

International Civil Society Forum 2005
**FOR ADVANCING LDC INTERESTS IN THE SIXTH WTO MINISTERIAL IN
THE CONTEXT OF THE DOHA DEVELOPMENT ROUND**

Dhaka: 3-5 October 2005



International Civil Society's Dhaka Declaration 2005
adopted at the Concluding Session of the *Forum* on October 05, 2005

Organised by



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International Civil Society Forum
For Advancing LDC Interests in the Sixth WTO Ministerial
in the Context of the Doha Development Round
Dhaka: 3-5 October 2005

**About the International Civil Society Forum 2005 in Dhaka for Advancing
the LDC Interests in the Sixth WTO Ministerial**

In view of the forthcoming Hong Kong Ministerial Meeting of the WTO, to be held during 13–18 December 2005, civil society organisations which closely follow and monitor the developments of the multilateral trading regime consider it their responsibility to pursue the priorities and interests of LDCs in the current round of negotiations. The International Civil Society Forum on LDCs was organised in Dhaka during 3–5 October 2005 in view of the imperative to advance LDC interests in this context.

Guided by national interests of their respective countries, and informed by broader stakeholder concerns, civil society organisations have been playing an increasingly active role in influencing national governments and global institutions. Global civil society has also engaged itself in exploring the possibility of forging common stands on trade agendas. This visibly active interest of the global civil society is also inspired by a growing concern about marginalisation of poor countries in the context of globalisation and a conscious choice to advance the priorities of these countries. To this end, the global civil society has been voicing their opinion through meetings, press conferences, publications, demonstrations and various other forum.

It is to be noted in the context of the present *Forum* that in May 2003, prior to the Cancun Ministerial Meeting of the WTO, CPD organised a similar International Civil Society Forum which adopted the *Dhaka Declaration 2003*. The *Dhaka Declaration 2003* was passed on to the LDC Ministerial Meeting which was held in Dhaka at the time.

The Hong Kong Ministerial is an opportunity to address and highlight LDC concerns in view of the ongoing Doha Round negotiations on agriculture, NAMA, services, rules, trade facilitation and other development provisions. It is important that the Hong Kong Ministerial, in arriving at its decisions negotiated as part of the single undertaking, shows due sensitivity to the issue of marginalisation of the LDCs and the need to correct their asymmetric situation, and strives to make the Doha Round a truly “Development Round”.

The Dhaka LDC Forum 2005 was held to provide a platform for all relevant actors to come together, forge unity and voice their demands in view of the Hong Kong Ministerial Meeting.

The Forum was organised by the Centre for Policy Dialogue (CPD), Bangladesh in collaboration with *ActionAid International*, *Consumers International*, *Enda Tiers Monde*, *EU-LDC Network*, *International Centre for Trade and Sustainable Development (ICTSD)*, *Oxfam International*, *South Asia Watch on Trade, Economics and Environment (SAWTEE)*, and *Southern and Eastern African Trade Information and Negotiations*

Institute (SEATINI). A National Advisory Committee (NAC) was set up to support the holding of the Forum. The NAC included 26 leading non-governmental organizations and business associations of Bangladesh with CPD as Convenor. The NAC members were: ActionAid Bangladesh, Bangladesh Rural Advancement Committee (BRAC), Bangladesh Institute of Labour Studies (BILS), Bangladesh Poribesh Andolon (BAPA), Bangladesh Centre for Advance Studies (BCAS), Bangladesh Enterprise Institute (BEI), Bangladesh Environmental Lawyers Association (BELA), Bangladesh Garments Manufacturers' and Exporters' Association (BGMEA), Bangladesh Women's Chamber of Commerce and Industry (BWCCI), Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA), Consumers Association of Bangladesh (CAB), Campaign for Popular Education (CAMPE), Centre for Sustainable Development (CFSD), Dhaka Chamber of Commerce and Industries (DCCI), Federation of Bangladesh Chambers of Commerce and Industries (FBCCI), International Chamber of Commerce – Bangladesh (ICC-B), Integrated Community and Industrial Development in Bangladesh (INCIDIN Bangladesh), Kormojeebi Nari (KN), Metropolitan Chamber of Commerce and Industries (MCCI), Nari Uddug Kendra (NUK), Nijera Kori, Oxfam GB, Proshika, SUPRO (Shushashoner Jonno Procharavijan), and Women Entrepreneurs' Association of Bangladesh (WEAB).

Air Vice Marshall (Retd.) Altaf Hossain Chowdhury, *MP*, Minister for Commerce, Government of Bangladesh was the Chief Guest at the Inaugural Session of the *Forum*. Mr Reaz Rahman, Adviser to the Foreign Ministry, Government of Bangladesh was the Chief Guest at the Concluding Session of the *Forum*. Amongst others Ambassador Love Mtesa, Permanent Representative of Zambia to the WTO, Ms Annet Blank, Counsellor and Head of Least Developed Countries Unit, WTO, Ambassador Dr Toufiq Ali, Permanent Representative of Bangladesh to the WTO attended the *Forum*.

Messages from Mr Dipak Patel, *MP*, Minister for Trade and Industry, Government of Zambia and spokesperson for the LDCs at the WTO, Mr Pascal Lamy, Director General of the World Trade Organisation (WTO), and Dr Supachai Panitchpakdi, Secretary General of UNCTAD and immediate past DG of the WTO were read out at the inaugural session of the *Forum*.

The *Forum* was attended by 46 overseas participants from 25 countries of Asia, Africa, Europe and North America. More than 500 representatives from a large number of key national civil society institutions, eminent trade experts, development practitioners, leading business personalities, trade union activists and other civil society representatives participated in the two Panel Discussions, eight Working Sessions and the Inaugural and Concluding Sessions of the *Forum*. International Civil Society's *Dhaka Declaration 2005 for advancing LDC interests in the sixth WTO Ministerial* was adopted at the Concluding Session of the *Forum* on October 05, 2005.

International Civil Society Forum
**For Advancing LDC Interests in the Sixth WTO Ministerial in the Context of
the Doha Development Round**
Dhaka: 3-5 October 2005

Dhaka Declaration of the International Civil Society Forum 2005
LDC Priorities for the Hong Kong Ministerial

Ensure the 'developmentness' of the 'Doha Development Round' in all negotiations

- Duty-free and quota-free market access in developed country markets, bound in the WTO and with flexible rules of origin, for all LDC export products
- Developing countries in a position to do so are requested to accord zero-tariff market access for all products from LDCs, on a non-reciprocal basis, with a view to strengthening South-South economic cooperation
- Exemption from all trade remedy measures for all LDC exportables
- Adequate measures to compensate for preference erosion in view of tariff reduction
- Flexibility for LDCs in agriculture policy to enable these countries to protect their domestic agriculture sectors, safeguard food security and livelihood of the farmers
- Ensure market based price for all agricultural products in the developed countries by phasing out all types of market distorting supports. In this context, adequate measures should be taken to address the concerns of net food importing LDCs
- Humanitarian food aid must not be hampered because of any provision in the Agreement on agriculture
- Phase out the subsidies given to cotton growers in the developed countries
- WTO-TRIPS Agreement should not in any way constrain access to essential medicines in LDCs
- Protect the rights of farmers, indigenous people and local communities, and ensure benefit sharing arrangements in the patent process and in other forms of intellectual property rights (IPRs)
- Free temporary movement of service providers from LDCs including less skilled workers under GATS Mode-4
- Subsidies maintained by LDCs for upgradation of technology and diversification of industrial base must be made "non actionable"
- Resolution of all 'Implementation' related issues prior to consideration of any new commitment on the part of the LDCs
- A framework agreement on Special and Differential Treatment (S&DT) premised on the level of development, and incorporation of mandatory obligations on the part of developed countries to implement S&DT provisions
- Accession of LDCs to the WTO under conditions no less favourable than those that apply to existing LDC members
- Transparent and fully inclusive decision making during the run-up to and at the Hong Kong Ministerial
- Strengthening of Integrated Framework Initiative and provision for adequate and effective technical and financial assistance for LDCs to build trade related supply-side capacities
- Equitable distribution of benefits from trade through practice and promotion of good governance, social justice, transparency and accountability by the LDC governments
- Uphold unity of LDCs in the multilateral trading negotiations

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Dhaka Declaration of the International Civil Society Forum 2005
Full Text

Preamble

We, the participants of the International Civil Society Forum, having met in Dhaka, Bangladesh, during 3-5 October 2005 to voice the demands of the international civil society and also provide strategic policy inputs to the governments of the Least Developed Countries (LDCs) in the context of the ongoing WTO Doha Development Round (DDR) negotiations. Our aim is to complement and enhance the efforts of LDC governments in terms of prioritising and addressing the attendant concerns in the ongoing negotiations and during the run up to the Sixth WTO Ministerial Conference to be held in Hong Kong, China, from 13 to 18 December 2005.

Taking advantage of this *Forum*, we representatives of civil society organisations of LDCs, reemphasise the commitment of the members of the international civil society to contribute towards making the rules-based multilateral trading system balanced, equitable, sustainable and responsive in a manner that advances LDC interests and meets their developmental needs and aspirations. In this regard, we refer to the commitment of the WTO Members to make positive efforts to help the LDCs secure beneficial and meaningful integration into the multilateral trading system and the global economy. Although the July Framework (2004) exempted the LDCs from undertaking commitments inconsistent with their development, financial and trade needs or their administrative and institutional capabilities, we are frustrated that the interests of the LDCs are not being given due attention and emphasis in the ongoing negotiations. We are disquieted by the hard line being pursued by the powerful Members of the apex trade body and the failure of Members to meet the deadlines set out in the Doha Ministerial Declaration. We express our deep concern at the lack of progress in fulfilling the commitments of the developed countries to provide special and differential (S&D) treatment to the developing country members and the LDCs. We consider special and differential treatment as a *right* of the LDCs in the WTO system.

We are also very disheartened at the imposition of “WTO-plus” conditions by the developed WTO Members on the acceding LDCs. We are also dissatisfied at the lack of commitment by the developed Members towards effective implementation of technical assistance programmes and the Integrated Framework (IF) initiative.

The global zero-tariff access for all goods originating in LDCs remains as elusive as ever. We urge the developed countries to follow the recent Canadian initiatives for the LDCs. We are disappointed as regards the slow pace of progress in finding a permanent solution to implement the Ministerial Declaration on “TRIPS and Public Health” adopted in Doha with a view to ensure access, by the resource poor people of the LDCs, to essential medicines. We

are extremely apprehensive about the negative impact of erosion of preferences, originating from the current negotiations on NAMA, on the competitiveness of LDC exports. We also remain deeply perturbed by the absence of any tangible initiative to address the secular deterioration of the terms of trade for the LDCs. We are equally disappointed with the apathy of the multilateral trading system to address the issue of adjustment problems being encountered by the LDCs in the aftermath of the MFA phase-out.

With regard to LDC initiatives in view of developments in the context of WTO negotiations, we recall the LDC Ministerial Declarations adopted in Zanzibar (2001), Dhaka (2003), Dakar (2004) and Livingstone (2005) and the decisions of General Council Meetings of July 2004 and July 2005. We support the demands of the LDCs articulated through the Livingstone Declaration. Although the LDCs were hoping development-friendly outcome from the GC Meeting of July 2005, they have noted with dismay that consensus on key issues has been elusive. In this respect, we strongly criticise the lack of inclusiveness of the LDCs in the governance and policy-making process of the WTO.

As representatives of international civil society, the *Forum* participants feel particularly concerned about the continuing marginalisation of the LDCs in the context of the global multilateral trading regime. Many LDCs have seen their export earnings shrink, their terms of trade deteriorate, their markets lost, and their competitiveness erode.

Lack of supply-side capacities and limited ability to comply with increasingly stringent compliance requirements has constrained LDCs' effective market access. Inability to diversify markets and exportables, and lack of capacity to promote their environment-friendly goods such as jute have led to increasing marginalisation of LDCs in the global export. In addition to this, landlocked and small island LDCs have to confront difficulties of their own. Measures and initiatives to reverse this trend have not been adequate. Although the recent decision of G-8 Finance Ministers to cancel the debt of a number of LDCs to the World Bank, IMF and the African Development Bank has been a welcome development that deserves appreciation, we are disappointed to see that many other deserving LDCs have been kept out of the scope of this initiative. For those LDCs, additional resources must be made available.

Policy coherence among development partners must be given due priority. The *Forum* feels concerned about the lack of policy coherence between the WTO and the International Financial Institutions (IFIs) with regard to trade related reforms, poverty elimination and social and economic development in the LDCs. The *Forum* strongly emphasises the urgent need to operationalise the objectives of coherence between the WTO and international lending institutions, including the World Bank and the IMF, in line with the rights and flexibilities that LDCs have obtained under the WTO. In this context, the *Forum* demands that the developed countries take appropriate measures to implement the letter and spirit of MDG-8 that calls on the developed world to make trade, aid and debt work for poverty alleviation and achievement of the other MDGs. PRSPs prepared by LDCs must be backed up with additional support for implementation.

We stress the importance of South-South cooperation and welcome the recent initiatives by some developing countries to extend zero-tariff market access to the LDCs and urge other developing countries in a position to do so to do the same.

In view of the increasing concerns that we feel in the context of the evolving multilateral trading system and the rules being negotiated under its aegis, we call upon WTO members to ensure full transparency in the negotiating process. We urge upon the LDC Ministers to follow-up on the demands, articulated in this Declaration, during the preparatory process of the Hong Kong Ministerial as well as the Ministerial Meeting itself. We urge upon them to ensure that these are reflected in the deliberations during the trade negotiations and in the outcomes of the Ministerial Meeting. The Livingstone Declaration of June 2005 has highlighted many of the critical demands of the LDCs in the areas of market access, implementation, S&D provisions and trade related capacity building (TRCB) assistance needs of the LDCs. We extend our full support to the demands articulated by the LDC Trade Ministers through the Livingstone Declaration. We demand that during the Hong Kong Ministerial these concerns are addressed and appropriate measures proposed on a case by case basis.

The huge cost involved in making use of the Dispute Settlement Mechanisms (DSM) often creates formidable barrier for LDCs in initiating a formal dispute settlement process. We demand that adequate support be provided for effective participation of LDCs in the Dispute Settlement Body (DSB).

The *Forum* also stresses upon the implementation of Article V:2 of the Marrakesh Agreement, which authorises the General Council to make appropriate arrangements for consultation and cooperation with non-governmental organisations, by creating and improving formal consultation and cooperation mechanisms.

The *Forum* believes that any draft package purporting to reflect the outcome of the negotiations must be subject to critical analysis, scrutiny, and debate at the level of each LDC's government ministries and public institutions, national parliaments, and civil society before its adoption and entry into force. Such an examination must determine the overall balance of the outcome and its consistency with national development objectives. Each LDC WTO member must retain to assert its right to reject the package, if required.

The *Forum* recognises that for LDCs to benefit from global trading system they must practice and promote democratic pluralism and good governance in their respective countries. The *Forum* urges the Governments of LDCs to fight corruption in all its forms and promote the cause of good governance by all means available at their disposal. The *Forum* urges LDC governments to ensure that the opportunities emanating from global multilateral trading system serve the cause of equitable distribution and social justice within the LDCs. In this context, the *Forum* urges LDC governments to strengthen their own negotiating capacities through appropriate capacity building efforts at the level of government and through strengthening of public-private partnerships within the LDCs. Multilateral trading system must take into account the possible implications of the ongoing negotiations for gender and labour rights. These concerns should be addressed appropriately. The *Forum* also urges the civil societies in LDCs to strengthen their efforts and initiatives with the objective of ensuring that trade benefits are shared by the poor and the marginalised.

The *Forum* strongly believes that international civil society and the LDC governments, together, comprise a formidable front which has the capacity to make a difference for the benefit of LDC interests, both in terms of addressing the offensive and defensive interests of the LDCs, in the context of the ongoing WTO negotiations and the functioning of the

multilateral trading system. We urge upon the governments of the LDCs not to compromise the interest of their citizens in the face of pressure from the big trading blocks, IFIs and vested groups.

Some of our major concerns and demands include, though not delimited to, the following:

1. Agriculture

The objective of the negotiation on Agriculture for the Hong Kong Ministerial is to establish modalities for further commitments in the areas of market access, domestic support and export competition.

Although LDCs are not required to undertake any binding commitments regarding reduction of tariffs, domestic support or export subsidy, they have serious concerns in the areas of market access for their products, implications of disciplines on domestic supports in the developed countries, impact of likely increase in food prices as a result of agricultural liberalisation, economic loss due to preference erosion, and concerns in the area of TRCB assistance. The Livingstone Declaration of the Fourth LDC Trade Ministers' Meeting has also reflected many of these concerns.

The *Forum*, in view of the concerns of the LDCs with regard to the negotiation on agriculture, strongly recommends the following:

- 1.1. ***Duty-free Market Access***: The *Forum* demands that LDCs be given effective market access, bound in the WTO, for all their agricultural products through duty-and quota-free market access in the developed country markets. Such market access ought to be immediate and predictable. The *Forum* calls upon the developing countries in a position to do so to provide zero-tariff market access for all agricultural products, originating from LDCs, on non-reciprocal basis.
- 1.2. ***Elimination of Export Subsidies***: The *Forum* strongly calls for elimination of all forms of export subsidies by 2010 by developed countries, including any subsidy component in export credits.
- 1.3. ***Ensure Market Based Price***: In order to ensure market based price for agricultural products in the developed countries, and putting an end to dumping, the *Forum* demands that adequate discipline be put on different types of domestic support provided under various boxes, including the Green Box.
- 1.4. ***Elimination of Subsidies for Cotton***: In view of the detrimental effect of the huge subsidies on cotton provided by the developed countries on the livelihood of cotton producers in many LDCs, the *Forum* demands elimination of all types of subsidies given to the cotton growers in the developed countries. LDCs which are likely to suffer because of rise in cotton prices must be compensated through appropriate offsetting measures.
- 1.5. ***Food Aid***: Food aid to LDCs in need, including bilateral food aid, must be continued. Agreement on Agriculture should not in any way deter the LDCs from receiving food aid on humanitarian grounds and to meet the demands of vulnerable groups in their countries. There should not be any abuse of food aid.

- 1.6. **Non-tariff Barriers (NTBs):** LDCs are often constrained by various non-tariff barriers and stringent standards imposed on SPS ground. The *Forum* calls upon all members to ensure WTO compliance and transparent evaluation criteria for NTBs, and ensure that standards are not set beyond the required scientific limit.
- 1.7. **Trade Related Capacity Building (TRCB):** The *Forum* demands that the LDCs shall be provided adequate TRCB assistance to improve agricultural productivity and infrastructure, and for development of facilities and systems for compliance with SPS and various certification requirements. TRCB must address the task of overcoming technical barriers to trade faced by the LDCs. TRCB must also address marketing and enhancement of competitive strength of environment-friendly goods such as jute and other exportables of LDCs.

2. Non-agricultural Market Access (NAMA)

As per the July Framework, LDCs are not required to undertake any tariff reduction commitments on NAMA; they are also not required to participate in the discussion on *Sectorals*. However, there is an “expectation” that LDCs will take commitments to bind more of their industrial products as part of the current round of negotiations.

The concerns of LDCs relate to such areas as commercially meaningful market access for LDCs, overcoming constraints in complying with the rules of origin, compensatory mechanisms with regard to preference erosion in view of tariff reduction, mobilising adequate TRCB assistance to address supply-side constraints and non-tariff barriers and also in the area of compliance with WTO rules.

In view of the concerns of the LDCs with regard to the NAMA negotiations, the *Forum* strongly recommends that the Hong Kong Ministerial Meeting considers the following:

- 2.1. **Binding Commitment for Duty-Free Market Access in Developed Countries:** The *Forum* reiterates the LDC demand for duty-free access in all developed country markets, secured and bound in the WTO, for all industrial goods exports from the LDCs. Such market access ought to be immediate and predictable. The *Forum* calls upon the developing countries in a position to do so to accord zero-tariff market access for industrial exports from all LDCs, on a non-reciprocal basis, with a view to strengthening South-South economic cooperation.
- 2.2. **Measures to Offset Preference Erosion:** The *Forum* demands that WTO members take appropriate offsetting measures to address the concerns of the LDCs including creation of a dedicated fund to help these countries pursue adjustment policies in view of the envisaged preference erosion.
- 2.3. **Flexible Rules of Origin:** The *Forum* calls upon WTO members to determine RoO, in consultation with beneficiary countries, that are flexible, non-trade restrictive, simplified and LDC-friendly, in line with the Canadian GSP scheme, which would enhance GSP utilisation by the LDCs.
- 2.4. **Non-tariff Barriers:** The *Forum* calls for transparent evaluation criteria for NTBs to ensure WTO compliance. We demand elimination of all trade distorting NTBs. The *Forum* is of the opinion that the definition of environmental goods should not be broadened in a manner that could potentially act as a market access barrier to the LDCs.

Any initiative that proposes more stringent environmental regulations should be implemented only when there is adequate TRCB support in place to address the attendant concerns.

- 2.5. ***Binding of Unbound Tariff Lines:*** The *Forum* demands that any binding of unbound industrial tariff lines should be left to the LDCs, to be undertaken on an autonomous and voluntary basis, taking cognisance of their respective priorities in terms of trade, development, revenue and financial needs.
- 2.6. ***Strengthening of the IF Initiative:*** The *Forum* calls for significant enhancement of resource allocation under the Integrated Framework (IF) Initiative of the WTO and other TRCB initiatives in order to strengthen supply-side capacities of the LDCs and build their technological and physical infrastructure.

3. Services

Doha Ministerial Declaration stipulated that negotiations shall take place within, and shall respect, the existing structure and principles of the GATS.

Special Modalities of Negotiations on Services Trade Liberalisation for LDCs, adopted on 03 September 2003, prior to the Cancun Ministerial Meeting, have been recognised by the LDCs as an achievement. However, no tangible movement is discernible as regards demands of LDCs in GATS Mode-4, particularly in the area of movement of less skilled persons.

In view of the concerns of the LDCs with regard to the services negotiations, the *Forum* strongly recommends that the Hong Kong Ministerial Meeting considers the following:

- 3.1. ***Recognition of Progress in Addressing LDCs' Concerns:*** The *Forum* recognises the progress in addressing the concerns of the LDCs in services negotiations through the adoptions of LDC modalities. The existing texts of particular paragraphs in the modalities should be improved, according to submissions made by LDCs, to ensure that LDC interests are properly reflected.
- 3.2. ***Adoption of Measures to Facilitate TMNP:*** The *Forum* urges that the developed countries must ensure mutual recognition of professionals; workers moving to other countries to work on a temporary basis must get national treatment in the host country. Restriction on entry by natural persons in the guise of Economic Needs Test (ENT) and national security must be removed. Social security charges should be withdrawn for temporary service providers unless they are in a position to benefit from them. The *Forum* also proposes to adopt ISCO skill categories as the basis for classification of service providers.
- 3.3. ***Emergency Safeguard:*** The *Forum* expresses frustration that there is no progress in the negotiations on Emergency Safeguard Measures (ESM). The *Forum* urges for specific decision on the ESM before Hong Kong.
- 3.4. ***Autonomous Liberalisation (AL):*** The *Forum* appreciates the text on credit for autonomous liberalisation in the LDC modalities which allows the LDCs to demand credit for autonomous liberalisation without reciprocating it. However, the modalities for realising credit for autonomous liberalisation, to be realised at bilateral level, are compromising the spirit of multilateralism. The *Forum* urges that an automatic

mechanism of credit be instituted for autonomous liberalisation, and that credit should be allowed without binding commitments.

- 3.5. **Rule Making Negotiations:** The *Forum* is concerned that there has been no tangible progress in negotiations on rule making (horizontal issues) since the inception of Doha Round, which ought to have been completed before the launching of *request-offer* negotiations. Lack of progress in this regard will hinder LDC ability to focus on the important issues in their negotiations because of limited resources.
- 3.6. **Negotiations Process:** The non transparent process of GATS deters LDCs from effective participation by them in the services negotiations. The *Forum* rejects attempts to bring new approaches to GATS negotiation that undermine the agreed principles. We demand that LDC should not be required to respond to requests which do not recognise GATS flexibilities, and LDC modalities. In this context, the *Forum* strongly advocates for increase in support for LDCs for assessing the impacts of GATS on their services sectors and the economy in general.
- 3.7. **Rejection of Benchmark Approach:** The *Forum* rejects the benchmark approach which would affect the flexibilities of LDCs.

4. WTO Rules

As per the July Package, the mandate of the WTO Negotiating Group on Rules is to undertake negotiation in a number of areas including WTO rule-making, anti-dumping, subsidies and countervailing measures, and regional trade agreements (RTAs). The aim is to clarify and improve discipline while preserving the basic concepts, principles and effectiveness of these agreements, taking into account the needs of the LDCs.

In view of narrow export base, low export capacity and lack of export diversification, LDCs need support in the area of application of anti-dumping duties, subsidies and countervailing measures. If LDCs are to maintain sustainable fisheries, they require more assistance and subsidies.

Taking into consideration the immediate and the medium to long-term interests of the LDCs in the multilateral trading system, the *Forum* strongly recommends the following measures:

- 4.1. **Trade Remedy Measures:** In view of the difficulties faced by LDCs in the global export market, particularly in view of phase-out of MFA quotas, the *Forum* calls for an elimination of all safeguard measures and anti-dumping actions against LDCs. In this context, the *Forum* demands the upward revision of threshold levels of imports for individual LDCs and LDCs as a group to 10 per cent and 20 per cent respectively.
- 4.2. **Subsidies for Upgrading Technology and Diversification of Industrial Base:** The *Forum* insists that subsidies maintained by the LDCs for upgrading technology and diversification of their industrial base must be made “non-actionable”, i.e. not subjected to countervailing duties or relief through the dispute settlement process in the WTO.
- 4.3. **Subsidies for Import-substitution:** The *Forum* demands that subsidies for import-substitution must be admissible for the LDCs in order to facilitate the process of industrialisation.
- 4.4. **Greater Assistance towards Sustainable Fisheries:** The *Forum* believes that increased assistance must be provided to the LDCs to ensure sustainable fishing and that the

LDCs be allowed to make use of capacity-enhancing subsidies for sustainable livelihoods.

- 4.5. ***LDCs Not to be Responsible for Burden of Proof of Higher Barriers:*** The *Forum* proposes that in the case of formation of a customs union or free trade area among developed/developing/LDCs, the burden of proof should be on the developed country members to demonstrate that the LDCs will not have to face higher barriers or restrictions as a consequence of establishing such RTAs.
- 4.6. ***Non-reciprocal Trading Arrangements:*** The *Forum* demands that Regional Trading Arrangements (RTAs) involving developed countries and LDCs should be non-reciprocal and S&D provisions should be part of such arrangements.

5. Trade Facilitation

At the General Council (GC) Meeting of July 2004 WTO members agreed to commence negotiations on Trade Facilitation.

The July Framework exempted the LDCs from undertaking commitments inconsistent with their “individual development, financial and trade needs or their administrative and institutional capabilities.” It was further noted that while every effort would be made to ensure the necessary support and assistance, the commitments by developed countries to provide such support were “not open-ended.”

There is no doubt that significant progress in the ongoing negotiations on Trade Facilitation is of critical importance for the LDCs in order for these countries to be integrated effectively into the international trading system. Although a fairly large number of proposals have already been submitted by the WTO members, hardly any tangible development has been noticeable till date. Issues, which are of heightened interest to the LDCs, are special and differential treatment (S&DT), and support for capacity building.

In view of the above, the *Forum* strongly urges the WTO Members to consider the following recommendations at the Hong Kong Ministerial:

- 5.1. ***Identification of Needs and Priorities:*** The *Forum* demands that the LDCs be provided with appropriate support to identify their trade facilitation needs and priorities. In this context, the *Forum* urges that any modality for such identification must be finalised in consultation with the LDC Members.
- 5.2. ***Operationalisation of S&D Provisions:*** The *Forum* calls for full and faithful operationalisation of flexibilities agreed in the Modalities for Negotiations on Trade Facilitations whereby LDC Members will only be required to undertake commitments to the extent consistent with their individual development, financial and trade needs or their administrative and institutional capabilities.
- 5.3. ***TRCB Support:*** Taking cognisance of the resource constraints of the LDCs, the *Forum* demands full and faithful implementation of the Modalities for Negotiations on Trade Facilitation to ensure adequate financial and TRCB support for infrastructure development of the LDCs. Such programmes ought to be implemented through coordinated and sustained flow of funding that also address cost implications of proposed measures affecting LDCs.

- 5.4. ***Flexibility in Implementing Commitments:*** The *Forum* proposes that LDCs have flexibility of transitional periods in order to enable them to implement specific commitments in a progressive manner and that this should be linked to appropriate TRCB support programme.
- 5.5. ***Simplifying Documentation Requirements:*** Successful implementation of international standards can significantly decrease and simplify import and export documentation requirements. In view of this, the *Forum* strongly urges the Members of the WTO to provide necessary TRCB support to the LDCs for harmonising and standardising their documentation procedures.
- 5.6. ***Assessment of Proposals Related to Legal Obligations:*** The *Forum* rejects proposed legal obligations such as “binding advance rulings”, since failure to meet these might lead to exposing the non-compliant party to the WTO dispute settlement system. The *Forum* also calls upon the Negotiating Group on Trade Facilitation to further scrutinise whether advance rulings fall within the scope of its mandate.
- 5.7. ***Implementation of the WCO HS Convention:*** The *Forum* urges the developed Members to provide targeted TRCB support to the LDCs acceding to the HS Convention.
- 5.8. ***Facilitate Access of Landlocked Countries:*** The *Forum* demands that the transit rights of landlocked countries should be established on multilateral basis. The transit providing country should in principle not be allowed to curtail the transit rights of landlocked countries. Goods in transit should be provided no less favourable treatment than the goods meant for domestic uses.
- 5.9. ***Special Attention to the Needs of the SIDs:*** In view of the geographical and climate volatility of the Small Island LDCs, the *Forum* urges the WTO Members to give full recognition of the special circumstances and requirements of the Small Island LDCs and provide them necessary financial and TRCB support.
- 5.10. ***Special Provisions Regarding DSM:*** The *Forum* urges that special provision be put in place to exempt the LDCs from being taking to dispute settlement in case of non-compliance.
- 5.11. ***Public-Private Partnership:*** The *Forum* calls upon the governments of the LDCs to work closely with the private sector in conducting needs of cost assessment of TF measures to be put in place.

6. Special and Differential Treatment

Members are yet to reach an agreement as regards a large number of proposals. In most cases S&DT provisions continue to be ineffectual and non binding. In the face of increasing marginalisation of LDCs in the context of globalisation, the proof of whether LDCs are able to benefit from the multilateral trading system should be whether they are able to retain their market share in the global export, and also increase it over time.

Against that backdrop and future possible options, the *Forum* urges for the following actions to address LDC concerns with respect to S&D treatment in the WTO.

- 6.1. ***Recognition of LDCs Needs:*** The *Forum* calls upon the WTO members to fulfil their commitments as regards special needs of the developing countries in general, and

LDCs in particular. The *Forum* urges WTO members to meet S&DT deadlines set out in the Doha Ministerial Declaration and July Framework. The *Forum* cautions that failure to meet the deadlines is putting under doubt the developmental objectives of the DDR work agenda.

- 6.2. **Full Implementation of S&DT Provisions:** The *Forum* demands that the S&DT provisions are made more precise, effective and operational. The *Forum* urges the WTO members to take initiatives for full implementation of the provisions of Special and Differential Treatment. S&DT measures must be mandatory and legally binding, and also subject to the dispute settlement system of the WTO (including notification requirements and inclusion of these commitments in the country schedule). It should be ensured that adoption of new special and differential measures takes into account problems encountered by the LDCs and that S&DT provisions are meaningfully integrated in all areas of the negotiations.
- 6.3. **Concerns of Newly Acceded Members:** Special concerns of the newly acceded LDC Members should be effectively addressed.
- 6.4. **Binding Commitment and Mandatory Provisions:** The *Forum* demands that “binding commitment” on duty-free and quota-free market access for all products from LDCs be granted and implemented immediately, on a secure, long-term and predictable basis, with no restrictive measures introduced.
- 6.5. **Type of Technical Assistance:** Since the focus of most technical assistance has been on “software” (consultancy, training, studies) part and not on “hardware” (support for trade related infrastructure), the *Forum* calls upon the donor countries and institutions to reverse this trend in order to make their contributions meaningful for the LDCs. Such technical assistance should not endanger biodiversity of LDCs.
- 6.6. **Resolution of Agreement Specific Proposals:** The *Forum* strongly demands that all agreement specific proposals be successfully resolved before the Hong Kong Ministerial.
- 6.7. **Monitoring Mechanisms for S&DT Provisions:** We strongly feel that there should be an ongoing mechanism within the WTO system for reviewing and monitoring the implementation of S&D clauses. Initiatives should be taken to enhance the capacity of LDCs to take advantage of S&DT provisions.
- 6.8. **Financial Support for Meaningful Participation in Dispute Settlement Mechanism:** As the DSM process is highly costly, the LDCs often hesitate to initiate a formal dispute settlement process. The *Forum* strongly urges WTO members to put in place appropriate mechanisms including financial assistance to strengthen meaningful participation of the LDCs in the DSU process.

7. TRIPS

The LDCs are seriously concerned about the slow pace of progress as regards negotiations on TRIPS and public health, relationship between TRIPS and CBD, geographical indications, and technology transfer. LDCs are also seriously concerned about multilateral negotiations on IP in being shifted to WIPO and regional and bilateral fora. LDCs are worried about *TRIPs Plus* conditions and moves by initiatives in WIPO and bilateral agreements to further strengthen and harmonise patent provisions. The *Forum* also rejects any moves to patent lives.

In view of the current state of negotiations in TRIPS, the *Forum* would like to stress the following:

- 7.1. ***TRIPS and Public Health:*** The *Forum* demands a permanent solution to the problem faced by the LDCs having no or inadequate capacity for manufacturing drugs so that they have access to affordable medicines. The *Forum* draws attention to paragraph 11 of the August 2003 decision which urges for an amendment of the TRIPS agreement for a permanent solution.
- 7.2. ***Extension of the Transition Period:*** LDCs welcome the decision of the TRIPS Council to extend the implementation period of TRIPS agreement to Maldives until 20 December 2007. The *Forum* demands extension of transition period under Article 66.1 of the TRIPS agreement based on the development status of countries.
- 7.3. ***TRIPS-CBD Relationship:*** LDCs urge the review of Article 27.3(b) to incorporate conditions on patentability to disclose the source of genetic material and relevant traditional knowledge. The *Forum* demands that evidence of fair, sustainable and equitable benefit sharing, and prior informed consent be included as a condition for patentability in order to stop bio-piracy of genetic resources and traditional knowledge.
- 7.4. ***Geographical Indications (GIs):*** The *Forum* demands that additional protection should be given to products that are economically important for LDCs, and that such protection should not be limited to alcoholic beverages. GIs should be used to promote the export of high value products and prevent misappropriation.
- 7.5. ***Technology Transfer:*** The *Forum* urges that the obligations under Article 66.2, which requires developed country members to provide incentives for the promotion and encouragement of technology transfer to LDCs, are implemented in a manner that allows LDCs to extract concrete benefits.
- 7.6. ***Protection of Plant Variety:*** The *Forum* is concerned that space for plant variety protection in LDCs is becoming limited. In view of this, the *Forum* urges for appropriate initiatives to safeguard LDC interest in this context.
- 7.7. ***Access to Knowledge:*** We demand development dimension to be built into the TRIPS rules pertaining to access to knowledge.
- 7.8. ***TRIPS and Civil Society:*** We urge upon civil societies to play a more proactive role in conscientising the general public about the possible consequences of TRIPS.

8. Trade, Development and Aid

There is an increasing realisation that without adequate support in the form of aid, technical assistance and debt relief LDCs will not be able to cope with the emerging challenges of globalisation. Increasing marginalisation of LDCs in the global trading regime bears this out. Higher allocation and disbursement of aid, more effective TRCB assistance and more inclusive debt relief programmes are necessary to strengthen global integration of LDCs.

To address the attendant concerns of LDCs, the *Forum* urges the following:

- 8.1. ***Support for Trade Capacity Building:*** The *Forum* demands increased resources and an effective delivery mechanism for trade capacity building to address the inherent supply-side capacity constraints faced by LDCs with a view to enable them to take advantage

of the market access opportunities. Measures should also be taken to strengthen the effectiveness of the Integrated Framework (IF), *inter alia*, by significant resource increase, including through other initiatives, with a view to building up supply-side capacity, technological and physical infrastructure that would support diversification of LDCs' production and export base. We also think that TRCB assistance should be demand driven.

- 8.2. **Support MDG-8:** The *Forum* strongly urges the developed country members of the WTO to take time-bound measures to realise Goal 8 of the MDGs which calls for making trade work for MDGs. In this context, the *Forum* stresses the need for putting in place a more inclusive trade development and capacity building approach.
- 8.3. **More Allocation of Resources:** The *Forum* calls upon developed countries to urgently and expeditiously implement the targets of at least 0.15 per cent of their respective GDPs as development assistance to the LDCs. LDCs which have not been covered by HIPC initiative should be given additional support to address their trade related challenges. Such additional support for LDCs should preclude any conditionalities.
- 8.4. **Offsetting Measures:** Any negative impact for economies of LDCs, originating from the DDR negotiations, must be addressed through commensurate offsetting measures in terms of TRCB and new aid.
- 8.5. **Gender Audit:** In view of the possible negative implications of globalisation on female employment and income, the *Forum* strongly feels that there should be a continuing gender audit of the impact of the multilateral trading system. In this context the *Forum* proposes that targeted programmes be undertaken as part of TRCB programmes to address this particular concern.

9. Accession to the WTO by LDCs

Two LDCs, Nepal and Cambodia, have acceded to the WTO in Cancun, the first since establishment of the WTO in 1995. Ambiguity in Article XII has led to "WTO-plus" conditions to be imposed on the acceding countries.

It is regrettable to note that the decisions taken in the *Doha Declaration* (Paragraphs 9 and 42) in the General Council in December 2002 in relation to streamlining LDCs' accession to the WTO have not been operationalised. In view of these concerns, the *Forum* proposes the following:

- 9.1. **Clear-cut Guidelines and Transparent Criteria:** Article XII of the WTO shall be interpreted with clear-cut guidelines and detailing transparent criteria for accession of a country or separate custom territory. The Hong Kong Ministerial should include specific provision of accession of LDCs into the WTO, where LDCs, seeking accession, will not require bilateral negotiation.
- 9.2. **Commitments Commensurate with Level of Economic Development:** Acceding LDCs shall make commitments, commensurate with their level of economic development, capacity and their trade and financial needs, in line with Article XXXVI.8 of GATT 1994. Acceding LDCs shall not be required to undertake higher level of commitments than those made by the existing LDC member countries of the WTO.
- 9.3. **TRCB Assistance:** Developed member countries of the WTO shall provide TRCB support to the acceding LDCs towards their enhanced trade negotiation capacities and

to implement the commitments they have been asked to make by the existing member countries at the time of the formers' accession to the WTO.

- 9.4. **Initiate Consultative Process:** The *Forum* urges the acceding LDC governments to initiate regular process of multistakeholder national consultation for the purpose of accession.
- 9.5. **Fast Tracking the Accession Process:** We reject *WTO-plus* conditionalities for accession which are more onerous than those that were there for founding LDC members.

10. EPAs

- 10.1. **Economic Partnership Agreements between Africa and EU:** The *Forum* strongly feels that in discussions involving partnership with African LDCs and the EU, priority should be given to the principle of non-reciprocity, support and protection to African producers, and to this end, protection for Africa's domestic and regional markets. In this context, the *Forum* supports the ongoing effort of African countries towards continent-wide and regional integration. The *Forum* demands a halt to the EPAs negotiations in its current form.
- 10.2. **Regional Integration:** Regional agreements between unequal parties, especially in the EPAs, are undermining the regional integration efforts to strengthen regional policies and economies. The *Forum* emphasises that LDCs should support and strengthen proposals on the GATT Article 24 and GATS Article 5 to ensure that the principle of non-reciprocity and S&DT rights are ensured under RTAs between asymmetrical parties to the agreements.

