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**EXECUTIVE COUNCIL
Sixth Ordinary Session
24 – 28 January 2005
Abuja, Nigeria**

**EX.CL/151 (VI)
Original: English**

**PROGRESS REPORT ON ON-GOING
WTO NEGOTIATIONS**

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1. Following the collapse of talks in Cancun, a major meeting took place in Geneva in July 2004 and resulted in what is called the July package which was adopted by the WTO General Council on 1st August, 2004. For Africa, the July package constitutes a compromise document demonstrating WTO members' efforts to bring back on track the Doha Work Programme. It will be recalled that AU Member States had, under the aegis of the Conference of AU Ministers of Trade held in May 2004 in Kigali, Rwanda, agreed on their positions before participating in the July meeting. Indeed, as directed by Council Decision EX.CL/Dec.108 (V), it is the two documents elaborated in Kigali and reflecting Africa's position, namely the Kigali Declaration on the Doha Work Programme and the Kigali Consensus on the Post-Cancun Doha Work Programme that served as technical guidance and policy space for the engagement of African Trade officials and negotiators with their counterparts.

2. Furthermore, in October 2004, the AU Geneva office in collaboration with other partners organized a retreat for African missions to the WTO to deliberate extensively on four main issues, namely, Agriculture including cotton, Non-agricultural Market Access (NAMA), Services and Development Issues. The retreat gave an opportunity to Member States to evaluate the implications of those issues for African countries and also facilitated the refinement of their strategies for the modalities phase of the negotiations and beyond. During the retreat, African missions further identified the technical issues/research needs on which more work is required and decided to chart a road map for Africa's participation in the period leading up to the 6th session of the WTO Ministerial Conference that will take place in Hong Kong, China on 13-18 December, 2005.

3. The African Group further met in Tunis in November 2004 to have more focused discussion on key technical and strategic issues of the July package of importance to African countries. They identified the technical and analytical aspects of the negotiations that required the urgent response of regional and international organisations, needed to inform the negotiating processes of African countries in Geneva. Accordingly, they discussed Agriculture, NAMA, Services, Trade Facilitation and development aspects of the Doha Round. The success of the Round will ultimately be measured by the seriousness with which it deals with development issues and the potential real positive developmental gains that will result for African countries. The meeting identified specific areas where further collaborative research was needed from regional and international organizations as well as from academic and research organizations that would allow Africa to positively contribute to the modalities stage of the negotiations leading up to the 6th Session of the WTO Ministerial Conference.

4. Under Agriculture, Member States' concern is that the Framework on agriculture contained in the July package left many issues of interest to

Africa unresolved making the negotiations in the modalities stage difficult. It further introduced elements such as the “new blue box”, “sensitive products”, special products and “tiered formula” that require substantial technical work in order to appreciate their implications on African economies.

5. On the cotton issue, African countries are yet to develop proposals on the modalities and timeframe relevant to dealing with cotton subsidies in developed countries. They need also to clarify certain aspects of Trade Facilitation. In this regard, the Government of Tunisia has offered to host a Ministerial meeting to be held in 2005 to discuss and formulate a common African position on the issue.

6. With regard to NAMA negotiations, Member States emphasized the importance of whatever formula evolving in the modalities stage should provide policy space for African countries’ industrialization and ensure special and differential treatment and less than full reciprocity.

7. Under Services, the key challenges are to identify the services sectors in individual African countries or at the regional levels that are of interest, and especially identify requests in the services negotiations that African countries in a region can prepare jointly given the asymmetry in the negotiating capacity among individual African countries. They should also attach conditions to their offers to ensure that any benefits from liberalization accrue to them. They should conduct studies to identify sectors and modes of supply of interest to them and submit proposals on how Africa can obtain in the negotiations, commitments under mode 4 that deal with African countries’ concerns.

8. Under development issues, it is important for African countries to pursue fair trade, capacity building, flexible and balanced rules. Also, given the importance of special and differential treatment for African countries, they should aim at finalizing the proposals currently on the table.

9. At a time when negotiations are moving from the framework to the modalities stage, efforts need to be intensified to ensure that Africa’s concerns are reflected in the modalities to be agreed upon. This will require enormous building of capacity to ensure that the outcome of negotiations is consistent with Africa’s expectations, that is, that the Doha Round is effectively a development round and that Special and Differential Treatment provisions are implemented. Already Africa’s partners such as the FAO and UNDP are building the capacity of Member States, the RECs and the AU Commission around the technical issues of the July package that require further understanding. In these negotiations, the strength that lies in the unity and solidarity of the alliance of the ACP/AU/LDC Group or G90 is to be acknowledged and pursued.

10. On the way forward, a roadmap and work plan for the post July 2004 negotiations phase have been developed and will be further refined by the

African Group in Geneva. It is important to pursue a strong coordination of efforts both at the technical and political level between the African Geneva Group and other groupings of developing countries at the WTO.

11. Council might wish to send a political message to the international community to take steps to fast track negotiations on the cotton issue which affects many Africans who continue to live below the poverty line and is an indictment of both the international community and the multilateral trading system. It may also wish to request the African negotiators to ensure that negotiations on Agriculture provide the necessary policy space needed by developing countries in order to pursue their goals of food security, rural development and poverty reduction.

2005

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