

WORLD TRADE ORGANIZATION

WT/L/539
29 August 2003

(03-4530)

MINISTERIAL CONFERENCE
Fifth Session
Cancún, 10 - 14 September 2003

Original: French

MEMORANDUM ON THE COMMON NEGOTIATING POSITIONS OF THE MEMBER STATES OF THE WEST AFRICAN ECONOMIC AND MONETARY UNION (WAEMU) ON THE OCCASION OF THE FIFTH WTO MINISTERIAL CONFERENCE IN CANCÚN

Communication from Togo

The following communication dated 21 August 2003, has been received by the Director-General from the Permanent Mission of Togo.

The Ministry of Foreign Affairs and Cooperation of the Togolese Republic presents its compliments to the Office of the Director General of the World Trade Organization (WTO) and has the honour to submit herewith a memorandum on the common negotiating positions of the member States of the West African Economic and Monetary Union (WAEMU) on the occasion of the Fifth WTO Ministerial Conference in Cancún.

**MEMORANDUM ON THE COMMON NEGOTIATING POSITIONS OF THE
MEMBER STATES OF THE WEST AFRICAN ECONOMIC AND
MONETARY UNION (WAEMU) ON THE OCCASION OF THE
FIFTH WTO MINISTERIAL CONFERENCE IN CANCÚN**

The last WTO Ministerial Conference, held in Doha, laid the foundations for a new round of trade negotiations that was to address the numerous challenges facing the organization, *inter alia* with a view to responding appropriately to the rightful expectations of the developing countries.

WTO Members decided that the Fifth WTO Ministerial Conference would be held in Cancún, Mexico, from 10 to 14 September 2003. This Conference should give a boost to the negotiations, in that it is expected to result in important decisions for the future of the discussions.

In connection with the preparation of this important meeting, the member States of the West African Economic and Monetary Union (WAEMU) - Benin, Burkina Faso, Côte d'Ivoire, Guinea Bissau, Mali, Niger, Senegal and Togo, all Members of the WTO - have held consultations to coordinate their positions and ensure their efficient participation in the discussions.

The WAEMU has thus far achieved considerable progress in terms of regional integration. Among other things, it now has a common trade policy which enabled it to set up, as of 1 January 2000, a customs union. This customs union operates on two fronts:

- An internal tariff reduction which has brought about a marked improvement in trade relations between member States over the past few years;
- Common external tariff (CET), whose implementation has made it possible not only to simplify the tariff systems in force, but above all to considerably reduce import duties, thereby helping to open up the economies of the Union to the outside world.

WAEMU member States also have a common currency, the CFA franc, managed on the basis of a strict multilateral macroeconomic policy surveillance mechanism.

This architecture has been supplemented by other reforms involving the harmonization, within the Union, of domestic taxes and public finance management, the setting up of a regional financial market and the adoption of common sectoral policies in various areas such as agriculture, industry, transport and telecommunications, energy, mining and handicrafts.

Thanks to the tax, trade and customs reforms implemented within the WAEMU and the efforts of member States in that respect, the WAEMU can now be described as a zone which has opted for the opening up of trade and has bet on successful integration in the globalized economy.

Explicitly recognizing the vulnerability of the developing countries, and in particular the least developed countries, with respect to the WTO multilateral trading system, the Declaration adopted at the conclusion of the Fourth Ministerial Conference in Doha highlighted the issue of development, which must henceforth be considered central among the concerns of the WTO and its Members.

For their part, the WAEMU member States, of which seven qualify as LDCs (Benin, Burkina Faso, Guinea Bissau, Mali, Niger, Senegal and Togo), have placed considerable hope in the Cancún Ministerial Conference.

And, one of the major questions that these States are asking themselves today, on the eve of this Conference, is: What advantages can we derive from the conclusion of the negotiations on various issues making up the agenda?

Prominent among these issues is agriculture. Indeed, agriculture employs close to 65 per cent of the active population in the WAEMU zone and contributes considerably to GDP formation (33 per cent). It also remains the cornerstone of the economies of member States. Moreover, the WAEMU zone's economic development options have given priority to strengthening agricultural production and promoting it with a view to supporting the industrial development effort and diversifying productive activity.

In view of the above considerations, the issue of agricultural subsidies is one of great concern to the WAEMU member States, which stand to gain considerably from their elimination or at least their substantial reduction. Indeed, certain developed countries continue to heavily subsidize their farmers, in particular for products which compete heavily with important branches of production in the WAEMU member States, namely cotton, sugar, animal production and cereal production.

In this connection, all of the WAEMU member States support and endorse the joint initiative of Benin, Burkina Faso, Chad and Mali aimed at finding a just and appropriate solution to the cotton subsidies issue at the Fifth WTO Ministerial Conference.

With respect to the other issues that will be discussed in Cancún, the stakes are also high for the WAEMU member States.

This is why the WAEMU Council of Ministers, at its session in Dakar on 26 June 2003, adopted Directive No. 06/2003/CM/UEMOA concerning the common positions of WAEMU member States for the Fifth WTO Ministerial Conference in Cancún.

Togo, as the State currently chairing the WAEMU Council of Ministers, has been mandated to present these common negotiating positions to WTO Members on behalf of the eight member States of the Union.

The different proposals and recommendations relating to these negotiating positions are presented in the form of a table in annex to this Memorandum, of which it forms an integral part.

On behalf of all of the member States of the West African Economic and Monetary Union, Togo has the pleasure to circulate these proposals and recommendations to the different WTO Members, and counts on their backing and support in ensuring that they are taken into account in final decisions adopted by the Fifth Ministerial Conference in Cancún.

**ANNEX TO DIRECTIVE NO. 06/2003/CN/UEMOA OF 26 JUNE 2003
CONCERNING THE COMMON NEGOTIATING POSITIONS OF
WAEMU MEMBER STATES FOR THE FIFTH
WTO MINISTERIAL CONFERENCE
IN CANCÚN**

Summary Table of WAEMU Negotiating Positions for the
Fifth WTO Ministerial Conference in Cancún
from 10 to 14 September 2003

Main negotiating subjects	Objectives pursued in the light of the Doha Agenda	Negotiating positions for the Member States of the Union
Agriculture	<ul style="list-style-type: none"> - Reduce import duties and simplify customs regimes; - reduce, with a view to phasing out, all forms of export subsidies; - substantially reduce production- and trade-distorting domestic support measures; - maintain and improve the application of special and differential treatment for the developing countries and the LDCs. 	<ul style="list-style-type: none"> • <u>On the cotton issue</u> <ul style="list-style-type: none"> - Support for the joint initiative of Benin, Burkina Faso, Chad and Mali aimed at including the cotton issue on the agenda of the Fifth Ministerial Conference in Cancún; - setting up of a system to reduce support for cotton production with a view to its total elimination; - transitional measures in favour of the cotton-producing developing countries, including financial compensation for losses in revenue relating to the subsidy practices of certain developing countries. • <u>On market access</u> <ul style="list-style-type: none"> - Substantial reduction in the level of duties applied to agricultural products by the developed countries and the newly industrialized countries; - major reduction in tariff escalation according to the level of processing of the goods; - free access for all tropical products from the least developed countries to the markets of the developed countries; - preservation of the Special Safeguard Clause in a renegotiated Agreement on Agriculture, and extension of the Clause, irrespective of the tariffication process, to the developing countries that are currently excluded;

Main negotiating subjects	Objectives pursued in the light of the Doha Agenda	Negotiating positions for the Member States of the Union
		<ul style="list-style-type: none"> - greater flexibility in the conditions for use of the Special Safeguard by developing countries. • <u>Domestic support</u> - Substantial reduction in potential market-distorting domestic support measures aimed at supporting agricultural production; - critical review of the use by the developed countries of Green Box and Blue Box measures with a view to limiting their abusive utilization by those countries to circumvent the prohibitions provided for under the Amber Box; - increase in the <i>de minimis</i> level of at least 10% for the developing countries. • <u>Export subsidies</u> - Elimination of export subsidies and establishment of a discipline on export credits; - greater flexibility in the use of export subsidies by the least developed countries. • <u>Strengthening of waivers in favour of the developing and least-developed countries</u> - Preservation and improvement of the principle of special and differential treatment for the developing countries in the next Agreement; - definition of criteria for commitments and timeframes based on objective and verifiable economic indicators; - greater flexibility for the developing countries, in particular the LDCs, in implementing emergency measures to protect small-scale farmers against imports and unfair trade practices; - creation of a "development box" for the developing countries incorporating, <i>inter alia</i>, food security concerns; - strengthening of technical assistance to developing countries to help them acquire a better grasp of the Agreement on the Application of Sanitary and Phytosanitary Measures (SPS Agreement).

Main negotiating subjects	Objectives pursued in the light of the Doha Agenda	Negotiating positions for the Member States of the Union
Services	<ul style="list-style-type: none"> - Increase the level of liberalization of trade and services; - ensure fair and effective access to the markets of all participants for trade in services; - enhance the participation of the developing countries in trade in services. 	<ul style="list-style-type: none"> - Maintenance of a certain flexibility for the developing countries by implementing special and differential treatment; - need to transform the developed countries' commitments concerning capacity upgrading for the LDCs into binding commitments to be implemented according to a fixed timetable; - recognition, with respect to the commitments to be made by the developing countries, of the liberalization already agreed to in the framework of the implementation of adjustment programmes with the Bretton-Woods institutions; - guarantee of free movement of persons.
Market access for non-agricultural products	<ul style="list-style-type: none"> - Eliminate customs duties for tariff lines in the industrial sector and substantially reduce duties applicable to the other tariff lines; - eliminate or substantially reduce tariff peaks, tariff escalation and the gap between bound and applied rates. 	<ul style="list-style-type: none"> - Recognition of the tariff reductions introduced by the developing countries in connection with the external liberalization measures resulting from the implementation of a regional trade agreement (WAEMU/CET in the case of Côte d'Ivoire, the only non-LDC Member of WAEMU); - improved market access for products from the developing countries; - full duty free access, on a consolidated basis, for all products from the least-developed countries.
Special and differential treatment	<ul style="list-style-type: none"> - Maintain the principle of special and differential treatment and include it in the schedules of concessions and commitments; - strengthen the related provisions and make them more precise, effective and operational; - clearly spell out the modalities for implementing commitments. 	<ul style="list-style-type: none"> - Maintenance of the principle of special and differential treatment for the developing countries and the LDCs; - adoption of a protocol that would ensure that the commitments to be taken were binding; - consideration of the particular situation of the landlocked countries.
Trade and competition	<ul style="list-style-type: none"> - Initiate negotiations, following the conclusion of the Fifth Ministerial Conference in Cancún, to introduce a set of international rules in the area of competition control. 	<ul style="list-style-type: none"> - Support for the principle of initiating negotiations on competition with a view to establishing multilateral rules; - promotion of consumer interests and social welfare among populations in general; - flexibility for the developing countries and the least-developed countries;

Main negotiating subjects	Objectives pursued in the light of the Doha Agenda	Negotiating positions for the Member States of the Union
		<ul style="list-style-type: none"> - need to set up appropriate technical assistance for the developing countries in order to enhance their capacity with respect to the preparation of competition rules and the control of competition.
Trade and investment	<ul style="list-style-type: none"> - Initiate negotiations following the conclusion of the Fifth Ministerial Conference in Cancún to develop a multilateral framework to secure transparent, stable and predictable conditions for long-term cross-border investment, particularly foreign direct investment. 	<ul style="list-style-type: none"> - Support for the idea of developing a multilateral regulatory framework in the area of investment while ensuring that the new rules enable the developing countries to pursue their development policies; - right for the developing countries to give priority to investments in certain strategic sectors of their economies; - introduction of safeguard clauses to enable the developing countries, where appropriate, to take such measures as they deem necessary to protect their national security.
Trade and environment	<ul style="list-style-type: none"> - Strengthen the link between trade concerns and constraints linked to environment protection; - clarify the relationship between the multilateral trading system and the multilateral environmental agreements by establishing appropriate principles, rules or procedures; - develop instruments to help take better account of the fundamental principles in the area of environmental protection and of topical issues resulting from the interdependencies between trade and environment. 	<ul style="list-style-type: none"> - Support for the efforts of international standardization organizations to ensure the presence of all countries during the different phases in the development of environmental standards; - rejection of the use of measures taken in response to environmental concerns for protectionist purposes; - differentiation between international standards that are mandatory for all and international directives/recommendation that are voluntary; - capacity-building for the developing countries in the area of trade and environment.
Trade-related aspects of intellectual property rights	<ul style="list-style-type: none"> - Take better account of public health concerns; - consider extending the protection for geographical indications in Article 23 of the Agreement to products other than wine and spirits, such as traditional knowledge and folklore. 	<ul style="list-style-type: none"> - Flexibility with respect to the public health concerns of developing countries, particularly as regards all matters relating to the possibility of local manufacturing of drugs listed as essential by the World Health Organization; - identical treatment for traditional knowledge and folklore as for wine and spirits as regards geographical indications; - recognition of the rights of local population to traditional knowledge and know-how, traditional natural genetic resources, and the products of traditional genetic selection from their land for which

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		a non-originating third party has applied for a patent.
Regional trade agreements	Clarify and improve the disciplines and procedures provided for in the existing WTO provisions on regional trade agreements, taking account of development-related aspects.	<ul style="list-style-type: none"> - Consideration of the concerns of the developing countries in interpreting certain provisions of Article XXIV of the GATT 1994 on regional trade agreements by proposing an 80% coverage rate rather than the current 90% for the trade volume concerned and an extension of the transition period to 20 years instead of the current 10 years; - rejection of proposals aimed at making the rules applicable to regional trade agreements more restrictive.
Issues and concerns relating to the implementation of the Uruguay Round Agreements	<ul style="list-style-type: none"> - Initiate new negotiations on certain provisions of the Agreements (Anti-Dumping, TRIPS, Special and Differential Treatment) to clarify them with a view to facilitating their implementation; - examine, in a positive spirit, requests by the LDCs for an extension of the transition period for implementing the Customs Valuation Agreement. 	<ul style="list-style-type: none"> - Consideration by WAEMU member States with LDC status of the possibility of an open-ended waiver that would enable them to submit to the Council for Trade in Goods the necessary reservations for the use of minimum values; - support for all initiatives aimed at supporting the efforts of developing countries to acquire a better understanding of the Uruguay Round Agreements; - seeking, in conjunction with the Bretton Woods Institutions, to ensure full coherence between the measures authorized by the WTO and the conditionalities relating to economic reform programmes.
Technical cooperation and capacity-building	Provide the developing countries and the LDCs, as well as the low-income transition countries, with the technical assistance they need to adapt to the WTO rules and disciplines, to meet their obligations and to exercise their rights as Members.	<ul style="list-style-type: none"> - Better coordination and rationalization of the different ongoing technical assistance programmes; - reliable and predictable financing for WTO technical assistance programmes; - better reflection, in the technical assistance programmes, of the objectives of upgrading the economies of the developing countries; - institutional and human capacity- building in the developing countries through long-term training.