

AFRICAN UNION

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**THE CAIRO DECLARATION
AND ROAD MAP ON THE DOHA WORK PROGRAMME**

CAIRO DECLARATION

We, the Ministers of Trade of the Member States of the African Union meeting in our Third Ordinary session in Cairo, Egypt on the 8-9 June 2005 to consider a number of issues of critical importance to the development of Africa, including a review of the state of play in the Doha Work Programme (DWP).

Recalling the Kigali Declaration and its Annex the Kigali Consensus adopted at our 2nd Ordinary session and endorsed by the AU Assembly of Heads of State and Government at its 3rd Ordinary session,

Welcoming the adoption of the General Council Decision on 1st August 2004 as a breakthrough in the WTO Members' collective efforts to bring back on track the Doha Work Programme,

Reaffirming our commitment to engage constructively in the preparatory process and at the 6th WTO Ministerial Conference in Hong Kong with a view to ensuring a successful completion of the DWP,

Concerned that limited progress has been achieved on core elements of the development dimension of the DWP,

Reiterating the urgency to meet the commitment of the Doha mandate of placing the needs and interests of developing countries and, in particular least developed countries, at the heart of the WTO work programme,

Reaffirming the need for the negotiations to be inclusive and transparent to ensure political ownership of the process and of the outcome of the negotiations,

Convinced that an ambitious development-centred outcome in the negotiations will engender a more viable, equitable and durable multilateral trading system that would contribute to the attainment of the Millennium Development Goals by our countries,

Calling on WTO Members to demonstrate the requisite political will to achieve progress in July 2005 that would lay the basis for a successful Hong Kong WTO Ministerial Conference.

Hereby adopt the Cairo Road-Map on the Doha Work Programme as an annex to this Declaration.

We thank the Government and the people of the Arab Republic of Egypt for the warm hospitality extended to us and for all the excellent facilities put at our disposal.

Done in Cairo, Egypt on 9th June 2005

THE CAIRO ROAD MAP ON THE DOHA WORK PROGRAMME

AGRICULTURE

1. We emphasize that the modalities to be agreed upon, should take into account the need for appropriate policy space that would allow African countries to pursue agricultural policies that are supportive of their development goals, poverty reduction strategies, food security and livelihood concerns, while ensuring improved market access for the agricultural products of African countries, both in primary and processed forms. To this end, the modalities should address as a matter of priority the following issues under each of the three pillars of the agreement on agriculture (AOA):-

(I) Export competition

- (a) Place emphasis on the need for a credible end date for the elimination of all forms of export subsidies on agricultural products. This elimination shall be without prejudice to S&D treatment of NFIDCs and LDCs,
- (b) The urgent implementation of the Marrakech Decision on NFIDCs and LDCs and a clear reflection of the special and differential treatment component of any disciplines to be developed on export credits in accordance with paragraph 4 of this Decision.
- (c) Stress the need for members to fully take into account the interests of food aid recipients in developing disciplines on this issue
- (d) African countries' State Trading Enterprises (STEs) shall be excluded from the application of any new disciplines on STEs; in recognition of the critical role played by STEs in sustaining livelihoods, food security and poverty reduction in such countries.

II) On Domestic Support the following are critical:

- (a) the formula to be agreed must result in meaningful and effective reductions in the subsidies granted by the major trading partners to their farming communities. Most crucially, disciplines on domestic support (DS) should not lead to "box-shifting" the subsidies,

- (b) African countries must be allowed to maintain policy space for the development of the farming communities; based on the fair and equitable targets of poverty reduction, food and livelihood security, and rural development,
- (c) The policy space should enable African countries to have adequate and timely resources to fulfill their essential developmental objectives. This can be achieved through the S&D provisions under the domestic support pillar, Annex 2, Article 6.2, de minimis and improvement of their export earnings,
- (d) The developed countries must engage in the review and clarification of the green box criteria in a manner that will ensure that the green-box measures have no or at most minimal trade-distorting effects or effects on production.
- (e) De minimis for African countries shall be exempted from reduction commitments,

(III) On Market Access, negotiations should ensure the following:-

- (a) Take into account the particular pattern of trade of African countries and their different tariff structures
- (b) Specific and concrete mechanisms and solutions to the problems of preference erosion must be devised within the WTO context to fully address the concerns of African countries in accordance with para 44 of the Framework Agreement.
- (c) The issue of tariff escalation must be addressed fully in accordance with paragraph 36 of the Framework Agreement without prejudice to the products benefiting from preferential arrangements,
- (d) Developed countries, and other developing countries in a position to do so, must provide bound duty and quota free market access to agricultural products originating in LDCs
- (e) The full operationalisation of the principle of proportionality in the reduction of tariffs, as well as the development of meaningful modalities on Special Products (SPs) and the Special Safeguard Mechanism (SSM). The SSM constitutes a unique instrument that would respond to the concerns of developing countries and least developed countries related to food security, livelihood security and rural development. Modalities with respect to the designation

of special products and treatment must be devised in a way that provides maximum flexibility to countries in Africa to reflect their particular domestic circumstances and development needs

- f) The treatment of S&D provisions in market access constitutes a sine qua non condition for the African countries adhering to any consensus decision in agriculture,
- g) The Hong Kong Ministerial Conference must deliver modalities which directly contribute to the sustainable development of agriculture in Africa.

BANANA

2. We note that an arbitration procedure is going on in the WTO, initiated by non-African countries that are banana producers. This procedure, which doesn't fully associate African countries, may lead to an enormous loss of market shares and advantages hitherto enjoyed by African countries on traditional European markets. As a result of this situation, we are strongly requesting that the rights of African countries be preserved and their market shares be protected.

COTTON

3. We note that the sub-committee created pursuant to the General Council decision of 1st August 2004 has commenced its work. We urge that the trade-related aspects of the cotton initiative be addressed expeditiously, ambitiously and with specificity. We also welcome the recent Appellate Body and Panel Decisions on cotton adopted by the DSB on the 21 March 2005. We endorse the submission of the WTO Africa Group to the sub-Committee on cotton of April 22nd, 2005, and call upon our developed-member partners, as soon as possible, and no later than the 6th WTO Ministerial Conference, to:

- (a)** Eliminate all export subsidies and domestic support measures on cotton,
- (b)** Set up an emergency support fund for African countries and
- (c)** Grant bound quota- and duty-free market access for cotton and its by – products from African LDCs, that are cotton producers and exporters.

4. Further, we urge all bilateral and multilateral donors to meet their commitment on the development-related aspects of the cotton initiative.

We emphasize the need for coherence between the trade and development-related aspects of this initiative .

NON-AGRICULTURAL MARKET ACCESS (NAMA)

5. We are concerned that some of the proposals on the formula submitted by WTO Members would result in deep tariff reductions by some African countries in comparison to developed countries; contrary to the principle of less than full reciprocity and S&D enshrined in the Doha mandate. In addition, African countries would be adversely affected as these proposals would result in erosion of their preferences. This would undoubtedly deepen the crisis of de-industrialization and accentuate the unemployment and poverty crisis confronting African countries. In this regard, it is imperative to ensure that the modalities: -

- (a) Identify an appropriate formula or tariff approach that would allow African countries to undertake industrial policy and diversification objectives and take as priority the principles of non-reciprocity, Special and Differential Treatment and less than full reciprocity,
- (b) Provide policy space and flexibility that fully takes account of African countries' developmental, financial and industrial needs which removes the risk of de-industrialization with its attendant negative consequences on poverty reduction,
- (c) Provide flexibilities for African countries to determine their binding coverage commensurate with their development objectives,
- (d) Do not include the sectoral initiatives because of their potential detrimental effects on African countries,
- (e) Do not link the flexibilities to the level of ambition. The flexibilities should address Africa's development needs and concerns,
- (f) Provide for a mechanism for addressing preference erosion within the WTO,
- (g) Fully respect, LDCs exemption from tariff reduction commitments.

6. We underscore that negotiations on non-tariff barriers should be conducted in tandem with those on tariff reductions in the negotiating group on non-agricultural market access (NAMA).

7. We call for the conduct of studies and an assessment on the possible effects of modalities before members agree on them as mandated by paragraph 15 of the Annex B.

SERVICES

8. We note that a few African countries have submitted initial offers in the current round of services negotiations. We also note that many other African countries are facing difficulties in submitting requests and offers. As we endeavor to improve our participation in the services negotiations, we:

- (a) Request for substantial improvement in market access in modes and sectors of export interest to African countries. Under Mode 4, Members should make commitments aimed at ensuring a commercially meaningful outcome for African countries particularly on sectors of importance in terms of export interest such as tourism, professional services and construction services,
- (b) Underscore the urgency for the Council for Trade in Services - Special Session to conclude the assessment exercise as soon as possible, with specific outcomes that would ensure appropriate adjustments in the negotiations,
- (c) Seek to intensify work in the rule-making area so as to restore the balance between the market-access and rule-making tracks. Work on domestic regulation should be concluded by the Hong Kong Ministerial Conference to ensure that disciplines in domestic regulation enhance commitments undertaken by Members, particularly in those areas of interest to African countries. Furthermore Members should move from definitional/preliminary issues to substantive issues,
- (d) Call upon Members to expeditiously establish an emergency safeguard mechanism,
- (e) Call for the provision of increased and targeted technical assistance to enable African countries to participate effectively in the request/offer phase,
- (f) Call for effective implementation of Article IV of the GATS in order to ensure the increased participation of African countries in services trade,

- (g) Should ensure that the Guidelines and Procedures for the negotiations in services adopted by the Council for Trade in Services on 28 March 2001 continue to remain the basis for the negotiations,
- (h) Call for the full implementation of the LDC special modalities.

DEVELOPMENT ISSUES

9. We reiterate that development remains a priority for Africa in the negotiations and should thus be reflected appropriately in the July approximation and the outcome of the Hong Kong Ministerial Conference. As a cross-cutting issue, development has to be explicitly incorporated in all areas of the negotiations. In this regard:

- (a) Urgent attention must be given to completing the review of all outstanding S&D Agreement specific proposals before adoption, implementation related issues and concerns and the amendment of the TRIPS Agreement to incorporate the 30th August 2003 Decision on the implementation of Paragraph 6 of the Declaration on TRIPS and Public Health.
- (b) Other key elements that address Africa's development needs and concerns relating to enhanced technical assistance, food security, rural development, livelihood concerns, preferences, commodities and net food imports must be fully taken into account in the negotiations.
- (c) Africa's liberalization efforts should be fully recognized and factored into the negotiations and adequate flexibility provided to address the continent's development and trade needs.

COMMODITIES

10. We urge WTO Members to address the crisis of instability and secular decline in commodity prices with the aim of attaining stable, equitable and remunerative prices on these products.

11. We welcome the launching of the International Task Force on commodities at UNCTAD and call on the international community to provide support for the effective operation of this Task Force. Africa has a key interest in this initiative in view of the predominance of commodities in African economies.

TRADE FACILITATION

12. We recognize the potential benefits that would accrue to African countries from undertaking trade facilitation measures. The critical importance of trade facilitation for enhancing the competitiveness of African economies, for promoting intra-African trade and for harnessing the benefits of globalization cannot be overemphasized.

13. However, there are costs associated with the pursuit of trade facilitation as a legitimate policy objective. In this regard, we welcome the Annex “D” which stresses the need for synergy between the level of commitments, the cost of and the availability of resources to implement any possible outcome and the provision of financial and technical resources for the capacity building of developing and least-developed countries. These commitments must be met in letter and spirit.

14. We emphasize the need for closer collaboration and enhanced coordination among relevant international, regional and sub-regional organizations in the delivery of technical assistance and capacity building support to African countries.

15. In the context of the current negotiations on trade facilitation, the following should be fully taken into account:

- (a) Need to adhere to the mandate and scope of Annex D of the July Package
- (b) S&D provisions that are precise, effective and operational,
- (c) The policy space and flexibility for African countries.
- (d) Regional efforts on trade facilitation among African countries

RULES

16. In the negotiations on WTO Rules, the following issues are key for achieving progress: -

- (a) The need to avoid the introduction of more complex rules and disciplines under the Anti-Dumping Agreement and the Agreement on Subsidies and Countervailing Measures.
- (b) The provision of adequate technical assistance to African countries in order to enable them effectively enforce their rights under the Anti-Dumping Agreement as well as the Agreement on Subsidies and Countervailing measures.

- (c) The need to address sufficiently the development dimension of these negotiations by ensuring that when elaborating proposals, the needs and concerns of African countries are reflected therein,
- (d) The development aspects are taken fully into account in the negotiations aimed at clarifying and improving disciplines and procedures relating to regional trade agreements.
- (e) Clarification and improvement of disciplines and procedures relating to regional trade agreements as mandated under Paragraph 29 of the Doha Ministerial Declaration should not reopen the Enabling Clause under transparency or systemic issues in RTA negotiations as this would not meet Africa's developmental needs.
- (f) Negotiations on systemic issues must address the principle of less than full reciprocity, asymmetry in market access and the development concerns of African countries entering into regional trade agreements with developed countries under GATT 1994 Article XXIV and GATS Article V.

LDCs

17. We recognize the special difficulties faced by LDCs in integrating into the multilateral trading system and in this respect, we urge the following actions in favor of LDCs:-

- (a) Exemption from undertaking any reduction commitments,
- (b) A moratorium by developed countries on contingency measures that include anti-dumping actions against African LDCs exports,
- (c) Enhanced support towards improving the export competitiveness of LDCs including capacity to meet SPS and other standards,
- (d) Demand driven trade-related technical assistance in all areas of the DWP negotiations with appropriate provisions for implementation and adjustment support.

TECHNICAL COOPERATION

18. We reaffirm technical assistance and capacity building as core elements of the development dimension of the multilateral trading system. We fully support the call for increased aid for trade proposed by the Commission for Africa. We call on our development partners to adequately finance technical assistance programmes through the existing delivery mechanisms especially the Integrated Framework, the JITAP and other complementary mechanisms.

WORK PROGRAMME ON SMALL ECONOMIES

19. We call on WTO Members to fully address the specific needs and trade-related problems of small economies in the context of the work programme mandated by the Doha Ministerial Declaration.

TRADE, DEBT AND FINANCE

20. We recognize the Working Group on Trade, Debt and Finance (WGTDF) as one of the concrete manifestations of the development focus of the Doha Work Programme. As the linkage between trade, debt and finance for African countries, is at the heart of the development problematique, we: -

- (a) Reiterate the importance of this working group in creating the much-needed coherence between Trade, Debt and Finance,
- (b) Call upon the Working Group to immediately mainstream coordination with the Breton Woods Institutions so as to avoid overlaps in the policies recommended by the World Bank and IMF on the one hand, and WTO rights and obligations on the other,
- (c) Call upon the working group to build synergies with the various WTO Committees that are dealing with issues that fall within the general competence of this working group so as to ensure that tangible results are delivered on the coherence mandate,
- (d) Welcome the prospects of Aid for Trade agenda which is aimed, inter alia at, addressing the supply side constraints and adjustment costs that African countries face, as well as meeting of standards. However, this agenda should not operate on typical conditionality of the Bretton Woods Institutions and,

- (e) Recall the debt situation of several African countries and call upon the working group to resolve the trade-related aspects of debt, through delivering on the coherence mandate.

TRADE AND TRANSFER OF TECHNOLOGY

21. We call for a more focused programme in the Working Group on Trade and Transfer of Technology with a view to finding durable solutions to the problems associated with transfer of technology to African countries and to increase the in-flow of appropriate technology to these countries.

ACCESSION

22. We note that no African country has acceded to the WTO since its establishment. In this respect we:

- (a) Call upon all WTO Members to facilitate and accelerate the accession of African countries to the WTO,
- (b) Call upon our development partners to intensify the provision of technical assistance and capacity building support to acceding African countries at all stages of the accession process,
- (c) Underscore the urgent need to effectively implement the accession guidelines for LDCs adopted by the General Council in December 2002 and
- (d) Stress that acceding countries must neither be compelled to negotiate concessions going beyond generally accepted rules within the institution nor subscribe to some exigencies about the clauses still under discussion within the framework of the Doha Round.