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Ministerial Conference Thirteenth Session Abu Dhabi, 26-29 February 2024

LEAST DEVELOPED COUNTRY GROUP MINISTERIAL DECLARATION

PRIORITIES AT THE WORLD TRADE ORGANIZATION

10 January 2024

The following communication, dated 12 January 2024, is being circulated at the request of the delegation of Djibouti on behalf of the LDC Group.

We, the Ministers of the least developed country Members of the WTO, meeting on 10 January 2024, in preparation for the Thirteenth Session of the WTO Ministerial Conference (MC13), and to update LDC Group priorities at the WTO;

Recalling the commitments made by Ministers at previous WTO Ministerial Conferences since Marrakech in 1994, as well as by the international community at the Fifth United Nations Conference on Least Developed Countries in Doha in 2023, to assist LDCs to secure beneficial and meaningful gains from the multilateral trading system and the global economy;

Reaffirming all of our least developed country (LDC) declarations at the World Trade Organization (WTO), in particular, those made at the Twelfth WTO Ministerial Conference (MC12) held in 2022 in Geneva;

Recognizing the role of the multilateral trading system and the WTO in terms of collective opportunities and possible solutions enabling LDCs and all Members to respond to all challenges they face;

Emphasizing strongly that development and special and differential treatment for developing countries, in particular LDCs, must remain central for integration into, and the credibility and efficiency of, the multilateral trading system, with a view to promoting industrialization, economic diversification, reducing inequalities and sustainable development, which become more pertinent in the aftermath of the COVID-19 pandemic;

Mindful of the need to address skill gaps and investment in technological development in LDCs for digital trade and innovation by LDCs;

Recognizing the WTO Working Group on Technology Transfer and noting the transformative role of the dissemination of technology to achieve a modern and technologically advanced industrial base in LDCs, which can be a catalyst in addressing multifaceted challenges to LDC participation in the multilateral trading system such as food insecurity, pandemics, climate change, and unemployment;

Hereby declare the following:

LDC SPECIFIC PRIORITIES

1 AGRICULTURE AND FOOD SECURITY

- 1.1. We reiterate the need for reform based on the Agreement on Agriculture with priority given to issues related to food security, which are critical to promoting resilience in agriculture trade, and those for which mandates exist, such as trade distorting domestic support including cotton, the special safeguard mechanism, public stockholding, and refraining from imposition of export restrictions on food products purchased for food security purposes.
- 1.2. We consider that the report of the Coordinator of the Working Group on food insecurity adequately reflects the content of deliberations over recent months and the various proposals submitted by Members. We urge Members to continue discussions in the appropriate WTO bodies, such as the CoA-SS or the General Council or by extending the mandate of the Working Group under paragraph 8 of the Ministerial Declaration on the emergency response to food insecurity, to address the many issues remaining for consensus.
- 1.3. We recall the importance of fully implementing the commitments contained in the Nairobi Ministerial Decision on cotton in all three pillars of market access, domestic support and export competition during the specific discussions on cotton. We call on Members to agree on the elimination of domestic support for cotton at MC13 according to the modalities proposed by the co-sponsors of the sectoral initiative in favour of cotton (C-4) (TN/AG/GEN/53 and TN/AG/SCC/GEN/25).
- 1.4. Therefore, we call upon Members to implement the MC12 Declaration on the Emergency Response to Food Insecurity and, given the critical necessity of food security in LDCs, to refrain from imposing export restrictions on food imports by LDCs and NFIDCs for domestic consumption. In addition, special and differential treatment taking into account development and food security needs should result in exemption of LDCs from any reduction commitments in future negotiations.

2 FISHERIES SUBSIDIES

- 2.1. We welcome the adoption of the WTO Agreement on Fisheries Subsidies at the MC12 on 17 June 2022, as a major step forward for ocean sustainability by prohibiting harmful fisheries subsidies.
- 2.2. We support the phase II multilateral negotiations on fisheries subsidies on overfishing and overcapacity (OCOF), in accordance with the Doha and Hong Kong Ministerial mandates, SDG 14.6 and the mandate for continued negotiations in the WTO Agreement on Fisheries Subsidies Ministerial Decision.
- 2.3. We draw the attention of Members to LDC Group submissions and contributions to the NGR Chair's texts. For MC13, we encourage the Chair's efforts to achieve an agreement that is balanced and proportionate to the responsibility of Members providing subsidies to overcapacity and overfishing.
- 2.4. LDCs are not the contributors to overcapacity and overfishing. Therefore, we urge Members to give priority consideration to LDC text proposals submitted in the negotiations, which call in particular to limit the exclusion relating to the management of fisheries in the exclusive economic zone of the subsidizing Member. Appropriate special and differential treatment should include exemption of LDCs from the discipline and similar treatment for LDCs after graduation for a certain number of years, full exclusion of artisanal and small-scale fishing. Any appropriate capacity building assistance should also be provided.
- 2.5. We welcome the new funding mechanism established to receive voluntary contributions from Members to help developing countries and LDCs implement the Agreement. LDCs should be the main beneficiaries of this fund. LDCs should also be well represented in the Steering Committee.

3 DECISIONS ON GRADUATION

- 3.1. We recall the relevant paragraphs of UN General Assembly (UNGA) Resolution 59/209 of 20 December 2004 on "Smooth transition strategy for countries graduating from the list of least developed countries" and relevant paragraphs of UNGA Resolution 67/221 of 21 December 2012 on "Smooth transition for countries graduating from the list of least developed countries".
- 3.2. At the Eleventh Ministerial Conference (MC11), we, the LDC Ministers called for positive actions in favour of LDCs on graduation ($\frac{WT/MIN(17)/40}{MIN(17)/40}$). In this regard, we draw Ministers' attention to the proposals our Group made since MC11: $\frac{WT/GC/W/807}{WINGC/W/807/Rev.2}$ and $\frac{WT/GC/W/807}{Rev.2}$.
- 3.3. We emphasize the need for fresh support measures by the development partners targeted to LDCs after graduation to ensure smooth and sustainable transition.
- 3.4. We applaud the groundbreaking decision (<u>WT/L/1172</u>) taken in the General Council on 23 October 2023 to adopt Annex 1 of the LDC Group proposal, concerning preferential market access. We also acknowledge, with appreciation that the General Council in July 2023 agreed to transmit, for review, Annex 2 of the proposal, regarding specific provisions in favour of LDCs in existing WTO agreements, to the LDC Subcommittee. We urge Members to also take a positive decision on Annex 2 at the General Council ahead of MC13 in Abu Dhabi.
- 3.5. In addition, we emphasize the need for an outcome on our proposal submitted in 2018, contained in documents $\underline{WT/GC/W/742}$ and $\underline{G/C/W/752}$, which are under consideration by the General Council and the Council for Trade in Goods, with a view to correct a technical omission so that LDCs, currently listed in the Annex VII(a) of the Agreement on Subsidies and Countervailing Measures (ASCM), equally qualified after graduation, should retain the same rights as those developing countries listed under Annex VII(b).

4 PARAGRAPH 8 MC12 OUTCOME DOCUMENT

- 4.1. We call attention to the instructions of Ministers in paragraph 8 of the MC12 Outcome Document, to report at the next session regarding specific work on LDC issues on services waiver, rules of origin, and duty-free and guota-free (DFQF) decisions.
- 4.2. We take note of the work so far in the Council for Trade in Services, the Rules of Origin Committee, and the Committee on Trade and Development, respectively, including any relevant LDC submissions to those bodies. We urge that the General Council's work on the MC13 Outcome Document includes LDC Group textual proposals in this regard.
- 4.3. We call on preference-providing countries to redouble their efforts to fully implement the Nairobi decision on rules of origin for LDCs by making them transparent and simple with a view to facilitating market access for LDCs.
- 4.4. To this end, we mandate the Committee on Rules of Origin to develop a roadmap for its future work on the Decision adopted by the Committee in April 2022 to enable Members to fully implement the Nairobi Decision on preferential rules of origin for LDCs.
- 4.5. The Committee on Rules of Origin shall report on its work to the General Council.

OTHER PRIORITY AREAS

5 WTO REFORM

- 5.1. We reaffirm the need for a WTO reform process that would include proposals from all Members in a fair, transparent, inclusive and non-discriminatory manner. We also recall the importance of the development dimension as an integral part of any reform of the WTO.
- 5.2. We acknowledge progress on reform of the functioning of WTO bodies, particularly those that had a genesis in the LDC Group submission JOB/GC/223/Rev.1. Those include use of annotated agendas, expediting the production of minutes, mechanisms to avoid overlapping of key meetings,

summary notes the same day of meetings, and the availability of interpretation provided for all informal meetings.

- 5.3. To improve on the well appreciated process of such reform so far, future proposals requiring adoption should be evaluated in terms of any impact on LDC participation in WTO bodies. LDCs and small delegations can better review and debate the impact of the proposal for adoption at the General Council as all delegations are present. In addition, it would be useful if some issues requiring adoption should be considered for a trial basis, to assess such impact.
- 5.4. Reform improvements in notification and implementation obligations must not introduce punitive measures or additional burdensome obligations for the LDCs.
- 5.5. For ministerial conferences, where there are plenaries limited in the size of delegations or small group meetings, listening rooms should be set up with simultaneous interpretation in the WTO's various working languages. Every effort should be made to ensure the effective participation of LDCs in these meetings. Priority should be given to LDC issues in these meetings.
- 5.6. Before any adoption of texts by Ministers, reasonable time must be allotted for the text to be presented to Members with relevant explanations. Group Coordinators must be allowed time to consult their members to synthesise and agree.
- 5.7. On dispute settlement reform, discussions must be held within existing multilateral structures, in particular the DSB, following the rules, processes and practices of engagement as provided in the Marrakesh Agreement. In addition, we call on Ministers to agree to expeditiously begin the process of appointing Appellate Body members and to ensure establishment of the necessary rules to build trust in the procedures and operation of this pillar.

6 TRADE-RELATED RESPONSE TO COVID-19

- 6.2. We appreciate the MC12 TRIPS Waiver decision (<u>WT/MIN(22)/30</u>) that covers COVID-19 vaccines. We are disappointed that delegations could not yet agree within the deadline set by Ministers under paragraph 8 of the MC12 TRIPS Waiver decision with regard to addition of the production and supply of COVID-19 diagnostics and therapeutics. Several variants of the COVID-19 are still active and future pandemics are a threat. As co-sponsors of the communication <u>IP/C/W/669/Rev.1</u>, LDCs support that the MC12 decision on TRIPS Waiver should be extended to cover therapeutics and diagnostics, as soon as possible.

7 OUTSTANDING SPECIAL AND DIFFERENTIAL TREATMENT AGREEMENT SPECIFIC PROPOSALS

- 7.1. LDC Members of the G90 support the proposals submitted to the General Council for consideration in the work for MC13 and urge Members to interact positively on pragmatic solutions for this unfinished business in the agenda of the WTO for more than twenty years.
- 7.2. We reaffirm the importance of special and differential treatment for the developing countries and LDCs to achieve structural economic transformation and take full advantage of international trade. The CTD-SS Chair's facilitator process by topic is welcome and we remain engaged to work with all of the membership. We look forward to outcomes at MC13.

8 TRIPS AGREEMENT ARTICLE 66.2

- 8.1. We urge developed Members to implement more effectively their obligations under Article 66.2 of the TRIPS Agreement and provide incentives for their enterprises and institutions to promote the transfer of technology to LDCs, so that our countries are able to create a sound and viable technological base.
- 8.2. The relevant institutions and enterprises in developed countries must demonstrate the technology transfer with clear and concrete evidence.

9 TRIPS NON-VIOLATION AND SITUATION COMPLAINTS

9.1. We urge Members to agree to a permanent moratorium at MC13 on the application of GATT 1994, paragraphs 1(b) and 1(c) of Article XXIII on complaints regarding non-violation and status of the TRIPS Agreement.

10 ELECTRONIC COMMERCE DECLARATION

10.1. We remain committed to finding a solution under the WTO E-commerce Work Programme and MC12 decision $\frac{\text{WT/L/1143}}{\text{MT/L/1143}}$. We call on Members to take into account of LDC opportunities and challenges in the utilization of e-commerce, which we communicated in LDC Group submissions to the work programme, more recently in document $\frac{\text{WT/GC/W/905/Rev.1}}{\text{WT/GC/W/905/Rev.1}}$.

11 ENHANCED INTEGRATED FRAMEWORK

- 11.1. We recognize the role of the Enhanced Integrated Framework (EIF) as the only aid for trade mechanism dedicated to LDCs and we appreciate its substantial contribution in supporting LDC efforts to integrate into the multilateral trading system and to build their trade related capacity towards achieving their development objectives and Sustainable Development Goals. We also appreciate the EIF for putting in place a procedure for smooth graduation transition.
- 11.2. We welcome tangible results achieved and the efforts made by the EIF during the global health and current crises to enhance LDCs' trading capacity by empowering women, supporting micro-small and medium enterprises (MSMEs), and improving digital skills in order to diversify LDC economies.
- 11.3. Building on the achievements made so far, we welcome the continuation of the EIF partnership to provide financial and technical support beyond the current phase in order to further enhance the institutional and productive capacity in LDCs, including those in the process of graduation, and in line with the Sustainable Development Goals and the principle of leaving no LDC behind.
- 11.4. We call for the launch and effective implementation of the future programme by January 2025 at the latest.

12 AID FOR TRADE (AFT)

- 12.1. We noted with concern the negative impacts of the COVID-19 pandemic and current crises on LDC economies. Such reality reveals clearly the extent to which the LDCs need to strengthen their economic resilience and ability to respond to crises and shocks. In this regard, we welcome the new Aid-for-Trade Work Programme for 2023-2024 as well as the results of the 8th Aid for Trade Global Review, which took place in July 2022.
- 12.2. We recognize the importance of aid for trade initiatives in trade-related capacity building, addressing supply-side bottlenecks and development of trade-related infrastructure, and facilitating integration of LDC economies in regional and global trade. We therefore call upon development partners to prioritize projects identified by LDC governments in accordance with their needs and development objectives.
- 12.3. Aid for trade should not substitute official development assistance (ODA). We urge development partners to provide additional flows of aid for trade to fully implement trade-related capacity-building activities identified in favour of the LDCs in the Aid-for-Trade Work Programme for 2023-2024. In addition, we appreciate the complementary funding to the technical advisory support

enjoyed by the LDC Group to date, which has strengthened our capacity in Geneva to participate in negotiations and all deliberations in the WTO and the multilateral trading system.

12.4. We are looking forward to participating constructively in the Ninth Aid for Trade Global Review in 2024. We call on donors and development partners to support the advancement of Aid for Trade agenda, including trade finance given its vital importance for our Micro, Small and Medium-sized Enterprises (MSMEs).

13 TRADE AND ENVIRONMENT

- 13.1. We are aware and concerned about the degradation of the environment with its negative consequences on our planet and emphasize that LDCs are not responsible for the climate crisis. However, we are among the main victims of its harmful consequences.
- 13.2. While recognizing Members' right to regulate to protect the environment, we are concerned about unilateral trade-related measures adopted or in the process of adoption by Members. Some of those measures stand to impact negatively on our market access and our overall sustainable development. Therefore, we urge Members to refrain from adopting trade distorting measures, which are inconsistent with WTO rules. It is a priority that measures taken by Members to mitigate climate change do not serve as disquised barriers to trade, especially the trade of LDCs.
- 13.3. We recall paragraph 14 of the MC12 Outcome Document and urge Members to follow the Paris Agreement and other relevant international instruments to provide adequate financial support and technology transfer to LDCs to adapt to climate change.

14 ACCESSIONS

- 14.1. We request that additional efforts should be made to streamline and simplify LDCs accession procedures, reducing the time and administrative burdens involved. We call for adequate support and assistance to LDCs in their accession process, enabling them to overcome challenges and maximize the opportunities that WTO membership offers.
- 14.2. We support the progress made by the LDCs in the accession process. We congratulate them for their perseverance in these negotiation processes over several years. We call upon Members to provide them with the necessary support to implement their obligations in the post accession phase.