, Pakistan, South Africa, Mombasa and Kenya (18th February). He also attended the CAIRNS Group meeting in Costa Rica (23rd February).

members to designate an appropriate number of products as “special products” based on the criteria of food security, livelihood security and rural development needs.

Thus the G20 had played a significant welfarist role in advancing the interests of its members. These decisions also marked an important break towards more balanced and fairer rules in the WTO.

B. The G20 and Other Developing Country Groups – the role of Agency

The July Framework Agreement included the cotton issue within the context of the agriculture negotiations, and not as a stand alone issue that would be fast-tracked as the so-called Cotton 4 countries (Benin, Chad, Burkina Faso and Mali) had initially demanded. However, the Agreement promised to ensure that the issue of cotton would be dealt with “ambitiously, expeditiously and specifically”29 This decision was a platform that the developing countries affected by the cotton issues could build on. The July General Council Decision recognized the “complementarity between the trade and development” aspects of the cotton issue. The Secretariat was urged to work with the “development community” viz., multilateral and bilateral agencies. The G20 had worked closely with the Cotton 4 countries and the Africa group on the cotton issue and contributed to this positive outcome.

While the G20 and the other smaller economies (SVEs) had begun to forge closer relationships, there was still some tension between developing countries on preference erosion and the specific needs of SVEs. Here the EU had stolen a march on the G20 with Pascal Lamy, the then Commissioner of the EU, calling for SVEs to be granted a “round for free.” However, the text did reflect an emerging compromise in recognising the special needs and concerns of these economies, as they were becoming increasingly assertive and organised in the G90 group of developing countries (ACP, the Africa Group and the LDCs). The G20 had played a role in forging this compromise, but had yet to meaningfully engage with these issues of concern to the smaller developing countries.

C. Non-Agricultural Market Access and the July 2004 Framework Agreement

In the area of industrial products or non-agricultural market access, the Doha mandate agreed to "reduce or as appropriate eliminate tariffs...in particular of export interest to developing countries."30 In the Doha Declaration it was agreed that the deadline for modalities for NAMA should be at the end of May 2003, after the deadline for the modalities on Agriculture, which was agreed in the Doha mandate to be the end of March 2004. Thus, the Chair of the NAMA negotiating group prior to Cancún, Ambassador Girard, began work on developing these modalities. A number of countries put forward proposals for tariff-cutting formulae. The Chair modified these proposals and advanced his own compromise formula and proposal — “Elements of Modalities for Negotiations on Non-Agricultural Products,”31 - known as the Girard Proposal. The Girard Proposal contained a number of elements including: a formula for tariff reductions, a sectoral approach, special and differential treatment provisions, recognition of the particular situation of newly acceded countries, a supplementary approach that included zero for zero, sectoral harmonization and request and offer approaches, negotiations to reduce non-tariff barriers and the provision of technical assistance to developing countries during the negotiations.

Despite being roundly criticised by developed and developing countries, the Girard formula succeeded in providing a basis for the negotiations on modalities for non-agricultural market access. However, as the process of developing modalities was diverted both by the failure to reach agreement on agricultural modalities at the end of May 2003 and the EU-US Joint Text agreed on the 13th of August 2003, the WTO decided to also produce a “Framework Agreement” for the Cancún Ministerial Meeting to be in line with the Agriculture negotiations.

Annex B of the Cancún Text "Framework for Establishing Modalities in Market Access for Non-Agricultural Products"32 was criticised by developing

32 See WTO JOB (03)/150/Rev.2.(JUNE 2003)
countries, before and at Cancún, for being biased in favour of developed countries and not paying sufficient attention to the principle of “less than full reciprocity” called for by the Doha mandate. In particular the Cancún Text was criticised by developing countries for calling for a “non-linear formula”\textsuperscript{33} and mandatory sectoral tariff reductions.\textsuperscript{34} The Cancún Text was not adopted due to these criticisms and the collapse of the meeting.

In the period up to the July 2004 Ministerial Meeting, some of the major delegations began to display flexibility in their approach to the NAMA Framework. Bob Zoellick, the USTR, in his conciliatory letter to WTO Ministers in January 2004 called for both ambition and flexibility. However, in the negotiations in the months before the July GC meeting, developed countries\textsuperscript{35} began to insist that the Cancún Text (or the Derbez Text, as it is referred to) should not be amended but accepted as is, in spite of the criticisms and objections of developing countries to this Text.

However, developing countries insisted that the Derbez Text remained open to negotiation and that the views and perspectives of developing countries could be included in the Post July negotiations for the development of modalities. Thus, Annex B of the July Package on NAMA called for additional negotiations on the elements of the Derbez Text. These issues included: the treatment of unbound tariffs, the flexibilities for developing countries, participation in sectoral negotiations and the issue of preference erosion.

D. An Evaluation of the NAMA text

Developing countries thus succeeded in ensuring that the Derbez Text was not imposed on them. The July Framework agreement on NAMA made it possible for the elements of the Derbez Text to be further negotiated and

\textsuperscript{33} See \textit{id} at para 3, Annex B. Some developing countries argued that when this was applied to their own tariff reductions, it would create relatively significant adjustment burdens compared to that of developed countries whose tariffs were relatively low already.

\textsuperscript{34} Some developing countries were willing to entertain the possibility of sectoral negotiations but only if this was decided on a voluntary basis. They feared that the burden of adjustment for them would be relatively large especially if the most sensitive of their sectors were targeted for sectoral tariff reductions.

\textsuperscript{35} Developed Countries created an informal negotiating group to support the Derbez Text, called “Friends of Ambition.”
ensure that the outcome of the negotiations on modalities would be more balanced and take into account the interests of developing countries. The debate on the substance of the "framework" was thus postponed. Developing countries were fragmented on the approach to the formula for tariff cuts at the time of the July Framework Agreement. However, they did succeed in ensuring that the opportunity to further negotiate the modalities was not foreclosed.

IV. The Hong Kong Ministerial Conference

A. On the Road to Hong Kong

The group of Five Interested Parties (FIPS) that included the US, EU, Brazil, India and Australia began to re-engage on the substantive issues in the agriculture negotiations, in early 2005. The FIPS group was further rationalised to a Group of four – the G4 (EU, US, India and Brazil). However, several meetings of these groups, both at the level of senior officials, and at the Ministerial level, failed to make much progress towards the development of modalities in Agriculture.

The WTO Director General, Pascal Lamy, thus called for the expectations of the conference to be lowered. One of the main players, the EU, was unable to make a proposal that could be a basis to negotiate a successful outcome on agriculture modalities. The July 2004 WTO General Council decision had reduced the target of reaching full modalities to a "Framework Agreement" instead. The Hong Kong Ministerial Meeting had thus also reduced its ambition from the goal of concluding the negotiations on full modalities in Agriculture and NAMA to only making some additional incremental advances on the July 2004 Framework Agreement.

B. What happened in Hong Kong?

After 6 days of intense negotiations in Hong Kong (13th-18th December), Ministers managed to cobble together an agreement late on Sunday night, the 18th of December, several hours past the agreed deadline.
For the major developing countries in the G20 the agreement was no major breakthrough,\textsuperscript{36} but it was a small and significant step forward in the Doha Round. For LDCs and other small, weak and vulnerable developing countries, there were some incremental gains made in the Hong Kong Declaration, but no breakthrough emerged on their major demands. The author briefly evaluates the results of the negotiations in Hong Kong below.

### C. An Evaluation of the Agriculture Text – the G20 plays a Welfare and Agency role

Whilst there was no substantial advance in Hong Kong, there were some significant gains made by developing countries, for example, the agreement to eliminate export subsidies. The G33 won the right to have its development concerns addressed. The SVEs were recognised in the text as a developing country group that had special concerns that needed to be addressed. The LDCs had fought a very significant struggle for Duty Free, Quota Free Market Access (DFQFMA) and succeeded in maintaining their unity despite many attempts to divide the African LDCs from the Asian LDCs. The Cotton 4 stood firm and were able to secure some significant recognition of their concerns including an undertaking to eliminate export subsidies on cotton. In all these efforts, the G20 supported these groups.

Thus, there was a spontaneous move by the G90 group of developing countries to adopt a joint statement with the G20 in Hong Kong. Whilst the G20 had not made major advances in its welfare interests at the Hong Kong Ministerial Meeting, it had succeeded in making great strides in building alliances with other developing countries. The spontaneous move by the major developing country groups in Hong Kong to unite in the G110 Ministerial Meeting was a significant achievement for the G20 and NAM.\textsuperscript{11} Indeed this was no accident, but a product of continuing engagement amongst developing country groupings since the Cancún Ministerial meeting.

\textsuperscript{36} Celso Amorim, the Brazilian Minister of Foreign Affairs and Trade and the co-ordinator of the G20 was quoted in the FT (Dec 19, 2005) as saying that the decisions reached in the Hong Kong Declaration was “modest but not insignificant.”
D. An Evaluation of the NAMA Text and the Formation of the NAMA 11

Whilst there was some fragmentation in developing country positions on the formula to be adopted by the WTO on NAMA in the period before Hong Kong, the approach taken by the EU in its October 28th 2005 submission caused these countries to create a united front on the need to defend the flexibilities that developing countries had succeeded in obtaining in the July 2004 Framework Agreement. This united front was further consolidated in Hong Kong where Ministers of the NAMA 11 presented joint proposals in the negotiations on NAMA. However, developing countries did make some significant concessions, including a commitment to the application of a non-linear formula. Due to their increased bargaining power in the NAMA 11, these developing countries were able to confirm that the principle of less than full reciprocity shall be adhered to when making reduction commitments and appropriate flexibilities shall be provided to them. This group were also able to establish a strong link in the final text of the Hong Kong Ministerial Declaration between the level of ambition in NAMA and the level of ambition in Agriculture.

While there was no significant gain made in Hong Kong on NAMA, the formation of the NAMA 11 (representing the more advanced developing countries that were required to make formula cuts), had ensured that the developing countries were able to defend themselves against agreeing to more onerous obligations in NAMA. Most importantly, the NAMA 11 was to become an important platform to build stronger links with other developing country groupings in the WTO and thus also play an agency role similar to that of the G20 in the agriculture negotiations.

37 Making Hong Kong a Success: Europe’s contribution, European Commission, (Oct 28, 2005).
38 See TN/MA/W/65, Market Access for Non-Agricultural Products. Flexibilities for Developing Countries Communication from Argentina, Bolivarian Republic of Venezuela, Brazil, China, Egypt, India, Indonesia, Namibia, Pakistan, Philippines and South Africa, (Nov 8, 2005).
39 See letter by the above countries, including Tunisia, sent to the Chairman of the Conference and the Director General at the Hong Kong Ministerial Conference.
40 See WT/MIN (05)/DEC at Para 24 of the Ministerial Declaration, (Dec 22 2005).
V. From Hong Kong to the Suspension of the DDA in July 2006

This section will briefly set out the process of the negotiations up to the end of April 2006 deadline for modalities and then proceed to set out the process to the end of June and end of July 2006. The suspension of the negotiations at the end of July 2006 will be briefly evaluated.

A. From Hong Kong to the Missed April 2006 Deadline

A month after the Hong Kong Ministerial Conference, on the 28th of January 2006, Ministers of Trade who had met on the margins of the Davos World Economic Forum proposed a work plan for the year. Ministers agreed that the deadline for the conclusion of the Round was the end of 2006.

The period before April 2006 was dominated by the meetings of the G6. Senior officials meetings of the group took place in Paris (25th and 26th February) and in London (7th and 9th March). This process culminated in the Ministerial Meeting of the G6 that was held in London on the 10th and 11th of March, and attended by Ministers of the EU, US, India, Brazil, Australia, and Japan. These meetings failed to significantly advance the Doha Round negotiations. At the beginning of April, Pascal Lamy suggested that negotiating the deal on modalities would require movement on all three angles of the "Triangle," that is, agricultural market access, agricultural domestic support and industrial market access (NAMA). However by the third week of April, there was insufficient progress and movement on any of these sides of the Triangle.

In the WTO, Pascal Lamy called an informal TNC meeting on the 21st of April and stated that he did not think it wise to hold the proposed Ministerial Meeting at the end of April. He called for the process to shift to Geneva as the Ministerial meetings of the G4 and G6 had not proved useful. He called for the negotiations to be text-based and, with an intensive bottom-up process, to continue in Geneva. This would be co-ordinated by the Chairs of the

---


42 Trade talks to miss key April 30th deadline, International Herald Tribune, April 25, 2006.
Agriculture and NAMA negotiating Groups. He appealed to members to desist from a blame game and to ensure that negotiations on modalities were concluded well before the end of July. Thus, the April deadline was missed, and the moment of truth that Pascal Lamy was hoping for at the end of April was allowed to be postponed once again.

B. Another Failed Attempt to Conclude Modalities in June/July 2006

At the TNC meeting of the 30th of May, Director General Pascal Lamy set out his vision of a three-phased process: firstly, the drafting of texts by the chairs of Agriculture and NAMA by the 19th of June; secondly, consultation on these texts (with possible green rooms) and; thirdly, Ministerial engagement at the end of June. He suggested that the Ministerial meeting be held over four days, and proposed the dates 29th and 30th of June and 1st and 2nd of July.

The Chairs presented the first drafts of their reports/texts on modalities on the 22nd of June, with the NAMA Chair revising his text on the 26th of June. Director General Lamy began a process of consultations on these texts on the 26th of June with informal meetings of Ambassadors and informal meetings of the TNC. The text on agriculture produced by the Chair, Crawford Falconer, followed the same structure of his earlier reference papers: market access, domestic support and export competition and other issues. The Chair simply reflected member's views, setting out the divergences in about 740 brackets! The G20 produced detailed commentary on the text and was of the view that the Chair's text was a fair representation of the different positions of members.

The Ministerial Meetings of the G6 set the pace and tone of the proceedings at the end of June TNC meetings. Ministerial Meetings of this Group were held on the 29th of June, the 30th of June and the 1st of July. Pascal Lamy, the Director General of the WTO, was present at these meetings. He

---

43 Draft Modalities on Agriculture, WTO Job (06)/199, (JUNE 22, 2006), and, Draft Possible Modalities on Agriculture, WTO Job (06)/199/Corr.1, (JUNE 29, 2006).

44 Towards NAMA Modalities Revision, WTO, Job (06)/200/Rev.1, (JUNE 26, 2006).
also invited some 33 Ministers to an informal Ministerial Meeting on the 30th of June and then began a plenary informal TNC Meeting with Ministerial participation, in an attempt to conclude the negotiations on modalities. The Informal Meeting of Ministers met again on the 1st of July and the TNC was called that afternoon to announce the end of the process as the DG recognized that Ministers had failed to make any significant progress, with the gaps in their positions being too wide apart to be bridged in the next few days.45

However, as a result of the St. Petersburg G8 discussions on the Doha Round, the G6 Ministerial Meeting, was held again on the 23rd and 24th of July (Sunday and Monday) in Geneva, and met for 14 hours, but failed to make progress on the substance of the negotiations. Pascal Lamy, who had chaired the G6 meetings, convened an urgent TNC meeting on the 24th of July to report back to the membership. At the informal TNC, Pascal stated that the only course now was to suspend the negotiations across the Doha round, providing everybody timeout to review positions. The deadlines for the other issues in the round would now need to be revised.

C. Evaluation of the Suspension of the Doha Round

There are three broad trends that can be identified in the positions of the EU and the US during the end of June 2006 TNC Ministerial Meeting and end of July G6 Ministerial Meetings. Firstly, the EU, having learnt from the Hong Kong experience, where it was isolated, now shifted its stance indicating more flexibility in its defensive positions on agricultural market access. Peter Mendelssohn had indicated that he could move from their current offer of a 39 percent average cut to a 47 or 48 percent cut.46 He did not specify any willingness to move on sensitive products (the current EU demand was for 8 percent of tariff lines) or the extent to which they would deviate from the formula on these sensitive products.47 Nor did the EU indicate any movement


47 “Sensitive products” refers to the decision agreed in the WTO July 2004 Framework that developed countries will be allowed to reduce the tariffs that they deem sensitive and that they wish to protect by lesser percentage of tariff cut than the average tariff cuts agreed in the formula.
on the treatment of these sensitive products (i.e., the formula for quota expansion and extent to which the tariff cuts will deviate from the average cut).

Secondly, the US was increasingly isolated in its negotiating posture at the end of the June TNC meeting. The US Trade Representative was constrained by an increasingly protectionist US Congress, facing a mid-term election in November 2006. Thus the end of June TNC meeting in Geneva, saw a shift in the focus of the WTO members from the EU’s recalcitrance and inability to make further improvements in market access to the US reluctance and lack of political will to make cuts in its trade distorting domestic support.

Thirdly, the EU and the US remained united in their common front against the so-called “advanced developing countries” to open their markets in NAMA. Peter Mandelson called for the outcome of the negotiations to produce “effective cuts and real trade flows.” On NAMA, he stated that the EU required “real cuts that cut through the water and cut flesh.” He stated that this could be done with a Swiss 15 formula for developing countries. On NAMA, the USTR stated that developing countries need to cut their current (applied tariff) rates to provide increased market access for inputs from their trading partners.

D. The G20 and the NAMA 11 Continue to Play a Welfare and Agency Role

Although Brazil and India did not formally represent the G20 and the NAMA 11, they defended and argued the positions of the G20 and NAMA 11 in the G6 and reported back repeatedly to the G20 and the NAMA 11 Ambassadors in Geneva and Ministers. The strength of their negotiating positions was based on the strong technical back-up and united positions of these groups. In the period leading up to the suspension of the negotiations, they were able to effectively defend and advance the welfarist interests of these groups.

The G20 and the NAMA 11 continued to play a broader agency role too. Once again the G20 after the suspension of the negotiations by the DG, took the initiative to attempt to resume the Doha Negotiations and held a Ministerial Meeting in Rio de Janeiro, Brazil, on the 9th and 10th of September,
2006. The G20 also invited the co-ordinators of the G33, the ACP, the LDCs, the African Group, the SVEs, the Cotton 4 and the NAMA 11. The G20 and Developing Country Co-ordinators then met with Peter Mandelson, the EU Commissioner; Shoici Nakagawa, the Japanese Minister of Agriculture, Forestry and Fisheries of Japan and Susan Schwab, the new US Trade Representative, and called on these Ministers to help resume the negotiations as soon as possible.

VI. The collapse of the G4 in Potsdam and the July 2007 Agriculture and NAMA Chair’s Texts

A process of bilateral discussions between the G4 countries (EU, US, India and Brazil) and then G6 (including Japan and Australia) began at the senior official and ministerial level in March 2007. They agreed to meet again in a series of meetings that would culminate in a final negotiating meeting on modalities in Potsdam, Germany, on the 21st of June 2007.

The G4 Ministerial meeting held in Potsdam from the 19th to 23rd June collapsed on the third day of the scheduled 4-5 day meeting. All four Ministers (Susan Schwab, Peter Mandelson, Kamal Nath and Celso Amorim) went to Geneva the next day to meet with Pascal Lamy, and report to him separately. Each of them explained to him their version of the breakdown in the talks. Celso Amorim, the Foreign Minister of Brazil, reported back to the G20 Ambassadors, on Friday the 22nd of June and the DG Lamy called a TNC meeting that afternoon to report to the full membership of the WTO.

Celso Amorim dispelled the rumour that Brazil and India had walked out of the meeting. He explained that after the first day of discussions, it became clear that the US and EU could not move significantly from their October 2005 proposals. Amorim compared the situation in Potsdam with that in the period before Cancún, where both the EU and the US (in the EU-US Joint Text), forged an agreement between themselves based on an accommodation of their own concerns and comfort levels. According to

See, G-20 High Level Meeting with Co-ordinators of Developing Country Groups, Press Statement, WTO doc Job (06)243, (Sept 9 2006).
Amorim, the EU and the US did not confront each other on either the reductions needed in domestic support or tariff cuts on market access in agriculture, but instead were eager to shift the discussion to NAMA and to jointly confront Brazil and India.\(^{49}\)

The day after the collapse of the Potsdam meeting, DG Lamy called on the Chairs to continue with the drafting process. WTO members had become frustrated some time ago with the G4 process and Lamy had called for the multilateral process to be intensified from April 2007 onwards. The Chairs began to draft their texts after consultations with members and produced draft texts on Agriculture\(^{50}\) and NAMA\(^{51}\) on the 17\(^{th}\) of July, 2007.

### A. An Evaluation of the First Draft Agriculture Text

The G20 reaction to the agriculture text has been largely positive. Amorim, who attended the G20 meeting in Geneva on the 19\(^{th}\) of July, stated that the text has moved in the direction of the G20’s objectives. However, the Chair also took great pains to be inclusive and accommodate the concerns of all the members, especially the developed countries, so that they did not reject the text at the outset. On some issues, such as special products, tropical products, preference erosion etc, the text remains incomplete, but nonetheless represents a building block that can facilitate negotiations. On the central negotiating issues of domestic support and market access, the Chair has sought to provide room both for the G20, and the EU, US and the G10 (a more defensive group led by Japan) to negotiate from positions that are not so far from their proposals.

### B. An Evaluation of the First Draft NAMA Text

The NAMA 11 made statements both in the NGMA\(^{52}\) and the TNC that criticised the Chair’s draft text for being imbalanced in prescribing a level of ambition for developing countries that is disproportionate to that provided

---

\(^{49}\) See Washington Trade Daily, (June 22, 2007).

\(^{50}\) See WTO doc, Draft Modalities for Agriculture, Job (07)/128, (July 17, 2007).

\(^{51}\) See WTO doc, Draft NAMA Modalities, Job (07)/126, (July 17, 2007).

\(^{52}\) Statement of the NAMA 11 to the NGMA, Job (07)/132, (July 31, 2007).
for developed countries and for jumping ahead of the agriculture negotiations by proposing narrow ranges, whilst the agriculture text provides wide room for further negotiations. The statements of the NAMA 11 both in the NGMA and the TNC discredited the Chair's text for its many biases and for prejudicing the outcome of the negotiations for developing countries.

C. The Welfare and Agency Roles of the G20 and NAMA 11

The G20 was successful once again in influencing the first draft text of the chair in the agriculture negotiations towards the G20 proposals. Thus, the welfarist interest of the G20 was advanced. The role of agency of the G20 will be tested when the many issues that impact on the smaller developing countries such as preference erosion, tropical products and tariff escalation are addressed in the next draft. Indeed, the capacity of the G20 to negotiate complex issues among its own diverse membership will also be tested when the issues of Special Products and the proposed Special Safeguard Mechanism are elaborated in the revised Chair's text.

The united front presented by the G90 and NAMA 11 in their joint statement on the Chair's draft text was a great achievement for the NAMA 11 and developing countries in the WTO. It was a testimony to the progress made in forging deeper alliances between developing countries, notwithstanding their different levels of development and interests in the WTO. This was achieved against the very strong pressure emanating from the EU and the US to prevent such unity and strong criticism of the NAMA draft text. The united response of the G90 and the NAMA 11 has succeeded in pushing back the efforts of the EU and the US to foist an unfair text on the developing countries. However, here, too, the need to maintain a common approach on the issues of the coefficient and flexibilities will continue to test the unity of the NAMA 11. Its agency role in defending the interests of developing countries will depend on its capacity to build convergence on issues such as preference erosion where the interests of its own members for greater market access in developed markets will have to be compromised.
VII. Conclusion: Assessing the role of the G20 and NAMA 11

At the launch of the WTO Doha Development Round in 2001, developing countries succeeded in negotiating a mandate that held out the promise of delivering a development outcome. They did this through a high level of participation in the negotiations. Since then, developing countries have formed powerful coalitions in the Group of 20 (G20), Non Agricultural Market Access 11 (NAMA11), the Group of 33 (G33), the Least Developed Countries (LDCs) Group, Small and Vulnerable Economies (SVEs) Group, Africa Group and African, Caribbean and Pacific (ACP) Group. They have stuck together notwithstanding their divergent interests, as was observed at the WTO Ministerial Meeting in Hong Kong in December 2005, the G-110 Ministerial Meeting in Geneva in June 2006 and the G20 Ministerial Meeting, held in Rio de Janeiro, in September 2006, and again at the end of July 2007 against an unfair NAMA text.

The current impasse in the WTO is a reflection of the strength of developing countries, not their indifference. Today, developing countries are a force to reckon with. They can negotiate; they are technically competent; and they are organised. Whilst there have been – and are – many threats of an unfair deal being imposed on developing countries, this threat should not cause them to renounce their legitimate claims to a fair and balanced outcome of the Doha Round. They have insisted on the fulfilment of the promise that the Doha Round will be a development round.

Thus the major developing country coalitions in the WTO, the G20 and the NAMA 11, are effectively defending their welfare interests or "their own well being." The G20 – itself a complex set of countries including Brazil, Egypt, India, Paraguay and Tanzania – has negotiated and put forward a set of proposals on almost every issue in the Agriculture negotiations. The G20 has thus become the centre of gravity in the Doha negotiations. Both the European Union and the United States now acknowledge (the latter more reluctantly) that they have to move towards the G20 to achieve a final deal in the DDA. The NAMA 11 has also, since its formation at the Hong Kong Ministerial meeting, presented a raft of proposals on each of the issues in the NAMA
negotiations, after intense negotiations amongst its members. There is no doubt that the NAMA 11 has become the main interlocutor with the EU and the US in the NAMA negotiations, and has been able to use its collective leverage to advance the welfare interests of its members.

Developing countries are taking responsibility and providing leadership in the Doha Round. The G20 and the NAMA 11 have begun to play an increasingly significant agency role in the WTO. The larger developing countries have taken on their responsibility towards the poorer members, especially the LDCs. In Hong Kong, these “developing countries in a position to do so” pledged to provide Duty Free, Quota Free Market Access (DFQFMA) to all LDCs. This was a historic breakthrough. What was less visible was the growing understanding among the developing countries on the plight of the ‘small, weak and vulnerable countries.’ These countries, which remain an undefined category, have been urging WTO members to recognise their special situation, and that WTO rules and market access ambitions be mindful of their different development needs and capabilities. The G20 has recognised the concerns of these developing countries, and the NAMA 11 has agreed that they should be treated differently and provided with greater flexibilities.

South-South trade is an important part of global trade today and an important aspiration of developing countries, especially in the area of agriculture, where developing country markets now constitute more than 50 percent of world trade. Thus the issue of Special Products (SP) and the Special Safeguard Mechanism (SSM) are of greater interest and concern to the members of the G33 and half the membership of the G20 than to the US. It will most certainly be resolved within the G20. It will be resolved in much the same way as the G20 agreed on a formula for market access for developed and developing countries within the G20 – i.e., with a great deal of internal negotiation, through a moderation of the mercantilist market access interests of the more competitive countries and with solidarity with the poor and vulnerable agricultural producers.

There are still some difficult issues among developing countries that will need more work as the negotiation advances. In this regard, the G20 has pledged to address the issues of preference erosion, tropical products, and tariff
escalation, in a fair and balanced manner, both amongst its own members and between its members and that of other smaller developing country groups. The NAMA 11 has agreed to address the issue of preference erosion by moderating its own market access interests in developed country markets and providing developed countries longer phase-down periods for a limited number of tariff lines.

Developing countries in the G20 and the NAMA 11 have thus gone beyond a mere welfare role in the WTO. They have begun to play a broader agency role. In the absence of leadership by the EU and the US, the G20 has played a leadership role in re-engaging and re-igniting the negotiations in the post-Cancún period, and again in the period after the suspension of the Doha round by the DG of the WTO in July 2006. The G20 and the NAMA 11 have succeeded in building convergence amongst their own diverse members and have forged deeper relationships and mutual trust with other developing country groupings representing the least developed and small and vulnerable countries. In advancing this process, they themselves have been undergoing a process of learning on how to build fair trading arrangements, with more balanced rules, that will create the opportunities for development for all developing countries. In the words of the Foreign Trade Minister of Brazil, Celso Amorim, they have been learning how to “combine development with social justice.” This is a sound platform to build a more legitimate and sustainable rules based trading system in the interests of all developing and developed countries.