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EXECUTIVE COUNCIL
Thirteenth Ordinary Session
24 – 28 JUNE 2008
Sharm El-Sheikh, EGYPT

EX.CL/429 (XIII)

**REPORT OF THE JOINT CONFERENCE OF MINISTERS
OF TRADE AND FINANCE**

INTRODUCTORY NOTE TO THE REPORT ON THE JOINT CONFERENCE OF MINISTERS OF TRADE AND OF FINANCE

INTRODUCTION

In follow-up to the Declaration (Assembly/AU/Decl.2(X) taken by Heads of State and Government in Addis Ababa in February 2008 relating to the evaluation of Interim EPAs, the African Union Commission organized, at the African Union headquarters, from 1 to 3 April 2008, a joint conference of African Ministers of Trade and of Finance with a view to proceeding with the said evaluation and making adequate preparations for the AU/EU Summit meeting on the same issue.

The agenda of the Conference included, besides the EPAs, other topical relevant issues such as the status of the Doha Round of negotiations at the WTO, and the envisaged African contribution to the twelfth United Nations Conference on Trade and Development (UNCTAD XII), to be held from 20 to 25 April 2008 in Accra, in African territory.

Participation

Participants at the Conference included Member States, African negotiators based in Geneva and Brussels, experts from national capitals and RECs (ECCAS, EAC, SADC, UEMOA and COMESA). There were also representatives of thirty-six countries, and of partner international organizations such as the ECA, the ACP, the WTO, UNCTAD and the CTI as well as of research organizations and civil society (South Centre, Third World Network, Seatini, ECDPM and others).

The Conference

After taking note of the experts' report, the Conference above all held an interactive session with Mr Pascal Lamy, Director General of WTO, Mr Supachai Panitchpakdi, Secretary General of UNCTAD, and Sir John Kaputin, Secretary General of the ACP Group. The interactive session enabled our Ministers to be well informed and be enlightened on issues of vital interest to African economies in the ongoing negotiations and within the current context of globalization.

Conference outcomes

Following an intense exchange of views and discussion on the main items on the agenda, the Ministers adopted the declarations appended to this report, the subject of which can be summarized as follows:

1) On the EPA:

The Conference upheld support for countries and groups that initialled or signed an Interim Agreement by adopting a Declaration on EPA and identified the stages to be crossed, while ensuring that there is coherence among all the groups of negotiators in the measures adopted.

The main provisions of the Declaration include the one entrusting the African Union Commission, with the support of the ECA and other partners, the task of preparing a model that can help the groups of negotiators to put in place EPA based on the same fundamental principles that will in future guide their respective economies, in collaboration with the EU.

The said Declaration further reaffirmed Africa's decision to welcome the idea of organizing a high level Africa-EU meeting to try to find a solution to disputed issues pending between the two parties.

2) On the Doha Round of negotiations at the WTO

The Declaration on the WTO recommends that WTO negotiations should take into account mainly the development dimension and other points under discussion, without focussing too much on the speedy conclusion of the negotiations.

The negotiation process should be more transparent, and negotiators should make sure there is coherence between the EPA negotiation process and that of the WTO, especially as concerns redefining Article XXIV of GATT and the Singapore issues.

Regarding Aid for Trade, African projects at national, regional and continental levels should be considered for funding purposes. There is also the need to create innovative mechanisms in order to facilitate access to funding from donors and to enhance the disbursement of financial resources.

A road map taking into consideration the revision proposed by the African party was envisaged for 2008 within the scope of Aid for Trade. To ensure that it is implemented, African countries have to speed up the formulation of their Plans of Action, with account taken of the regional dimension as recommended by the RECs. In this respect, regional institutions (AUC, ADB, and ECA) need to take the necessary measures in support of these efforts.

3) On the preparation of UNCTAD XII:

The Declaration calls for the strengthening of UNCTAD's mandate with respect to its three pillars (research-analysis, intergovernmental consensus and technical assistance) and for the maintenance of three commissions, one of which will be devoted to globalization. The declaration contains details of actions to be undertaken in the fields of research-analysis and technical assistance in various areas. The Declaration further welcomed the United Nations Secretary General's decision aimed at convening a high level meeting on the MDG in September 2008. The meeting will take account of the outcomes of UNCTAD XII and those of the Steering Group for the achievement of the MDG in Africa. The Declaration requested the African Union Commission to take all the necessary steps to participate in activities scheduled under this initiative.

Recommendations

The Commission recommends the Executive Council to endorse these Declarations in order to enhance and reinforce our negotiators in chief.

REPORT OF THE JOINT CONFERENCE OF MINISTERS OF TRADE AND FINANCE

I. INTRODUCTION

The Conference of African Union Ministers of Trade was held on 3 April in Addis Ababa. It was preceded by a meeting of African Ambassadors accredited to Brussels and Geneva, experts from African capitals, representatives of Regional Economic Communities (RECs), guests from international organizations and other non-governmental organizations (NGOs) which regularly provide aid to Africa.

The aim of the Conference was to initiate discussions on the WTO negotiations process and the Aid for Trade initiative, as well as the harmonization and coordination of the EPA negotiations process. The Conference was held at a period when many African countries have initiated or signed individual interim agreements, and following the Declaration by the President of the European Commission, during the Lisbon Summit of December 2007, to make arrangements for the organization of a high level meeting to seek a favourable outcome to the establishment of EPAs that take account of primary African concerns. The Conference also paved the way for the definition of an African common position to be adopted during the next UNCTAD session to be held in Accra (Ghana) in the course of this month.

Finally, it gave rise to the adoption of three Declarations bearing in the WTO negotiations, the EPA process and the African common position during the UNCTAD Twelfth Session respectively.

II. PARTICIPATION

The following States attended the meeting: South Africa, Algeria, Angola, Benin, Botswana, Burkina Faso, Burundi, Cameroon, Central African Republic, Republic of Congo, Côte d'Ivoire, Ethiopia, Egypt, Ghana, Guinea, Equatorial Guinea, Kenya, Lesotho, Libya, Madagascar, Malawi, Mali, Mozambique, Namibia, Niger, Nigeria, Uganda Rwanda, Senegal, Sudan, Swaziland, Chad, Togo, Tunisia, Zambia and Zimbabwe.

The following RECs were represented: ECCAS, EAC, SADC, UEMOA and COMESA. The following international and non-governmental organizations further participated: WTO, ACP Secretariat, AfDB, Commonwealth Secretariat, UNCTAD, ECA, ECDPM, ICTSD, Pan-African Parliament, NEPAD Secretariat, SEATINI, South Centre and TRAIDCRAFT.

III. CONFERENCE RECOMMENDATIONS

A. WTO and Aid for Trade

The WTO negotiations should take into account primarily mainly the development dimension and other points under discussion, without focussing too much on the rushed conclusion of the negotiations. The negotiation process should

be more transparent, and negotiators should make sure there is cohesion between the EPA negotiation process and that of the WTO, especially as concerns redefining Article XXIV of GATT and the Singapore issues.

Regarding Aid for Trade, African projects at national, regional and continental levels should be considered for funding purposes. There is also the need to create innovative mechanisms in order to facilitate access to funding from donors and to enhance the disbursement of financial resources.

A road map taking into consideration the revision proposed by the African party was envisaged for 2008 within the scope of Aid for Trade. To ensure that it is implemented, African countries have to speed up the formulation of their Plans of Action, with account taken of the regional dimension as recommended by the RECs, in this respect, regional institutions (AUC, AfDB and ECA) need to take the necessary measures in support of these efforts.

B. EPA Negotiations

EPA negotiations concerned the need to renegotiate unfavourable provisions continued in the Interim Agreements such as the definition of substantially all aspects of trade, the principle of the most favoured nation, national treatment, bilateral safeguards, the free circulation of goods and import taxes. Furthermore, it was stated that development should remain at the core of the EPAs, supported by appropriate obligations binding on the European Union. Besides, emphasis was laid on the need for the African groups responsible for the negotiations to coordinate the concessional provisions agreed upon in order to reflect the African common positions.

The Africa groups responsible for the negotiations should equally with the assistance of the RECs ensure that the EPAs do not constitute an obstacle to the establishment of African common markets, and make it clear to the European Union that countries that have not signed the EPAs should not be made worse off or be at a disadvantage following the applications of the said EPAs, as stipulated in the Cotonou Agreement.

Regarding the operational level, it was stipulated that the EPAs should incorporate provisions on the monitoring and evaluation of their implementation and enable the review and renegotiation thereof.

The African Union Commission was requested to develop a template of clauses relating to the most favourable concessions adopted by the various EPAs, while the Geneva-based African group was asked to attach the same priority to the upholding of the African position on the S & D flexibilities during the amendment of Article XXIV of the 1994 GATT in WTO negotiations.

Ministers were called upon to get more involved in the negotiations process and the African group to raise the awareness of the European Parliament and Member States favourable to the African position in the EPA negotiations.

Finally, the African group was called upon to diversify partnership, particularly through opportunities arising from South-South cooperation.

III. PROVISIONS RELATING TO THE ORGANIZATION OF UNCTAD XII

UNCTAD XII will be held from 20 to 25 April 2008 in Accra, Ghana. Two Ministerial meetings, of the G77 + China and the LDCs, will be held as fringe events. African top priorities at the Conference will include basic commodities, the right and policy of competition, official development assistance, foreign direct investment, intellectual property, technological transfer, insurance and reinsurance, technical assistance and strengthening UNCTAD's mandate.

H.E. Mr. Bamanga Abbas Maaloum, Ambassador, Permanent Representative of Chad in Geneva, Coordinator of the African Group, presented Africa's various priorities and the stakes arising from this Session. He stressed not only the above-mentioned African priorities but also the divergencies between the various regional groups as well as the fact that Africa must take the most advantage, in terms of development, from this session holding in African territory. He further recalled the three pillars of UNCTAD, namely research and analysis, inter-governmental consensus building and technical assistance.

Finally, there were general discussions baring mainly on strengthening UNCTAD's role through its three pillars, re-introducing the post of Deputy Secretary General and African concerns, already mentioned above by the Coordinator of the African Group in Geneva.

IV. PREPARATION OF THE WTO, EPA AND UNCTAD DECLARATIONS

Delegates presented the draft Declarations on WTO, EPAs and UNCTAD to the Ministers who amended them. The amended new versions are pending validation by the various coordinators of African groups in Geneva and Brussels, and will be forwarded to all Member States once they are approved by the coordinators.

EX.CL/429 (XIII)
ANNEX I

**FINAL ADDIS ABABA DECLARATION ON WTO
NEGOTIATIONS**

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**AU CONFERENCE OF MINISTERS OF
TRADE AND FINANCE
3 APRIL 2008
ADDIS-ABABA (ETHIOPIA)**

AU/EXP/CAMTF/Decl.WTO (I)

FINAL
ADDIS ABABA DECLARATION ON WTO NEGOTIATIONS

FINAL ADDIS ABABA DECLARATION ON WTO NEGOTIATIONS

Preamble

We, Ministers of Trade and Finance of the Member States of the African Union, meeting in Addis Ababa, on 3 April 2008, examined the developments in the Doha Development Agenda (DDA) negotiations since the last Ministerial meeting in Addis Ababa in January 2007;

Emphasising the imperative need for the Round to yield results that achieve the development objectives contained in the Doha Ministerial Declaration and later reaffirmed by the WTO General Council Decision of 1 August 2004 (the July Framework) and subsequently the 6th WTO Ministerial Conference held from 13 to 18 December 2005 in Hong Kong;

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

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

Underlining that any cross-cutting negotiations should focus primarily on Agriculture and NAMA, be driven by substance and not subject to artificial deadlines, be duly sanctioned by members at all stages, and include issues of vital interest to Africa if consensus were reached to expand their scope;

Recognizing that the satisfactory completion of the Doha Work Programme is vital for enhancing the trade and development prospects of African countries and a priority for the achievement of the Millennium Development Goals, in particular poverty reduction in our countries;

Stressing that it is important to the Members as well as the global economy that the current Round of negotiations give rise to a fair and balanced agreement, including full modalities that will truly integrate the development dimension, pursuant to the mandate given by the Doha Ministerial Declaration, the July Framework and the Hong Kong Ministerial Declaration which remain the only basis on which these negotiations should be conducted;

Supporting the declaration adopted by the LDC Trade Ministers in Maseru, 28th of February 2008 (WT/L/719);

Re-emphasising that for Africa, development outcomes in each of the negotiating areas remain the *raison d'être* of the Round. This means that tangible development results must be evident within each negotiating area and in the overall outcome and in the completion of the overall Round.

Hereby declare as follows:

AGRICULTURE

Market Access:

1. We stress that the Tariff reduction formula for developed countries should achieve substantial improvement in Market Access, therefore a high level of ambition in the tiered formula and a minimum average reduction of 54 percent are an essential element to achieve this objective. We also support that the maximum average reduction for developing countries should be 36 percent.
2. We also urge that the implementation period for developing countries should be 10 years.
3. We reiterate that the modalities for Sensitive Products should not impede the level of ambition to be realized through the Tariff reduction formula, and it should allow for achieving substantial improvement in Market Access for those products, in addition we stress that Developing Members with no TRQ commitments have the right to designate sensitive products.
4. We stress that, with regard to Special Products, the most appropriate architecture in designating Special Products is to agree on a maximum number of tariff lines to be designated as special products. In addition it should provide for a certain percentage of tariff lines to be exempted from tariff cuts. This would include a designation of a minimum number of special products without using indicators. We stress that the treatment of Special Products should be more flexible compared to the treatment of Sensitive products.
5. We welcome the proposals made in the revised draft modalities text regarding SVEs. We stress that SVEs including those among them with ceiling bindings and homogenously low bindings may choose not to apply the tiered formula but simply meet the overall average cut of 24 percent. In that case, they may not be required to undertake any minimum cut per tariff line and may designate as many tariff lines as they choose as Special Products provided that they meet the overall average of 24 percent. The tariff lines they designate as Special Products need not to be guided by indicators.

6. We reaffirm that the modalities for Special Safeguard Mechanism should be simple, effective and operational; in addition they should not create any burden to developing countries and address specific difficulties in Africa. We emphasize that in order to ensure that the SSM is effective in addressing import surges and price decline in Africa, the remedies should apply beyond the Uruguay Round bound level.

7. We reiterate our call for the issue of longstanding preferences to be addressed through both trade-based and non-trade solutions. We also insist that the mandates on tropical products and preferences that were adopted by consensus do not establish any hierarchy between them since development is the ultimate objective of the Doha Round.

8. We stress the need to establish an appropriate mechanism to address, through Modalities in relevant negotiation bodies, the declining and volatile commodity prices and the deterioration of the terms of trade aimed at increasing the participation of African countries in the value chain of production should include arrangements between producing and consuming countries/and between commodity-dependent producing countries. We therefore urge for the inclusion of paragraphs 87 to 97 of TN/AG/W/4 Rev.1 as an integral part of the Agreement on Agriculture.

Domestic Support:

9. We strongly stress that effective and substantial reductions in trade distorting domestic support is an essential outcome of the Agriculture negotiations, to achieve this, it is necessary to apply the higher cuts for the Overall Trade Distorting Domestic Support and to agree on effective disciplines that would prevent concentration of support on some products including Blue Box product specific limits.

10. We stress that appropriate disciplines should be developed on the Green box to ensure that it is effectively non or at most minimally trade distorting as well as to accommodate the programs of interests for developing countries.

Export Competition:

11. We underscore that the modalities for Food Aid should not impede the delivery of food aid in Emergency situations and should take into account the interests of food aid recipients while ensuring the elimination of commercial displacement.

12. Taking note of the recent dramatic increase in world prices of some Agriculture products, and the effect of this increase on the imports of NFIDCs and LDCs, we emphasize the importance of accommodating the specific interests of those countries in the modalities for Export Credits.

13. With regard to state trading enterprises (STEs), we appreciate that the LDCs and SVEs, due their special developmental circumstances, would be able to maintain or use monopoly powers for agricultural exports.

COTTON

14. We urge Members of the World Trade Organization (WTO) to faithfully implement the mandate set in the July 2004 Framework Agreement and reaffirmed by the 6th WTO Ministerial Conference, held in Hong Kong in December 2005, by including, in the modalities under negotiation, ambitious, expeditious and specific outcomes that will make it possible to substantially reduce domestic support for cotton pending its total elimination, to phase out all forms of export subsidies, and to secure duty- and quota-free access for cotton and cotton by-products exported by least developed countries to developed country markets and developing country markets that are in a position to grant such treatment.

15. We emphasize also the need for WTO Members to grant African cotton-producing countries the necessary technical and financial assistance to strengthen Africa's cotton sector and for a Safety Net to be established to manage cotton export income losses resulting from fluctuations in international cotton prices until such time as subsidies have been fully eliminated.

16. We recall that without an appropriate and lasting solution, for the vital issue of cotton there can be no conclusion to the Doha Round as was underscored in the final conclusions of the High Level meeting on cotton held in Geneva in March 2007.

NON AGRICULTURAL MARKET ACCESS (NAMA)

17. We emphasise that the outcome of Non-agricultural Market Access (NAMA) negotiations should not lead to the de-industrialization of fragile African Economies.

18. The coefficient for developing Members should fully reflect the principle of less than full reciprocity in reduction commitments, adequate flexibilities should be granted to developing Members as an integral part of the S&D treatment and should be treated as a stand alone modality. Moreover, any agreed modalities in NAMA, particularly for developing countries applying the Swiss formula, should take full account of para 24 of the HK Ministerial declaration.

19. We urge that proposals by African members either as individuals or as a group that are premised on genuine developmental concerns and situations be accorded positive response, including para 6 members. We urge members to support Para 6 member's proposal that is aimed at addressing the heterogeneous nature of the group through a banded approach and therefore strives to preserve the much needed policy space for their industrialization.

20. We wish to reiterate our concern on the impact of preference erosion on our small economies and particularly so because majority of our membership depend on trade preferences. We call for a trade based solution (i.e. a longer implementation period of at least 10 years coupled with a back loading of tariff reductions) and non trade solution to address the issue of preference erosion taking into account the difficult economic reforms currently underway in African countries. In addition, concerned that some sectoral initiatives will have adverse effects on our exports, we call for

such initiatives to exclude products of export interests to African countries, particularly those tariff lines identified as being vulnerable to preferences.

21. On Non Tariff Barriers (NTBs), we continue to support the proposals that gather the widest consensus among members in particular the establishment of a horizontal mechanism for resolving NTBs.

SERVICES

22. We reaffirm the mandates on service as stated in the Doha Declaration, as well as in the Hong Kong Declaration, including Annex C. We reiterate our rights emanating from the flexibilities provided for developing countries and LDCs in the services negotiations, as contained in the GATS and all related instruments.

23. We equally stress that any negotiations carried out in a plurilateral track should not undermine the provisions and integrity of Annex C or result in new and additional commitments for African countries.

24. We note that African countries have undertaken extensive commitments in liberalizing many of their services sectors. In this regard, any outcome on services, which will result in new commitments, should take into account the efforts already made by them, and should take into consideration their level of development and their limited human, institutional and regulatory capacities. The outcome on services should contain a strong development component that would enable African countries to effectively benefit from services liberalisation.

25. To enable African countries to further integrate in the global trade in services, we strongly call upon our trading partners, particularly developed countries, to undertake commercially meaningful market access commitments in sectors and Modes of supply that are of export interest to African countries, in particular Mode 4. The African countries should equally benefit from Special and Differential Treatment and appropriate technical assistance and capacity building. At this end, we urge that LDC Modalities as well as S&D proposals should be operationalised as soon as possible or at the latest before the end of the negotiations.

26. The disciplines to be adopted on domestic regulation should be development oriented and effectively address regulatory and related barriers faced by services suppliers from African Countries. Moreover, they should stimulate appropriate regulatory reforms and institutional building efforts in the service sector. Additionally, the disciplines should include effective provisions on technical assistance and flexibilities for African countries.

TRADE FACILITATION

27. We reiterate the importance attached to the issue of Trade Facilitation, and remain positively engaged to reach a satisfactory outcome to all members. We reaffirm the importance of providing developing countries with the appropriate Special & Differential treatment (S&D), and Technical Assistance and Capacity Building (TACB), as outlined in Annex D of the July 2004 Framework and Annex E of the Hong Kong Ministerial Declaration.

28. Any agreement on Trade Facilitation should include an appropriate S&D, TACB provisions that address implementation concerns of Developing Countries Members. It should directly link their implementation of any commitment to providing TACB to Developing Country Members, and contain a clearly defined operational mechanism in this regard, that would also commit the donor community to provide TACB to those Members who need them. The special situation and needs of African Landlocked countries with respect to transit of goods should also be taken into account.

29. We urge the Donor Community to provide Technical Assistance and Financial Support to conduct the National Self Assessment Needs and Priorities programs, in addition to a follow-up exercise to determine the cost implication of Trade Facilitation measures. Adequate financial assistance/support should also be provided to address the development of physical infrastructure in African countries, which is very crucial in Trade Facilitation.

30. Developing and Least-developed Members should not be required to implement any commitment unless their requests for TACB has been adequately responded to by developed Members, and they have acquired the necessary capacity to implement such commitments.

LEAST DEVELOPED COUNTRIES

31. We call for the incorporation into the final outcome of the Doha Round, the LDCs proposals as outlined in Maseru Declaration (WT/L/719).

32. We further urge developed countries to specify on a product by product basis when they will provide duty free quota free market access for remaining 3 per cent of the products originating from the LDCs as specified in the LDCs Maseru Declaration (WT/L/719).

33. We fully support special consideration for developing countries that are in Customs Unions with LDCs in their reduction commitments.

34. We call for timely, full and effective implementation of the modalities for the special treatment for LDCs for negotiation on trade in services.

35. We attach importance to the Enhanced Integrated Framework for LDCs and we stress the urgent need to operationalise the initiative as outlined in the LDCs Maseru Declaration.

SPECIAL AND DIFFERENTIAL TREATMENT

36. We reiterate that Special and Differential Treatment (SDT) is a fundamental principle aimed at enabling developing country Members and LDCs to implement their commitments and obligations, including providing them with flexibility, policy space, and balanced rules to enable them achieve greater market access.

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

RULES

38. Underscore the need for a balanced and fair outcome that addresses the concerns of the African countries. In this regard, any eventual outcome in this area should provide adequate development flexibilities for developing countries and LDCs. We further urge that considering the special difficulties that African countries face, adequate technical assistance be provided to enable them to effectively enforce their rights under the Anti-dumping Agreement in line with recent African/ACP proposal document on Anti-dumping.

39. We are concerned with some proposals that constitute a departure from the basic concepts and principles embodied in the current Anti-dumping and SCM Agreements. The introduction of significant procedural requirements should not impose additional burden on competent authorities in Africa.

40. We further call on the WTO Members to ensure that any negotiated outcome on the fisheries subsidies is fair and balanced with necessary effective and operational S&D treatment for developing countries, in particular for the African coastal states which have a low percentage of world catch, which would help them to achieve their development objectives.

41. We support the continuation of technical discussions on the draft consolidated text of November 2007. We emphasize that, at this stage, it would be premature to issue any revised text on Rules.

42. We stress that the rules negotiations and outcome must fully incorporate the development aspects of Regional Trade Agreements.

43. Recalling the fact that most African countries are currently negotiating Economic partnership agreements (EPAs) with the European Union and recalling that the outcomes are to be consistent with WTO rules, we urge WTO members to support African proposals which emphasize the development dimension in the negotiations on the review and clarification of article XXIV of the GATT 1994.

TRIPS

44. We urge that the outcome of the work on TRIPS and the Convention on Biological Diversity (CBD) should lead to mandatory requirement for patent applicants to disclose the origin of biological material and traditional knowledge used in their inventions and evidence of prior informed consent and benefit sharing arrangements with the country of origin and relevant communities.

DISPUTE SETTLEMENT

45. Considering the difficulty that African countries face in using the dispute settlement system, we urge that the outcome of the negotiations should lead to an outcome that will fully facilitate the full participation of African countries in the dispute settlement system in line with the African Group proposal (TN/DS/W/92).

AID FOR TRADE

46. We emphasize the need to ensure that the recommendations of the Aid for Trade Task Force, and those resulting from the proceedings of the Regional Review Meeting on "Mobilising Aid for Trade: Focus Africa", held in Dar Es Salaam, Tanzania, on 1 and 2 October 2007, and of the Mobilizing Aid for Trade: A Global Review, organized in Geneva from 18 to 21 November 2007, and from the activities set out in the Aid for Trade Roadmap proposed by the Director-General of the WTO and approved by the WTO Membership on 25 February 2008, are implemented effectively, consistently and harmoniously.

47. We call on all the bilateral and institutional development partners to fulfil their pledges under the Aid for Trade initiative and to engage fully in country-led approaches for assisting African countries and LDCs, including acceding countries in maximising the benefits of trade.

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

JOINT INTEGRATED TECHNICAL ASSISTANCE PROGRAMME (JITAP)

49. We take note of the positive results of JITAP on the multilateral trading system, and the efforts underway by implementation agencies to mobilise new resources for a third phase of the programme. We confirm and reiterate our request

to extend and enlarge JITAP so that it may respond to the requests of eligible African countries to benefit from the programme and to consolidate work already accomplished. We recommend that we preserve the momentum of the programme by using available resources and by calling on donors and partners in African development to contribute to launching the third phase of JITAP, in a timely manner.

50. We request the JITAP implementing agencies to pursue their actions so as to strengthen the institutional and human capacities for beneficiary countries a more effective participation in the multilateral trading system.

ACCESSIONS

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

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

PROCESS AND CONCLUSION

53. We underline the full engagement of Africa, its unwavering political will, and its trade and economic interests to reach an early, positive and fair conclusion of Doha Round. This should preserve and achieve the basic objective of the Round, which is to deliver tangible development objectives to allow African economies to actively participate in the multilateral trading system, and share the benefits emanating from fair and balanced trade.

54. We call for the negotiations to be carried out in a fully inclusive and transparent manner to ensure the political ownership of both the process and outcome, and to be guided by Chairpersons based on members' contributions to ensure the full legitimacy and balance of the outcome.

55. We also stress that there should be full modalities in Agriculture and NAMA, and that any cross-cutting negotiations should focus primarily on these two areas and should be driven by substance and not subject to artificial deadlines. The cross-cutting negotiations should be fairly representative, duly sanctioned by members at all stages, and should include issues of vital interest to Africa if consensus were reached to expand the scope of the negotiations.

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

Done in Addis-Ababa, 3 April 2008

EX.CL/429 (XIII)
ANNEX II

FINAL

**ADDIS ABABA DECLARATION ON THE TWELFTH
SESSION OF THE UNITED NATIONS CONFERENCE
ON TRADE AND DEVELOPMENT (UNCTAD)**

AFRICAN UNION

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**AFRICAN UNION CONFERENCE OF MINISTERS
OF TRADE AND FINANCE
3 APRIL 2008
ADDIS-ABABA (ETHIOPIA)**

AU/EXP/CAMTF/Decl.UNCTAD (I)

FINAL

**ADDIS-ABABA DECLARATION ON THE TWELFTH
SESSION OF THE UNITED NATIONS CONFERENCE
ON TRADE AND DEVELOPMENT (UNCTAD)**

FINAL ADDIS ABABA DECLARATION ON THE TWELFTH SESSION OF THE UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT (UNCTAD)

We, the Ministers in charge of Trade and of Finance of member States of the African Union, meeting at our joint conference in Addis Ababa, on 3 April 2008, having examined the progress of the preparations to the twelfth session of the United Nations Conference on Trade and Development (UNCTAD), slated for Accra, from 20 to 25 April 2008;

Taking account of the issues at stake for Africa, in this Conference, as set out in the decision Ex.CL/Dec. 383(XII) of the Executive Council of the African Union held in Addis Ababa, from 25 to 29 January 2008;

Acknowledging the role played by UNCTAD through its three pillars, namely research and analysis, intergovernmental consensus building, and technical assistance, with a view to helping African countries take ownership of the tools necessary to promote their development;

Taking account of the achievements under the Bangkok Plan of Action (UNCTAD X), the Sao Paulo Consensus (UNCTAD XI) and the Mid-term Review UNCTAD XI;

Considering that most African countries strive to liberalise their trade, under strenuous conditions, thus demonstrating their willingness to use trade as a means for development and poverty alleviation, pursuant to the objectives of the Doha Development Agenda;

Considering that globalisation and interdependence provide new prospects for world economic growth and development;

Considering that most African countries do not derive sufficient benefits from the ongoing process of globalisation;

Reaffirming our positions and concerns set out in the Arusha Development Benchmarks (21-24 November 2005) and the Arusha Declaration and Plan of Action on commodities (21-23 November 2005);

Conscious that African countries remain highly dependent on commodities, in terms of trade, income and employment;

Underlining the fact that the current surge in agricultural and some commodity prices has not fully benefited some African countries;

Deeply concerned about the uneven distribution of the returns on Extractive industries between foreign investors and licensing States;

Considering that Official Development Assistance (ODA) is still playing an essential role as a complementary source of funding for development, and that it remains, for some African countries, the main source of external funding as

well as a central means of achieving International Development Goals, in particular those set out in the Millennium Declaration among other developmental objectives;

Considering that Anti-Competitive Practices increase the costs of imports, limiting market access and market penetration, and that some developing countries find it difficult to both establish and apply national competition rules intended to preserve Market Mechanisms and Market Openness;

Considering that the insurance sector facilitates trade, generates jobs, allows risk sharing, encourages innovation and contributes to establishing financial markets through Insurance Premium Collection;

Observing the difficulties experienced by African insurance companies in the area of reinsurance;

Considering that the rules governing intellectual property have important economic, social and environmental ramifications for Africa;

Taking into account, on the one hand, the increasing technological divide between developing and developed countries and the linkage between technology and investment in cutting-edge sectors and, on the other hand, the importance of technological progress for Africa's integration and participation in the multilateral trading system;

Considering that South-South Cooperation constitutes a major asset in Africa's economic development process;

Taking note that the transfer of the post of Deputy Secretary General to the UN negatively affect the operations and capacities of UNCTAD;

Taking note of the initiative of the UN Secretary General to call for a high level meeting on MDGs and of the good collaboration existing between the AUC and the UN General Secretariat;

Taking note of the report of the African Group Workshop in Montreux (22-23 February 2008) and the minutes of the Coordinator of the African Group for UNCTAD issues, pertaining to the preparations for the twelfth session of the Conference;

Hereby declare the following:

1. **Call for** the strengthening of the mandate of UNCTAD around its three pillars, and the maintenance of the number of commissions at three, one of which should be devoted to globalisation;
2. **Request** that the discussions of the Accra Conference should aim at maintaining and consolidating the achievements under the Sao Paulo Consensus and should address centrality of Africa's development challenges;

3. **Request** WTO members within the context of trade and development dimensions of UNCTAD to intensify their efforts towards a swift, fair and balanced conclusion of the negotiations on the Doha Development Agenda, in order to secure a stable and predictable economic and trading environment for African countries and to achieve tangible developmental objectives in all aspects of the negotiations;
4. **Call** for the preparation and implementation of national and regional competition policies, measures for the protection of consumers and an international capacity building project on competition law and policies, at national and regional level, for Africa;
5. **Call** for the promotion of cooperation through the establishment of a voluntary advisory body between the member States and the regional organisations pursuant to “the U.N set of multilaterally agreed equitable principles and rules, for the control of restrictive trade practices” ;
6. **Request** the Secretary General of the United Nations, to urgently establish a sub-programme on commodities at UNCTAD during the current UNCTAD work program taking into account the recommendations of regional and international organisations;
7. **Invite** UNCTAD members to establish a commodity-specific intergovernmental machinery, in the form of a multi-year Committee or a group of experts entrusted with the monitoring of the abovementioned programme. The sub-program on commodities should take into account work being undertaking in regional/international organisations including the World Trade Organisation;
8. **Urge** developed countries to reach the objective of devoting 0,7% of their GNP to ODA and between 0,15% and 0,20% of their GNP for LDCs, pursuant to the Monterrey Consensus and the commitments that have consistently been renewed during the various international forums;
9. **Invite** UNCTAD, member of WTO special team on Aid for Trade, to play a critical role in the implementation of this program to enable the developing countries to take the best advantage from it;
10. **Urge** UNCTAD to intensify its technical assistance programs to strengthen and consolidate African countries capacities in the trade negotiations, including those accessing the WTO;
11. **Encourage** as well our development partners to increase their support in favour of the strengthening, the perpetuity and the predictability of the financial resources allocated to the technical assistance;
12. **Call upon** UNCTAD Member States in addressing trade facilitation problems encountered by Landlocked Developing Countries in the spirit of Almighty Program of Action of 2003;
13. **Urge** UNCTAD to enhance its current programme on the promotion of the insurance sector through a substantial endowment in terms of human and financial resources, and the setting up of an Intergovernmental Group of insurance experts

which will be a forum of exchange on and formulation of technical assistance and capacity building programmes;

14. **Call upon** UNCTAD to strengthen its program related to the services sector, including multi-year experts groups, in order to assist African countries to develop their competitiveness;

15. **Invite** UNCTAD to undertake more research and analyses, in particular at national and regional levels, on mainstreaming the developmental dimension of Intellectual Property along with Trade-Related Intellectual Property Rights (TRIPS);

16. **Encourage** UNCTAD to elaborate its work on research and analysis on investment and the transfer of technology so as to identify the various elements contributing to economic development, among which the role of Foreign Direct Investment (FDI), the globalisation of enterprises and the reinforcement of technological capacities, including Information and Communication Technologies;

17. **Call upon** UNCTAD to strengthen and deepen its work on South-South partnership to enable African countries to benefit from success stories in emerging countries;

18. **Call upon** the Secretary General of the United Nations to re-instate the post of Deputy Secretary General for UNCTAD and to hold consultations with member States with a view to fill up the post, in order to strengthen the work of the Institution and contribute to achieve the development objectives stated in its programme;

19. **Welcome** the initiative of the Secretary General of the United Nations to convene a High-level meeting on the MDGs, in September 2008 that will take into account of the outcomes of UNCTAD XII and those of the work of the Steering Group, for the achievement of the MDGs in Africa and request the AUC to take the necessary arrangements to be part in the activities of this initiative.

Done in Addis-Ababa, 3 April 2008

EX.CL/429 (XIII)
ANNEX III

**ADDIS ABABA DECLARATION ON ECONOMIC
PARTNERSHIP AGREEMENTS (EPAs) NEGOTIATIONS**

AFRICAN UNION

الاتحاد الأفريقي



UNION AFRICAINE

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**AU CONFERENCE OF MINISTERS OF
TRADE AND OF FINANCE
3 APRIL 2008
ADDIS-ABABA (ETHIOPIA)**

AU/EXP/CAMTF/Decl. (I)

**ADDIS ABABA DECLARATION ON ECONOMIC
PARTNERSHIP AGREEMENTS
(EPAs) NEGOTIATIONS**

ADDIS ABABA DECLARATION ON EPAs

WE, Ministers responsible for Trade and for Finance in Member States of the African Union, meeting jointly in Addis Ababa on 3 April 2008, on the instruction of the Heads of State and Government of the Union

RECALLING the objectives of the Cotonou Partnership Agreement to make EPAs serve as instruments for the promotion of sustainable development, eradication of poverty, gradual integration into the world economy, and reinforcement of regional integration;

REAFFIRMING our positions and concerns as contained in previous Declarations, namely, the Mauritius Declaration (2003), Cairo Declaration (2005), Nairobi Declaration (2006) and Addis Ababa Declaration (2007). Also **Reaffirming the** endorsement of these positions by the Executive Council in its Banjul (2006) and Accra (2007) Decisions, and by the Assembly of Heads of State and Government in the Addis Ababa Declaration on EPAs of January 2007;

NOTING that 18 countries in Africa have initialled the Interim Economic Partnership Agreements and have undertaken commitments to continue with the negotiations with a view to concluding comprehensive and full EPAs;

FURTHER NOTING that these Interim Agreements were initialled in order to avoid trade disruption that could result from failure to conclude World Trade Organization (WTO) compatible arrangements by the deadline of 31 December 2007;

ALSO TAKING into consideration the circumstances that prompted some countries to initial and others not to initial the Interim EPAs and recognising their sovereign decisions to do so;

CONCERNED about the impact of the interim Economic Partnership Agreements on Africa's regional integration initiatives, given that some countries initialled individual Interim Agreements;

ALSO CONCERNED that the EC has subjected non-signatory countries of interim EPAs to a less favourable trade regime under the GSP including EBA thereby reducing their competitiveness in the EU market;

REITERATING THAT African EPA groups remain committed to conclude full development oriented EPAs;

GUIDED BY the Declaration of the Assembly of The African Union on Economic Partnership Agreements of January 2008 which directed the AU Ministers for Trade and for Finance to prepare for high level engagement with the European Union on EPAs;

Hereby declare the following,

1. **CALL UPON** the AU Commission in collaboration with UNECA and REC's to urgently develop a model/template of a full EPA to serve as a guide for EPA negotiating groups, as need arises
2. **URGE** the African Union to encourage the negotiating groups to use the proposed template as a guide for harmonising the texts of the comprehensive and full EPAs with respect to areas of common interest to ensure coherence and consistency with Africa's agenda on regional integration.
3. **CALL FOR** the establishment of a coordination and harmonisation institutional framework comprising the RECs, AUC, ECA and the negotiators, and which should meet periodically to take stock of the negotiations and give advice.
4. **URGE** the respective Regional Economic Communities (REC's) and the EPA negotiating groups to incorporate each and every member of the respective group is adequately represented in all negotiations at all stages.
5. **RECOGNISE THAT** there are contentious issues in the interim agreements (such as the definition of substantially all trade, transitional periods, export taxes, free circulation of goods, national treatment, bilateral safeguards, infant industry, non-execution clause, MFN clause) and call on the negotiators to review and re-negotiate these within the context of a comprehensive and full EPA to ensure an all inclusive comprehensive EPA that would safeguard development and regional integration efforts.
6. **NOTE THAT** some countries having initialled the interim agreement may consider signing and ratification, and that the ratification process where appropriate should relate to the full EPAs taking due account of the national rules and procedures. However, the commitments in the interim agreement should not constitute an obligation or serve as a benchmark for the non-signatory members of the same negotiating group towards the conclusion of a complete, full and final EPA.
7. **CALL ON** the European Union to respect the commitment it made in the Cotonou Partnership Agreement that no ACP country should be made worse off after the end of the Cotonou preferences.
8. **URGE** the European Union to provide adequate and predictable additional resources beyond European Development Fund to meet adjustment costs, to support supply side capacity and build infrastructure, regulatory capacity, competitiveness and national and regional interconnectivity.
9. **FURTHER URGE** the European Union not to link the disbursement of EDF and Aid for Trade resources to the initialling/signing of EPAs.

10. **CALL UPON** the negotiators to ensure that the development dimension is comprehensively addressed in all sectors of the full EPA.
11. **ALSO URGE** the negotiators to ensure that EPAs will take into consideration the coherence between trade and development dimensions as well as take adequate account of the different levels of development between African and European countries and provide for appropriate asymmetry in obligations.
12. **CALL ON** the EU to cooperate with the African Group at the WTO to ensure development-friendly rules including the flexibility in the interpretation of Article XXIV of GATT 1994.
13. **REITERATE** the need for an urgent meeting at the highest political level between the leadership of Africa and of European Union as a follow-up of decisions and recommendations of the Africa-EU Summit of December 2007 with a view to aligning the objectives of the EU-Africa Lisbon Strategy on EPAs by resolving contentious issues of the EPAs that could adversely affect their partnership.
14. **STRESS** that the entry into EPAs should not preclude Africa from taking full advantage of South-South Cooperation
15. **CALL** for the active participation and support of all stakeholders in particular Ministers, Parliamentarians in the EPA negotiation process and for the greater mobilisation of Non State Actors, and EU Member States in support of Africa's position on EPAs.
16. **CALL UPON** the African and EU parties to establish effective monitoring and evaluation of the implementation of the full EPAs to take account of the impact of EPAS on African economies and ensure that the objectives of EPAs as agreed in the Cotonou Partnership Agreement are realised.
17. **URGE** the Africa Union Member States to ensure that unity, cohesion and solidarity are maintained and strengthened in the EPA negotiations.

Done at Addis Ababa, 3 April 2008.

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