

AFRICAN UNION

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EXECUTIVE COUNCIL
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Addis Ababa, ETHIOPIA

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REPORT OF THE 9TH AU CONFERENCE OF MINISTERS OF TRADE
ADDIS ABABA, ETHIOPIA, 1 – 5 DECEMBER 2014

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**AU CONFERENCE OF MINISTERS OF
TRADE 9TH ORDINARY SESSION**

01– 05 DECEMBER 2014

ADDIS ABABA, ETHIOPIA

**AU/TI/TD/CAMoT-9/RPT.MIN/FINAL
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FINAL REPORT

MEETING OF MINISTERS OF TRADE

4 – 5 DECEMBER, 2014

REPORT MEETING OF MINISTERS OF TRADE

INTRODUCTION

1. The Ninth Ordinary Session of the AU Conference of Ministers of Trade convened at Ministerial level at the African Union Headquarters in Addis Ababa, Ethiopia from 4 to 5 December, 2014. The meeting was formally opened by H.E. Mr. Carl Hermann Schlettwein, Minister of Trade and Industry of the Republic of Namibia.

ATTENDANCE

2. The meeting was attended by the following Member States: Algeria, Angola, Benin, Botswana, Burkina Faso, Burundi, Chad, Congo, Comoros, Côte d'Ivoire, Egypt, Eritrea, Ethiopia, Gabon, Gambia, Ghana, Guinea, Kenya, Lesotho, Madagascar, Mali, Mauritania, Mauritius, Mozambique, Namibia, Niger, Nigeria, Rwanda, Saharawi Arab Democratic Republic, Seychelles, South Africa, Sudan, Swaziland, Tanzania, Togo, Tunisia, Uganda, Zambia and Zimbabwe.

3. The following Regional Economic Communities and partner organisations also participated: CENSAD, COMESA, EAC, ECOWAS, IGAD, SADC, AfDB, UNECA, UNCTAD, ARSO, FEWACCI and the European Union. The list of participants is attached as Annex 1.

PROCEEDINGS

Agenda Item 1: Opening Ceremony

4. The opening ceremony received statements from Mr. Roberto Azevedo, Director General of the World Trade Organization, H.E. Mr. Abdalla Hamdok, Deputy Executive Secretary of United Nations Economic Commission for Africa, Ms. Arancha Gonzalez, Executive Director of the International Trade Centre, H.E. Mrs. Fatima Haram Acyl, Commissioner for Trade and Industry of the African Union Commission and H.E. Mr. Carl Hermann Schlettwein, Minister of Trade and Industry of the Republic of Namibia, Chair of the Conference:

Remarks by Dr. Roberto Azevedo, Director General of the WTO

5. The Director General of the World Trade Organization (WTO), Mr. Roberto Azevedo, acknowledged the huge publicity that Africa continues to receive in global discussions on trade and investment opportunities and future growth. He encouraged Africa to continue to harness trade to realize its potential of young population and macroeconomic fundamentals for growth prospects. While noting the low levels of intra African trade, Mr. Azevedo stated that the work on boosting intra-African trade and the establishment of the CFTA is compatible with the multilateral integration agenda and will support Africa's wider integration into the multilateral trading system. He also called on African countries to engage at the global and multilateral level and make their voices heard more loudly than ever at the WTO.

6. The Director General recalled the breakthrough achieved in Geneva on the implementation of the Bali package resulting in that the Peace Clause will remain in place hence recognizing the importance of food security to Africa; the new Trade Facilitation Agreement Facility, which became operational in November 2014 is a boost to technical assistance for signatory members including LDCs, the African Group and the ACP group of states; and the Post Bali work programme allows members to continue engagements on outstanding DDA issues including work on agriculture, cotton and LDCs issues among others.

7. While reaffirming that the WTO stands ready to support Africa in its endeavors, he emphasized the need for Africa to focus on what is critical and doable. In conclusion, he invited all countries to the 5th Global Review of Aid for Trade to be held from 30th June to 2nd July 2015 in Geneva that will address issues of boosting countries' trading capacity and the extension of the Enhanced Integrated Framework (EIF) that has expired.

Remarks by H.E. Mr. Abdalla Hamdok, Deputy Executive Secretary of UNECA

8. In his remarks on behalf of Dr Carlos Lopes, United Nations Under-Secretary General and Executive Secretary of the Economic Commission for Africa (ECA), Dr. Abdalla Hamdok, Deputy Executive Secretary, reminded the meeting that the Conference is taking place at a very important juncture, with Member States heavily engaged in a number of crucial multilateral, regional and bilateral trade negotiations. He recalled the broader context of the trade dialogue and highlighted the performance of Africa within the global economy. He stressed the imperative for Africa's economic transformation underlining that only structural transformation can translate economic growth into greater employment generation and faster poverty reduction. He called for the need to ensure that the resources that were pledged by development partners to support Africa's trade facilitation reforms are indeed provided and that Africa's strategic priorities are adequately dealt with, especially the patent imbalances and distortions in the international agricultural market.

9. With regard to mega-regional trade agreements, Dr. Hamdok acknowledged that they may boost international trade and global growth and bring positive spill overs to Africa but that they may also lead to some preference erosion and affect international rules and standards. Whilst continuing to lobby for a seamless renewal of the AGOA, he recalled that preferential schemes are just a tool to strengthen the competitiveness of Africa's economies and not an end in themselves. On EPAs, he stressed the need to coordinate EPAs finalization across negotiating blocks, to minimize obstacles to regional integration and ensure that the most favourable provisions in any block be extended to the others. He also called for the utilisation of the transition period to appropriately sequence liberalization with EU and Africa's regional integration agenda. He further underscored that Africa should preserve and harness hard-fought policy space to pursue their development objectives.

10. In conclusion, Dr Hamdok acknowledged the commendable developments in the RECs towards the establishment of the CFTA but warned against fragmentation

of markets and trade barriers. He pointed out that the CFTA is a key strategic objective not only to support Africa's transformation, but also to improve the terms of Africa's integration into the global economy. He urged Member States in view of anticipated historical achievement to adopt the "Putting Africa first" concept.

Remarks by Ms. Arancha Gonzalez, Executive Director, ITC

11. The Executive Director of the ITC recalled a pledge she made during her first address to AU Ministers of Trade in 2013 to place Africa at the heart of ITC's interventions. She stated that currently 67% of ITC interventions are targeting sub-Saharan Africa, LDCs and small island developing states. She thanked Rwanda for successfully hosting the World Economic Development Forum held in July 2014 and commended Zambia and Mauritius for winning awards during the World Trade Promotion organization (WTPO) Awards in November 2014. She also informed the meeting that Morocco will host the next WTPO.

12. Ms. Gonzalez reaffirmed that ITC will work with the AUC, RECs and Member States to establish the CFTA focusing on areas where the ITC can add value based on its strategic plan (2015 – 2017). In this regard, she highlighted the on-going consultations with the AUC to operationalize the African Business Council and the Trade Observatory as part of the governance structure of the CFTA. She then referred to some other six areas of intervention by the ITC in Africa such as trade and Market intelligence, global value chains especially in agro-processing and services, inclusive and green trade, trade and investment promotion of Chambers of Commerce and work on SMEs, regional integration especially trade facilitation measures and connecting SMEs to international markets.

13. She concluded by emphasizing the need to address high tariffs and non-tariff barriers in Africa and asserted ITC's resolve to move from 'commitment to action' in supporting the private sector and SMEs as drivers of regional integration in Africa.

Statement by H.E. Mrs. Fatima Haram Acyl, Commissioner for Trade and Industry

14. On behalf of H.E. the Chairperson of the AU Commission, Mrs. Fatima Haram Acyl, Commissioner for Trade and Industry, welcomed the Ministers, special guests and all participants to the 9th Ordinary Session of the AU Conference of Ministers of Trade. She stated that if the vision set in Agenda 2063 of an integrated, prosperous, and peaceful Africa, driven by its own citizens and representing a dynamic force in the global arena is to be realized, Africa must intensify its efforts to achieve rapid, inclusive, poverty-reducing and sustainable economic growth

15. She recalled that three years after the adoption of the CFTA, it was high time to move from rhetoric to concrete action. She reminded the meeting of the responsibility bestowed upon the Conference as the key policy organ of the AU entrusted with the task of moving the process of Africa's market integration forward. She added that this includes ensuring that the negotiations of the CFTA begin in 2015 as envisaged in the road map approved by AU Summit and also ensuring the

speedy establishment of the organs in the CFTA architecture. She underscored the importance of accelerating Africa's market integration vis-à-vis recent developments on the global scene such as the emergence of mega FTAs by key players in world trade.

16. She briefed the meeting on some activities of the AUC in implementing BIAT and CFTA, including a programme on Trade in Services which is critical for the modernization and transformation of Africa's economy and the involvement of the AUC in the development and implementation of trade facilitation programs activities by Member States and the RECs. In this regard, she recalled the organization of regular meetings of the Directors General of Customs Administrations in Africa, who have developed and submitted several proposals on trade facilitation issues such as simplified customs regulations and procedures, integrity in customs operations, and interconnectivity of customs information systems: all of which aim at the facilitation of trade, reduction of costs of doing business and consequently increasing the competitiveness of African products. She also expressed Africa's expectation that the international community will provide adequate technical and financial support for the implementation of trade facilitation programmes and activities in Africa, including those necessitated by the Bali WTO Trade Facilitation Agreement.

17. The Commissioner stated that the position of the Heads of State and Government is that Africa should remain committed to a rules-based multilateral trading system that will address the concerns and interests of African countries. In this regard, she recalled that Africa's strength in trade negotiations that involve powerful parties lies in unity and solidarity and that the continent must be strategic in its positioning and in articulating what it truly desires from the Post Bali negotiations. With regard to EPAs, she stated that the AUC will continue to monitor the process of the conclusion, ratification, and implementation of the agreements to ensure that EPAs do not weaken Africa's regional and continental integration process and retard the growth of intra-African trade. She informed the meeting that the renewal of AGOA is receiving a favourable response from the US but that Africa needs to continue to intensify its lobbying and advocacy efforts in order to materialize the reauthorization of AGOA as soon as possible and avoid loss of contracts and jobs. In all trade undertakings, she called on Member States to engage the private sector, the civil society, academia, think tanks and partners. In conclusion, she thanked the African Groups and the Senior Officials for their relentless efforts and dedication in moving Africa's trade agenda forward.

Opening Remarks by H.E. Mr. Carl Hermann Schlettwein, Chair of the Conference

18. In his remarks the Chair of CAMOT 9 Bureau Mr. Carl-Hermann G. Schlettwein, Minister of Trade and Industry of Namibia, thanked Member States for the support and entrusting him with the leadership of the Bureau and commended the outgoing Bureau for ably managing the affairs of the Conference.

19. He underscored that Africa is on the rise, noting the progress made towards economic development in the recent years. However, he pointed out that there are

challenges beyond the Continental Free Trade Area and overall Continental Integration that ought to be addressed. The key challenges facing Africa on every level include the huge informal sector, narrow tax base with heavy dependence on customs and excise income, large deficits in infrastructure, fragmentation issues relating to movement of people, ineffective trade policy, industrial policy and trade facilitation. These issues have to be addressed in order to achieve competitiveness both within and beyond Africa. He also underscored the need to gear efforts towards industrialization, which is the only way Africa will achieve economic growth. He stressed that without industrialization in Africa, the search for market access will not achieve much, and called Member States to ensure that the CFTA includes an industrial pillar. The need to build productive capacities and value addition must form an important part in the agenda for economic integration and at the region and continental level.

20. He concluded by reminding participants that transport and telecommunication are critical to movement of goods and services and should be given priority in the BIAT/CFTA framework. He called upon participants to ensure that the economic gains from trade should be translated into wealth creation in order to address unemployment and overall economic growth.

Agenda Item 2: Constitution of the Bureau

21. The Conference elected its bureau as follows:

Chairperson	: Namibia (Southern Africa)
1 st Vice-Chairperson	: Sudan (East Africa)
2 nd Vice-Chairperson	: Egypt (North Africa)
3rd Vice-Chairperson	: Ghana (West Africa)
Rapporteur	: Chad (Central Africa)

Agenda Item 3: Adoption of the Agenda and Organization of Work

22. The Conference considered and adopted its agenda and organization of work as amended.

Agenda Item 4: Panel Discussion on Global Trade and Investment Trends

23. The Panel on Global Trade and Investment Trends was moderated by H.E. Nkopane Monyane, the Ambassador of Lesotho to Switzerland and the coordinator of the African Group on WTO issues. As introductory remarks, he emphasized that the rise of Mega Regional trade agreements brings significant economic and geopolitical implications for Africa and that therefore this calls for African countries to advance the CFTA, increase their focus on competitiveness, and advocate for the developed countries to take Africa into account in their MRTA negotiations.

24. The Panelists were the Honourable Dr. Ekwow SPIO-GARBRAH, Minister of Trade and Industry of Ghana, Dr. Arancha Gonzalez, Executive Director of the International Trade Centre and Dr. Yonov Agah, Deputy Director General of the WTO.

25. The Honourable Minister of Trade and Industry Dr. Ekwow SPIO-GARBRAH of Ghana called that major world economies have been for some time planning how to organize and liberalize trade and that Africa should take this fact into consideration otherwise it has a significant chance of being marginalized. In this regard, he stated that Ghana has greatly increased its exports within West Africa, which presently stand higher than exports to Europe. He also pointed out that trade cannot be dissociated from industrialization. To accompany the process, he stressed the major role that banks and financial institutions have to play, as well as the rise of the internet and ICTs.

26. Dr. Yonov Agah, Deputy Director General of the WTO pointed out that the multilateral trading system has always existed alongside plurilateral trade agreements such as MRTAs and that Africa should find the best way to take advantage of the system. He added that trade is no longer just a border issue, but also includes domestic issues such as competition policy and investment. He deplored the fact that African countries cannot participate effectively in the MRTA process because they are not a party to it. Therefore, he underscored that it is more urgent than ever before for African states to make a case for multilateralism. He also advised African states to consider the impact of TTIP on its trade relations with the US (AGOA) and the EU (EPA).

27. Dr. Arancha Gonzalez, Executive Director of the International Trade Centre, pointed out that the primary change in the global system is not the rise of multilateral trade agreements, but rather that the main actors (namely the EU, US, Japan, and now China) are engaging in agreements with each other. She stated that the slowdown in global trade is explained by the slowdown in value chain growth in East Asia. In this regard, she added that this situation suggests significant potential for Africa as the largest source of untapped value chain development in the world. She underlined that there is a move towards a world where NTBs are replacing tariffs as the major barrier to trade and stressed the need to consider NTBs within the context of MRTAs. She concluded by advising African states to focus on opportunities for value addition, as well as the necessary complementary activities, such as skills development, quality, packaging, branding, marketing, labeling, etc., that will help SMEs add more value.

Discussion

28. In the discussions that ensued, the Meeting made the following observations:

- a) Africa needs to look at the CFTA from a strategic, pragmatic, and practical point of view;
- b) Member States should be supporting the capacity of the AUC as a significant driver of improvements in regional trade;
- c) Challenges can be seen in terms of falling commodity prices, but there are also opportunities in the growing middle class and increased consumer demand;
- d) EPA should not threaten the economic integration of Africa or lead to the loss of jobs and investment in the continent;
- e) Political integration should go hand in hand with economic integration;

- f) There is need to focus more on facilitating the movement of persons on the continent as a way of promoting private sector development;
- g) The contribution of the services sector to Africa's Gross Domestic Product (GDP) is significantly growing and is a critical part of the integration agenda;
- h) The potential of regional market integration and the development of regional markets must be tapped with increased focus on implementation;
- i) Dialogue at the national level must include the private sector;
- j) The Ministers are called upon to empower and support the AU Commission.

Recommendations

- i. Member States should increase support to the AU Commission to ensure effective implementation of the BIAT/CFTA Initiative;
- ii. Member should fully implement regional FTAs;
- iii. There is a need to put more focus on the private sector as a primary driver of value chain development by including them in the national, regional and policy making processes;
- iv. Member should focus on skills and capacity development so as to take advantage of emerging opportunities in the new trade and investment agreements.
- v. Agenda Item 5: Consideration of the Report of Trade Senior Officials

29. The Report of Senior Officials was presented by the Chairperson of the Meeting of Senior Officials focusing on the recommendations made by the Senior Officials and submitted them to the Ministers for their consideration.

30. In the discussions that ensued, the Conference made observations on the following areas: the need to prepare adequately for the launch of the CFTA negotiations; prioritizing the CFTA before moving to the establishment of the Continental Customs Union and the African Economic Community; ensuring that the interest of LDCs are taken into account in the establishment of the CFTA; the importance of building on the progress that has been made at the regional levels in establishing the CFTA; the need to strengthen the capacity of the AU Commission to effectively support the CFTA negotiations, a call to participate effectively in the Tripartite Summit in Egypt to launch the Tripartite FTA and the possibility of establishing a structural Fund in order to make sure that the integration process benefits all countries.

31. The Conference took note of the Report in general and made the following recommendations under each item:

Recommendations

On Implementation of Previous CAMOT Decisions

- i. That the matrix should be updated by integrating elements from the Heads of State and Government's decision and a synopsis of all recommendations from the 8th CAMOT of 2013 and the extraordinary Conference of April 2014;
- ii. That the AUC should take stock of the state of implementation of Free Trade Agreements in all RECs as well as the Tripartite Free Trade Area.

On the ARSO Annual Report

- i. All AU Member States that are currently not Members of ARSO should endeavour to attain membership by the year 2017;
- ii. ARSO and other Pan African Standards organisations to refer to the year 2017 as African year of Quality Infrastructure;
- iii. The AUC and ARSO should increase awareness and mobilize all stakeholders on the role of Quality Infrastructure;
- iv. The AUC and Quality Infrastructure Institutions should assess the status of Quality Infrastructure in Africa; and develop a Strategic Plan on Quality Infrastructure in Africa.

On the Establishment of the Continental Free Trade Area

- (i) There is need to intensify preparations towards the launch of the CFTA Negotiations through:
 - (a) Convening Regional Consultative meetings in regions where this has not been done and organizing a validation workshop to consider all the reports;
 - (b) Commissioning studies on: an assessment by UNECA/AUC and the non-TFTA RECs on an option that can facilitate efficient negotiations of the CFTA; Comparative analysis of the Rules of Origin of all regional FTAs in Africa; AUC and UNECA to also assess the commitments of the different EPAs that have been finalized and the implications for the CFTA;
 - (c) AUC and UNECA commissioning a study on Industrial Development within the context of the CFTA and the situational and comparative analysis of tariff liberalization in regional FTAs;
 - (d) Convening a Dedicated Session of Senior Officials, preceded by a meeting of trade experts, to consider all the preparatory issues and develop a Road Map towards the launch of the CFTA negotiations.
- (ii) The AUC should develop a resource mobilization strategy to ensure sustainable resource availability for the process.
- (iii) The UNECA should commission studies on the design of the industrialization pillar in the context of the CFTA and BIAT based on the Accelerated industrial development for Africa (AIDA) Program;
- (iv) The AUC and ARSO to develop a work plan on Quality Infrastructure to be submitted to the Senior Officials meeting;

- (v) The Institutional arrangements for the CFTA negotiations should include an effective monitoring and evaluation mechanism; The AUC should also carry out capacity assessment and development for the various stakeholders including the negotiators, RECs and the Private Sector;
- (vi) The AU will continue preparations for the launching of the CFTA towards mid-July 2015 as planned while the Tripartite FTA is being concluded and it will later work on the other milestones indicated in the Abuja Treaty such as the Customs Unions and the Common Market;
- (vii) A clear analysis of the state of play of progress towards regional FTAs must be made by AUC/UNECA at REC's level, both in the Tripartite and other RECs;
- (viii) The AUC and UNECA should develop a matrix indicating clearly the list of different areas to be covered, the studies to be undertaken as well as human and financial resources requirements to carry out the work;
- (ix) The AUC and UNECA to prepare all of the above prior to the Senior Officials meeting and circulate the documents at least two weeks in advance to ensure that Member States are able to undertake national and or regional consultations as well as to avoid the challenges of lack of documentation and proper preparation of meetings which make it difficult to engage on the critical issues in the CAMOT agenda;
- (x) The AUC should prepare a Road Map towards the launch of the CFTA Negotiations with specific details on planned studies and schedule of meetings. The resource requirements and the capacity needs of the AUC should also be highlighted.
- (xi) A Ministerial Meeting should be organized before the launch of the CFTA negotiations.

On the Draft Objectives and Guiding Principles for Negotiating the Continental Free Trade Area (CFTA)

- (i) The AUC should prepare a Concept Paper on the modalities and approach to CFTA Negotiations and a Schedule of the CFTA Negotiations for consideration by the Dedicated Session of Senior Trade Officials.
- (ii) The Dedicated Session of Senior Trade Officials shall be preceded by a Meeting of Trade Experts.

On the Draft Institutional Arrangements for the Negotiation of the Continental Free Trade Area (CFTA)

- (i) The Meeting adopted the Institutional Arrangements for the Negotiation of the Continental Free Trade Area (CFTA). Rev 3, reference *TI/TD/IA/Rev 3* as attached.

On the Directors General of Customs Report

- (i) That the role of the Customs Technical Committee (CTC) vis-à-vis the AU Sub Committee of Directors General of Customs (AUSCDGCs)

should be examined in line with the other Institutional arrangements under the CFTA architecture;

- (ii) The Terms of Reference of the AUSCDGCs should be examined to see which issues should be reported to Ministers of Trade given that in most Member States, Customs Administrations report to Ministries of Finance;
- (iii) There is need to share best practices on issues of Integrity and Ethics in Customs;
- (iv) Recommend that the next Africa Day of Public Service be dedicated to Integrity and Ethics in Customs;
- (v) Member States should prioritize continental interconnectivity of customs based on clearance and information systems;

On Review of Multilateral Trade Negotiations

(a) State of Play in the WTO Negotiations and way forward;

The meeting adopted the Declaration on WTO Issues as attached.

(b) State of Play in the EPA Negotiations and way forward

- i. There is need for the AUC and UNECA to undertake an impact analysis of the EPA texts in line with the Brussels Declaration so as to identify implications for regional economic integration;
- ii. The AUC in collaboration with UNECA should undertake a study on the mitigation of negative impacts and business opportunities of EPAs so as to assist those countries and regions which have not yet concluded EPAs to be guided on issues such as market offers and identify sectors to be excluded;
- iii. EPA Negotiating countries and Regions should share their agreed EPA texts among themselves and with the AUC to enhance information sharing and coordinate implementation.

(c) On Mega Trade deals and implications for Africa

- i. AUC and UNECA should undertake studies on the ongoing mega trade agreements and their implications on Africa's continental integration.

On the Report on AGOA Extension

- i. African countries must create necessary synergies for increased capacity in order to maximize benefits from AGOA;
- ii. AU member States should lobby for the review of the eligibility criteria to facilitate participation in AGOA by all African countries;
- iii. Honorable Sekh`ulumi Ntsoale, Minister of Trade and Industry, Cooperatives and Marketing of the Kingdom of Lesotho is delegated to

represent the African Union Ministers of Trade in consultations with the Ambassadors Group in Washington to meet with the US administration and Congress in pursuit of the reauthorization of AGOA during the lame duck session.

Agenda Item 6: Any Other Business

32. During this session, the meeting expressed concern with the way the 9th CAMOT Conference was organised. Member States urged the AU Commission to prepare adequately for future meetings, in terms of sending documents on time and logistical and administrative arrangements. The meeting noted the importance of strengthening the capacity of the AUC to carry out the work on the CFTA negotiations.

33. The meeting took note of the issues raised.

Agenda Item 7: Adoption of the Ministerial Report

34. The meeting adopted its Report.

Agenda Item 8: Closure of the Meeting

35. The Chair thanked all the participants for their active participation and progress made on the various items on the agenda and brought the meeting to a close.

EX.CL/878(XXVI)
Annex 1

ADDIS ABABA DECLARATION ON WTO ISSUES

ADDIS ABABA DECLARATION ON WTO ISSUES

1. **We, the Ministers of Trade of the Member States of the African Union;**
2. **Meeting** in Addis Ababa on the 4th and 5th December 2014 at the occasion of the Ninth Ordinary Session of the AU Conference of Ministers of Trade with an objective to review the state of play of the WTO negotiations following the outcome of the 9th Ministerial Conference of the WTO;
3. **Recognizing** the unique mandate of the WTO as one of the key pillars of the global economic governance architecture;
4. **Recalling** the preamble of the Marrakesh Agreement Establishing the WTO, which inter alia, recognizes: a need for positive efforts aimed at ensuring that developing countries especially LDCs secure a share in growth in international trade commensurate with their economic and developmental needs and; the centrality of the principle of sustainable development;
5. **Underscoring** the primacy of the Doha Ministerial Declaration and the 2004 July package as the basis for conducting and concluding the DDA negotiations with a view to delivering economically meaningful developmental outcomes;
6. **Concerned** by the lack of commitment of some WTO Members to prioritize work to turn non-binding LDCs and MC9 Decisions into binding outcomes;
7. **Reiterating** our concern by a trend where key Members divert their attention from the DDA to the ever proliferating plurilateral agreements;
8. **Underscoring** the importance and the continued relevance of the DDA negotiations and the necessity to conclude them in line with the existing mandates and the integral principles therein in particular the principles of Single Undertaking, less than full reciprocity and special and differential treatment, no reduction commitment for LDCs;
9. **Underscoring** the preeminence of the guiding principles in the DDA negotiations namely, full Members participation, inclusive and transparent negotiations, bottom up and member driven negotiations;
10. **Reiterating** our strong resolve that the negotiations on Agriculture and NAMA should be based on 2008 draft modalities taking into account the particular circumstances of African States.

Hereby,

11. **Reaffirm** the 2013 Addis Ababa Declaration on WTO issues together with the outcome of the discussions of the 23rd Ordinary Session of African Union Summit on WTO issues;

12. **Call** on Members to recommit to ensuring that the development dimension remains at the heart of negotiated outcomes with consequent binding outcomes treated on priority basis pursuant to para 1.11 of the Bali Ministerial Declaration;
13. **Strongly** reject the introduction of new issues in the WTO negotiations before the conclusion of the DDA;
14. **Reaffirm** the need to identify key issues in the post-Bali work program that support and mobilize efforts towards achieving Africa's strategic structural transformation and regional integration agenda;
15. **Recognize** the importance of the three decisions taken by the General Council on 27th November 2014, which provide the basis for the work program on all outstanding elements of the Doha Round. We affirm that this development demonstrates that multilateralism indeed works when there is full engagement, mutual understanding, commitment and a willingness to show flexibility demonstrated by all members. We therefore hope that these developments will galvanize the WTO members to show leadership by focusing on multilateral negotiations as opposed to pursuing plurilateral initiatives;
16. **Acknowledge** the systemic importance of the conclusion of the Trade Facilitation Agreement, we remain concerned that issues of importance to African Countries and many other developing countries did not result in binding outcomes from Bali.

I. Subject Specific WTO Issues

A. **Agriculture**

17. **Restate** our call to correct the systemic imbalances representative of the Uruguay Round outcomes, in particular, the Agreement on Agriculture through which distortions in the global markets continue to undermine Africa`s potential economic gains encapsulated in Africa`s comparative advantage;
18. **Underscore** that agriculture remains central to Africa's agenda at the WTO. We therefore emphasize the urgency to enhance market access to support value addition, job creation and overall development of Agriculture sector in Africa;
19. **Reaffirm** the importance of food security to African Countries and reiterate the need to achieve food security in the continent. We support efforts by Net-Food Importing Developing Countries (NFIDCs) in respect of Agriculture related rule-making in the WTO, and in this regard underscore the urgent need to a full implementation of the Marrakech NFIDC Decision in order to deliver improved food security and agricultural productivity in NFIDCs and LDCs;
20. **Further reaffirm** the need to strengthen the disciplines of the Green Box to ensue that measures notified under the Green Box comply with basic criteria, and to introduce necessary elements on the Green Box to reflect the particular circumstances of developing country members in order to address the current imbalances in the Agreement on Agriculture;

21. **Take note** of the General Council's Decision referenced WT/GC/688 on public stockholding for food security purposes and recall the communication of the African Group in document TN/AG/GEN/15 which should guide the negotiations on the permanent solution;

22. **Urge** WTO members to abide by the Hong Kong Ministerial Declaration and the Bali Ministerial Decision to fulfill their commitments to ensure the parallel elimination of all forms of agricultural export subsidies and disciplines on all export measures with equivalent effect, and give an utmost consideration to prioritize these issues for the Post-Bali work program;

B. Cotton

23. **Reiterate** that the cotton issue must be a priority in the Post-Bali negotiations in accordance with the Hong Kong ministerial mandate and Bali Ministerial Decision , and on the basis of the revised draft modalities on agriculture of 6th December 2008 (TN / AG / W / 4 / Rev. 4);

C. Non Agriculture Market Access

24. **Emphasize** that the developmental dimension must be central in NAMA negotiations. NAMA modalities 2008 incorporate the principle of Less than Full Reciprocity and the flexibilities for the developing countries and LDCs, which must be the basis for NAMA negotiation, taking into consideration the peculiar circumstances of African States.. The outcome of NAMA negotiations must support Africa's industrial development, economic diversification and structural transformation agenda;

D. Services

25. **Reaffirm** that the negotiating process must remain multilateral, fully transparent and focused on a bottom-up approach. Plurilateral negotiations can-not substitute for an inclusive multilateral process;

26. **Stress** that the outcomes of the DDA, in respect of all present and future WTO agreements should include financial and technical assistance and sustainable sectoral capacity building measures as part of the SDT;

27. **Emphasize** the need to ensure that Africa obtains economic benefits in all three pillars of the negotiations (Agriculture, NAMA and Services);

E. Least Developed Countries Issues

28. **Recall** that LDC issues such as Duty Free and Quota Free Market Access, Preferential Rules of Origin and Cotton, are of critical importance to the integration of the LDCs into the Multilateral Trading System; we call upon members to prioritize work on these issues with the view to translating them into legally binding negotiated settlement;

29. **Further, recall** the Collective Request submitted by the LDC Group on 21 July 2014 pursuant to the Decision on the Operationalisation of the LDCs Services Waiver

(Ministerial Decision of 07 December 2013(WT/MIN (13)/43, WT/L/918). We look forward to a HIGH LEVEL meeting to be held in mid-January 2015 in line with the waiver decision, where non LDC members in a position to do so shall indicate sectors and modes of supply where they intend to provide preferential treatment to LDC services and service suppliers;

30. **Recognize and commend** the Enhanced Integrated Framework (EIF) as an important vehicle for the delivery of aid for trade and as an instrument for building trade capacity in LDCs. We welcome the report of the Comprehensive Evaluation which reaffirmed the relevance of the Enhanced Integrated Framework. We therefore call for a timely decision on the extension of the EIF beyond its 2015 mandate. To that end, we urge all our development partners to continue to deliver on their pledges with the view to addressing the current funding gap to ensure a seamless transition into the next phase in order to maintain the current momentum. We further urge that special efforts be made in the post-2015 phase of the EIF to align its efforts with regional integration initiatives on the continent;

F. Trade Facilitation Agreement

31. **Welcome** the establishment of the Trade Facilitation Agreement Facility (TFAF) as a tool for the delivery of assistance and support for capacity building in the implementation of the Trade Facilitation Agreement. We call for the expansion of the scope of TFAF to include both soft and hard infrastructure projects to facilitate the full implementation of the Agreement;

32. **Recognize** that trade facilitation is not only limited to the border measures aimed at expediting the release and clearance of goods, but also requires the development of infrastructure necessary to facilitate movement and transportation of goods in order to boost intra-regional trade;

33. **Concerned** that without the requisite financial and technical support, it will be difficult to implement many of the measures within the Trade Facilitation Agreement given the limited budgetary resources in many African countries. Taking note that African countries and LDCs will be required to undertake most reforms in the implementation of the Agreement, yet many do not at this stage have the requisite clarity on the availability and adequacy of support they need to meet the onerous obligations of the Agreement. We urge development partners to meet their obligations and pledges in providing the requisite assistance and support for capacity building.

34. **Underscore** the importance of the inclusion of paragraph 47 of the Doha ministerial declaration in the preamble of the General Council decision on Trade Facilitation contained in the document WT/PCTF/W/28 as a basis to assess the overall balance as we develop a post Bali Work program in the context of the Doha development negotiations;

G. TRIPS

35. **Urge** WTO Members to amend the TRIPS Agreement to include a 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 with a view to establishing a mutually reinforcing relationship between TRIPS Agreement and the Convention of Biological Diversity in implementing the obligations under the two agreements. We therefore call for the intensification of work on these issues, including effective protection of traditional knowledge as intellectual property.

H. Statute of Observers to WTO from the African Union

36. **Mandate** the AUC to renew its application to the Director General of the WTO and all the relevant bodies of the WTO to request the granting of permanent observer status to the African Union in all WTO bodies.

37. **Call upon** all WTO members to support the African Union's efforts to secure permanent observer status in the WTO.

I. Dispute Settlement

38. **Recall** the African Group proposals on the reform of the DSU and urge Members to ensure that any reform facilitates the participation of African countries in the dispute settlement system thereby alleviating the difficulties African countries face in using the system;

J. Development Issues

39. **Insist** that DDA outcomes must incorporate adequate, demand driven financial and technical assistance and sustainable capacity building as integral parts of the S&D treatment under all WTO Agreements;

40. **Reaffirm** the centrality and importance of Special and Differential treatment and the relevant provisions in the WTO agreements and urge WTO members, in line with para 44 of the Doha Ministerial Declaration, to review all S&D provisions in order to strengthen them and making them more precise, effective and operational. We also attach equal and utmost importance to the expeditious completion of the S&D work programme set out in para 12.1 of the Decision on Implementation-Related Issues and Concerns and endorsed in para 44 of the Ministerial Declaration;

K. Aid for Trade

41. **Welcome** the upcoming 5th Global Review of Aid for Trade under the auspices of the **WTO** and stress the importance of its theme namely "Reducing the costs of trade for sustainable and inclusive growth," within the context of facilitating intra-African trade;

42. **Reiterate** our strong appeal for the mobilization of fresh, additional, effective, sustainable and predictable resources, necessary for the effective and efficient implementation of trade related priorities of the African Countries in a bid to address infrastructural and supply side constraints;

L. Accession

43. **Restate** our full solidarity with all African countries in the process of accession into the WTO and urge WTO Members to adopt measures and decisions aimed at simplifying accession procedures and enhancing the existing institutional mechanisms including the definition of transparent rules of implementation of the provisions of Article XII of the Marrakesh Agreement establishing the WTO;

44. **Stress** the need to fully implement all aspects of the General Council Decision of 25th July 2012 on Accession of LDCs aimed at strengthening, streamlining and operationalizing the 2002 LDCs Accession Guidelines by all WTO Members with due consideration to the specific circumstances and development objectives of acceding LDCs;

45. **Urge** WTO Members, WTO Secretariat and relevant international organisations to provide requisite technical assistance and capacity building to acceding countries prior to, during, and in the follow-up to the accession process in line with their needs and development priorities;

II. Support to the African Group

46. **Aware** that the DDA negotiations will intensify within the context of post Bali work program and further aware of the capacity constraints of both the African Missions and African Union Delegation in Geneva, we call on development partners to technically support African Group's participation in DDA negotiation through both the African Union and the UNECA;

III. Other Developments

47. **Take note** with gratification the outcome of the Second United Nations Conference on Landlocked Developing Countries held in Vienna, Austria from 3-5 November 2014 and welcome both an ambitious 10 year action plan aimed at accelerating sustainable development in LLDCs and the six clearly defined priorities aimed at triggering structural transformation of LLDCs' economies and infrastructure development;

48. **Further take note** of the outcome of the 3rd International Conference on Small Island Developing States held in Samoa from 1st -4th September 2014, and call for **progress** in the implementation of the work programme on small economies at the WTO, taking into consideration existing special and differential treatment provisions. We emphasize the need to support integration of SIDS in regional and global markets;

IV. Post-2015 Agenda

49. **Welcome** the UN's efforts to advance the Post-2015 Development Agenda and encourage a greater focus on the role of Trade in promoting inclusive socio-economic growth and as an "enabler" of development with its key components such as poverty eradication, job creation, infrastructure development and environmental conservation;

V. Venue for WTO MC10

50. **Welcome and fully** support the bid by the Government of Kenya to host the 10th Ministerial **Conference** of the WTO in Nairobi in December 2015. Welcome the withdrawal of Turkey in favor of Kenya. We call upon all Members to endorse Kenya's bid to host the 10th Ministerial Conference, noting that it would be the first time for a WTO Ministerial Conference to be held in Africa.

EX.CL/878(XXVI)
Annex 2

**ADDIS ABABA DECLARATION ON THE AFRICAN GROWTH
AND OPPORTUNITY ACT (AGOA)**

**ADDIS ABABA DECLARATION ON THE AFRICAN GROWTH
AND OPPORTUNITY ACT (AGOA)**

We, the Ministers of Trade of the Member States of the African Union (AU), meeting in Addis Ababa, Ethiopia, on 4-5 December 2014 at the occasion of the Ninth Ordinary Session of the AU Conference of Ministers of Trade;

Taking note that AGOA is scheduled to expire on 30th September 2015;

Concerned that the window for a seamless reauthorization of AGOA closes at the end of 2014;

Further concerned that the current commissioned studies by the Congress on the enhancement of AGOA will potentially delay reauthorization of AGOA;

Underscoring the strategic importance of AGOA, in particular as a policy instrument to strengthen and enhance Africa-US trade and economic relations, and further as an instrument to support Africa's economic transformation and deepening continental integration;

Recalling the conclusions of the US-Africa Leaders Summit and AGOA Forum held in August 2014, which called for a seamless reauthorization of AGOA with a coterminous Third Country Fabric Provision and a further commitment to making rules of origin more flexible.

Hereby,

1. Reaffirm our 2013 Addis Ababa Declaration on the African Growth and Opportunity Act of the 8th Ordinary Session;
2. Call upon the US Congress to renew AGOA by the end of December 2014 in order to meet the goal of seamless reauthorization of the Act;
3. Further call upon the US Congress to consider the reauthorization of AGOA for a period no shorter than 15 years, with a third country provision coterminous with the duration of AGOA legislation.
4. Emphasize the need to ensure less cumbersome eligibility criteria to facilitate the participation of all African countries;
5. Call upon the US to carefully consider the potential preference erosion effect resulting from its current FTA negotiations, which will nullify AGOA objectives;
6. Stress that non-trade issues should not form part of a reauthorized AGOA;
7. Confirm the commitment of Africa to seizing opportunities under AGOA and realizing the objectives thereto.

Done in Addis Ababa, 5 December 2014

EX.CL/878(XXVI)
Annex 3

**INSTITUTIONAL ARRANGEMENTS FOR THE NEGOTIATION OF
THE CONTINENTAL FREE TRADE AREA (CFTA)**

AFRICAN UNION

الاتحاد الأفريقي



UNION AFRICAINE

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Ref: TI/TD/IA/Rev 3

**Draft Institutional Arrangements for the Negotiation of the
Continental Free Trade Area (CFTA). Rev 3**

Institutional Arrangements for the Negotiation of the Continental Free Trade Area (CFTA)

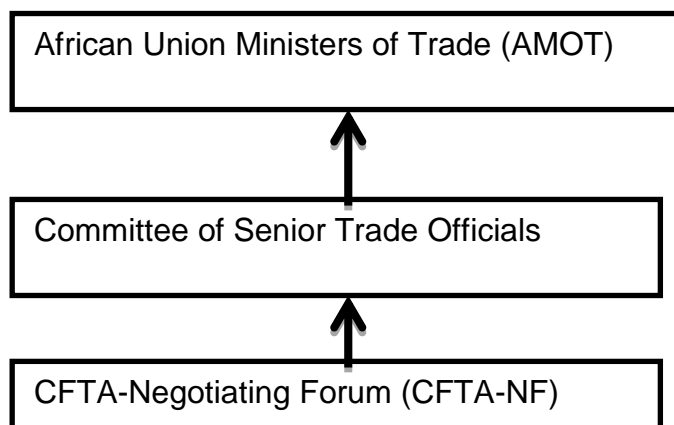
1. The 18th Ordinary Session of the Assembly of Heads of State and Government of the African Union which was held in January 2012 in Addis Ababa, Ethiopia under the theme “Boosting Intra-African trade” took important decisions aimed at enhancing trade integration in Africa. The Assembly, through a Decision (Assembly/AU/Dec.394 (XVIII)) and a Declaration (Assembly/AU/Decl.1 (XVIII)) endorsed an Action Plan for Boosting Intra-African Trade and agreed on a roadmap for the establishment of a Continental Free Trade Area (CFTA) by an indicative date of 2017.

Institutional framework for the negotiations

2. The negotiation for the CFTA shall be conducted within the context of the following institutional arrangements;

- I. African Union Ministers of Trade (AMOT)
- II. Committee of Senior Trade Officials
- III. CFTA-Negotiating Forum (CFTA-NF)

3. The Architecture for CFTA Negotiations is as follows,



Composition and responsibilities of the institutions

4. For the day-to-day functions of the negotiations, the following structures are adopted:

African Union Ministers of Trade (AMOT)

5. The AU Ministers of Trade (AMOT) will be responsible for providing political leadership and direction to the CFTA negotiations as well as resolving contentious issues that may arise in the negotiations. It is composed of Ministers responsible for trade in the AU Member States. The AMOT will receive reports from the Committee of Senior Trade Officials and it reports to the Assembly of Heads of States and Government through the through the normal processes of the AU Policy Organs

Meetings. Ministers of Trade may invite other sectoral Ministers to their meetings depending on the nature of the issue to be resolved.

Committee of Senior Trade Officials

6. The Committee of Senior Trade Officials is composed of Permanent Secretaries and Directors General or Officials of equivalent level in the Ministries of Trade of AU Member States. The Committee of Senior Trade Officials shall receive Reports from the Continental Free Trade Area Negotiating Forum and will provide guidance to the CFTA-NF on technical issues in the negotiations and report to AMOT.

CFTA-Negotiating Forum (CFTA-NF)

7. The Continental Free Trade Area Negotiating Forum (CFTA-NF) is composed of Officials from the AU Member States. The CFTA-NF shall conduct trade negotiations and shall report to the Committee of Senior Trade Officials on its negotiation activities. The responsibilities of the CFTA-NF are outlined in a document entitled Terms of Reference for the CFTA-NF.

African Union Commission (AUC)

8. The AUC will provide and coordinate technical and administrative support to the CFTA negotiations; it will also serve as the Secretariat to the CFTA Negotiating Forum. The Commission shall develop background documents and texts for the consideration of the CFTA Negotiating Forum. The AUC shall closely collaborate with the RECs, the ECA and the AfDB in undertaking this responsibility and shall coordinate the activities of all the Institutions involved in the negotiations.

The Continental Task Force (CTF) on the CFTA

9. The CTF is composed of the AU Commissioner for Trade and the Chief Executives of RECS. The responsibilities of the CTF are outlined in a document entitled Terms of Reference of the Continental Task Force attached hereto.

Monitoring and Evaluation of the negotiations

10. The HATC shall be responsible for monitoring the progress on the CFTA Negotiations. It shall ensure adherence to the timeframes as provided for in the CFTA Roadmap. Progress on the negotiations shall be monitored through half yearly Reports by the Chairperson of AMOT to be submitted to the normal processes of the AU policy organs.

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