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**EXECUTIVE COUNCIL
Ninth Ordinary Session
25 – 29 June, 2006
Banjul, THE GAMBIA**

EX.CL/269 (IX)

**REPORT OF THE 4th ORDINARY SESSION OF THE
CONFERENCE OF AFRICAN MINISTERS OF TRADE**

**REPORT OF THE 4th ORDINARY SESSION OF THE CONFERENCE
OF AFRICAN MINISTERS OF TRADE**

INTRODUCTION

1. The 4th Ordinary Session of the AU Conference of Ministers of Trade was held at Ministerial level on 14th April 2006 in Nairobi, Kenya. The first main objective of the Conference was to consider the integration process of the continent in terms of trade liberalization and facilitation as well as the need for the rationalization of the RECs whose proliferation, overlapping membership and duplication of mandates have become constraining factors to integration. The second objective was to provide the necessary platform for Member States to consider the state of play of WTO negotiations at this crucial stage on agreeing on modalities and of Economic Partnership Agreements negotiations with the EU, with a view to formulating an African common position to guide African negotiators in Geneva and Brussels.

Main Conclusions of the Ministerial Conference

2. In relation with the above, three main outcome documents issued from the Conference, namely, the Resolution on the Rationalisation of RECs, the Nairobi Ministerial Declaration on the Doha Work Programme, and the Nairobi Declaration on Economic Partnership Agreements.

Main Recommendations

3. On each outcome document the Conference made the following main recommendations:

Resolution on the Rationalisation of RECs

- There is an urgent need to rationalize the RECs and harmonise their activities;
- RECs are to draw upon experience of the progress of others in harmonization of policies and setting up of coordination mechanisms;
- The outcome of the 31st March 2006 Ouagadougou meeting of Ministers of Integration is fully supported;
- Member States are to show strong political will to facilitate the rationalization process;
- RECs are to take the lead in achieving convergence;
- The AUC should oversee the exercise; and
- ECA should continue to reflect and explore further options for the rationalization of the RECs in collaboration with the AUC and the RECs.

The Nairobi Ministerial Declaration on the Doha Work Programme

- Member States rededicated themselves to completing the trade negotiations by end of 2006 and ensure that their outcome reflect the development priorities of Africa;
- Member States reiterated the urgency to meet all the commitments and the development promises of the Doha Round so that the development needs and concerns of Africa and the LDCs members are taken into account;
- Member States reaffirmed that the modalities for Agriculture and NAMA must be all-inclusive and address the concerns of African countries. In this regard, they rejected the establishment of partial modalities that exclude the concerns of Africa and its LDCs members;
- For the modalities in Agriculture to support policies that are conducive to the development goals, poverty reduction strategies, food security and livelihood concerns, and that address trade distortions, Member States are determined to seek balanced progress and meaningful results on market access, domestic support, export competition, and Special and Differential Treatment. Also, the long outstanding mandate on Net Food Importing Developing Countries should be addressed appropriately and expeditiously;
- There is need for progress in the market access pillar, particularly on the tariff reduction formula, special products, Special Safeguard Measures (SSM) and Commodities. SSM should be made available to Africa and its LDCs members and apply to all products;
- The issue of preference erosion in Agriculture should be addressed in an urgent manner;
- Substantial reduction of domestic support on cotton should be sought as well as the establishment of a mechanism to deal with price fluctuations as a matter of priority;
- A fair market access should be secured for banana producers;
- Modalities in Non-Agricultural Market Access (NAMA) should fully address Africa's concerns on adequate flexibilities, less than full reciprocity, appropriate Special and Differential Treatment and erosion of preferences;
- The outcome of negotiations in Agriculture and NAMA should address te particular trade-related concerns of commodities dependent developing and least developed countries in accordance with the Hong Kong Ministerial Declaration;
- The WTO membership should find efficient ways of improving the existing Integrated Framework process, funding and delivery mechanism, in order to make it more effective and timely in addressing the trade-related development needs of LDCs;

- Development partners are called upon to adequately finance technical assistance programmes through the Integrated Framework, JITAP and other complementary mechanisms;
- The Aid for Trade initiative should ensure a market improvement over the current trade-related programmes for technical cooperation, including in amount of resources and coverage of African countries;
- The UN reform should strengthen the role and activities of UNCTAD as focal point within the UN system for the integrated treatment of trade, development and related issues;
- The negotiations on Services should ensure that sectors and modes of supply, especially Mode 4, are given special consideration;
- WTO members are urged to put in place an appropriate mechanism of addressing the needs and priorities of African countries in Trade Facilitation before moving to text-based negotiations;
- WTO members are urged to speed up the process for the granting of a waiver on AGOA by May 2006;
- WTO members are called upon to facilitate and accelerate the accession of African countries to the WTO; and
- Negotiations should proceed in a transparent and inclusive manner.

Nairobi Declaration on Economic Partnership Agreements (EPAs)

- EPAs should be tools for the economic development of Africa and adequately address supply-side constraints, infrastructure bottlenecks, and adjustment costs. The development content should include adequate financial and technical resources, full market access to EU markets for African goods and service providers, and policy space and flexibility for implementation of development programmes in Africa;
- There is a need for enhanced coordination between trade, finance and development officials of Member States to ensure the integration of EPA related costs in the National and Regional Indicative Programmes without impeding other programmes to be funded under the 10th EDF. The additional EPA Financing Facility provided for in Declaration XIV of the revised Cotonou Agreement should be implemented;
- Trading partners are urged to support African countries with adequate financial and technical resources to comply with standards;
- Development partners are urged to respect existing economic integration programmes in Africa;
- The AUC should pursue its coordination and monitoring mandate through regular and consistent meetings and sharing of information among negotiating groups;

- RECs are to ensure that EPAs do not constitute any obstacle to the formation of free trade areas and customs unions among themselves on a priority basis ahead of any similar agreement with the EC;
- Negotiating partners are urged to extend duty free and quota free treatment for LDCs to African non-LDCs;
- Article XXIV of GATT needs to be amended to make EPAs pro-development;
- Article V of GATS needs to be more flexible and EC is called upon to satisfy its requirements of substantial sectoral coverage and elimination of substantially all discrimination;
- The EU is called upon to adopt positions in WTO negotiations that are consistent with the development objectives of EPA negotiations;
- The EU is urged to expeditiously complete the procedures necessary for the amendment on TRIPS to be implemented. Any attempt to introduce any TRIPS plus provisions in EPA negotiations are rejected;
- The EU should put in place technology transfer and sharing partnerships to link up technology producers and owners in the EU with users in Africa;
- Issues of investment policy, competition policy and government procurement should be kept outside the ambit of the EPA negotiations;
- The 2006 EPA review should be inclusive, consultative, conducted at all levels and include structure, process and substance, capacity and preparedness to conclude EPAs, as well as consider alternative arrangements;
- AUC and ACP Secretariat are to coordinate the assessments; and
- The UN reform process should enhance the role and activities of UNCTAD.

Ex.CL/269 (IX)
Annex I

REPORT OF THE 4th ORDINARY SESSION OF THE
CONFERENCE OF MINISTERS OF TRADE,
14 APRIL 2006, NAIROBI, KENYA

**REPORT OF THE 4th ORDINARY SESSION OF THE CONFERENCE
OF MINISTERS OF TRADE,**

INTRODUCTION

1. The Fourth Ordinary Session of the AU Conference of Ministers of Trade was convened at Ministerial level on 14th April, 2006, at the Kenyatta International Conference Centre (KICC), Nairobi, Republic of Kenya. The meeting was formally opened by Honourable Moody Awori, Vice-President of the Republic of Kenya, and chaired by Honourable Mukisha Kituyi, Minister of Trade and Industry of the Republic of Kenya.

ATTENDANCE

2. The meeting was attended by the following Member States:

- | | |
|------------------------------|------------------|
| 1. Algeria | 20. Madagascar |
| 2. Angola | 21. Malawi |
| 3. Benin | 22. Mali |
| 4. Botswana | 23. Mauritius |
| 5. Burkina Faso | 24. Mozambique |
| 6. Burundi | 25. Namibia |
| 7. Cameroon | 26. Niger |
| 8. Chad | 27. Nigeria |
| 9. Congo | 28. Rwanda |
| 10. Democratic Rep. of Congo | 29. Senegal |
| 11. Côte d'Ivoire | 30. South Africa |
| 12. Djibouti | 31. The Sudan |
| 13. Egypt | 32. Swaziland |
| 14. Ghana | 33. Tanzania |
| 15. The Gambia | 34. Togo |
| 16. Guinea | 35. Tunisia |
| 17. Kenya | 36. Uganda |
| 18. Lesotho | 37. Zambia |
| 19. Libya | 38. Zimbabwe |

3. The following Regional Economic Communities (RECs) participated in the meeting: CEMAC, COMESA, ECCAS, ECOWAS, SADC and UEMOA.

4. The following international, Inter-governmental organizations, as well as NGOs were also represented at the meeting as observers: ACP, ADB, Africa Trade Network, ENDA, European Commission, ILEAP, OIF, OXFAM, UNCTAD, UNDP, UNECA, UNIDO, Third World Network and WTO. The United States of America were also present.

5. The meeting adopted the following agenda for its work:

- a) Opening of the Meeting
- b) Election of the Bureau

- c) Adoption of the Agenda
- d) Organization of Work
- e) Consideration of the Report of Experts
- f) Consideration and adoption of the Draft Resolution on the Rationalization and harmonization of the RECs
- g) Consideration and adoption of the Draft Nairobi Declaration on the Doha Work Programme
- h) Consideration and adoption of the Draft Nairobi Declaration on EPAs
- i) Any other business
- j) Date and Venue of the 5th Ordinary Session of the AU Conference of Ministers of Trade
- k) Adoption of Ministerial Outcome
- l) Vote of Thanks
- m) Closure

6. The meeting elected the bureau as follows:

Chairperson	-	Kenya (East Africa)
1 st Vice-Chairperson	-	South Africa (Southern Africa)
2 nd Vice-Chairperson	-	Republic of Congo (Central Africa)
3rd Vice-Chairperson	-	Senegal (Western Africa)
Rapporteur	-	Egypt (North Africa)

7. The meeting considered and adopted the following documents as amended:

- a) The Nairobi Ministerial Declaration on the Doha Work Programme (Ref. TI/TMIN/MIN/Decl. (IV));
- b) The Nairobi Declaration on Economic Partnership Agreements (Ref. TI/TMIN/MIN/Draft/Decl.2 (IV))
- c) The Resolution on the Rationalisation and the Harmonisation of the Regional Economic Communities (Ref. AU/TI/TMIN/Res. (IV))

These are attached herewith.

8. The meeting also took note of the minutes of the Retreat on Aid for Trade held in Montreux (Ref. TI/TMIN/EXP/8 (IV)) on 7-8 April 2006 and the Report of the meeting in Algiers on Migration and Development.

- 9.** The date and venue of the 5th Session of the Conference will be announced following consultations by the AU Commission with Member States.
- 10.** A vote of thanks was delivered on behalf of the Conference by the Minister of Sudan.
- 11.** The meeting was adjourned.

EX.CL/269 (IX)
Annex II

THE NAIROBI MINISTERIAL DECLARATION
ON THE DOHA WORK PROGRAMME

AFRICAN UNION
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AU CONFERENCE OF MINISTERS OF TRADE
4th ORDINARY SESSION
12 – 14 April, 2006
NAIROBI, REPUBLIC OF KENYA

TI/TMIN/MIN/Decl. (IV)
ORIGINAL: ENGLISH

THE NAIROBI MINISTERIAL DECLARATION
ON THE DOHA WORK PROGRAMME

The Nairobi Ministerial Declaration on the Doha Work Programme

We, the Ministers responsible for Trade, of the Member States of the African Union, meeting during our Fourth Ordinary Session in Nairobi Kenya on the 14th of April 2006 to deliberate upon key trade issues in the context of regional and international initiatives and developments

Recalling the decisions and recommendations related to the development of Africa as contained in various international instruments under the auspices of the United Nations Organisation including the Declaration of the Millennium Summit, the World Summit on Sustainable Development, Financing for Development Summit, the Programme of Action for Least Developed Countries and the Commission for Africa Report

Welcoming initiatives to increase development financing and to effectively address the debt burden

Mindful of the pending conclusion of the negotiations under the Doha Work Programme of the World Trade Organisation

Reaffirming the need for the negotiations to be inclusive and transparent to ensure political ownership of the process and the outcome of the negotiations

Strongly emphasizing the importance of the modalities to address issues of interest to Africa which have so far not been given sufficient attention

Hereby declare as follows:

1. We welcome the Hong Kong Ministerial Declaration adopted by the Ministers responsible for trade of the World Trade Organisation in December 2005 as an impetus towards the conclusion of the Doha Work Programme. We re-dedicate ourselves to the important task of completing the trade negotiations by end of this year 2006 and we commit ourselves to work with other trading partners in achieving fully the development objectives of this round. It is our legitimate expectation and we shall ensure that the outcome of the negotiations fully reflects the development priorities of Africa.

2. We have since the launch of the Doha Work Programme on 14 November 2001 adopted various declarations, indicating our common positions on key issues under negotiation. In this regard, we have adopted the Kigali Consensus, the Cairo Road Map on the Doha Work Programme, the Arusha Development Benchmarks and the Arusha Ministerial Declaration on Commodities. In the Arusha Development Benchmarks that we adopted in November 2005, we clearly set out our development objectives, which the outcome of the Doha Round should fully reflect. These declarations have been endorsed at the highest political level by our Heads of State and Government. We similarly re-affirm our commitment to our common positions contained in these declarations.

3. We similarly re-affirm our commitment to the common positions contained in the declarations on the Doha Work Programme adopted by Trade Ministers of the Least Developed Countries and the African, Caribbean and Pacific Group of States. We

reiterate our solidarity with these groups within the G90, and re-new our commitment to strengthen our alliance and pursue our common interests in the Doha Work Programme as enunciated in the respective declarations.

4. We stress that the Doha Round has to deliver meaningful results for Africa and LDCs and should lead to a win-win situation for all. In this regard any proposed outcome of the Doha Work Programme should be measured against the development benchmarks that we have adopted and should fully take the development priorities of Africa into account.

5. We are deeply concerned with the lack of progress in the work mandated on the modalities for Agriculture and NAMA. At this juncture, considering the deadlines set for this work, at end of April 2006, we reiterate the urgency to meet all the commitments and the development promises of the Doha round so that the development needs and concerns of Africa and the LDCs are taken into account.

6. We emphasise that the April outcome for the modalities for Agriculture and NAMA must be all-inclusive and also address the concerns of African countries. In this regard the establishment of partial modalities that exclude the concerns of Africa and LDCs will not be conducive to a productive and acceptable outcome.

7. We reiterate our support to the ongoing process on the establishment of modalities, and emphasise that the modalities to be agreed upon in Agriculture, should include all issues of interest to Africa and support policies that are conducive to the development goals, poverty reduction strategies, food security and livelihood concerns. Accordingly we expect balanced progress and meaningful results in the negotiations on market access, domestic support, export competition, taking the S & D component into account. We also urge that the long outstanding mandate on Net Food Importing Developing Countries (NFIDCs) be addressed appropriately and expeditiously.

8. We emphasise the need for progress in the agricultural market access pillar, particularly on the tariff reduction formula, special products, Special Safeguard Measures (SSM), preferences and commodities. We stress that SSM should be made available to Africa and its LDCs and apply to all products.

9. We equally call for real progress in the areas of domestic support and export competition in order to achieve modalities that address the trade distortions faced by African countries in Agriculture.

10. Recognizing the vital importance of long standing preferences to African countries in Agriculture, we urge that trade-related solutions be developed to address the problems of preference erosion in an urgent manner in the negotiations. We further urge that this issue be effectively and meaningfully addressed in any modalities to be agreed upon in line with paragraph 44 of Annex A of the July Framework Agreement. Accordingly we expect that other WTO members will engage constructively in the discussions.

11. We stress the vital importance of cotton and the urgent need to achieve full modalities by the end of April 2006 as agreed in Hong Kong, including the substantial

reduction of domestic support and the establishment of a mechanism to deal with price fluctuations of cotton, as a matter of priority

12. Furthermore, we emphasise the importance of bananas for some African countries and the need to ensure a fair market access for its producers.

13. We are concerned that the modalities in NAMA may lead to the de-industrialisation of African countries if their concerns on adequate flexibilities, less than full reciprocity, appropriate Special and Differential Treatment and erosion of preferences are not adequately addressed in the negotiations. Accordingly, we expect the modalities to fully address these concerns and provide for a credible trade solution to the issue of preferences.

14. We reiterate the importance of a balanced outcome in the negotiations. We urge that there should be an overall balance in the negotiations that responds to the development promises in the Doha Round within the context of the single undertaking.

15. Recognizing the serious adverse impact that the long-term decline and sharp fluctuations in the prices of primary commodities continues to have on the incomes of farmers in Africa and also the impact on their food security, livelihood concerns and rural development, we stress that the outcome of the negotiations in Agriculture and NAMA should effectively address the particular trade-related concerns of commodities dependent developing and least developed countries in accordance with the Hong Kong Ministerial Declaration.

16. We welcome the establishment of the Task Force on Integrated Framework and take note of the ongoing work. We call upon the WTO membership to find efficient ways of improving the existing Integrated Framework process, funding and delivery mechanism, in order to make it more effective and timely in addressing the trade-related development needs of LDCs.

17. We reaffirm technical assistance and capacity building, including institutional, human resources development and specialized institutions for enhancing capacity of African negotiators as core elements of the development dimension of the multilateral trading system. We call on our development partners to adequately finance technical assistance programmes through the existing delivery mechanisms, especially the Integrated Framework, the JITAP and other complementary mechanisms.

18. We appreciate the inclusion in the Hong Kong Ministerial Declaration of the mandate for Operationalization of the Aid for Trade. We welcome the establishment of the Task Force and we take note of the work that is ongoing in other fora on enhancement of development finance for trade to make it commensurate to the development needs of Africa. We urge the Task Force created to comprehensively address this issue of paramount importance for Africa and to ensure that there shall be a marked improvement over the current trade-related programmes for technical cooperation, including in amount of resources and coverage of African countries. We expect efficiency and effectiveness in the management and delivery of and access to the resources.

19. We recognize the role and comparative advantage of UNCTAD in matters of assistance to African countries in their capacity building efforts. We are concerned by recent proposals from some developed countries to reduce its mandate and jeopardise the institutional continuity of UNCTAD in the context of the reform of the United Nations system. The process of reform should strengthen rather than diminish the role and activities of UNCTAD as focal point within the United Nations system for the integrated treatment of trade, development and related issues. UNCTAD should continue its assistance to African countries with regard to trade negotiations and development policies.

20. We recall the decision taken in Hong Kong regarding duty free and quota free (DFQF) market access and other S & D provisions for the LDCs and call upon WTO developed, and developing members in a position to do so, to operationalize the decision as part of the single undertaking.

21. We stress the importance of preserving the flexibilities of individual developing and least developed countries as contained in the GATS and LDCs modalities and reaffirmed in the Hong Kong Declaration. The negotiations in Services should ensure that sectors and modes of supply of interest to African countries are given special consideration. In this respect, we note that Mode 4 is of crucial importance to many African countries. Further, we call upon WTO Members to be committed to fully implementing the Modalities for Special Treatment of LDCs in line with Article IV: 3 of the GATS. It is recognized that LDCs are not expected to undertake new commitments.

22. Considering the flexibilities provided for individual developing country Members in accordance with Article XIX: 2 of the GATS, we reaffirm that the collective request is intended to complement and not supersede the bilateral request /offer negotiations and the specificity of bilateral requests.

23. We reaffirm that the negotiations in Trade Facilitation should take into account the need to provide technical and financial assistance, and appropriate S & D provisions to the developing countries, and particularly to the LDCs, to help them in their efforts to accomplish the institutional reforms in this sector. African countries should also be assisted in addressing their physical infrastructures and trading capacity constraints. We urge WTO Members to put in place an appropriate mechanism of addressing the needs and priorities of African countries in Trade Facilitation before moving to text-based negotiations.

24. We recognize the contribution and potential of AGOA for the economic and social development in Africa. Consequently, we urge the WTO members to speed up the process for the granting of the waiver on AGOA and to have this process completed by the next session of the General Council of WTO in May 2006.

25. It is noted with concern that no African countries have acceded to the WTO since its establishment. We reaffirm our solidarity to all our Members that are in the process of WTO accession. In this respect we call upon all WTO Members to facilitate and accelerate the accession of African countries to the WTO. We also call upon development partners to intensify the provision of technical assistance and capacity building support to acceding African countries at all stages of the accession process.

26. Furthermore, we underscore the urgent need to effectively implement the accession guidelines for LDCs adopted by the General Council in December 2002. We stress that acceding countries must neither be compelled to negotiate concessions going beyond generally accepted WTO rules nor subscribe to some exigencies about the clauses still under discussion within the framework of the Doha Round.

27. We stress that the negotiations should proceed in a transparent and inclusive manner, especially at this late stage. Only a transparent and inclusive process can ensure political ownership and a consensus on the outcome of the negotiations. There should not be any pressure on African countries particularly as they are constrained in terms of human and financial resources and institutional capacity. We are further concerned that a number of issues of vital interest for Africa have not been addressed yet. We therefore urge that the Geneva process remains the centre of the multilateral negotiations.

28. We thank the Government and people of the Republic of Kenya for their generous and warm hospitality and the excellent facilities put at our disposal.

Done in Nairobi, Kenya on 14 April 2006

EX.CL/269 (IX)
Annex III

NAIROBI DECLARATION ON
ECONOMIC PARTNERSHIP AGREEMENTS

AFRICAN UNION
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AU CONFERENCE OF MINISTERS OF TRADE
4TH ORDINARY SESSION
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NAIROBI, REPUBLIC OF KENYA

TI//TMIN/MIN/Decl. 2 (IV)
ORIGINAL: ENGLISH

NAIROBI DECLARATION ON
ECONOMIC PARTNERSHIP AGREEMENTS

**NAIROBI DECLARATION ON ECONOMIC PARTNERSHIP
AGREEMENTS (EPAs)**

We, the Ministers responsible for Trade, of the Member States of the African Union, meeting in our Fourth Ordinary Session in Nairobi Kenya on 14 April 2006:

1. **Reaffirm** our AU Mauritius and Cairo Ministerial Declarations on EPA Negotiations under the Cotonou Agreement, which our Heads of State and Government endorsed. In light of the critical stage the negotiations have reached, we underscore the EPA negotiating objectives.

2. **Reiterate** that economic partnership agreements with the European Union should be tools for the economic development of Africa. We express our profound disappointment at the stance taken by negotiators of the European Commission in so far as it does not adequately address the development concerns that must be the basis of relations with Africa. We urge our negotiating partners to clearly demonstrate the development content of the proposed agreements, and adequately address supply side constraints, infrastructure bottlenecks, and adjustment costs, bearing in mind that trade liberalisation together with the accompanying liberal policies, may not by itself deliver economic development. In this regard, we emphasise that the development content should include, inter alia, adequate financial and technical resources; full market access to the European markets for African goods and service providers; and policy space and flexibility for implementation of development programmes in Africa.

3. **Note** that the programming exercise for the 10th EDF has commenced at country and regional levels. We therefore call for enhanced coordination between trade, finance and development officials, with a view to ensuring that financing of EPA related costs are integrated in the National and Regional Indicative Programmes, without impeding other development needs that are to be funded under the 10th EDF. We further call for the urgent establishment of an additional EPA Financing Facility at national and regional levels as provided for in Declaration XIV of the revised Cotonou Agreement, to address the adjustment costs and support the EPA process and implementation over time. In addition we call for a binding commitment from the European Union for additional resources beyond the 10th EDF to cover EPA related costs. This commitment shall be factored into the legal text of each EPA. We emphasise the need for the Regional Preparatory Task Forces (RPTFs) to play a more effective role in support of the EPA negotiations.

4. **Further note** that market access openings have been significantly undermined by health, sanitary and phytosanitary, technical and market standards maintained by the EU partners. In this regard, we urge our trading partners to robustly support our countries with adequate financial and technical resources to enable our exporters meet the standards, and our countries to fully participate in international standard setting. We note that many of the EU standards go beyond what would legitimately be appropriate. In this regard, we urge our trading partners to introduce appropriate control over standard setting undertaken by market-based non-governmental organisations including in the border enforcement of those standards.

5. **Have further consistently stressed** that the agreements should be consistent with the objectives and process of economic integration in Africa in accordance with the Constitutive Act of the African Union and the Treaty Establishing the African Economic Community. We urge our development partners to fully respect our fundamental concerns in this regard and to refrain from pursuing negotiating objectives that would adversely affect these existing programmes and process for economic integration in Africa. In this regard, we stress that the Regional Economic Communities recognised as building blocs for the African Economic Community shall continue to pursue their economic integration programmes, seeking to achieve wider and deeper integration among the Member States. Recalling the coordination and monitoring mandate given to the Commission of the African Union by our Heads of State and Government at the Maputo Summit, we underscore the absolute importance of regular and consistent meetings and sharing of information among the negotiating groups and with the Commission. In this regard, we direct the Commission to adopt a definite programme and implement it, relating specifically to co-ordination meetings and the regular and consistent sharing of information. The Commission is further directed to mobilise available resources to enhance its role and functions relating to EPA negotiations.

6. **Call upon** the Regional Economic Communities to work closely among themselves in pursuance of the objectives we have set out in our declarations. In particular, we urge the regional economic communities as building blocs for the African Economic Community to ensure that economic partnership agreements with the European Community do not constitute any obstacles to the coordination and harmonisation of their programmes and activities including for the progressive formation among themselves of free trade areas and customs unions on a priority basis and ahead of any similar agreements with the EC.

7. **Endorse** the approach that no African country should be worse off under the new trade regime. We endorse the maintenance of duty free and quota free treatment for least developed countries. We urge our negotiating partners to extend the same treatment to African non-least developed countries. We believe that any apparent technical difficulties to this under WTO rules are amenable to an appropriate solution. We urge the European Commission to consider the conclusion of binding agreements in the framework of the Cotonou Agreement that elaborate and put on a lasting basis any unilateral and preferential market access regimes they adopt, including under the Enabling Clause, in a manner that fully addresses the uncertainties associated with unilateral initiatives.

8. **Reiterate** that Article XXIV of GATT needs to be appropriately amended to allow for necessary special and differential treatment, less than full reciprocity principle and explicit flexibilities that are consistent with the asymmetry required to make EPAs pro-development. Conclusions of the market access aspects of the EPAs should take place upon completion of the amendment.

9. **Endorse** the proposal of the Africa Caribbean and Pacific Group of States to the WTO Negotiating Group on Rules, calling for modification of Article XXIV of the General Agreement on Tariffs and Trade 1994. The flexibility currently available under Article V of GATS is constrained. ACP countries will require greater flexibility if they negotiate Trade in Services under the EPAs. We urge our negotiating partners to fully support the proposal on Article XXIV of GATT 1994. We are determined to

ensure that this proposal is fully taken into account in the outcome of the Doha Work Programme.

10. **On** negotiations in services, we have noted the intention of the European Community to seek extensive opening of African services sectors. We re-commit ourselves to pursuing the architecture under the WTO General Agreement on Trade in Services, of a positive-list approach, and underscore the absolute need for a carefully managed sequencing of services liberalisation in line with establishment of strong regulatory frameworks. We therefore shall not make services commitments in the EPAs that go beyond our WTO commitments and we urge our EU partners not to push our countries to do so. We expect and call upon the European Community to open up its services sectors in favour of African countries to satisfy, as the barest minimum, the requirements under Article V of GATS of substantial sectoral coverage and elimination of substantially all discrimination.

11. **Underscore** the important role played by agriculture in the economic and social development of African countries. We have noted the positions adopted by the EU and other developed countries in WTO negotiations, which do not make it possible for African countries to benefit from the export of their agricultural products to the international markets including the European market. We call on the EU to adopt positions in WTO negotiations that are consistent with the development objectives of EPA negotiations.

12. **Welcome** the progress that has been made on clarification of the flexibility available under the WTO Agreement on Trade-related Aspects of Intellectual Property Rights, including the amendment to the Agreement's provisions on compulsory licensing. We urge our negotiating partners to fully respect this progress in the context of EPA negotiations and to refrain from seeking obligations that exceed those under the TRIPS Agreement. We urge the EU to expeditiously complete the procedures necessary for the amendment to be implemented and utilised by their producers and exporters of pharmaceutical products as part of the community regime. We also reject any attempt to introduce any TRIPS plus provisions on any intellectual property rights issues in the EPA negotiations.

13. **Underscore** the importance of building the competitiveness of African countries, in order to utilise and benefit from market access opportunities and ensure the economic development of our countries. In this regard, we urge our negotiating partners to appropriately prioritise this component of the negotiations, including in terms of ensuring that resources in the required critical amounts are efficiently and effectively deployed in technical cooperation programmes with our countries. We specifically call upon the EU to put in place technology transfer and sharing partnerships, facilitated including through incentives, that would directly link up technology producers and owners in EU with users in African countries.

14. On the issues of investment policy, competition policy and government procurement, we **reiterate** the concerns we have raised at the World Trade Organisation, leading to their being removed from the Doha Work Programme. We reaffirm that these issues be kept outside the ambit of EPA negotiations. We stress the importance of maintaining consistency in our negotiating objectives and positions in the various fora. We appeal to regional groupings, so that in dealing with these issues, they ensure the coherence of our negotiating objectives and positions

adopted in various fora. We specify that regional instruments can be developed for the sole mutual benefit of Member States of regional groupings.

15. **Welcome** the assessment and evaluation due this year 2006 of EPA negotiations, and direct our negotiators to ensure that it is fully undertaken and should be formal. The review should be all inclusive and consultative with all stakeholders including civil society and parliamentarians and should be conducted at national, regional, continental and ACP levels and should include, inter alia, the structure, process and substance of the negotiations in the trade and development dimensions, as well as the capacity and preparedness to conclude EPAs. In particular, alternatives to EPAs should be fully explored. We request the AU Commission and the ACP Secretariat to commission and coordinate independent prior assessments. Development benchmarks should be developed to assist the exercise and in the negotiations as a whole.

16. In view of the cross cutting nature of UNCTAD's programmes and activities for capacity building, we are **concerned** with recent proposals by some developed countries to erode the mandate or even the institutional continuance of UNCTAD in the context of the UN reform process. We reaffirm that the UN reform process should not result in an erosion or diminution of the mandate or activities of UNCTAD. Instead, the reform process should enhance the role and activities of UNCTAD as the focal point in the UN system for the integrated treatment of trade and development and related issues. UNCTAD should continue its assistance to African countries regarding trade negotiations and development policies.

17. Thank the Government and People of Kenya for the hospitality extended to us and for hosting this Conference.

Done at Nairobi, in the Republic of Kenya, this 14 April 2006

EX.CL/269 (IX)
Annex IV

**RESOLUTION ON THE RATIONALIZATION AND THE
HARMONIZATION OF THE REGIONAL ECONOMIC
COMMUNITIES**

AFRICAN UNION

الاتحاد الأفريقي



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**AU CONFERENCE OF MINISTERS OF TRADE
4TH ORDINARY SESSION
12-14 APRIL 2006
NAIROBI, REPUBLIC OF KENYA**

**AU/TI/TMIN/Res. (IV)
ORIGINAL: ENGLISH**

**RESOLUTION ON THE RATIONALIZATION AND THE
HARMONIZATION OF THE REGIONAL ECONOMIC
COMMUNITIES**

**RESOLUTION ON THE RATIONALIZATION AND THE HARMONIZATION
OF THE REGIONAL ECONOMIC COMMUNITIES**

The African Ministers of Trade meeting in their 4th Ordinary Session held in Nairobi, Kenya, on 14 April 2006,

Recalling the objectives that guided the establishment of the Regional Economic Communities and the African Union; as elaborated in the Abuja Treaty and the Constitutive Act of the African Union,

Recognizing the achievements our Regional Economic Communities have made in the liberalization of trade among their Member States and the critical importance at this stage of moving forward in a more focused manner in accordance with the broader continental objectives of building the African Common Market,

Noting with concern the constraints posed by the proliferation of regional economic communities and the challenges that these constraints pose to taking this process of continental integration forward towards the African Economic Community,

Recalling the resolve and determination expressed at the highest political level by our Heads of State and Government to accelerate the establishment of the African Economic Community:

1. **AGREE** that there is an urgent need to rationalize the Regional Economic Communities and harmonize their activities;
2. **ACKNOWLEDGE** that some Regional Economic Communities have made progress in the harmonization of their policies and setting up coordination mechanisms among themselves and **URGE** other RECs to draw upon this experience with a view to advancing the rationalization process;
3. **SUPPORT** the outcome of the Ouagadougou meeting (31 March 2006) of Ministers responsible for economic integration regarding rationalization of Regional Economic Communities, and look forward to directives to be given by our Heads of State and Government at their next Summit dedicated to integration;
4. **URGE** all Member States to show strong political will with a view to enabling the Regional Economic Communities to expeditiously implement the Decisions already taken with respect to rationalization and harmonization;
5. **ALSO URGE** the Regional Economic Communities to take the lead in the rationalization by immediately starting to harmonize their policies, their customs and trade instruments and to coordinate their programmes with a view to achieving convergence;

6. **CALL UPON** the African Union Commission to oversee these rationalization and harmonization efforts by the RECs;
7. **ALSO CALL UPON** the ECA to continue to reflect and explore further the options for rationalization of the RECs, in close collaboration with the AUC and the RECs.

2006

Report of the 4th ordinary session of the conference of African ministers of trade

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