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Macroeconomic policy questions: international trade and development

Qatar *: Draft resolution

International trade and development

The General Assembly,

Recalling its resolutions 56/178 of 21 December 2001, 57/235 of 20 December 2002 and 58/197 of 23 December 2003 on international trade and development,

Recalling the provisions of the United Nations Millennium Declaration¹ pertaining to trade and related development issues, as well as the outcomes of the International Conference on Financing for Development, held in Monterrey, Mexico, from 18 to 22 March 2002² and the World Summit on Sustainable Development, held in Johannesburg, South Africa, from 26 August to 4 September 2002,³

Recalling also its resolutions 57/250 of 20 December 2002 and 57/270 B of 23 June 2003, in which it invited the United Nations Conference on Trade and Development, as well as the Trade and Development Board, to contribute, within its mandate, to the implementation and to the review of the progress made in the implementation of the outcomes of the major United Nations conferences and summits and invited the President of the Trade and

* On behalf of the States Members of the United Nations that are members of the Group of 77 and China.

¹ See resolution 55/2

² Report of the International Conference on Financing for Development, Monterrey, Mexico 18-22 March 2002 (United Nations publication, Sales No. E.02.II.A.7), chap. I, resolution 1, annex.

³ Report of the World Summit on Sustainable Development, Johannesburg, South Africa, 26 August- 4 September 2002 (United Nations publication, Sales No. E.03.II.A.1 and corrigendum), chap. I, resolution 1, annex, and resolution 2, annex.

Development Board to present the outcomes of such reviews to the Economic and Social Council,

Considering that an open, transparent, multilateral and equitable international trading system can lead to an increased participation of developing countries, especially the least developed among them, therefore contributing to the generation of resources that will assist in the achievement of the Millennium Development Goals including in the fight against hunger and poverty,

Reaffirming the role of the United Nations Conference on Trade and Development as focal point within the United Nations for the integrated treatment of trade and development and the interrelated issues in the areas of finance, technology, investment and sustainable development,

Recalling that, to benefit fully from trade, which in many cases is the single most important external source of development financing, the establishment and the enhancement of appropriate institutions and policies in developing countries, as well as in countries with economies in transition, are needed and that, in this context, enhanced market access, balanced rules and well-targeted, sustainably financed technical assistance and capacity-building programmes for developing countries also play important roles,

Bearing in mind the special needs of the least developed countries, the small island developing States and of the landlocked developing countries within a New Global Framework for transit transport cooperation for landlocked and transit developing countries as provided respectively in the Brussels Programme of Action⁴, Barbados Programme of Action⁵ and the Almaty Programme of Action⁶,

Noting with concern that a large number of countries, particularly LDCs and commodity dependent countries continue to remain marginalized in the international trading system and are vulnerable to external shocks,

Reaffirming that agriculture remains a fundamental and key sector for the overwhelming majority of developing countries, and stresses the importance of a successful conclusion of the Doha work programme in this regard,

Reaffirming, the need, subject to its national legislation, to respect, preserve and maintain knowledge, innovations and practices of indigenous and local communities embodying traditional lifestyles relevant for the conservation and sustainable use of biological diversity and promote their wider application with the approval and involvement of the holders of such knowledge, innovations

⁴ A/CONF.191/13.

⁵ A/CONF.167/9

⁶ A/CONF.202/3, annex I.

and practices and encourage the equitable sharing of the benefits arising from the utilization of such knowledge, innovations and practices,

Taking note of the in-depth review undertaken by the Trade and Development Board at its fifty-first session with respect to developments and issues in the post-Doha work programme of particular concern to developing countries in the post-UNCTAD XI context, and its contribution to an understanding of the actions required to help developing countries secure beneficial and meaningful integration into the multilateral trading system and the global economy and to achieve a balanced, development-oriented and successful conclusion of the Doha negotiations,

1. *Takes note* of the report of the Trade and Development Board⁷ and the report of the Secretary-General,⁸

2. *Welcomes* the outcomes of the eleventh session of the United Nations Conference on Trade and Development, convened from 13-18 June 2004 in Sao Paulo, Brazil, and the adoption of the Spirit of São Paulo⁹ and the São Paulo Consensus¹⁰, which, building upon the Plan of Action adopted at its tenth session held in Bangkok from 12 to 19 February 2000, reaffirms the continued commitment of the international community to support the United Nations Conference on Trade and Development in fulfilling its strengthened mandate and role as a forum for intergovernmental policy dialogue and consensus-building on trade and development;

3. *Notes* that the UNCTAD XI emphasizes the importance for all countries of enhancing coherence between national development strategies and global economic processes towards economic growth and development, particularly of developing countries, and in this context reinforced the consensus that trade is not an end in itself but a means to growth and development and that the international trading system and trade negotiations must assure development gains;

4. *Reaffirms* the fundamental importance of, and its commitment to, achieving the objectives set out in the United Nations Millennium Declaration, as reaffirmed in the Sao Paulo Consensus, of upholding and safeguarding a universal, open, equitable, rule-based, predictable and non-discriminatory multilateral trading system in pursuit of sustained economic growth, sustainable development and poverty eradication;

5. *Stresses* the importance of striving for equity and justice in the achievement of the Millennium Development Goals by addressing asymmetries in benefits and costs arising from multilateral rules and commitments through effective implementation of existing commitments, and transfer of resources to

⁷A/59/15

⁸ A/59/305

⁹ TD/L.382

¹⁰ TD/410

developing countries, and addressing their specific development concerns as identified in paragraph 68 of the Sao Paulo Consensus;

6. *Underscores* that it is particularly important for developing countries, bearing in mind development goals and objectives, that all countries take into account the need for appropriate balance between national policy space and international disciplines and commitments, and *stress* the need to provide the developing countries policy space in formulating and executing their national economic policies;

7. *Stresses* the importance of enhancing South-South trade and cooperation in the context of an emerging new trade geography that complements north-south trade and cooperation and *welcomes* the decision adopted in June 2004 to launch the third round of the Global System of Trade Preferences among Developing Countries;

8. *Emphasizes* the importance of developing human, institutional, regulatory and R&D capacities and infrastructures aimed at enhanced supply-side capacity and competitiveness, as well as of ensuring conducive international policy frameworks and supportive measures for a full and beneficial integration of developing countries in the international trading system;

9. *Reaffirms* the commitment made at the Fourth Ministerial Conference of the World Trade Organization, held in Doha from 9 to 14 November 2001, to place development at the heart of the Doha Work Programme and to undertake concrete positive steps to ensure that developing countries, especially the least developed among them, secure a share in the growth of world trade commensurate with the needs of their economic development;¹¹

10. *Emphasizes* the importance of rejecting the use of protectionism, in light of growing protectionist tendencies, *stresses also* the importance of strengthening multilateralism, in the face of unilateralism and security measures which have a considerable negative impact on trade flows from developing countries, on the ongoing World Trade Organization negotiations and on the achievement and further enhancement of the development dimension of the trade negotiations;

11. *Stresses* the importance of an open, transparent, inclusive, democratic and more orderly process and procedures for the effective functioning of the multilateral trading system, including in the decision-making process, so as to enable developing countries to have their interests fully reflected in the outcome of trade negotiations;

12. *Welcomes* in this regard, the adoption by the General Council of the World Trade Organization of the 1 August 2004 Decision¹² on frameworks for

¹¹ See A/C.2/56/7, annex.

¹² WT/L/579.

further negotiations which reaffirms the value of multilateralism, re-establishes the viability of the Doha negotiations, re-confirms the centrality of development concerns, and allows the members of the World Trade Organization to reengage and move forward in the negotiations;

13. *Stresses* the need to develop the frameworks in the August 1, 2004 Decision of the WTO General Council in an inclusive and transparent manner into concrete, detailed and specific modalities for the early conclusion of the negotiations while ensuring balance and parallelism within and between areas under negotiations so as to effectively respond to the needs and concerns of the developing countries and ensure a fair, equitable and development-oriented outcome of the Doha work programme;

14. *Emphasizes*, in respect of the WTO General Council Decision of 1 August 2004, and consistent with the Doha Work Programme, the following issues of particular interest and concern to the developing countries:

- (a) Addressing effectively, comprehensively, meaningfully and expeditiously the core development issues of Special and Differential treatment(S&D) and implementation issues and concerns of developing country in the negotiations by July 2005 as provided for in the Decision;
- (b) In the elaboration of modalities under the framework on agriculture, as contained in Annex-A of WTO General Council's Decision of 1 August, 2004: the adoption of an appropriate tariff reduction formula that effectively eliminates tariff peaks and tariff escalation for products of export interest to developing countries to achieving substantial improvements in market access; the elimination of all forms of export subsidies by a credible early date; substantial reductions in trade-distorting domestic support; the incorporation of effective, operational and usable development flexibility and S&D for developing countries, such as requiring lesser tariff reduction commitments or tariff quota expansion commitments, special products and special safeguard mechanism, in support of agriculture development, food security and livelihood, and rural development; as well as the effective implementation of paragraph 4 of the Marrakesh Ministerial Decision on Measures Concerning the Possible Negative Effects of the Reform Programme on Least Developed and Net Food-importing Developing Countries,
- (c) Implementing concretely the commitment to address cotton issues ambitiously, expeditiously, and specifically and in a manner that does not compromise the importance that many countries attach to speedily and substantially addressing both the trade related and development related aspects of the cotton initiative;
- (d) Addressing seriously the difficulties faced by commodity dependent developing countries, owing to continuing volatility of world commodities prices, with a view to assisting such countries to restructure, diversify and strengthen the competitiveness of their commodity sectors and in this

regard welcomes the formation of an International Task Force on Commodities by UNCTAD;

- (e) In the elaboration of full modalities for negotiations on market access for non-agricultural products as contained in Annex B of WTO General Council's decision of August 1, 2004; ensure reduction or elimination of tariff peaks, high tariffs and tariff escalation, as well as non-tariff barriers, in particular on products of export interest to developing countries; establish a right formula that is effective, simple, transparent, least costly, equitable, and incorporates S&D and less than full reciprocity within its structures; allow the developing countries the flexibility to implement the formula; and the modalities to be finalized to fully reflect developing country concerns related to loss in tariff revenues and unemployment, sensitivity of certain sectors and de-industrialization, accentuation of poverty, and adjustment costs;
- (f) Enhancing market entry conditions for developing country exports by addressing effectively non-tariff barriers arising from product standards, abusive and arbitrary application of anti-dumping measures, complex rules of origin and other trade-distorting measures,
- (g) Agreement on measures to effectively address the concerns of developing countries in respect of the erosion of preferences and the impact of liberalization on their tariff revenues, including through compensatory mechanisms.
- (h) Implementing fully, in the services negotiations, the development provisions of the GATS and the WTO Guidelines and Procedures for the Negotiations on Trade in Services, including through commercially meaningful multilateral commitments on services sectors and modes of supply of export interest to developing countries, with emphasis on liberalization of temporary movement of natural persons under Mode 4, and due attention be given to infrastructure services, professional services and all services that can be carried out from distant location (BPO services) including in connection with provision of essential services;
- (i) Expediting the clarification and improvement of disciplines in the areas of antidumping, subsidies and countervailing measures, taking into account the needs of developing countries, while preserving the basic concepts, principles and effectiveness of those agreements;
- (j) Expeditiously completing the review of the dispute settlement understanding;
- (k) *Taking note* of the modalities on negotiations on trade facilitation as contained in Annex D of WTO General Council Decision of 1 August 2004 and stressing that the results of the negotiations shall take into account the

principle of special and differential treatment for developing and least-developed countries and recognizing that the provision of technical assistance and capacity building is vital for developing and least-developed countries to enable them to fully participate in and benefit from the negotiations. The developing and least developed country members would not be obliged to undertake investments in infrastructure beyond their means. Trade Facilitation needs and priorities of developing and least developed countries would be identified and concerns related to costs implications of proposed measures addressed in the negotiations. Developed country members commit to ensuring adequate support and assistance to developing and least developed countries in the negotiations and where such support and assistance for infrastructure is not forthcoming and where the developing and least developed countries lack the necessary capacity, implementation of such infrastructure related commitments would not be required;

15. *Emphasizes* that Trade, Debt and Finance and Transfer of Technology issues duly covered in the Doha Work Programme should be urgently addressed in the negotiations with a view to safeguarding the multilateral trading system from the effects of financial and monetary instability and to enhance the sustainable development of the developing countries;

16. *Reaffirms* the full implementation of the WTO Agreement on Textile and Clothing that provides for the complete MFA phase out by December 31, 2004 and emphasises that market access to textile exports from the developing countries should not be denied through the use of other measures and trade barriers;

17. *Reaffirms* the need to take fully into account the development dimension in the Agreement on Trade-related Aspects of Intellectual Property Rights¹³, and in this regard calls on WIPO to integrate development dimensions into its activities for effective technology transfer to developing countries and a proper balance between intellectual property norms and the respective interests of producers and users of technical knowledge;

18. *Invites* all members to effectively implement the General Council Decision on the implementation of the paragraph 6 of the Doha Declaration on TRIPS and Public Health through expeditious establishment of a permanent solution to the problems faced by countries with insufficient or no manufacturing capacity in the pharmaceutical sector in accessing medicines at affordable prices by, *inter alia*, amending the Agreement on Trade-related Aspects of Intellectual Property Rights by March 2005;

19. *Stresses* that the adoption or enforcement of any measures necessary to protect human, animal or plant life or health should not be applied in a manner that would constitute arbitrary or unjustified discrimination or a disguised restriction on international trade, and recognizes the need to facilitate the

¹³ See *Legal Instruments Embodying the Results of the Uruguay Round of Multilateral Trade Negotiations, done at Marrakesh on 15 April 1994* (GATT secretariat publication, Sales No. GATT/1994-7).

increased participation of the developing countries in the work of relevant international standard setting organizations as well as the importance of providing financial and technical assistance and capacity building efforts to enable them to respond adequately to the introduction of any new measures which may have significant negative impact on trade;

20. *Reaffirms* the commitments made at the Fourth Ministerial Conference of the World Trade Organization, and at the Third United Nations Conference on the Least Developed Countries, held in Brussels from 14 to 20 May 2001,¹⁴ in this regard calls upon developed countries that have not already done so to work towards the objective of duty-free, quota-free market access for all least developed country exports, and notes that the consideration of proposals for developing countries in a position to do so to contribute to improved market access for the least developed countries would also be helpful;

21. *Emphasizes* the importance of the strengthening and attainment of the universality of the World Trade Organization and, in this context, call for accelerating the accession process without political impediments and in an expeditious and transparent manner for developing countries applying to the World Trade Organization, and also the provision of technical assistance by the World Trade Organization and the United Nations Conference on Trade and Development, within their mandates, thereby contributing to the rapid and full integration of those countries into multilateral trading system.

22. *Invites* members of the international community to consider the interests of non-members of the World Trade Organization in the context of trade liberalization;

23. *Emphasizes* that regional trade arrangements should contribute positively to the multilateral trading system, and in this context stresses the importance of clarifying and improving disciplines and procedures under the existing provisions of the World Trade Organization applying to regional trade agreements, in accordance with para 29 of the Doha Ministerial Declaration taking into account the developmental aspects of those agreements, and urges the United Nations Conference on Trade and Development to assess and evaluate the development interface between the two processes;

24. *Reaffirms* the commitment to actively pursue the work programme of the World Trade Organization with respect to addressing the trade-related issues and concerns affecting the fuller integration of small, vulnerable economies into the multilateral trading system in a manner commensurate with their special circumstances and in support of their efforts towards sustainable development, in accordance with paragraph 35 of the Doha Ministerial Declaration.

25. *Recognizes* the special problems and needs of the landlocked developing countries within a New Global Framework for transit transport cooperation for landlocked and transit developing countries. In this regard, *calls for* the full and

¹⁴ See A/CONF.191/13

effective implementation of the Almaty Programme of Action. *Stresses also* the need for the implementation of the São Paulo Consensus adopted at the UNCTAD XI in São Paulo, Brazil on 18 June 2004, in particular paragraphs 66 and 84 thereof, by the relevant international organizations and donors in a multi-stakeholder approach.”

26. *Welcomes* the comprehensive and unique mandate of the United Nations Conference on Trade and Development reaffirmed and enhanced at its eleventh session and *endorses* the United Nations Conference on Trade and Development in continuing its work in support of the effective and beneficial integration of developing countries into the global economy through analysis, intergovernmental consensus building and technical assistance on assuring development gains from the international trading system and trade negotiations in goods and services; commodities; trade, environment and development; and trade, competition policy and development;

27. *Calls upon* the United Nations Conference on Trade and Development to monitor and evaluate the evolution of international trading system and of trends in international trade from a development perspective, and in particular analyze issues of concern to developing countries, and help develop capacities in developing countries to establish their own negotiating priorities and negotiate trade agreements including under the Doha work programme;

28. *Calls for* enhanced financial resources to the United Nations Conference on Trade and Development’s programmes and technical cooperation and capacity-building activities that assist developing countries, especially the least developed countries, countries with economies in transition and countries with small vulnerable economies, in international trade and trade negotiations, in particular in support of their participation in the Doha work programme, including the Integrated Framework for Trade-related Technical Assistance to Least Developed Countries and the Joint Integrated Technical Assistance Programme;

29. *Requests* the Secretary-General of the United Nations, in collaboration with the secretariat of the United Nations Conference on Trade and Development, to report to the General Assembly at its Sixtieth session on the implementation of the present resolution and on developments in the multilateral trading system under the sub-item entitled “International trade and development”.