

ACP/61/120/03
Sustainable Economic Development Department

Brussels, 26 November 2003

**REPORT OF THE 7TH ACP MINISTERS OF TRADE TO THE
78TH SESSION OF THE ACP COUNCIL OF MINISTERS
27-28 NOVEMBER 2003**

Pursuant to Decision No. 3/03 of the Special Session of the ACP Council of Ministers held on 1 October 2003, the ACP Ministers of Trade met in Brussels on 26 November 2003 to consider a strategy for advancing the interests of the ACP Group in the WTO negotiations under the Doha Work Programme. They received a report from the Joint Committee of Brussels and Geneva ACP Ambassadors which met on 24 and 25 November 2003 in Brussels.

The Ministers noted that despite numerous efforts which had been made within and outside Geneva with the objective of reactivating the negotiations under the Doha Work Programme, and an indication of willingness by most Members to re-engage and get the negotiations back on track, there had not been any clear signals on how to restart the stalled negotiations. The major players remain reticent and non-committal. The Ministers felt that this was a worrisome situation in view of the forthcoming meeting of the General Council at Senior Officials level. They also noted that the Chairman of the General Council and the Director-General of the WTO had, as mandated by the Ministerial Statement adopted by the Cancun Ministerial Conference, initiated consultations in preparation for the General Council meeting at Senior Officials level. In this regard, it was decided to focus on the following four issues: agriculture, cotton, non-agricultural market access and Singapore issues.

As a result of their discussions, the ACP Ministers of Trade:

A. General Principles

1. Reaffirmed the importance of a more balanced and equitable multilateral trading system underpinned by transparency and inclusiveness in the decision-making process. In this regard, the ACP Group must continue to participate actively and constructively in the post-Cancun process with a view to ensuring the successful and timely conclusion of the negotiations under the Doha Work Programme.
2. Affirmed their commitment to putting back on track the negotiations under the Doha Work Programme on the basis of fullest recognition of and attention to the needs and interests of developing countries in accordance with the Doha mandate. They expressed concern that the deadline of 1st January 2005 may not be met given the slow pace of progress in the negotiations under the Doha Work Programme.
3. Called on the WTO General Council to renew, as a matter of priority, negotiations or consultations, as applicable, on key issues of interest to developing countries, such as special and differential treatment, implementation, special situation of LDCs, work programme for small economies and the rules governing regional trade agreements.
4. Reiterated that their positions articulated in the ACP Declaration on the 5th WTO Ministerial Conference remain relevant and valid, and should continue to form the basis for ACP participation in the negotiations. In this regard, they urged the ACP representatives in Geneva to actively put across the ACP positions in view of the General Council meeting of next December.

B. Common Principles for Future Work

5. Recognised that negotiations are a dynamic process. They therefore agreed to mandate the ACP representatives in Geneva to adjust, where necessary, after adequate consultations, positions contained in the Declaration.
6. Agreed that the ACP Group should continue to meet on a regular basis to share information and exchange views on the developments on the Doha Work Programme, including in the informal consultations being carried out by the Chairman of the General Council, which, regrettably, are not always open to all delegations. In this context, collaborating with institutions that could provide technical support such as UNCTAD, the South Centre and AITIC, among others, will be vital. In addition, it will be necessary to avail adequate resources, including those under the all-ACP capacity building programme on the multilateral trading system.
7. Agreed that the ACP Group should continue to engage in the Tripartite Alliance (ACP, LDC and African Union) pursued in Cancun. The Group should also build coalitions with other relevant groups in seeking support for its positions. In this regard, the ACP Group should continue to engage the EU, and promote active dialogue with other Members with a view to obtaining their support on issues of importance for the ACP Group.
8. Urged WTO Members to fully implement the LDC Guidelines on Accession of December 2002 without seeking excessive and strenuous commitments from these countries or denying them rights currently being enjoyed by founding LDC Members of the WTO.
9. Agreed that the ACP Group should enhance its communication strategy in order to effectively disseminate and lobby its positions. In this regard, liaison with the press, selected NGOs and other public or private institutions should be pursued.
10. Called on WTO Members to urgently grant permanent observer status in the WTO for the ACP Group of States and ACP Inter-governmental and Regional Organisations.

C. Issues under Consultations by the Chairman of the General Council

(a) Agriculture

11. Agreed that the conclusion of a framework for establishing modalities for further commitments in the negotiations on agriculture could be a first step and that the task of developing modalities could be left for a later stage. In this regard, Ministers considered Rev. 2 of the draft Cancun Ministerial text of 13 September 2003 (Derbez text) only as a starting point for negotiations on agriculture while stressing as well the importance of other contributions made before and at Cancun.

(b) Cotton

12. Reaffirmed that cotton continues to be a vital issue for the countries concerned and requires an urgent solution. In this regard, it should be treated as a stand-alone issue and not as part of the overall negotiations on agriculture in the WTO.
13. Supported the request of the affected countries as contained in document WT/GC/W/516 dated 7 October 2003 (copy attached). They also supported the inclusion of cotton as an item on the agenda of the General Council.

(c) Non-agricultural market access

14. Reaffirmed their position, as contained in paragraphs 29-32 of the ACP Declaration on the 5th WTO Ministerial Conference.
15. Expressed concern at the possible erosion of preferences arising from further reductions in tariffs. They urged the maintenance of an adequate level of preferences necessary for the gradual and smooth integration of the ACP States into the world economy.
16. Called for impact studies to be undertaken to assess the implications of further tariff reductions. In this regard, the ACP Group should seek the support of international institutions, like UNCTAD and World Bank.

(d) Singapore Issues

17. Observed that contrary to views expressed in various fora, Singapore issues are not the key to unlock the logjam in the negotiations. They noted that the unbundling of the Singapore issues in Cancun seems to be irreversible. They further noted that the following options seem to be emerging from the consultations of the Chairman of the General Council:
 - (i) launching negotiations on trade facilitation and transparency in government procurement with a first phase devoted to agreeing on modalities for such negotiations, and referring investment and competition back to the Working Groups for further clarification and excluding them from the Single Undertaking. This referral would also acknowledge that the Working Group would be the proper place to explore the “opt in/opt out” or the “plurilateral approaches” or any other modalities for eventual negotiations (2+2 approach);
 - (ii) negotiations on trade facilitation and reference of the other three issues to Working Groups (1+3 approach);
 - (iii) engaging immediately in negotiations in trade facilitation and transparency in government procurement, but dropping investment and competition completely from the Doha Work Programme (2+0 approach);
 - (iv) to proceed on the basis of the Derbez text;
 - (v) the EC has withdrawn the offer it made in Cancun to commence negotiations on trade facilitation and transparency in government procurement and to move the other issues out of the WTO agenda, and is currently exploring all options.

18. Agreed that any further consideration of these issues should take into account the following:
- (i) the need for agreement on modalities by explicit consensus;
 - (ii) provision of technical assistance, capacity building and clarification of the implications of adopting multilateral frameworks on these issues;
 - (iii) commitment for provision of financial assistance to meet the costs of compliance, adjustment and implementation of any eventual multilateral frameworks on these issues;
 - (iv) the eventual outcome of any negotiations on those issues should not lead to binding commitments that are subject to WTO dispute settlement procedures;
 - (v) consideration of any of these issues should be accompanied by progress on development issues under the Doha Work Programme.

D. Bound Duty- and Quota-Free Market Access for LDCs

19. Urged the developed countries to provide bound duty-free and quota-free market access to all imports from LDCs. The product coverage should include agricultural products in their primary, semi-processed and processed forms.
20. Reiterated that LDCs are exempt from reduction commitments, in accordance with Article 15.2 of the Agreement on Agriculture.
21. Reaffirmed their support to the proposal to exempt LDCs from making any reduction commitment with respect to non-agricultural market access (NAMA). In this connection, they urged the removal of the provisions in paragraph 8 of the framework for establishing modalities in NAMA contained in the Derbez text, which calls upon LDCs to substantially increase their level of binding commitments.

E. Concerning the 15-16 December Senior Officials Meeting

22. Mandated Senior Officials to appoint an overall spokesperson and designate spokespersons for the four areas that are expected to be the main subjects for consideration at the meeting, namely agriculture, cotton, non-agricultural market access and Singapore issues. An additional spokesperson could be identified to address other issues, especially development issues.
23. Agreed that the ACP Group should convene a meeting in Geneva at the Senior Officials level on the eve of the General Council meeting of next December.

F. Reform of the WTO

24. Mandated the ACP Group in Geneva to examine the Geneva preparatory process for Ministerial Conferences and the decision-making process in the WTO with a view to making recommendations on how the shortcomings could be improved, and report to their next meeting.

25. Noted that not all ACP States Members of the WTO have Missions in Geneva. They mandated the ACP Group in Geneva and Brussels to propose ways and means of increasing their involvement in the negotiation process. They noted that in view of the EPA negotiations, there could be need for the Brussels and Geneva-based ACP Ambassadors to meet regularly.

Negotiations of EPAs: Updates by Regions

Ministers received oral reports from regional coordinators on progress and/or preparations being made on the negotiations of EPAs at the regional level.

* * *