

Kathmandu Declaration of South Asian Civil Society on the Cancun Ministerial

24-25 July 2003

We, the representatives of the civil society, including academia, public interest non-governmental organisations, business community and media from South Asian countries, met in Kathmandu, Nepal on 24-25 July 2003, with a view to preparing a declaration in the run up to the fifth Ministerial Conference of the World Trade Organisation (WTO) to be held in Cancun, Mexico from 10 to 14 September 2003, which would reflect the views and concerns of the developing countries in general and South Asian countries in particular,

Recognising that the maximum number of people below the poverty line live in South Asia and that they do not necessarily enjoy the benefits of globalisation and trade liberalisation uniformly, but bear the burden of adjustment disproportionately,

Taking cognisance of socio-economic and political differences in the region, including the presence of three developing and four least developed countries, of which two are not members of the WTO, and recognising that while our position on issues converge, the priorities accorded to different issues relating to the Cancun Agenda may vary,

Disappointed with the imbalances in the process and outcome of, and missed deadlines on issues/areas of concern to the developing countries in general, and Least-Developed Countries (LDCs) in particular, as mandated by the Doha Development Agenda,

Recognising that the accession procedure for the LDCs is onerous and that it should be streamlined in such way that the LDCs find it easier to enter into the WTO,

Reiterating the demand for the participation of all stakeholders in the WTO processes and their inclusion in the multilateral trade negotiation process at all levels,

Urging the governments of South Asian countries to prepare common positions on issues of interest to member countries for all WTO negotiations, and pursue the strengthening of the South Asian Association for Regional Cooperation (SAARC),

Do hereby declare:

1. Implementation Related Issues and Concerns adopted by the Doha Ministerial should be fully and satisfactorily resolved before the Cancun Ministerial, including the issues of market access, agriculture, textiles and clothing, and standards, which are of particular concern to South Asia.
2. Special and Differential Treatment (S&DT) be made precise, legally binding, enforceable and operational including additional market access, longer transitional period, lower commitments, technical and financial assistance, as provided for in the paragraph 44 of the Doha Declaration and a Framework Agreement on S&DT should be finalised before Cancun Ministerial.

3. Improved market access be provided for all developing countries, including rationalisation of tariffication process and newly emerging non-tariff barriers and measures, and in the case of LDCs to give effect to bound commitment on zero quota - zero tariff market access to all goods of LDCs' origin.
4. Developed countries to immediately and unconditionally phase out all types of trade distorting subsidies provided to their agriculture and they must not dump their agricultural products into any developing countries' and LDCs' markets, and the concerns of the Net Food Importing Developing Countries (NFIDCs) and LDCs be appropriately addressed.
5. South Asian countries must seek flexibility to rationalise and rebalance their tariff bindings on agriculture products, keeping in view: (i) food security; (ii) livelihood requirement; (iii) interests of small farmers; (iv) balance of payment concerns; and (v) developmental needs and in doing so emphasise that they have already reduced tariffs on autonomous initiatives as part of stabilisation and structural adjustment policies and overall liberalisation of their economies pursued in the recent years.
6. Effective and expeditious implementation of para 6 of *Doha Declaration on TRIPS and Public Health* be made so as to ensure effective use of compulsory licensing by developing countries and LDCs which have insufficient or no manufacturing capacity with no limitation on coverage of diseases and exportability and parallel import be allowed to meet the domestic demand for pharmaceutical products in non-producing countries.
7. We reiterate that no patents on life forms and on food & agriculture be granted, and that the review of Article 27.3 (b) of the Trade Related Aspects of Intellectual Property Rights (TRIPS) Agreement be conducted as per the spirit of the Convention on Biological Diversity (CBD) and International Treaty on Plant Genetic Resources for Food and Agriculture (ITPGR), including the access and benefit sharing provisions of these instruments.
8. International Union for the Protection of New Plant Varieties (UPOV) model not be imposed on developing and least developed countries and they be allowed to develop their own *sui generis* systems.
9. TRIPS Agreement must respect, recognise and reward indigenous knowledge and practices in conformity with the CBD.
10. A system of regulating the labelling and transferring of Genetically Modified Organisms (GMOs) and/or Living Modified Organisms (LMOs) and their products should be instituted as per the spirit of the recent decisions of Codex Alimentarius Commission (CAC) and Bio-safety Protocol.
11. Full and effective implementation of S&DT-related Article IV of the General Agreement on Trade in Services (GATS) be made, in order to strengthen domestic capacity in the services sectors and enable South Asian countries to participate in trade in services in the different modes of supply and sectors of special interest to them.

12. Temporary movement of natural persons provided for under Mode Four of the GATS Agreement be liberalised without excluding any skill category by the members, and the ongoing negotiations must ensure that administrative procedures and other barriers in the developed countries do not impede the full and effective access of service suppliers in the name of the Economic Needs Test, mutual recognition of qualifications, and implementation of the commitments under GATS including a GATS' visa as regards the supply of services under Mode Four.
13. LDCs should not be asked to make additional commitment on services liberalisation and credit for autonomous liberalisation be provided on the basis of well-defined transparent criteria.
14. The guidelines adopted by the General Council on 10 December 2002 for simplified and accelerated procedures for the accession of LDCs to the WTO, be strictly followed, particularly during the bilateral market access negotiations.
15. In the context of standards becoming non-tariff barriers to trade, it be made mandatory for all WTO member countries to base standards on internationally accepted norms such as adequate science, cost-benefit analysis, issue of proportionality, and the participation of developing countries and LDCs be ensured in the international standard setting institutions.
16. During the Doha Round of negotiations on non-agricultural market access, the applied tariff rates in South Asian countries should not in any circumstances be considered as the benchmark for tariff talks.
17. We say no to any discussion on New Issues including Singapore issues, given the burden of the existing agenda on the scarce resources and capacity of the South Asian countries, and emphasise that the implications of these issues on the livelihoods of the poor in South Asia need to be better understood.
18. We are disappointed with the *Draft Cancun Ministerial Text* of 18 July 2003 as the issues of our concern have been brushed aside, condemn the process followed to prepare it, and urge the WTO members to strictly follow a consensus-based and participatory system while preparing any official documents.
19. We condemn the practice of informal consultations followed during the ministerial conferences particularly Green Room process/ Friends of the Chair, in which developing countries and LDCs are/were not adequately involved.
20. We believe that an equitable trading order is critical for the development of South Asian countries. However, the benefits of an equitable trading order cannot be realised without instituting a democratic and participatory system that is transparent and accountable at all levels, and hence urge the South Asian countries' governments to institute democratic systems that are inclusive, transparent and accountable.