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ADDIS ABABA DECLARATION ON WTO NEGOTIATIONS

03 March 2009 (13h)

Preamble

We, Ministers of Trade of the Member States of the African Union, meeting in Addis Ababa, Ethiopia, on 19-20 March 2009, considered the developments in the Doha Development Agenda (DDA) negotiations since the last AU Conference of Ministers of Trade and Finance, in Addis Ababa, Ethiopia, on 3 April 2008;

Reiterating our commitment to a successful Doha Development Round, and the positive contribution to all efforts leading to an early conclusion of the negotiations;

Recalling, in this regard, the declaration and Decision of Heads of States and Governments of the AU in Addis Ababa of (3 February 2009) on the international financial crisis and its far reaching economic and social impacts on African countries, and the need to conclude the Doha Development Round in order to secure *inter alia* that markets remain open to African trade;

Underlining our deep concerns regarding the far-reaching negative impact of the crisis on African economic growth and national developmental plans, balance of payments and national budgets, competitiveness, access to international public and private finance, and foreign direct investment. We are also alarmed about the growing risks of the use of protectionist measures and policies around the world. We are further concerned, that the crisis will affect economic sectors that are sensitive to African countries, and its impact will spread to touch on production, exports, employment, investments, commodity prices, tourism, and remittances among others;

Expressing deep concern over the re-emergence of trade protectionism triggered by developed countries in response to the crises, and calling upon developed countries to refrain, in pursuing their respective stimulus plans, from adopting and implementing any measures, that could be construed inconsistent with their respective WTO commitments, or would undermine the multilateral trading system in a manner that exacerbates the negative ramifications brought onto the real economy of African countries;

Highlighting that as a result of the global economic and financial crisis, and more than at any other time, the outcome of the Doha negotiations should deliver the developmental objectives as spelled out in the Doha mandate and later reaffirmed by the WTO General Council Decision of 1 August 2004 (the July Framework) and subsequently the 6th WTO Ministerial Conference held from 13 to 18 December 2005 in Hong Kong; at its core;

Stressing that within the current global economic context, there should not be any attempts to reinterpret or change the mandates in any of the negotiating tracks. Mandates should be correctly interpreted in developed members doing more to substantially and effectively reduce trade distorting subsidies, and to provide enhanced market access to products of export interest to developing and least developed members;

Emphasizing the need to preserve progress and convergences achieved during 2008 in all the Doha negotiating tracks under the single undertaking, and in cautioning against the adverse ramifications of backtracking on the progress and convergences reached so far.

Re-emphasizing the need for the negotiations to be carried out in a fully inclusive and transparent multilateral manner to ensure political ownership of both the process and outcome, and to be guided by the Chairpersons based on members` contributions and multilateral agreed texts to ensure the legitimacy and balance of the outcome;

Recognizing that the satisfactory completion of the Doha Work Programme is fundamental for enhancing the trade and development objectives of African countries, and a priority for achieving international development goals including the achievement of the Millennium Development Goals, principally on poverty reduction in our countries;

Re-emphasizing that for Africa, development outcomes in each of the negotiating tracks remain the *raison d'être* of the Round. This means that tangible development content must be evident within each negotiating track, and in the overall outcome;

Reaffirming our previous positions and concerns as contained in the Addis Ababa Declarations of (3 April 2008) and of (15-16 January 2007); the Nairobi Ministerial Declaration (12-14 April 2006); the Arusha Development Benchmarks (21-24 November 2005); the Cairo Road Map on the Doha Work Programme (5-9 June 2005) and the Kigali Consensus (27-28 May 2004);

Hereby declare as follows:

AGRICULTURE

1. **We reiterate** that Agriculture is the main engine of the DDA, and that the outcome of the Agriculture negotiations will determine the level of Ambition in other areas.
2. **We note** that the draft modalities on Agriculture issued on December 6, 2008 reflects the state of play in the agriculture negotiations; though progress has been reached on certain issues, uncertainty continues to prevail on a large number of other issues.
3. **We consider** that the December 6, 2008 text will constitute the basis for future negotiations, though it fails to adequately address a number of issues that are of key interest to African Countries.
4. **We stress** that the un-bracketed issues in the text remain conditional and can only be settled once an overall balance in the Agriculture negotiations is achieved; we also stress that any future efforts to close gaps and refine the text require political will, and must be the product of a multilateral, transparent and bottom-up process.

Market Access

5. **We are concerned** with the increasing layers of flexibilities being granted to some Developed members concerning Sensitive Products, and we stress that modalities for sensitive products should not impede the level of ambition realized by the tariff reduction formula.
6. **We reaffirm** in addition, that NFIDCs with no TRQs commitments shall be allowed to deviate from the tariff reduction formula for all their sensitive products.
7. **We recognize** the importance of Special Products in achieving food security, livelihood security and rural development; therefore, we stress that the modalities for Special products should allow for the designation of a sufficient number of products, as well as the flexible treatment that would assist Developing members to achieve such objectives.
8. **We also recognize** the vulnerability of our fragile economies, and therefore underscore the importance of the SSM, and reaffirm that its modalities should be simple, effective and operational. Further, it should be a permanent feature of the AoA. We also emphasize that modalities on SSM should be effective in addressing import surges and price declines in Africa; this includes allowing the remedies to apply beyond the Uruguay Round bound level.

9. **We further stress** that SSM modalities should allow for more favourable treatment for SVEs and LDCs in view of their low level of development.

Preferences

10. **We reiterate** our call that, on longstanding preferences, with a view to mainstreaming development in the Doha Round, for the issue of preference erosion to be resolved by means of trade based solutions through an implementation period of at least ten years and a firm commitment in terms of technical assistance during the transition period. Furthermore, we underline the need to preserve the convergence reached on preferences in July 2008, to capture the interests and concerns of preference receiving countries.

11. **We recognize** with appreciation a number of existing trade preferences initiatives established to integrate developing countries and LDCs into the global trading system. However, rules of origin requirements and implementation procedures, as well as supply-side constraints, continue to disrupt effective and predictable market access for LDCs. We therefore urge for the full implementation of the principle of Special and Differential Treatment for these development oriented preference and other initiatives including the provision to LDCs of financial and technical assistance, technology transfer for capacity building, flexibility in implementation of commitments and the implementation of the commitment to grant Duty Free Quota Free market access by WTO developed, and developing countries declaring themselves to be in a position to do so, to all products originating from all LDCs. In addition, other policy measures undertaken by the WTO members should take into account the export interests of LDCs.

Commodities

12. **We call**, in light of the current global economic and financial crisis, for an amendment to the AoA to include an Article on commodities, and the establishment of an appropriate corresponding Annex. To this end, the case for a multilateral solution to the issue of commodities becomes even more compelling.

13. **We underline** further that commodity exporting dependent LDCs are largely vulnerable to changes and shocks in the international commodity markets. In addition, massive commodity subsidies and other protectionist measures including non-tariff barriers (NTBs) applied by some countries continue to negatively affect LDCs commodity trading and development opportunities.

Bananas

14. **We reaffirm** the need for the banana issue to be specifically addressed, on a stand-alone basis through an inclusive process, in order to reach a just and balanced outcome, whilst remaining consistent with the development objectives of the Doha Round. Any imbalanced or unfair outcome should be adequately addressed by appropriate trade and non-trade related measures.

Domestic Support

15. **We stress** that realizing the mandate of achieving effective and substantial reductions in Trade Distorting Domestic Support is a priority to Africa; therefore, we are concerned with the preservation of high levels of flexibilities for developed members that will no doubt reduce the level of ambition sought under domestic support modalities.

Export Competition

16. **We underscore** the importance of implementing the agreement reached in Hong Kong as reflected in the Ministerial Declaration, namely the full elimination of all forms of Export Subsidies by developed countries by 2013.

17. **We stress**, in light of the current global economic and financial crisis and its effect on Trade Finance, that, modalities for Export Competition should take into account the impact of this crisis on the African countries, especially African NFIDCs and LDCs.

Export Restrictions and Prohibition

18. **We underscore** the importance of access to food for NFIDCs and LDCs, and we urge members and relevant international organizations to coordinate their actions to guarantee access to food for those countries by increasing their food security. It is essential to exempt NFIDCs and LDCs from any new disciplines to be agreed upon with regard to Export Restrictions and Prohibition; therefore, we urge that the December 6, 2008 modalities should be further clarified to achieve this objective.

Cotton

19. **We support** an outcome on cotton that is compliant with the Hong Kong mandate and that will take the following into consideration:

- The application of the formula for the reduction of the domestic support granted to cotton under the Amber box, proposed by the C4, and reproduced in the draft modalities presented by the Chairman of the Special session of the Committee on Agriculture;
- Fixing of specific caps for blue box domestic support granted to cotton, amounting to 1/3 of what would otherwise have been the resultant from the methodology advocated in the Chairman's text;
- The application of the additional "two for one" discipline on the increase in domestic support from amber to blue box;
- The period of reference of 1995-2000 for cotton.

20. **We also support** the approach advocated by the Chairman of the Agriculture Negotiations for the reduction of domestic support distorting the global cotton trade as presented in the draft agriculture text of December 6 2008. We further urge the EU to adopt the same methodology.

21. **We also urge** the USA to table clear proposals that are in conformity with the Hong Kong mandate.

22. **We suggest** that a range of amounts for trade-distorting subsidies be adopted as a basis for our discussions during the negotiations.

23. **We encourage** the WTO Director General to continue his consultations on development aid, as part of the Consultative Framework Mechanism, pursuant to the Hong Kong mandate, with a view to finding an expeditious, appropriate solution to the crisis that is threatening African cotton commodity chains with short-term disappearance if nothing is done for their safeguard.

24. **We recall** that without an appropriate and lasting solution to the vital issue of cotton there can be no conclusion to the Doha Round as was underscored in the final conclusion of the High Level Meeting on Cotton held in Geneva in March 2007.

NON-AGRICULTURAL MARKET ACCESS (NAMA)

25. **We support** efforts to advance NAMA negotiations on the basis of the draft NAMA text issued in December 2008, and call for caution among WTO members on any backtracking in the NAMA negotiations. We further emphasise the need to preserve progress achieved during the year 2008.

26. **We continue to reiterate** that the final outcome of Non-agricultural Market Access (NAMA) negotiations should reflect the developmental concerns and interests of the African economies and not lead to their de-industrialisation.

27. **We further urge** that any agreed modalities in NAMA, and in particular for developing members subject to formula cuts, take full account of Para 16 of the Doha Declaration on less than full reciprocity in reduction commitments. Furthermore, we urge that the modalities in NAMA fully accommodate the proposal by SACU, as it is based on genuine developmental concerns and the situation of this group.

28. **We recall** on Sectorals, that the mandate for participation is on a non-mandatory basis. Further, sectoral initiatives should neither be linked to the tariff cut formula nor have any impact on products that are enjoying tariff preferences.

29. **We reiterate** our concern on the impact of preference erosion on our otherwise fragile economies and more so that majority of our membership is dependent on trade preferences. We urge that any solution arrived at for the 'Disproportionately Affected Countries' should not in any way erode further the preferences particularly for the Least Developed Countries (LDC's). In addition, concerned that some Sectoral initiatives will have adverse effects on our industries and exports, we call for such initiatives to exclude products of export interests to African countries, particularly those tariff lines identified as being vulnerable to preferences.

30. **We continue to support**, the Non Tariff Barriers (NTB's) proposals that gather the widest consensus among members in particular the establishment of a horizontal mechanism for resolving NTB's. We further urge that proposals not gaining support such as the proposal for Elimination of Export Taxes be excluded from NAMA negotiations. We further underline that the negotiation of export taxes has no mandate in NAMA.

SERVICES

31. **We reviewed** the state of play of the Services Negotiations as well as the elements proposed for the completion of the negotiations as presented by the Chair's text of 28th of July 2008. We remain cognizant that no consensus has been reached over the text, and thereby consider that the negotiations should proceed in accordance with the Doha Declaration, as well as the Hong Kong Declaration, including Annex C. We reiterate our rights emanating from the flexibilities provided for developing countries and LDCs as stipulated by the GATS, and all other related negotiating mandates.

32. **We emphasise** that the global economic and financial crises have adversely affected the services sectors of African countries, and call upon our trading partners, particularly developed countries, to undertake meaningful market access commitments in sectors and Modes of supply that are of export interest to African countries, particularly Mode 4, and to maintain the

comparability and sequencing of Market Access negotiations which should be linked to the level of ambition attained in Agriculture and NAMA, as well as to the overall balance within the single undertaking of the DDA.

33. **We stress** that African countries have undertaken extensive commitments in liberalizing their services sectors. Accordingly, any outcome of the services negotiations should take into account the efforts already made by African countries in this regards, with due account to their level of development and human, institutional and regulatory capacities.

34. **We reaffirm** that African countries should, as a sine qua non condition, benefit from Special and Differentiated Treatment and appropriate Technical Assistance and Capacity Building. To this end, we urge that satisfactory LDC's modalities as well as S&D proposals be made operational as soon as possible or at the latest before the end of the negotiations.

35. **We underscore** that any text-based negotiations on Domestic Regulation should be development oriented, and effectively address regulatory and related barriers faced by services suppliers from African countries. Moreover, they should include appropriate flexibilities & effective provisions for institutional building and technical assistance for African countries.

36. **We underline** that the global economic and financial crises will have far reaching implications on how financial services will be traded in the future. Accordingly, we stress the importance of analysing these implications and reviewing WTO/GATS work in this regard. We equally underline the need for analysing the impact of developed countries stimulus plans, in so far as they are construed to increase the competitiveness of their service sectors.

TRADE FACILITATION

37. **We reiterate** the importance attached to the issue of Trade Facilitation, and remain positively engaged to reach a satisfactory outcome to all parties in the current negotiations with the aim to clarify and improve movement, release and clearance of goods including goods in transit.

38. **We reaffirm** the importance of providing developing countries with the appropriate Special & Differential Treatment (SDT), and Technical Assistance and Capacity Building (TACB), as outlined in Annex D of the July 2004 Framework, and Annex E of the Hong Kong Ministerial Declaration in December 2005 respectively.

39. **We also reaffirm** that any final outcome should directly link implementation of commitments to providing TACB to Developing Countries, particularly African ones, and should contain a clearly defined operational mechanism committing the donor community to provide TACB to those countries that need it. The special situation and needs of African Landlocked and transit countries with respect to transit of goods should also be taken into account. Adequate financial assistance should also be provided to address the needs to develop the necessary infrastructure in African countries, particularly in LDCs, as a crucial element in facilitating trade.

40. **We stress** that Developing and Least-developed countries should not be required to implement any commitments unless their requests for TACB has been adequately responded to by donors, and they have acquired the necessary capacity to implement such commitments.

LEAST DEVELOPED COUNTRIES

41. **We call** for the incorporation into the final outcome of the Doha Round, the LDCs proposals as outlined in Maseru Declaration adopted during the 5th LDCs Trade Ministers Meeting held in Maseru, the Kingdom of Lesotho, on 27-29 February, 2009, including the need for developed

countries to specify on a product-by-product basis when they will provide Duty Free Quota Free market access for the remaining 3 per cent of the products originating from all LDCs

42. **We fully support** the special consideration for African developing countries that are in Customs Unions with LDCs in their reduction commitments.

43. **We emphasize** that services is among the fastest growing sectors in global trade, while concerned that the LDCs' share remains marginal, we urge for a larger participation of LDCs in these important sectors. In this regard, we stress the need for the enforcement of the provisions stipulated in articles IV and XIX of GATS.

44. **We call** for timely, full and effective implementation of the modalities for the special treatment for LDCs in the negotiation on trade in services. In this regard, we fully support the LDCs for initiating the development of appropriate mechanism for according special priority to sectors and modes of supply of interest to LDCs. This effort will facilitate discussions towards the operationalization and implementation of LDCs modalities.

45. **We reiterate** the importance and urgency of the Enhanced Integrated Framework (EIF) to assist LDCs in their effort to mainstream trade into their national development plans and to use trade as an engine for development and poverty reduction. In this connection, we welcome the recommendations of the EIF Task Force aimed at achieving three main objectives namely: Increased, additional, predictable financial resources to implement IF Action Matrices; Strengthening in-country capacities to manage, implement and monitor the IF process; and to Establish an EIF Executive Secretariat to enhanced IF governance. While noting that some progress has so far been achieved, we stress the need for a swift finalization of outstanding issues in order to effectively implement this important framework.

46. **We reiterate** further that Special and Differential Treatment (SDT) is a fundamental principle aimed at enabling developing country Members and LDCs to implement their commitments and obligations, including providing them with flexibility, policy space, balanced rules and necessary financial and technical assistance for capacity building to enable them achieve greater market access and other benefits in the multilateral trading system.

SPECIAL AND DIFFERENTIAL TREATMENT

47. **We reiterate** that given the impact of the global economic and financial crisis on developing countries, Special and Differential Treatment (SDT) is of vital importance to enable developing country Members and LDCs to implement their commitments and obligations, including providing them with flexibility, policy space, and balanced rules to achieve greater market access.

48. **We are concerned** that discussions on the Agreement Specific proposals have made minimal progress. We therefore urge members to intensify efforts and exercise the necessary political will to accelerate the review of the SDT provisions to ensure that the outcome responds to the development needs and concerns of African countries. We emphasize that the Monitoring Mechanism is aimed at ensuring adequate and proper implementation of SDT provisions in all areas of the negotiations. Therefore, it should include the appropriate elements to achieve this objective.

RULES

49. **We urge** developed countries to recognise the concerns and needs of our countries in the rules negotiations, in particular, the vital importance of special and differential treatment. Adequate attention shall be given to the development dimension within the rules negotiations.

50. **We reiterate** the need to avoid the introduction of more complex rules and disciplines under the Anti-Dumping Agreement and the Agreement on Subsidies and Countervailing Measures.

51. **We stress** that adequate technical assistance should be provided to enable African countries to effectively enforce their rights under the Anti-Dumping Agreement in line with recent joint African/ACP/LDCs proposal on Anti-Dumping.

52. **Recalling** that African countries are currently engaged in negotiating Regional Trade Agreements, particularly Economic Partnership Agreements (EPAs), and underlining that the outcomes are to be consistent with WTO rules, we emphasize that at the time it was drafted, article XXIV of GATT 1994 addressed mainly the concerns of regional trade agreements between developed countries. We therefore reiterate the need to amend article XXIV of GATT 1994 to allow for the necessary special and differential treatment, and explicit and essential flexibilities for developing countries that take into account their specific needs and levels of development.

Fisheries subsidies

53. **We underscore** the need to ensure that the special and differential treatment flexibilities in Article III be designed to address the specific concerns of all African States, in particular the small and more vulnerable coastal states, and call for the special and differential provisions to be standalone provisions with no cross conditionalities on fisheries management systems. In particular, the disciplines on Fisheries Management Systems should be formulated to match the realities of our fisheries sectors and we call for stronger commitments on effective and monitorable technical assistance under Article V.

54. **We welcome** the resumption of negotiations on the draft initial fisheries subsidies text of November 2007, and the Chair's roadmap of December 2008. We stress the need for a balanced, fair and equitable approach to the negotiations on fisheries subsidies, which shall take into account the special status and needs of developing and least developed African coastal states and we stress that the new disciplines shall not impose any undue burden, both with regard to the development of that sector in our continued economic development and our administrative capacity to comply with new demanding standards and rules.

TRADE AND ENVIRONMENT

55. **We stress** that negotiations should continue within the Committee on Trade and Environment in Special Session (CTE-SS) with the view of reaching agreement on the fulfilment of the mandate.

TRIPS/CBD

56. **We urge** that, in order to establish a mutually supportive relationship between the TRIPS Agreement and the Convention on Biological Diversity in implementing the obligations under the two agreements, the outcome of the negotiations in TRIPS Council in Special Session should lead to mandatory requirement for patent applicants to disclose the origin of biological material and traditional knowledge used in their inventions, evidence of prior informed consent and benefit sharing arrangements with the country of origin and the relevant communities.

DISPUTE SETTLEMENT

57. **Considering** the difficulties African countries face in using the dispute settlement mechanism in order to promote and safeguard their interests as well as their legitimate expectations in the multilateral trading system, we urge that the outcome of the DSU negotiations

should lead to a conclusion that would facilitate the full participation of African countries in the dispute settlement system in line with the African Group proposal (TN/DS/W/92).

AID FOR TRADE

58. **We emphasize** the need to ensure that the recommendations of the Aid for Trade Task Force, and those resulting from the proceedings of the Regional Review Meeting on "Mobilising Aid for Trade: Focus Africa", held in Dar Es Salaam, Tanzania, on 1 and 2 October 2007, and of the Mobilizing Aid for Trade: A Global Review, organized in Geneva from 18 to 21 November 2007, and from the activities set out in the Aid for Trade Roadmap proposed by the Director-General of the WTO and approved by the WTO Membership on 27 February 2009, are implemented effectively, consistently and coherently.

59. **We call** on all the bilateral and institutional development partners, in light of the economic and financial crisis, to fulfil their pledges under the Aid for Trade initiative, and to engage fully in country-led approaches for assisting African countries, LDCs and low-income African countries, including acceding countries, in maximising the benefits of trade. We call on the G-20 Summit, to be held in London on April 2nd 2009, to ensure that financial commitments directed to Aid for Trade are maintained.

60. **We strongly recommend** that the regional dimension of projects and programmes initiated in Africa, in line with its developmental priorities, be taken into account, and that an appropriate and effective monitoring and evaluation mechanism be established.

61. **We request** the WTO Director-General to report on the outcomes of his consultations with WTO Members and observers countries, International Financial Institutions, Regional Development Banks and other relevant organizations on the proposed mechanisms for securing substantial additional financial predictable, sustainable and effective financing for Aid for Trade to help developing countries, particularly LDCs.

62. **We stress** the need to distinguish between ODA financing that is made available to African countries under existing preferential arrangements, from that mobilized to finance Aid for Trade. We request the swift completion of sub-regional reviews for Africa, so that appropriate proposals will be made to enhance and accelerate progress made on ensuring aid effectiveness.

ACCESSIONS

63. **We reaffirm** our full solidarity with all African countries that are in the WTO accession process, and urge all WTO members to facilitate and accelerate the accession process for those countries. With reference to the guidelines on the accession of LDCs adopted by the WTO members on December 10, 2002, we stress that the LDCs in the process of accession should not be requested to negotiate concessions and commitments that go beyond those made by the LDCs members of the WTO. We also emphasize that African developing countries in the process of accession should not be compelled to make concessions incompatible with their level of development, and that go beyond the commitments undertaken by developing WTO members.

64. **We also call** on our development partners to intensify the provision of technical assistance and support for capacity building at all stages of the accession process to acceding African countries.

PROCESS AND CONCLUSION

65. **We underline** the importance of preserving and achieving tangible development results in all negotiating tracks of the Doha Round. We further reaffirm that achieving this goal in the negotiations represents an important multilateral response to the unfolding global economic and financial crisis, particularly to African countries.

66. **We stress** the importance of preserving progress achieved so far in the DDA negotiations, and caution our partners against attempts to reinterpret or change the well-established mandates, and to backtrack on commitments.

67. **We call** for the negotiations to continue to be carried out in a multilateral, inclusive and transparent manner based on members' contributions, under the guidance of the Chairpersons to ensure the full legitimacy and balance of the outcome.

68. **We reaffirm** that Africa should be fully represented in all deliberations regarding the impact of the global economic and financial crisis on the world economy, particularly on the economies and trade flows of developing countries. We also stress the urgent need to enlarge current international efforts to deal with the crisis, including those of the G-20, to include a balanced African representation.

69. **We welcome** the invitation extended to the AUC Chairperson to attend the upcoming London Summit of the G-20. On this important occasion, Africa will deliver a strong message on the importance of the early conclusion of the Doha Development Round to ensure that markets remain open to African trade, to reject protectionism and any measures that impede fair trade, to ensure the availability and affordability of trade finance, which is particularly vital to African countries, and to underline the crucial role that Official Development Assistance (ODA) and Aid for Trade can play in helping African countries face the negative impact of the crisis on their economies and developmental plans.

70. **We welcome** the efforts of the Director General of the WTO to monitor, promote and mobilise the availability and affordability of trade finance particularly for developing African countries and LDCs.

71. **We express** our appreciation to all development partners who continue to support African countries in securing a fair, equitable and balanced multilateral trading system that takes fully into account the development objectives of the Doha Round.

Done in Addis-Ababa, 20 March 2009