

## **FOURTH LDC TRADE MINISTERS' MEETING**

Livingstone, Zambia,  
25 – 26 June 2005

### **LIVINGSTONE DECLARATION \***

We, the Ministers responsible for Trade of the Least Developed Countries (LDCs), meeting in Livingstone, Zambia, with a view to adopting a common position on LDC agenda prior to the 6th WTO Ministerial Conference to be held in Hong Kong, China, from 13 to 18 December 2005:

*Reaffirming* the principles and objectives as set out in the Marrakesh Agreement establishing the World Trade Organization (WTO), and reiterating the commitment to further strengthen the rules-based multilateral trading system to meet the development needs of LDCs;

*Recalling* the commitments made, *inter alia*, at Ministerial Conferences held in Singapore (1996), Geneva (1998) and Doha (2001) by the WTO Members in assisting LDCs to secure beneficial and meaningful integration into the multilateral trading system and the global economy;

*Recalling* in particular the commitment of the Doha Ministerial Declaration to meet the development needs of LDCs, which is further re-enforced by the Decision Adopted by the General Council on 1st August 2004 on the Doha Work Programme;

*Recalling* the commitments undertaken by the international community at the Third UN Conference on LDCs held in Brussels in 2001 to promote, *inter alia*, sustained economic growth in LDCs and for beneficial integration into world economy;

Recalling the LDC Ministers' Declarations adopted at Zanzibar (2001), Dhaka (2003) and Dakar (2004) prior to the WTO Ministerial Conferences in Doha, Cancún and before the July 2004 General Council Meeting respectively;

*Reaffirming* the commitments made at Doha to conduct the negotiations in a transparent and all inclusive manner;

*Welcoming* the reaffirmation by the General Council to renew its determination to fulfill the commitments made at Doha concerning LDCs and not to detract in any way from the special provisions agreed by Members in respect of LDCs;

*Appreciating* the improved market access initiatives taken by some WTO Members in favour of LDCs;

---

\* As adopted by the Ministerial Meeting on 26 June 2005.

*Welcoming* the adoption on 21st March 2005 by the Dispute Settlement Body of the Report of the Appellate Body on the United States – Subsidies on Upland Cotton and the Report of the Panel as modified by the Appellate Body, and endorsing the draft modalities on cotton contained in document TN/AG/SCC/GEN/2 with a view to achieving ambitious, expeditious and specific results on Cotton, as agreed in the 1st August 2004 Decision of the General Council;

*Concerned* that the failure to meet deadlines set out in the Doha Ministerial Declaration, and the failure even to meet subsequent deadlines, is jeopardising the development objectives of the Doha Development Agenda, which is leading to a continuous marginalisation of LDCs and their exclusion from the multilateral trading system;

*Concerned* about the slow progress in finding a permanent solution through amendment of the TRIPS Agreement to enable countries with no or insufficient manufacturing capacity to access pharmaceutical products at affordable prices;

*Concerned* about the slow pace in addressing the secular deterioration of the terms of trade of commodities;

*Recalling* Members' commitment to place the needs and interests of Least Developed Countries at the heart of the Doha Work Programme and highlighting the special needs of *inter alia*, post conflict, small island, landlocked and vulnerable economies in the multilateral trading system;

*Concerned* at the continuing onerous demands put by some WTO members in the accession process of LDCs;

*Appreciating* development partners and international organizations especially UNCTAD and WTO for their technical assistance and capacity building support, extended to acceding LDCs at all stages of the accession process;

*Appreciating* the recent initiative taken by the United Kingdom in an effort to address the concerns of Africa and the new direction proposed by the Commission on Africa Report, as it compliments Africa's own initiatives such as the New Partnership for Africa's Development (NEPAD);

*Appreciative* of the recent decision of G-8 Ministers of Finance to cancel the debt of some LDCs to the World Bank, IMF and the African Development Bank;

*Seeking* additional, adequate and timely support from all of our development partners and International Financing Institutions in meeting the Millennium Development Goals (MDGs) and other programmes aimed at significantly reducing poverty;

*Call* upon the relevant WTO bodies and the Sixth Ministerial Conference to agree on:

1. Binding commitment on duty-free and quota-free market access for all products from LDCs to be granted and implemented immediately, on a secure, long-term and predictable basis, with no restrictive measures introduced;

2. Complete exemption for LDCs from any reduction commitments;
3. Further strengthening the existing preferential schemes and the incorporation of provisions in the modalities to address the erosion of preferences;
4. The need for non-debt creating financial resources from international organizations and bilateral partners, for adjustment required in LDCs as a consequence of changes in the multilateral trade rules;
5. Incorporation of special provisions in the modalities to maintain preferences until such time as all domestic and export subsidies are removed that affect LDCs' commodities, complemented by compensatory and transitional measures to allow LDCs to fully prepare their commodity industries for open and fair competition;
6. Increased resources and an effective delivery mechanism for trade capacity building to address the inherent supply-side capacity constraints faced by LDCs with a view to enabling them take advantage of increased market access opportunities;
7. Strengthening the effectiveness of the Integrated Framework, *inter alia*, by a significant resource increase, including through other initiatives, with a view to building up supply-side capacity, technological and physical infrastructure that would support diversification of LDCs' production and export base;
8. The need for "Aid for Trade" as an additional, substantial and predictable financial mechanism to strengthen supply-side and infrastructure capacity, diversification of trade in LDCs and address adjustments challenges and costs for the effective integration of LDCs into the International Trading System;
9. The need for all development partners to effect full debt cancellation for all LDCs, including in the measures of implementation, in order to address their trade and development concerns;
10. The need for all development partners to assist LDCs in attaining the MDGs, by making concrete efforts to achieve the targets on Official Development Assistance (ODA) with respect to LDCs as contained in the Brussels Programme of Action and the Monterrey Consensus, in particular to address the trade concerns of LDCs;
11. The special circumstances and needs *of inter alia*, post conflict, small island, landlocked and vulnerable economies to be taken into consideration in meeting their commitments in the WTO; and the provision of adequate financial and technical assistance and capacity building programmes on a sustained basis for such countries to enable them to integrate more fully into the multilateral trading system;
12. Incorporation of provisions in the modalities on realistic, flexible and simplified rules of origin, certification and inspection requirements and technical and safety standards;
13. A moratorium on safeguard measures and antidumping actions against LDCs so as to facilitate exports from LDCs;

14. Binding commitments on targeted and substantive technical assistance programmes in favour of LDCs to enhance their capacity, *inter alia*, to meet SPS measures, standards requirements, Rules of Origin and other Non-Tariff measures in the importing countries;

15. Ambitious, expeditious and specific cotton-related decisions, in particular the elimination of domestic support measures and export subsidies that distort international trade in cotton, as indicated in the African Group submission by no later than the 6<sup>th</sup> WTO Ministerial Conference. The decision includes bound duty-free and quota-free access for cotton and products derived from cotton for the LDCs cotton producers and exporters;

16. The creation of an Emergency Support Fund for Cotton as well as the commitment by WTO Members to address the development-related aspects of the Cotton Initiative, ensuring the coherence between the trade and development aspects of this issue;

17. A credible end-date for the elimination of all forms of export subsidies and significant reduction of all forms of trade distorting domestic support, while taking into account all Special and Differential Treatment provisions and recognising the need for transitional measures that will offset the negative, short-term effects of removal of subsidies in terms of reducing or removing LDCs' preferential margins into the markets of developed countries;

18. Engaging in the review and clarification of the green box criteria and improve obligations for monitoring and surveillance to avoid box shifting;

19. Establishing a Special Safeguard Mechanism (SSM) to respond to the needs and the particular circumstance of LDCs enabling them to adopt temporary emergency measures in order to address import surges and price declines with a view to safeguarding food and livelihood security as well as rural development. The SSM to be agreed must take into account the institutional capacities and available resources of LDCs, and thus must be simple, effective and easy to implement;

20. Full implementation of the commitments made in the Marrakesh Declaration and Ministerial Decisions in favour of LDCs, and the Ministerial Decisions on Measures concerning the Possible Negative Effects of the Reform Programme on LDCs and Net-Food Importing Developing Countries (NFIDCs);

21. Modalities on food aid that will discipline the commercial displacement effects of food aid while ensuring that food aid is available at all times to meet the needs of LDCs and NFIDCs. Modalities must include commitments by donors in the context of the Food Aid Convention and improved monitoring of food aid transactions, while at the same time *encouraging* local and regional purchase, where possible, and which limits to a minimum, the impact of food aid on the local production of recipient countries;

22. Flexibilities for LDCs to determine the levels of binding commitments of their tariff lines consistent with their trade, development and financial needs;

23. The need to urgently amend the TRIPS Agreement to incorporate the 30<sup>th</sup> August 2003 Decision on the Implementation of paragraph 6 of the Declaration of TRIPS and

Public Health as a permanent solution to the problems of LDCs with insufficient or no manufacturing capacity;

24. An expeditious mechanism to address, through Modalities in relevant negotiation bodies, the concern of declining, and volatile commodity prices and the deterioration of the terms of trade as well as an increase in the participation of LDCs in the value chain of production. LDCs welcome the launch of an international Task Force on Commodities at UNCTAD and call on the International Community to provide support for its effective operation;

25. The urgent need to operationalize the objective of coherence mandate between the WTO and International Financial Institutions (IMF, World Bank), in line with the rights and flexibilities that LDCs have obtained under the WTO, since these are aimed at achieving and supporting LDC development objectives;

26. Full implementation of the Modalities for the Special Treatment for LDCs in the Negotiations on Trade in Services;

27. Full market access and national treatment to LDCs in the sectors and modes of supply of export interest to them, including less-skilled and non professional services providers under Mode 4 on a temporary and contractual basis;

28. Adequate targeted technical and financial assistance to LDCs, including to carry out sectoral assessments and take part in the request/offer process in a beneficial and meaningful way;

29. Increased, sustained and targeted technical and financial assistance in favour of LDCs, consistent with the spirit of the Doha work programme;

30. Strengthening the Joint Integrated Technical Assistance Programme (JITAP) for Selected Least Developed and Other African countries and extend it to all LDCs;

31. Developing and applying domestic regulation disciplines, including recognition of qualifications, simplification of administrative practices and visa requirements, and without asking for economic needs tests, that enhance market access to the sectors and modes of supply of export interest to LDCs. Further, take into account the special development, financial and trade needs for LDCs in this respect;

32. Ensuring that the Special Modalities for LDCs and Guidelines and Procedures for the negotiations in services adopted by the Council for Trade in Services in 2001 and 2003 respectively continue to remain the basis for the negotiations;

33. The full implementation of the provisions of Special and Differential Treatment, and to make them more precise, effective and operational; and adoption of new special and differential measures to take into account problems encountered by LDCs and address meaningfully the special and differential proposals of LDCs;

34. Providing LDCs adequate policy space to engage in regional trade arrangements in the pursuit of their development goals and objectives;

35. The need for the negotiations on systemic issues to address the principle of less than full reciprocity, asymmetry in market access and the development concerns of LDCs entering into regional arrangements with developed countries under the GATT 1994 Article XXIV and GATS Article V;

36. Operationalizing the flexibilities agreed in the Modalities for Negotiations on Trade Facilitation which, *inter alia*, stipulates that LDC Members will only be required to undertake commitments to the extent consistent with their individual development, financial and trade needs or their administrative and institutional capabilities;

37. Full and faithful implementation of the Modalities for Negotiations on Trade Facilitation that ensure adequate financial and technical assistance and capacity building including support for infrastructure development of LDCs, through coordinated and sustained flow of funding that also address cost implications of proposed measures affecting LDCs;

38. Full and faithful implementation of the Guidelines for LDCs accession to the WTO adopted by the General Council on December 2002, ensure the full application of the S&D provisions that would emerge from the Doha Round of negotiations to the acceding LDCs and intensify the provision of adequate financial and technical assistance and capacity building support to the acceding LDCs at all stages of the accession process, including through the Integrated Framework;

39. The provision of adequate financial and technical assistance and capacity building programmes on a sustained basis for newly acceded LDCs to enable them adhere to their commitments in the WTO as well as to expedite their integration into the multilateral trading system;

*Agree* to mandate Zambia, in her capacity as Coordinator of the WTO LDC Group to further pursue the negotiating agenda as contained in this Declaration and to present it to the Sixth WTO Ministerial Conference to be held in Hong Kong, China, from 13 – 18 December 2005;

*Express* our appreciation to the Government and People of the Republic of Zambia for hosting our meeting in Livingstone and to thank the UNCTAD and WTO secretariats as well as our development partners for their support.