

## **SECOND LDC TRADE MINISTERS' MEETING**

Dhaka, Bangladesh, 31 May - 2 June 2003

### **DHAKA DECLARATION**

#### **PART I**

We, the Ministers responsible for trade of the Least Developed Countries, meeting here in Dhaka, Bangladesh, from 31 May to 2 June 2003 with a view to undertaking a review of the developments following the Fourth WTO Ministerial Conference held at Doha (Qatar), taking stock of the current state of the on-going negotiations in the WTO, exchanging ideas and coordinating views to reach a common position for all LDCs at the Fifth WTO Ministerial Conference to be held at Cancun, Mexico from 10 to 14 September, 2003,

1. *Reaffirming* the principles and objectives set out in the Marrakesh Agreement Establishing the World Trade Organization, and reiterating commitment to further strengthen the rules-based multilateral trading system to meet the development needs of LDCs;
2. *Recalling* the Zanzibar Declaration adopted in the LDC Trade Ministers' Meeting held in Zanzibar, United Republic of Tanzania, prior to Doha Ministerial Conference;
3. *Concerned* that the failure of the membership to meet deadlines on a number of issues, including development issues affecting LDCs, mandated by the Doha Ministerial Conference is a setback to advancing the development dimensions of Doha Declaration;
4. *Worried* that the LDCs continue to be marginalized in multilateral trade with their market share in world trade secularly declining, despite there being an increase in the number of LDCs and repeated commitments by Members to address this problem;
5. *Disappointed with* the slow progress of implementation of the commitments made by Trade ministers at Marrakesh, Singapore, Geneva and High-Level Meetings on LDCs, and by the international community at the Third UN Conference on Least-Developed Countries in Brussels, to help least-developed countries secure beneficial and meaningful integration into the multilateral trading system and the global economy;
6. *Concerned* at the failure of members to find an acceptable solution to implement the Ministerial Declaration on TRIPS and Public Health adopted at Doha;

7. *Expressing* our full solidarity with African LDCs that are affected by subsidies on cotton provided by developed countries, and strongly supporting actions initiated by some African LDCs in the WTO to urgently remedy the negative consequences of these subsidies that affect millions of farmers;

8. *Appreciating* the improved market access initiatives taken by a number of Members in favour of LDCs;

9. *Concerned* about the low rates of utilization of the market access preferences so far provided to the LDCs due to existence of obstacles;

10. *Recalling* the recognition by the Ministers at Doha that integration of the LDCs into the multilateral trading system requires meaningful market access, support for the diversification of their production and export base, and trade-related technical assistance and capacity building;

11. *Disappointed with* the lack of progress in making existing Special and Differential (S&D) provisions more precise, effective and operational;

12. *Desirous* of improving the effectiveness of technical assistance programmes and Integrated Framework;

13. *Emphasizing* the importance of increased coherence of policies pursued by multilateral institutions on matters of trade;

14. *Taking note* of the adoption by the General Council of the guidelines for the accession of LDCs;

15. *Invite* the attention of the Members of the WTO to the particular vulnerability of the least-developed countries and the special structural difficulties they face and call upon the WTO bodies and Fifth Ministerial Conference to agree on:

- i. Binding commitment on duty-free and quota-free market access for all products from least-developed countries on a secure, long-term and predictable basis with realistic, flexible and simplified rules of origin to match the industrial capacity of LDCs in order to raise their market share in world trade;
- ii. A binding commitment from our trading partners guaranteeing a substantive and concrete increase in the market share of the LDCs in the world trade;
- iii. Resolving, by Cancun, all implementation-related issues and concerns, and all S&D proposals with a view to strengthening them and making them precise, effective and operational as mandated by the Doha Declaration; and substantially expanding and binding special and differential treatment provisions to reverse the continued marginalization of LDCs;
- iv. Free access to developed country markets for temporary movement of natural persons, particularly unskilled and semi-skilled service providers, under Mode 4 by *inter alia*

- recognizing professional qualification, simplifying visa procedures and without asking for Economic Needs Test;
- v. Allowing LDCs flexibility in undertaking commitments and obligations consistent with their individual development, financial and trade needs, or their administrative and institutional capabilities;
  - vi. Substantial increase in technical and financial assistance to LDCs for the development, strengthening and diversification of their production and export base, as well as for institution and capacity building;
  - vii. The strengthening of the IF, with enhanced funding, to meet the needs of the LDCs, particularly for overcoming their supply side constraints and for the diversification of their export base along with simplification of procedures to improve access to financial resources;
  - viii. The exemption of least developed country exports from antidumping, countervailing and safeguard measures;
  - ix. Devising appropriate compensatory and other mechanisms to fully address the erosion of preference margins due to lowering of MFN tariffs;
  - x. Expeditious and full implementation of the guidelines for accession of LDCs adopted by the General Council;
  - xi. Continuing with the technical work and studies to clarify the implications of the Singapore Issues on the development aspirations of LDCs;
  - xii. Developing mechanism to help LDCs address the inherent problems of very small size, land-locked state, remoteness and extreme vulnerability;
  - xiii. Establishing an international mechanism to protect the genetic resources, traditional knowledge and farmers' rights and ensure non-patentability for all life-forms;
  - xiv. A legally sound solution for LDCs who due to insufficient or low manufacturing capacity face difficulties in making effective use of compulsory licensing, in accordance with the Doha Declaration on TRIPS and Public Health without restricting coverage of diseases.
16. *Agree* to present this declaration and the accompanying elaborate Negotiating positions for consideration of the 5th WTO Ministerial Conference and the WTO bodies, and further agree to entrust Bangladesh, in her capacity as Chair of the 2<sup>nd</sup> LDC Trade Ministers' Meeting, to coordinate and pursue our negotiating agenda, as contained in the Dhaka Declaration, through the 5<sup>th</sup> WTO Ministerial Conference to be held in Cancun;
17. *Express* our profound appreciation to the Government of Bangladesh for hosting this meeting in Dhaka, and thank UNCTAD and WTO secretariats, as well as our development partners for their assistance.

## PART II

### LDC Negotiating Position for the Doha Round<sup>1</sup>

#### Agriculture

1. Agriculture is the backbone of LDCs' economies. This sector provides employment and livelihood for more than sixty percent of the labour force; for some LDCs, agricultural products constitute more than seventy percent of exports.

2. Agriculture is protected through high tariffs in many developed countries, sometimes denying market access to products from LDCs. Export subsidies and domestic support maintained by the developed countries also depress world prices for agricultural commodities, undermining the competitiveness of LDCs agriculture. Besides, tariff escalation prevents LDCs from exploiting their comparative advantage of cheaper labour and lower production costs. Furthermore, LDCs' market access is hampered by other non-tariff measures such as sanitary and phytosanitary and environmental measures.

3. At Doha the Ministers provided negotiating mandate in Agriculture in paragraphs 13 and 14 of the Ministerial Declaration. In light of this mandate and progress of the negotiations to date as well as the paramount importance of the agricultural sector in the majority of LDCs, the major objectives of LDCs in this round of negotiations are as follows:

a. As provided for in Article 15.2 of the Agreement on Agriculture, LDCs shall not be required to undertake reduction commitments.

b. Developed Countries shall provide duty-free and quota-free market access to all imports from LDCs by the Cancun Ministerial Conference. The product coverage shall include all agricultural products in their primary, semi-processed and processed forms. Developed countries shall integrate such coverage into their schedule of commitments.

c. With gradual erosion of preferences currently enjoyed by LDCs on account of lowering of tariffs, members shall establish compensatory and other appropriate mechanisms to fully address the impact of erosion of preferences including measures that promote exports of LDCs.

d. Food security, rural development and livelihood, security concern, and other public policy objectives of LDCs shall fully be taken into account in the modalities to be established in Agriculture, including allowing LDCs to use the new Special Safeguards (SG).

e. Members shall exercise restraint in applying TBT (Technical Barriers to Trade) and SPS (Sanitary and Phytosanitary) Measures on products from LDCs; where such measures are necessary, technical assistance shall be provided to enable the LDCs to overcome them.

f. Export subsidies that are provided by developed countries to products of export interest to LDCs shall be phased out on a fast-track basis.

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<sup>1</sup> This segment is an integral part of the Dhaka Declaration

g. Developed countries shall substantially reduce export and production support measures that are trade distorting, on products of export interest to LDCs on a fast-track basis.

h. Members shall immediately implement the Marrakesh decision on measures concerning possible negative effect of the reform programme on LDCs and NFIDCs, including through the establishment of a revolving fund to ease short-term financing problems linked to import of basic foodstuffs.

i. Food aid provided by members to meet emergency situations, humanitarian and development objectives and to address chronic food deficit situation in LDCs shall be allowed.

j. Technical and financial assistance shall be provided to LDCs for improving agricultural infrastructure, productivity and diversification and for development of facilities and systems for compliance with the SPS and TBT requirements for exporting agricultural commodities.

### **Market Access for Non-Agricultural products**

4. The decisions relating to the improvements in “market access for non agricultural products” adopted at the Doha Ministerial Conference, *inter alia*, states that the negotiations in this area shall aim, by modalities to be agreed, to reduce and as appropriate eliminate tariffs, including the reduction or elimination of tariff peaks, high tariffs and tariff escalation, as well as non-tariff barriers, in particular products of export interest to developing countries. It further states that the negotiations shall take fully into account the special needs and interests of least developed countries including through less than full reciprocity in reduction commitments in accordance with the provisions of the Enabling Clause and the Uruguay Round Decision on Measures in Favour of Least Developed Countries and other WTO provisions, particularly those of GATT Article XXVIII.

5. In paragraph 42 of Doha Ministerial Declaration, the Ministers committed themselves to the objective of duty free and quota free market access for products originating in LDCs. A number of developed and developing countries have either provided duty and quota-free access, or have taken steps to improve market access for products from the LDCs. Enhanced market access, and market entry, is key to LDCs’ growth and development. Therefore, duty-free and quota free market access should be an integral part of the modalities to be established in the negotiations.

6. As tariffs and quantitative barriers are being reduced, countries resort to non-tariff measures to advance their interests. Anti dumping measures have now become common. Another instance of non-tariff barrier to LDCs’ export is the stringent application of rules of origin to avail of concessional tariff. Meaningful improvements in market access for LDCs would require elimination of non-tariff barriers.

7. Over the past decade, LDCs have significantly lowered their tariffs on non-agricultural products on an autonomous basis. This has resulted in a reduction of the revenue that is so necessary to meet the development expenditure of the Government of LDCs. Given the LDCs

revenue structure, import duties still constitute a major share of Government revenue. Moreover, tariffs are also a principal instrument for providing support to domestic industries.

8. In view of the above, and taking into account the progress to date of negotiations in Market Access for Non-Agricultural products, LDCs objectives in this area of negotiations are as follows:

a. As stipulated in Article XI.2 of the Agreement establishing the WTO, LDCs shall undertake commitments and concessions only to the extent consistent with their individual development, financial and trade needs and commensurate with their administrative and institutional capabilities. Therefore, LDCs shall be given full flexibility to determine the coverage of their binding undertakings, which they will undertake on an autonomous basis. LDCs shall not be required to undertake tariff reduction commitments in this round of negotiations.

b. Developed countries shall provide duty-free and quota-free market access for all products of all LDCs before Cancun Ministerial Conference, along with realistic, flexible and simplified rules of origin, which take into account the industrial capacity of LDCs, in order to raise their market share of world trade. Other developing countries are also encouraged to extend such facilities to products from LDCs.

c. Long-term security and predictability of preferential market access for LDCs shall be ensured through integrating duty free and quota free treatment to the schedule of commitments of developed countries.

d. Developed countries shall ensure that duty-free and quota-free market access is not nullified by non-tariff measures. In this regard, developed and developing countries shall immediately impose moratorium on anti-dumping measures, and safeguard measures, against LDCs. There must also be a moratorium on imposition of other contingency measures on products from LDCs.

e. Erosion of preferential margins due to MFN tariff reductions shall be offset by establishing compensatory and other appropriate mechanisms to fully address the impact of erosion of preferences including measures that promote exports of LDCs.

f. LDCs shall be given maximum credit for unilateral liberalization.

g. Targeted technical assistance shall be provided to LDCs to address supply side constraints.

## **Services**

9. The Services sector is the fastest growing component of GDP growth in many LDC countries. The importance of Trade in Services for LDCs goes beyond pure economic significance due to major role Services play for achieving social and economic development objectives.

10. At Doha, members agreed to negotiations on trade in Services with a view to promoting the economic growth of all trading partners and the development of developing and least developed countries. LDCs are receiving requests for commitments in broad sectors of Services like Telecommunications, Constructions and related Engineering Services, Environmental Services, Financial Services, Transport Services, Audio Visual Services etc. However, there has been virtually no liberalization of markets for cross border labour services. It has been estimated that a temporary visa scheme (for temporary labour, not migrant labour) that amount to no more than 3 percent of the OECD labour force would yield economic benefit for both developed and developing countries equivalent to almost US\$150-200 billion. This alone is almost half to two third of the potential benefit of complete liberalization of all trade in goods.

11. LDCs' have difficulties in addressing complex issues of Services negotiations due to lack of institutional and human capacities. The constraints faced by LDCs in analyzing offers and making requests should be factored into the negotiating process in general and into the individual requests made to LDCs in particular. Members shall adopt the modalities for the special treatment for LDCs in the negotiations on trade in services as contained in document TN/S/W/13 before the Cancun Ministerial Conference.

12. In view of the above, and taking into account the current progress in negotiations, the LDCs submit the following proposals in this area of negotiations:

(a) Considering the serious difficulty of LDCs in undertaking negotiated specific commitments in view of their special economic situation, Members shall present requests which are compatible with the developmental, economic and financial needs of the LDCs and which are limited in terms of numbers of sectors and modes of supply and scope of commitments.

(b) LDCs shall retain maximum flexibility in undertaking commitments in a manner consistent with their development needs. Members shall not seek the removal of conditions, which LDCs may attach when making access to their markets available to foreign services suppliers and which are aimed at achieving objectives of Article IV. For so long as they remain LDCs, no LDCs shall be required to offer national treatment. LDCs shall not be requested under Article XVIII to undertake additional commitments on regulatory issues, which may go beyond their institutional, regulatory and administrative capacities.

(c) Members shall grant full market access and national treatment to LDCs in the sectors and modes of supply of export interest to them. To achieve effective implementation of the provisions contained in Article IV:3, preferential market access mechanism shall be established for ensuring effective access of LDCs to markets of other Members. Additional commitments ensuring increasing participation of the LDCs in the sectors of their trading interest shall be offered by developed countries. For this purpose, LDCs shall indicate those sectors and modes of supply that represent a priority in their development policies, so that the WTO Members take these priorities into account in the negotiations.

(d) Developed country Members shall promote and strengthen their investment and export/import promotion programmes for LDCs with the view to building domestic services capacity and its efficiency and export competitiveness.

(e) Members shall assist least-developed countries in obtaining training and transfer of technology, and shall undertake other specific measures that support the development of their

infrastructure and services exports through enterprise level actions and schemes and intergovernmental cooperation programmes, and making appropriate financial resources available for such specific measures.

(f) Members shall facilitate and ensure the improvement of access to services and service suppliers of LDC Members to distribution channels and information networks, especially in tourism, transport, audiovisual, and construction services, *inter alia* through promotion of intergovernmental cooperation programmes. Members shall take appropriate measures to discipline certain business practices that restrain competition and thereby restrict participation of services suppliers from LDCs in trade in services.

(g) Members shall grant full market access and national treatment to LDCs in Mode 4 (temporary movement of natural persons) particularly in respect of unskilled and semi-skilled persons. For LDCs, this is the most important means of supplying services internationally and eliminating poverty. Members shall, accordingly, undertake commitments to provide access to all categories of natural persons from LDCs, particularly unskilled and semi-skilled persons, for supplying services under the GATS, including through the elimination of economic needs test and quantitative restrictions, de-linking of temporary movement of natural persons from commitments on commercial presence and introducing simplified visa schemes.

(h) LDCs shall be granted maximum credit for their autonomous trade liberalization without scheduling them as binding commitments. Credit shall not be requested from LDCs by other Members.

(i) In developing multilateral rules and disciplines, including under Article VI:4 (Domestic regulation), X (Emergency safeguard measures), XIII (Government procurement) and XV (Subsidies), Members shall specifically account for interests and difficulties of LDCs. Members shall expeditiously establish an Emergency Safeguard Mechanism as provided for in Article X. In pursuance of Article XV of the GATS, developed country members shall notify their subsidies, adopt a standstill commitment on trade distorting subsidies and reduce substantially such subsidies by 2005.

(j) Members shall set clear guidelines to give effect to the implementation of Article IV of the Agreement on Services.

(k) Pursuant to Article XIX:3, the Council for Trade in Services shall carry out an assessment of trade in Services in overall terms and a sectoral basis with a view to achieving the objectives of the Agreement including those set out in paragraph 1 of Article IV.

(l) Article VI.4 disciplines shall not limit the right to regulate and the flexibility to undertake policy regulatory reform in pursuit of public interest and public policy objectives of LDCs.

(m) Members shall take concrete measures to facilitate recognition of qualifications of service suppliers from LDCs and LDCs membership in the MRAs.

(n) Targeted and coordinated technical assistance and capacity building including for the purposes of strengthening their domestic services capacity and its efficiency and competitiveness, by WTO and other relevant multilateral, regional and bilateral development partners, shall be provided, on a priority basis, to assist LDCs. Technical assistance shall also be provided for

institutional and human capacity building and undertaking regulatory reform. Assistance shall be accorded in line with special priority given to LDCs with the objective of effectively implementing their increasing participation in world trade. In pursuance of Paragraph 14 of the Guidelines, technical assistance shall be provided to LDCs to carry out national assessments of trade in services in overall terms and on a sectoral basis with reference to the objectives of the GATS and Article IV in particular, and taking into account their special economic situation and their development trade and financial needs.

### **Special and Differential (S&D) Treatment**

13. S&D provisions constitute the most significant component of the development dimension of the WTO Agreements that provide LDCs greater flexibility to pursue policy options most appropriate for rapid economic development and to integrate into the multilateral trading system.

14. Paragraph 44 of the Doha Ministerial Declaration reaffirmed that “provisions for special and differential treatment are an integral part of the WTO Agreements” and directed that “all special and differential treatment provisions shall be reviewed with a view to strengthening them and making them more precise, effective and operational”. Ministers also endorsed the Work Programme on special and differential treatment set out in the Decision on Implementation-Related Issues and Concerns as per paragraph 12.1.

15. Pursuant to the Ministers’ mandate, LDCs submitted a number of proposals at the Special Session of the Committee on Trade and Development. As the Special Session was unable to resolve the outstanding differences, the Chairman of the General Council has made specific proposals to overcome the impasse. Taking into account the present state of the negotiations, the LDCs submit the following proposals:

- a. All S&D proposals submitted by LDCs shall be addressed, without a priori exclusions, with a view to making them precise, effective and operational and thereby converting them as binding commitments of member states.
- b. All S&D provisions aimed at increasing the trade opportunities of LDCs shall be implemented before the Cancun Ministerial Conference.
- c. Strengthening S&D provisions shall not be confined only to examining existing provisions. Members shall devise additional ways, as envisaged in Paragraph 12 of the Implementation Decision.
- d. In fulfilling the Ministerial mandate on S&D treatment, all S&D proposals shall be negotiated in the Special Session of the Committee on Trade and Development.
- e. Where changing the existing language of the “best-endeavour” provisions in WTO Agreements into binding language requires amendment of the texts of existing Agreements, such amendments shall be made.

f. The General Council shall convene Special Sessions of the General Council to review the implementation of S&D provisions included in the WTO Agreements, decisions and declarations.

g. S&D treatment to facilitate the development efforts of LDCs, the expansion of their trade and investment opportunities, and their integration into the multilateral trading system is a core principle of the WTO and shall be incorporated in any future agreements.

### **Implementation-Related Issues and Concerns**

16. It is of great concern to LDCs that despite a clear mandate by Doha Ministerial Conference that the implementation-related issues and concerns shall be an integral part of the Work Programme, most of these issues remain unresolved. It is therefore, proposed that:

a. All issues referred to various WTO bodies for expeditious solution by the Decision on Implementation-related Issues and Concerns shall be addressed with a view to finding solution by Cancun Ministerial Conference;

b. All other outstanding issues shall also be addressed on a priority basis.

### **WTO Rules**

17. There is a growing concern over excessive use of antidumping measures both by developed and developing countries. Such measures have been initiated against several LDCs. The LDCs find it extremely difficult to contest the allegations of dumping because of resource constraints. At the same time LDCs are unable to protect their industries against dumping because of the complex and costly procedures. In view of the harm that dumping and arbitrary use of anti-dumping measures can wrought on LDCs industries, it is proposed that:

a. Agreements on Antidumping Duties and Subsidies and Countervailing Duties shall incorporate provisions for non-application of antidumping and countervailing measures against exports of Least Developed Countries;

b. A simplified procedure for investigation for imposition of antidumping and countervailing measures shall be devised for Least Developed Country Members.

18. Recognizing that subsidies may play an important role in economic development and poverty alleviation programmes, it is proposed that:

a. Subsidies required for development, diversification and upgrading infant industries and in particular industries with substantial poverty alleviation potential in the least developed countries shall be treated as non-actionable subsidy;

b. Subsidies provided by the least developed countries for research activities, adaptation of new environmental requirement and for development of industries shall be treated as non-actionable subsidies;

c. Export subsidies applied by LDCs shall be exempted from export competitiveness thresholds.

## **Accession**

19. The Ministers at Doha put a special priority for LDCs accession. In paragraph 9 of the Doha Declaration, the Ministers attached great importance to concluding accession proceedings as quickly as possible, particularly those of LDCs. In addition, in paragraph 42 of that Declaration, the Ministers agreed to work to facilitate and accelerate negotiations with acceding LDCs. Following upon those decisions, at the General Council, last December, the WTO Membership adopted Guidelines for LDCs accession. According to the guidelines, negotiations for the accession of LDCs will be facilitated and accelerated through simplified and streamlined accession procedures, and further that the negotiations will be concluded as soon as possible.

20. Due to cumbersome and time consuming procedures as well as lack of clear and objective rules for accession negotiation, till today no LDC has acceded to WTO since its establishment in 1995. A number of LDCs are at different stages of accession negotiations and a few LDCs have reached an advanced stage of their accession process, following which the LDCs make the following proposals:

a. Members shall fully adhere to the letter and spirit of the accession guidelines for acceding LDCs adopted by the General Council. Members shall ensure simplified and fast track accession of LDCs on the basis of the guidelines. The General Council shall regularly monitor and review the effective implementation of the guidelines. The Ministerial Conferences shall take stock of the situation on a regular basis.

b. Members shall exercise restraint in seeking concessions and commitments from acceding LDCs.

c. Members shall ensure that acceding LDCs are not subjected to obligations or commitments that go beyond what is applicable to the existing WTO LDC members

d. Members shall ensure that accession process is less onerous for LDCs and obligation of acceding LDCs are commensurate with their stage of development.

e. All S&D treatment shall be applicable to all acceding LDCs from the date of entry into force of their respective protocols of accession.

f. Targeted technical assistance shall be provided to acceding LDCs on a priority basis, covering all stages of accession negotiations and taking into account the high costs involved in the accession negotiations.

g. Members shall work towards completion of accession process by or at Cancun for LDCs that are at an advanced stage of their accession process.

## **TRIPS and Public Health**

21. The Declaration on the TRIPS Agreement and Public Health at Doha recognized the gravity of the public health problems afflicting many developing and LDCs, especially those resulting from HIV/AIDS, tuberculosis, malaria and other epidemics. In paragraph 6 of that Declaration, Members also recognized that countries with insufficient or no manufacturing capacities in the pharmaceutical sector could face difficulties in making effective use of compulsory licensing under TRIPS Agreement. The Ministers instructed the TRIPS Council to find an expeditious solution to this problem before the end of 2002. It is regrettable that, to this date, no solution could be agreed upon. In the light of these developments, the LDCs make the following proposals:

- a. TRIPS Agreement shall be interpreted and implemented in a manner supportive of WTO Members' right to protect public health and, in particular, to promote access to medicines for all at affordable prices.
- b. Members shall reaffirm that declaration of public health problems and the terms for granting compulsory licenses are the prerogatives of the members.
- c. The 16 December 2002 draft decision on implementation of paragraph 6 of the Doha Declaration on the TRIPS and Public Health remains the most acceptable solution. Members shall adopt this decision as soon as possible, before Cancun.

## **Trade-Related Aspects of Intellectual Property Rights (TRIPS)**

22. The TRIPS Agreement requires the introduction of high standards for the protection and enforcement of property rights over products, processes, works and signs. History shows that countries have developed under selective IPR regimes to promote their own industrial policy objectives and to facilitate acquisition of technology. All LDCs are in a very early stage of their scientific and technical development, and require full flexibility in implementing TRIPS Agreement. In light of this the LDCs make the following proposals:

- a. Members shall fully adhere to the Decision of the Council for TRIPS of 19 February 2003 with a view to implementing the obligations in Article 66.2 of the TRIPS Agreement. Developed countries shall undertake, as required, specific legislative, policy, and regulatory measures for their enterprises and institutions to give effect to Article 66.2 of the TRIPS Agreement.
- b. In view of the special needs and requirements of LDCs, their economic, financial and administrative constraints, and their need for flexibility to create a viable technological base, the transition period under Article 66.1 shall be extended so long as they retain the LDC status.
- c. The review process of article 27.3b should clarify that plants, animals and parts of plants and animals, including gene sequences and biological processes for the production of plants, animals and their parts must not be granted patents. Members shall select their own *sui generis* system for plant variety protection, including recognizing traditional knowledge and the rights of farmers to use, save, re-sow, exchange, or sell seeds. Members shall ensure that the TRIPS Agreement is fully compatible with the provisions of the Convention on Biological Diversity

(CDB) and with the International Treaty on Plant Genetic Resources for Food and Agriculture (PGRFA).

d. Non-participating LDCs shall not be obliged to provide legal means for interested parties to use the registration of a geographical indication for wines and spirit.

e. The protection of geographical indications shall be extended to products of commercial interest to LDCs other than wines and spirits.

### **Technical Cooperation and Capacity Building**

23. Technical cooperation and capacity building are core elements of the development dimension of the multilateral trading system. Trade-related technical assistance is vital for LDCs to increase their trade-related supply capacity, and to effectively participate in multilateral trade negotiations. All past Ministerial Declarations re-emphasized the need for enhanced support to LDCs. In the Doha Ministerial Declaration technical assistance runs throughout the text as a recurrent theme. In particular at Paragraph 42 of the Doha Ministerial Declaration, members recognized that integration of the LDCs into the multilateral trading system requires, *inter alia*, trade-related technical assistance and capacity building.

24. The Integrated Framework (IF) Technical Assistance was designed with a view to assisting the LDCs to enhance their trade opportunities, to develop supply capacity for raising their exports, and thereby effectively integrate into the global economy. LDCs' supply side constraints need to be addressed in IF as export-led growth is one of the principal vehicles to reduce poverty in LDCs.

25. Technical assistance should also be seen in the context of provisions of special and differential treatment for the LDCs. Technical assistance should help build LDCs' institutions, implement agreements and take advantage of trade opportunities.

26. In light of the commitments on technical cooperation and capacity building in the Doha Declaration, the LDCs make the following submission:

a. Technical assistance programmes for LDCs shall be substantially increased, be demand driven and emphasize country-specific and regional programmes.

b. Long-term capacity building extending beyond the current one-year planning cycle of WTO shall be given due importance in the trade-related technical assistance plan (TRTA).

c. Institutional capacity of LDCs, including development of human resources, needs to be developed and strengthened. Technical assistance should be targeted for the development of sustainable endogenous domestic capacity, to also enable LDCs to undertake research and analysis of WTO-related subjects. WTO Secretariat shall devise appropriate assistance to cater to the needs of LDCs, as appropriate.

d. Members shall increasingly utilize experts/consultants from LDCs for studies, evaluation and to provide training in WTO technical assistance programmes, which would enhance LDCs' ownership in the programmes.

e. In addition to training of government officials of LDC countries, training of trainers' programmes shall be strengthened.

f. LDCs welcome the establishment of the Global Trust Fund and contributions made so far to this Fund. Developed countries shall provide increased resources to the Global Trust Fund to enable WTO to impart adequate Technical Assistance for LDCs.

### **The Integrated Framework (IF) for Trade-Related Technical Assistance**

g. As provided for in paragraph 42 of the Doha Ministerial Declaration, the core agencies involved in IF shall address supply side constraints identified by LDCs, in particular diversification of LDCs production and export base.

h. The follow-up to the Diagnostic Trade Integration Studies (DTIS) shall be made sustainable, predictable with interlocking steps by providing enhanced resources to Window II of the Integrated Framework Trust Fund (IFTF).

i. Window II of the IFTF shall fund priority projects identified by LDCs in the DTIS Action Matrices. Projects with the potential of addressing the supply side bottlenecks of LDCs should be given priority.

j. The access to financial resources for funding the projects identified in the matrices of the DTIS shall be facilitated through simplified procedures and modalities.

k. Development partners shall enhance support to LDCs' efforts aimed at improving the participation of private sector, and other stakeholders, in the IF process/programmes so that supply side constraints are appropriately addressed.

### **Singapore Issues**

27. The Doha Ministerial Declaration stipulated that negotiations on Singapore issues will take place after the fifth Session of the Ministerial Conference on the basis of a decision to be taken, by explicit consensus, at that session on modalities of negotiations.

28. In view of the overwhelming workload generated from the Doha work programme, LDCs with limited resources are not being able to follow negotiations and evaluate the implications/impact of negotiations on Singapore issues on their economies. Therefore, LDCs shall be given enhanced technical assistance and support to build capacity in these areas. WTO, in cooperation with other relevant intergovernmental organizations, including UNCTAD, ITC, shall provide strengthened and adequately resourced assistance to LDCs.

## **Trade and Investment**

29. In paragraph 22, the Ministers instructed for further work in the Working Group on the relationship between trade and investment on the clarification of certain issues. Progress in the work of the Working Group on Trade and Investment clearly indicates that there would be no agreement between now and Cancun on any of the elements outlined in the Doha Declaration. Therefore, it is still premature to consider the real substantive issues. The views of the LDCs on trade and investment are as follows:

a. Most of the LDCs have not been able to attract Foreign Direct Investment through liberalizing investment regimes owing *inter alia* to very small size, remoteness and extreme vulnerability. Improvements of regulations or policies are unlikely to attract orthodox FDI into LDCs, without a supportive, targeted intervention from the governments of the sending countries. In particular, ODA should assist in creating the infrastructure required for attracting FDI.

b. The Working Group should continue work on the issues referred to in paragraph 22 of the Doha Ministerial Declaration, including studies on whether and how any multilateral investment agreement would facilitate flows of FDI or improve its quality in LDCs.

## **Trade and Competition Policy**

30. The Doha Declaration in paragraph 25 mandated the Working Group on Trade and Competition policies to focus on the clarification of certain issues. Discussions on the Working Group reveal that there are differences even among the *demandeurs* of a multilateral framework on competition policy. The views of the LDCs in this area are as follows:

a. Most LDCs lack competition laws and regulations, and agencies that are able to implement the laws. This lack of exposure to, and experience in, competition laws have hampered the participation of LDCs in the current negotiations. Therefore, efforts aimed at assisting LDCs in formulating national competition laws and in establishing requisite institutions in LDCs shall be undertaken.

b. The Working Group should continue work on the elements referred to in paragraph 25 of the Doha Ministerial Declaration. Studies would also need to be continued/undertaken to reflect on ways in which possible international agreements on competition policy might apply to developing countries, including through preferential or differential treatment.

## **Transparency in Government Procurement**

31. Paragraph 26 of the Doha Declaration states that negotiations on a multilateral agreement on transparency in government procurement shall be limited to the transparency aspect and therefore will not restrict the scope for countries to give preferences to domestic supplies and suppliers.

32. LDCs are yet to assess how an agreement on transparency in government procurement in WTO, would affect social and economic development in LDCs.

33. The Working Group should continue work on issues referred to in paragraph 26 of the Doha Declaration. Studies need to be undertaken to understand the depth and breadth of any possible agreement in this area, and how it would affect LDCs.

### **Trade Facilitation**

34. Paragraph 27 of the Doha Declaration instructed the Council for Trade in Goods to review and as appropriate clarify and improve relevant aspects of Article V, VIII and X of the GATT 1994 and identify the trade facilitation needs and priorities of members, in particular developing and LDCs.

35. Current approach towards trade facilitation pre-supposes the establishment of common procedures, rules and regulations for the movement of goods. Implementation of such laws and procedures will be very costly for the LDCs, which they are unable to afford at this stage. LDCs' institutions should be strengthened to facilitate trade.

36. Work on trade facilitation in other institutions should be taken into account in the current work programme of WTO. Outside of the WTO framework, current efforts to assist the LDCs in this area should continue.