

**Doha Development Agenda: An African Perspective
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In preparing this input, an important question is whether to address the topic as “an African perspective” or as “Africa’s perspective”.

It is an important distinction to be made. At the continental level, African Trade Ministers have issued common negotiating positions: Kigali Consensus; the Cairo Declaration and Road Map express commonly agreed positions on the WTO negotiations. Nevertheless, it is also clear that positions among African countries are not identical particularly as we move to increasing levels of detail on each of the negotiating issues. There are a few areas where the differences are sharper but, in general, it appears that differences are more around emphasis and focus with respect to each of the negotiating issues. In other words, the different views are not irreconcilable.

Bearing these in mind, this input will not attempt to define a single African position on the DDA but to outline some perspectives around which an African consensus may emerge through further dialogue. In this way, my input does not deal with the details of the negotiating agenda but approaches the issues from a wider perspective in an attempt to identify priorities for Africa. We would draw attention to the Report of the Africa Commission chapter 8 that makes useful contribution to the trade debate as it relates to Africa.

Three additional introductory comments:

First, it may be important to underline existing flexibilities available to African countries – these have been already set out in the negotiating process, particularly the July Package: LDCs, most of which are in Africa, are exempt from making commitments in agriculture and NAMA. Under agriculture, this applies to all the pillars and all the boxes under domestic support. Of course, current domestic support provided in African countries does not exceed *de minimus* levels and/or would be covered under the green box and new provisions for food security and rural development.

Under NAMA, LDCs are exempt from any reduction commitments It extends further: Members that have bound less than a certain percentage – the indicative figure is 35% - of their tariff lines will not be required to make reduction support. This exempts many other African countries that are not LDCs.

There are of course other flexibilities to be negotiated for developing countries, including African countries under provisions that make room for special and differential treatment.

My second set of comments: empirical studies are unable to provide accurate guidance – static analysis, methodologies disputed; and everything depends on the final negotiating outcome. Studies on the impact of the DDA on Africa give different scenarios – some gain, some loss, with differences among different countries, sectors, and commodities.

We will need further engagement with the research community to precisely define a research agenda to support African governments in the negotiating process.

Final set of introductory comment are questions: how do we consider the Doha Round for countries that are beset by a range of development challenges: reliance on a small number of commodities in their export basket, dependence on preferences, net food importers, vulnerability to external shocks in exchange rates and declining terms of trade? How do we deal with the challenges of preference erosion, the resultant loss of income for these countries and the burdens of economic and social adjustment?

We propose the following for consideration:

An early conclusion of current round of the Doha negotiations, consistent with the ambition and mandate agreed in Doha, would deliver the best overall context for the development prospects of African countries. More open and undistorted international trade would make a positive contribution to global economic growth, creating an environment in which African economies may diversify their exports by destination and by product, including in higher value added production.

For those economies that face adjustment costs, assistance should be provided to advance processes of diversification and enhanced competitiveness, while cushioning the short run costs involved in the reform process. In the main, these economies are those who have become preference and specific crop or industry dependent.

Specific actions that WTO members, and in particular developed countries can take to benefit all Africa economies include the following:

MARKET ACCESS

1. First, the Doha negotiations should fast track the elimination of tariff peaks and tariff escalation in products of particular export interest to these countries, in both developed and other developing countries.
2. Similarly, fast tracking the elimination of export subsidies and trade-distorting domestic support on products of export interest to these countries would deliver early benefits as well. Such products would include: sugar, cotton, groundnuts, dairy products, fish, tobacco as well as resource and mineral intensive manufactured goods. The implementation period should be immediate, on conclusion of the round, or within three years.
3. Second, developed countries should cease efforts to exempt “sensitive” products liberalization. While we recognize that governments have a responsibility to assist

specific groups in society, this should not be done through instruments that distort trade and the ability of African farmers to export to developed country markets.

4. Third, it will be vital to facilitate imports of African economies' services into developed country markets. This will include providing better access for the temporary movement of workers and outsourcing (including health, education, call centres) from these economies.
5. Although the movement of temporary workers may be a sensitive issue for developed countries, serious consideration should be given to this given the fact that the potential benefits it offers could dwarf benefits from openings in the traditional sectors.
6. Fourth, all G-8 countries should provide effective duty free and quota free access to all African goods and other weak and vulnerable countries. Effective promotion of such schemes and targeted assistance to meet their conditions will go a long way to ensuring the opportunities offered are taken up. Such promotion efforts should not be confined to preferences schemes but extend to all access and market opportunities.
7. Fifth, greater efforts will also be required to assist these countries to benefit fully from existing preferential schemes offered by industrial countries. Experience has illustrated that liberal rules of origin that allow firms to import textiles and other inputs from the most efficient suppliers in the world are critical in order to ensure that the garments produced in these countries are competitive on developed country markets. Thus, the preferential rules of origin should be re-designed to facilitate African exports.

FLEXIBILITY IN RULES

8. Sixth, with regard to international trade rules and disciplines, a mechanism should be established in the WTO in the course of the Doha negotiations that provide African countries with "flexibility" not to implement a specific discipline, if the rationale is properly motivated.
9. This should be understood as operationalising the principle of special and differential treatment, and targeted capacity building should be utilized to assist the country to meet the obligation.

NON-TARIFF BARRIERS

10. Seventh, action is needed in the area of product standards, both technical product regulations and sanitary and phytosanitary measures. This can take various forms:
 - a binding commitment in the WTO by major trading countries to establish "fast-track" national mechanisms where exporting firms can raise instances where standards are being enforced excessively stringently and seek a rapid resolution;

- ❑ expanded assistance to African countries to ensure that its products meet internationally agreed standards;
- ❑ a commitment to apply principles of cost-benefit in the design of product standards and conformity assessment procedures;
- ❑ Making assistance a condition for national standards that go beyond international standards.
- ❑ Ensuring standards are based on safety and health and not designed as disguised protective measures.

CAPACITY BUILDING

11. Eight, more effective financial and technical cooperation will need to address any erosion of preferences that will occur as a result of the Doha Round. Such “compensation” should be designed to encourage sustainable diversification and to cushion any negative socio-economic effects of the reform process.
12. Ninth, designed as a tool for “trade as aid”, preferences need to be improved in the short run to make them meaningful. This could include deepening the preferences, where technically feasible, to retain the margin over MFN rates.
13. In the medium term alternative, complementary mechanisms are needed - specifically “aid for trade.” This spans both, development assistance to build trade capacity, and improve competitiveness.
14. Tenth, much expanded trade capacity building to more effectively address supply constraints is needed. This includes, promoting competitiveness, establishing appropriate regulatory environments, enhancing industrial and technological capabilities, product and export diversification, infrastructure development etc.
15. New mechanisms for generating the necessary, secure and long-term finance for Trade Capacity Building will also be required. Further integration of African economies into the trading system needs to be complemented by a binding, credible commitment for expanded financial assistance for trade capacity.
16. Policy coherence among the multilateral and bilateral donor community should be complemented with greater coordination at the implementation level, and donors should desist from employing non-trade conditions to qualify for assistance.

These are the proposals we believe may be a basis for further dialogue towards an African consensus. These proposals may also be a basis for developing more detailed research agenda that is appropriately adapted to address the priorities for individual African countries. They relate to the WTO negotiations but they also go beyond the scope of the current negotiations. We should make the argument that DDA negotiations may used to leverage support to fully take advantage of opportunities that will arise when the negotiations conclude.