

JOINT STATEMENT

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A GENUINE DEVELOPMENT AGENDA FOR THE DOHA ROUND OF WTO NEGOTIATIONS

For further copies and more information, contact:
John Hilary, Trade Policy Adviser, Save the Children,
17 Grove Lane, London SE5 8RD, UK (j.hilary@scfuk.org.uk)



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A GENUINE DEVELOPMENT AGENDA FOR THE DOHA ROUND OF WTO NEGOTIATIONS

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The WTO's Doha Ministerial has launched a new round of international trade negotiations, due to begin with the first meeting of the Trade Negotiations Committee on 28 January 2002 and scheduled to end by 1 January 2005. At the conclusion of the Uruguay Round in 1994, calculations by the UNDP and OECD showed that within six years global income would grow by US\$200-500 billion as a result of the round. However, it was acknowledged that all these gains would go to the industrialised countries of the OECD and to the richer middle-income developing countries. Even before implementation had started, LDCs were predicted to lose US\$600 million a year and Sub-Saharan Africa US\$1.2 billion a year from the Uruguay Round.

If the Doha Round is to have a genuine 'development agenda', this situation must not be allowed to repeat itself. Yet even as it forecasts a rise of US\$355 billion in global income by 2015 as a result of the new round of trade liberalisation, the World Bank's *Global Economic Prospects 2002* has already predicted that the greatest income gains will accrue to Western Europe. Developing countries as a whole are forecast to enjoy around 50 per cent of the extra income, but the World Bank acknowledges that there will be wide variation in their experiences. In both Sub-Saharan Africa and South Asia, according to the Bank's predictions, net gains will be minimal – and lower in both cases than the aggregate losses resulting from displacement due to trade liberalisation.

The Ministerial Declaration adopted by WTO members at Doha on 14 November 2001 fails to address the most pressing needs either of the poorest countries or of the world's most vulnerable communities. This means that the people who most need a share in global prosperity are still those least likely to obtain it. The comprehensive changes needed to make the global trading system work in the interests of the poor require major reforms far beyond the scope of the programme outlined below. Yet these measures give an indication of the immediate steps which are needed if the Doha Round is to have any claim to be a genuine development agenda.

1. IMPLEMENTATION

- **implementation issues should be resolved as an urgent priority:** Inclusion of the implementation agenda within the single undertaking means developing countries are being asked to pay twice for the concessions they won during the Uruguay Round. Outstanding issues from that Round must be resolved as an urgent priority, and implemented on a definitive basis at an early stage (as provided for in Ministerial Declaration para 47).
- **more favourable access for developing country textiles exports:** The Council for Trade in Goods (in its recommendations to the General Council by 31 July 2002, as required by Implementation Decision para 4) must call for immediate implementation of the proposals for growth-on-growth increase in quota levels, bearing in mind that WTO members are already required to abolish all quota restrictions on textiles by January 2005. Industrialised countries should be required to provide evidence of how they will achieve that schedule, including measures to assist workers and small companies in the adjustment process and measures to avoid creating protectionist pressures.

2. AGRICULTURE

- **phasing out of export subsidies and credits, and reorientation of domestic support:** There must be immediate and substantial reductions leading to the phasing out of export subsidies and credits, as well as an end to the abuse of food aid, so as to grant fair market access to developing countries' exports and to prevent the ruinous dumping of subsidised produce on developing country markets. There must also be a reorientation of domestic support for agriculture in industrialised countries so as to promote rural development and environmental objectives. In addition, industrialised countries should implement existing tariff reduction commitments immediately, and eliminate tariff escalation and tariff peaks in order to increase market access for all agricultural products, including processed products. These measures should be implemented on a definitive basis at an early stage (as provided for in Ministerial Declaration para 47).
 - **a Development Box in the Agreement on Agriculture:** The Development Box should also be introduced to the Agreement on Agriculture as an early undertaking, as provided for in Ministerial Declaration para 47. The details of content to be included in the Development Box should be finalised within the Committee on Agriculture, and must enable developing countries to address their development needs, including both food security and rural development. To be genuinely pro-poor, the Development Box must target small farmers and staple foods, and include both domestic support and border measures.
 - **implementation of the Marrakesh Decision:** The Doha Ministerial approved the Committee on Agriculture's recommendations on the implementation of the Marrakesh Decision regarding food aid, technical and financial assistance in the context of aid programmes to improve agricultural productivity and infrastructure, financing normal levels of commercial imports of basic foodstuffs, and review of follow-up (Implementation Decision para 2.2). These recommendations should now be implemented.
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3. SERVICES

- **full and thorough assessment, including revision of GATS:** Developing countries and civil society organisations from around the world have consistently called for an assessment of services trade liberalisation and the future impact of GATS, both in order to preserve developing country service industries from inappropriate competition and to protect vulnerable communities from the negative consequences of services trade liberalisation. The text of GATS must also be revised where necessary in the light of this assessment.
 - **credit for autonomous liberalisation:** In order to reflect the true extent of liberalisation already undertaken in the context of structural adjustment and other reform programmes, developing countries must be granted credit for such commitments in the current market access negotiations. At the same time, as reiterated in the GATS negotiating guidelines adopted in March 2001, developing countries must not be pressured to undertake GATS liberalisation commitments which are not in line with their own development needs.
 - **increased level of commitments under mode 4 of GATS:** Industrialised countries must extend commercially meaningful liberalisation commitments on mobility of labour to match the commitments already made on mobility of capital. However, care should be taken not to exacerbate current problems in transfer of skilled personnel from basic service sectors in developing countries such as health and education.
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4. NON-AGRICULTURAL MARKET ACCESS

- **full assessment as a prerequisite to any market access negotiations:** The modalities to be established for these negotiations (under Ministerial Declaration para 16) must ensure that a full and thorough assessment of the development implications of non-agricultural market liberalisation in developing countries is conducted prior to the start of any negotiations. The world's poorest countries have identified such an assessment as essential in order to minimise the negative impacts on their economies of market access negotiations for non-agricultural goods.
 - **less than full reciprocity in liberalisation commitments:** The modalities for any future negotiations must reaffirm the flexibility for developing countries to protect their domestic industries from external competition, as stated in the Ministerial Declaration. In this respect, the relevant provisions of Article XXVIII *bis* of GATT 1994 affirm "the needs of less-developed countries for a more flexible use of tariff protection to assist their economic development and the special needs of these countries to maintain tariffs for revenue purposes". The commitment to less than full reciprocity should be operationalised through early offers from industrialised countries of reductions in tariff peaks and tariff escalation.
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5. INVESTMENT

- **no new negotiations on trade and investment:** The Doha Ministerial Conference succeeded in launching a new work programme for the WTO only as a result of the last-minute clarification on new issues from the Chair. This clarification that each WTO member has "the right to take a position on modalities that would prevent negotiations from proceeding" should be included as an Annex to the Ministerial Declaration itself, as required by diplomatic convention, not simply as a statement in the record of the meeting. The EU and the WTO Secretariat should respect the consistent opposition of the clear majority of developing countries to WTO negotiations on the new issues of investment, competition policy, transparency in government procurement and trade facilitation, and refrain from including such negotiations within the single undertaking of the new round.
 - **TRIMS:** Given the acknowledged importance of FDI linkages for development, the review of TRIMS mandated under Article 9 of that Agreement should provide for unlimited extensions for transitional periods under TRIMS Article 5.2; should provide for an exemption for developing countries from disciplines on the two performance requirements listed in the TRIMS Annex (local content and trade balancing); and must under no circumstances add more requirements to that list. In the meantime, the Council for Trade in Goods should automatically grant all requests from developing and least developed countries for extensions of transitional periods under TRIMS Article 5.3.
 - **GATS:** Article XVI of GATS prohibits the imposition of access conditions on FDI in service sectors committed for liberalisation, unless countries specify such limitations in their national schedules. Given the acknowledged development benefits of conditions such as foreign equity caps or joint venture requirements, and as reiterated in the GATS negotiating guidelines agreed in March 2001, developing countries should not be asked to commit access conditions to the request-offer process during the current phase of services negotiations.
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6. COMPETITION POLICY

- **no new negotiations on trade and competition policy:** As with negotiations on trade and investment, the clear majority of developing countries have expressed consistent opposition to WTO negotiations on trade and competition policy. More widely, the WTO is regarded as an unsuitable forum for such negotiations, and the EU should refrain from including them within the single undertaking of the new round.
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7. TRANSPARENCY IN GOVERNMENT PROCUREMENT

- **no new negotiations on transparency in government procurement:** Once again, the EU and the WTO Secretariat should respect the consistent opposition of the clear majority of developing countries to WTO negotiations on the issue of transparency in government procurement, and refrain from including such negotiations within the single undertaking of the new round.
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8. TRADE FACILITATION

- **no new negotiations on trade facilitation:** As with the other new issues, the EU and the WTO Secretariat should respect the consistent opposition of the clear majority of developing countries to WTO negotiations on trade facilitation, and refrain from including such negotiations within the single undertaking of the new round.
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9. TRIPS

- **TRIPS and public health:** Following the Doha Ministerial's affirmation that the TRIPS Agreement does not and should not prevent countries from taking measures to protect public health, the Council for TRIPS must lift restrictions on the export of drugs to developing countries which have decided to override a patent or which do not recognise drugs patents, but which do not have the capacity to produce cheap generic equivalents. This can be done through the use of TRIPS Article 30.
- **TRIPS and food security:** In order to protect the large number of farming communities worldwide which depend on locally saved seed and local livestock breeds for their food security and sustainable agricultural production systems, the mandated review of TRIPS Article 27.3(b) must clarify that there can be no patents on genetic resources for food and agriculture. The review should also ensure that flexibility is permitted for developing countries to implement national *sui generis* options so that they can protect the rights of their farmers. It must ensure that the TRIPS Agreement is fully compatible with the International Treaty on Plant Genetic Resources for Food and Agriculture (PGRFA), and with the provisions of the Convention on Biological Diversity (CBD) on prior informed consent and benefit sharing. In the meantime, the TRIPS Council should affirm that no patents inconsistent with CBD Article 15 are to be granted or recognised, and that issues concerning PGRFA will be referred to the FAO.

- **Review of TRIPS:** The scheduled review of TRIPS in 2002 should assess the Agreement's development impact with a view to allowing developing countries greater flexibility in determining the length and scope of patents from a public interest perspective. In addition, the deadline for TRIPS compliance for all developing countries should be based on their achievement of development milestones rather than arbitrary dates.
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10. WTO RULES

- **negotiations on anti-dumping:** The negotiations on WTO rules under the Agreements on Implementation of Article VI of GATT 1994 and on Subsidies and Countervailing Measures (Ministerial Declaration para 28) must put an end to the abuse of anti-dumping disciplines as a protectionist measure by industrialised countries.
 - **fisheries subsidies:** The inclusion of fisheries subsidies within the context of the negotiations on WTO rules, with a view to clarifying and also improving the disciplines relating to such subsidies and with explicit reference to developing country concerns, offers an opportunity to protect developing country fleets from the unfair competition and over-exploitation many have suffered to date. States such as the EU which employ fisheries subsidies must undertake to reduce them significantly.
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11. DISPUTE SETTLEMENT UNDERSTANDING (DSU)

- **a balanced DSU for use by all WTO members:** Negotiations for reform of the DSU (mandated to conclude by May 2003) must ensure that developing countries can make effective use of the system. Negotiations should explore the possibility of a system which is not ultimately based on the threat of trade sanctions by individual WTO members (DSU Article 22), given that this system is of no practical relevance to the majority of developing countries.
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12. SPECIAL AND DIFFERENTIAL TREATMENT (S&DT)

- **S&DT measures must be made mandatory, legally binding and enforceable:** The Committee on Trade and Development is to report to the General Council by July 2002 with recommendations on the legal implications of making S&DT measures mandatory. The Committee should propose that all S&DT measures be made mandatory, legally binding and enforceable through the WTO's dispute settlement system.
 - **Framework Agreement on S&DT:** As part of the above programme, the proposal for a Framework Agreement on S&DT submitted by a group of developing countries (WTO document WT/GC/W/442) should be developed so as to enshrine the concepts of S&DT and non-reciprocity at the heart of the WTO. Trade liberalisation must not be allowed to undermine the national policy and development objectives of developing countries. In particular, S&DT should go beyond the provision of longer transitional periods for developing countries to implement the same rules as industrialised countries, and should take the form of positive discrimination within the rules in favour of developing countries and in line with their level of development.
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13. LDCs

- **tariff-free and quota-free access for all LDC exports:** All OECD countries should grant all LDC exports tariff-free and quota-free access to their markets, in order to honour the non-binding commitments which have been included in Ministerial Declarations from Singapore in 1996 to Doha in 2001. The EU must extend its 'Everything But Arms' initiative to encompass all exports (including rice, bananas and sugar) as of now, following the lead taken by New Zealand during 2001. The Sub-Committee for LDCs must include this guarantee of free access in the work programme which it announces to the first General Council of 2002, and the Director General must report on progress by all OECD countries in his December 2002 interim report on LDC issues and in his full report to the Fifth Ministerial Conference.
 - **no anti-dumping or other contingency protection measures against LDC exports:** As with the provisions for free market access for LDC exports, it is essential to the increasing participation of LDCs in the global economy that all other countries refrain from using anti-dumping or other protectionist measures against LDC exports.
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14. WORKING GROUPS ON DEBT & FINANCE, TECHNOLOGY TRANSFER

- **debt cancellation as a prerequisite to a fair world trading system:** Many of the macroeconomic developments which developing countries need if they are to benefit from international trade require high levels of domestic savings, investment and other finance. With many countries still unable to generate this development finance due to their continuing debt burden, the WTO's Working Group on Debt and Finance must send a strong message to international financial institutions, particularly the World Bank and IMF, that substantial and meaningful debt cancellation beyond the Enhanced HIPC initiative is a prerequisite to a fair world trading system.
 - **need for significant resource flows from North to South:** Even with substantial and meaningful debt cancellation, many of the world's poorest countries will still not have the financial resources to guarantee their people basic rights. The WTO's Working Group on Debt and Finance must also draw attention to the need for a massive injection of new resource flows from North to South, requiring all OECD countries to meet the UN aid target of 0.7 per cent of GNP as a first priority.
 - **investigate WTO barriers to technology transfer:** The WTO's Working Group on Technology Transfer should address the restrictions on performance requirements and access conditions for investment included within the WTO's own agreements, whereby those agreements may themselves block the transfer of technology to developing countries.
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15. TECHNICAL ASSISTANCE AND CAPACITY BUILDING

- **upgrade 'best endeavour' commitments:** The commitments in Ministerial Declaration paras 38-41 must be translated into action if developing countries are to be able to participate fully at the WTO. Technical assistance and capacity building must address the

broad range of steps needed to ensure proper participation by developing countries. This includes negotiating capacity in Geneva, interdepartmental research and negotiating capacity in capitals, and ways to involve civil society in dialogue with governments in order to achieve both a clear identification of interests and proper ownership of the process.

- **adapt WTO negotiations to maximise developing country participation:** It is self-defeating to commit resources to technical assistance and capacity building and then to structure WTO negotiations so that they exclude developing countries from the possibility of effective participation. The discussions on capacity building must also address how to adapt the WTO's negotiating timetable and process to the capacity constraints facing developing countries.
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16. PROCESS

- **Trade Negotiations Committee must not become a permanent Green Room:** In view of the WTO's acknowledged failure to involve developing countries fully in past negotiations, the Trade Negotiations Committee established to oversee the Doha Round of negotiations must conduct proceedings in the fairest and most open manner possible. Its proceedings and those of the negotiating mechanisms it establishes must be transparent and documented, with an open system for reporting irregularities. Furthermore, it is essential that the individual chosen to chair the Trade Negotiations Committee command the full trust and respect of all developing country members.
 - **code of conduct for new round:** Given the many reports of untoward pressure and extraneous linkages used before and at Doha to force developing countries into agreeing to a comprehensive new round, industrialised countries should sign up to a code of conduct committing them not to use such underhand tactics during the new round of negotiations. Again, there should be a 'whistleblowing' system for reporting irregularities.
 - **greater external transparency:** External transparency is one further mechanism for building accountability into the procedures of the WTO, given the exclusion of civil society from formal WTO processes. Civil society organisations and parliamentarians should be granted greater access to WTO processes, as well as to national processes for formulating trade policy. In addition, all WTO documents should be declassified and published immediately on presentation, so as to increase the organisation's transparency worldwide.
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CONCLUSION

We do not accept the mercantilist paradigm which says that the world's richest countries must win further concessions from the poorest as a reward for redressing the imbalances of the world trading system. If the WTO and its member states wish to present the new round of negotiations as a Doha Development Agenda, they must enshrine the principles of S&DT and non-reciprocity at the heart of the WTO. This entails both unilateral and multilateral action in advance of the conclusion of the round as a whole – action which will bring benefits to the world's poorest communities at no significant cost to the rich.

The world's poor deserve a genuine development agenda. It is up to the WTO and its member states to deliver one.