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OAU/AFRICAN ECONOMIC COMMUNITY
2nd Ordinary Session of OAU/AEC Ministers of Trade
Committee on Trade, Customs and Immigration
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STATE OF IMPLEMENTATION OF THE DECISIONS TAKEN AT THE FIRST MEETING OF AFRICAN MINISTERS OF TRADE AT HARARE, ZIMBABWE, 8 – 9 APRIL, 1998

Decisions	Implementation	Remarks
1. Operationalisation of Committee on Trade, Customs and immigration; Work Programme.	Committee established Work programme concerned with (a) assessment of state of intra-African Trade (b) Preparatory process for ACP/EU and WTO negotiations (c) Various activities in follow up to the US/Clinton Africa Initiative	 Completed In progress In progress
2. Coordination between Brussels/Geneva/ Washington/New York.	Various activities undertaken: to coordinate ACP/EU and WTO negotiations with Brussels; and coordination with Washington and New York on US/Clinton Africa Initiative and reform of the international financial architecture, respectively	
3. Member states to strengthen/open missions in Geneva		Member states to report
4. OAU/AEC restructuring exercise to take account of minimum need for 3 economists, a legal expert and to increase number of translators/interpreters in Geneva Office.	An economist has been assigned to Geneva Office to join the two already there.	Posting is imminent..
5. OAU Observer status at WTO	The United States has indicated strong support	Issue not resolved and requires vigilant follow-up by African WTO members

6. Establishment of national focal points on WTO and coordination with Brussels/Geneva		Member states to report
7. Africa to make a joint statement on the state of implementation of the WTO Agreements at 2nd WTO Ministerial	Statement made at 2nd WTO Ministerial raised the key issues of concern.	The statement had the effect of signaling the seriousness with which African governments regard WTO issues
8. Member states to conduct studies to identify national interests in order to benefit fully from WTO Agreements; to assess state of implementation of the Agreements; and to prepare for new negotiations.		Member states to report
9. New WTO obligations to take capacity of member states to implement them into account.	This issue is to be included in the proposals for a negotiating mandate to ministers.	To follow up during forthcoming WTO negotiations, with full involvement of the African Group in Geneva.
10. Time frame for the implementation of certain decisions to be extended where member states are experiencing difficulties.	This issue is to be included in the proposals for a negotiating mandate to ministers.	Ditto
11. WTO rules on subsidies to be reviewed to enable developing countries to utilise all available instruments for their industrial and agricultural development.	This issue is to be included in the proposals for a negotiating mandate to ministers.	Ditto
12. WTO to continue and intensify its technical assistance.		WTO to be requested for an assessment of the impact of its technical assistance so far in African countries.
13. WTO and ITC to support diversification of exports.	This issue is to be included in proposals for a negotiating mandate to ministers.	This issue is best pursued within the framework of the LDC Plan of Action and related initiatives

14. World Customs Organisation and WTO to assist African countries as regards implementation of Rules of Origin, Customs Valuation and Pre-shipment Inspection Agreements		This issue is best pursued as a proposal to WTO and WCO on technical assistance
15. WTO to conduct special training for African countries on dispute settlement, practices and procedures		This issue is best pursued as a proposal to WTO on technical assistance
16. Africans to be represented at the highest levels of the WTO Secretariat to reflect its global character.		To be reviewed in the light of the outcome of the appointment of new WTO Director-General and related appointments.
17. Member states to participate actively in the working groups on trade and investment, trade and competition policy, and government procurement.		Member states to report on their participation in these working groups.
18. A review of the state of implementation of the LDC Plan of Action including assessment of the effectiveness of the follow-up mechanism is required.		WTO Secretariat has been requested to provide review
19. Market access offers, made to LDCs as part of the Highlevel Meeting process should be evaluated for overall impact and net effect.		WTO Secretariat has been requested to provide review
20. Participation of African countries in the Agreements on Information Technology Products; Basic Telecommunications and Financial services to be evaluated.		WTO Secretariat has been requested to provide information and analysis of African offers in regard to these Agreements.

21. Ministers agreed to review at a later date whether a sectoral approach or traditional round was the best way forward as regards future work at the WTO.		Recommendations are being made to ministers on this issue.
22. A positive agenda for African states to advance at future multilateral trade negotiations consisting of 13 elements were agreed upon.	The 13 elements are attached herewith and constitute the core of the proposals to ministers for a negotiating mandate.	
23. Ministers agreed on 4 elements comprising Africa's common position on trade and investment.	The 4 elements are attached and are part of the proposals to ministers for a negotiating mandate.	Consultations were held with the African Group in Geneva.
24. Ministers agreed that negotiations on new issues are premature as the WTO agenda is already over burdened.	Proposals are being made to ministers as part of the negotiating mandate.	
25. Ministers perceived the UNDP Trade Capacity-Building Initiative as following a donor-driven approach	Consultations have been held with UNDP	.

26. Ministers agreed that additional rules are needed to complement Article XII on Accession of the Marrakech Agreement Establishing the WTO; that African countries should participate actively in the working parties an accession; and that UNCTAD should be requested to provide technical assistance to acceding African Countries.	Proposals are being made to ministers as part of the negotiating mandate.	African Group in Geneva has been consulted on these issues. UNCTAD has been supporting acceding countries
27. Ministers agreed on key principles for the ACP/EU negotiations; and to present the Report of the Harare meeting at the ACP Ministerial meeting scheduled for 14-15 May 1998 in Brussels.	Key principles have been taken on board in the preparations for the negotiations; Report of Harare meeting was presented in Brussels.	A panel of experts has been established to support African negotiators.
28. Ministers accepted the offer of Algeria to host the Second Meeting of African Ministers of Trade.	The meeting is to be held from 30 August to 3 September 1999.	Preparations are currently underway to organise the meeting in Algiers.

Africa's Interim positive Agenda

- Issues that arise from the implementation of the current multilateral trade agreements. These include fulfillment of commitments by trading partners relating to special and differential provisions treatment and how best to link those provisions with a time derogation with qualitative development criteria. This will require careful stocktaking of the implementation process at the national level by individual countries to provide the basis for a common approach to common problems.
- The need to seek a satisfactory resolution to market access problems such as tariff peaks, tariff escalation on certain specific items of export interest to African countries in certain markets.
- The increasing resort to the use of non-tariff barriers by invoking certain provisions of the Agreement on Technical Barriers to Trade and the Agreement on Sanitary and Phytosanitary Measures. The need to fully implement the Marrakech Decision on Measures in Favour of Developing and Least Developed Countries.
- The question of how measures to deal with weak competitiveness and supply constraints in the short and medium terms could be accommodated in future multilateral rules as the role of tariff preferences declines with increased tariff MFN liberalization.
- The revisiting of such issues as customs valuation, pre-shipment inspection, agriculture liberalization and the interests of the net food importing countries within the framework of the built-in agenda to address the lingering concerns.
- Imaginative approaches to the negotiations on trade in services to give concrete meaning to and derive concrete benefits in the implementation of Article IV of the GATS which provided for development concerns to be taken into account in the liberalization of service sectors.
- An annex is required to the GATS to ensure the strengthening of the telecommunications structure in LDCs.
- The need for the rectification of imbalances specifically identified in certain agreements with respect to the operation of the "stand still" provisions e.g. on TRIMS, the Agreement on Agriculture and the Agreement on Subsidies. The need to reassess these provisions from a development perspective.
- In general, the need for special and differential provisions in future multilateral rules to encompass qualitative development criteria.
- There is need for the multilateral rules to take account of such problems as weak competitiveness and supply constraints.
- On TRIMs, there is need to ensure a linkage between investment and competition policies.
- On the new issues of trade and investment, trade and competition policy, government procurement, environment, etc., the need to ensure that the development dimension is duly taken into account in any WTO negotiations.
- The distribution of benefits arising from the WTO agreements as Africa's share of international trade has continued to decline standing at 2.2% in 1997. An assessment of the effects of the Uruguay Round Agreements on Africa is required to determine whether the predications for trade expansion have materialized.

Source: *Report of the 1st OAU/AEC Meeting of Ministers of Trade, paragraph 33*

Africa's position on Trade and Investment

It was suggested that Africa should adopt a minimum common position while leaving certain dimensions of the question to individual Member states to formulate their own national positions. Among the elements of a minimum position agreed upon by ministers were the following:
a) the development dimensions of FDI should be taken fully into account in any possible multilateral agreement on the subject; b) portfolio investment which is more volatile should not be governed by any multilateral framework on investment; c) full use should be made of the usual WTO mechanisms including phasing, transitional periods, limitations to cross retaliation, and the positive list approach of the GATS; d) a multilateral framework on investment should be explicitly linked with a similar framework on competition policy.

Source: *Report of the 1st OAU/AEC Meeting of Ministers of Trade*, paragraph 37

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