

Meeting of Representatives of the Permanent Delegation of the African Union (AU) in Geneva with

Mr Pradeep Mehta, Secretary General of CUTS International

Wednesday, 21 June 2023

Agenda: The meeting will serve as a platform to discuss progress of preparations for the upcoming 13th WTO Ministerial Conference (MC13) and the priority areas in WTO negotiations for the African Group.

Brief Introduction of CUTS International: Established in 1983 in Jaipur India, CUTS International has been working on international trade policy issues since 1991 when the Uruguay Round was at its peak.

Since then it has travelled much in the area of trade & development in association with the WTO, UNCTAD, member states and other IGOs and NGOs. It has physical presence in Sub Saharan Africa through centres in Lusaka, Accra, Nairobi, Abuja, Geneva, Washington DC, Hanoi and New Delhi.

Mehta has served on the Advisory Bodies of three DGs of the WTO, which include Supachai Panitchpakdi; Pascal Lamy and now Ngozi Okonjo-Iweala.

CUTS International also has MOUs with COMESA Sectt, EAC Secretariat and cooperation letter with AUC.

Major projects implemented in SSA: Regional Integration in East, West and South Africa, particularly in the area of trade, climate change and food security. Have also initiated competition law reforms in over 20 countries in Africa. And also participated actively with the AUC and UNECA on developing protocols for AfCFTA agreements.

Potential areas of discussion:

1. African Group vision and priorities for MC13
2. Achieving coherence between continental and multilateral objectives

1. African Group vision and priorities for MC13

1.1. The [African Ministers of Trade Declaration on WTO Issues](#) of 11 June 2022, issued just before the commencement of the 12th WTO Ministerial Conference (MC12), laid out the African Group's vision and priorities for the Geneva Ministerial. While outcomes were achieved in some areas in MC12, most notably on a TRIPS waiver for COVID-19 vaccines and an Agreement on Fisheries

Subsidies, progress on most negotiation areas of priority interest to the African Group remains unsatisfactory.

1.2 For MC13, issue-wise priorities for the African Group include:

| African Group’s Priority Areas for MC13 | |
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| Issue/Area | Status |
| Permanent Observer Status for the AU in all WTO bodies | <p style="text-align: center;">Pending</p> <ul style="list-style-type: none"> • AU continues to have ad hoc observer status on a meeting-by-meeting basis in the CTD and SPS Committee |
| Ministerial Decision on the Agreement on TRIPS (“TRIPS Waiver Decision”) | <p style="text-align: center;">Partial Outcome</p> <ul style="list-style-type: none"> • Extension of TRIPS waiver to diagnostics and therapeutics remains pending. The US International Trade Commission (ITC) is internally undertaking an investigation on <i>COVID-19 Diagnostics and Therapeutics: Supply, Demand, and TRIPS Agreement Flexibilities</i> |
| Development-oriented WTO reform | <p style="text-align: center;">Pending</p> <ul style="list-style-type: none"> • Significant differences prevail over the contours of WTO reform • Continuing differences on beneficiaries and administration of S&DT • LDC proposal allowing graduating Members to continue to benefit from the LDC flexibilities for a sustainable transition under discussion • Informal dispute settlement reform talks are underway. The reinstatement of the Appellate Body and meeting the MC12 mandate of having a fully and well-functioning dispute settlement system accessible to all members by 2024 seems challenging • Calls are generally intensifying following MC12 for more policy space to support industrialisation of the African Group Members and their enhanced ability to |

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| | address emerging issues, such as climate change and digitalization of trade and economy. |
| Agriculture | <p style="text-align: center;">Pending</p> <ul style="list-style-type: none"> • No outcome on agriculture at MC12. Continuing stalemate on domestic support and cotton negotiations • Negotiations under para 8 of the MC12 Declaration on Emergency Response to Food Insecurity underway at the COA, but progress on responding to food insecurity in LDCs and NFIDCs remains unsatisfactory and no decision seems to be in sight • On a permanent solution on PSH for food security purposes and a Special Safeguard Mechanism, negotiations are parallelly underway in the COA and COA-SS, but progress remains negligible |
| Subsidies and Countervailing Measures | <ul style="list-style-type: none"> • The African Group has been highlighting the increased use of subsidies by many Members of the WTO, while the African countries don't have the same luxury of adopting unilateral measures despite how subsidies can be a tool of response for climate crisis. • The expiry of the carve-outs contained in Article 8 of the ASCM which allowed for non-actionable of up to 75 percent of industrial research or no more than 20 percent of costs of adaptation new environmental requirements or regulations, continues to stifle this ambition to industrialise. |
| Modernising SPS | <p>MC12 Work Programme, no new negotiating mandate</p> <ul style="list-style-type: none"> • The MC12 SPS Declaration instituted a work programme on responding to modern SPS challenges |

1.3 For many of these issues, particularly related to agriculture, MC13 is likely to at best serve as a stepping stone for further progress and possible outcomes at MC14.

1.4 Potential topics for discussion in the meeting:

- **Agriculture:** The African Group has called for a food security and livelihoods package at MC13, centered on PSH, SSM, and reformed domestic support including subsidy entitlements. How can the African Group promote coherence between the negotiations underway in different bodies, such as the COA and COA-SS? What is the way forward in breaking the deadlock?
- **TRIPS Waiver:** How far is consensus achievable by MC13 to expand the TRIPS waiver to include therapeutics and diagnostics?
- **Development:**
 - The African Group submitted a communication on 1st of March (WT/GC/W/868) to the General Council, titled “Policy Space for Industrial Development - A Case for Rebalancing Trade Rules to Promote Industrialisation and to Address Emerging Challenges Such As Climate Change, Concentration Of Production and Digital Industrialisation” calling on WTO Members to take forward this discussion for an outcome at MC13. What are the prospects for such an outcome?
 - Beyond the S&DT negotiations, which are the other important aspects of development under negotiation that can see outcomes by MC13?
 - Operationalising the LDC Services Waiver remains a work in progress, how can it be accelerated to promote LDCs’ services trade?
 - Where is the e-commerce moratorium headed? How receptive are Members to the development dimension of e-commerce in the negotiations under the Work Programme?
- **Subsidies and Countervailing Measures**
 - The African Group submitted a communication on 26th of May (WT/GC/W/880) to the General Council, making the case for “Rebalancing the Agreement on Subsidies and Countervailing Measures (ASCM) – Policy Space to Promote Industrialisation in Developing Countries”, how can the African Group gather support for its proposal for a constructive way forward towards MC13?
- **Capacity constraints:**
 - Given the range of commitments at the WTO for delegations today, what are the strategies adopted to prioritise participation among

different bodies? This is a real constraint, particularly for LDC African delegations with limited personnel.

- **Coalition building:**

It is a historical fact that whenever the African group collaborated with other developing countries like India that it could achieve much of their aspirations. For e.g. the Hong Kong Ministerial of WTO held in 2005 led a splendid outcome when 90 LDCs joined up with 20 DCs which led to the creation of G-110, which could influence the outcome in favour of the Global South.

2. Achieving coherence between continental and multilateral objectives

2.1 The African Group has submitted various proposals and communications to the WTO, particularly on agriculture-related aspects, WTO reform and development aspects. We must ensure coherence of approaches between proposals submitted at the WTO and the objectives of continental integration through the AfCFTA, particularly in areas such as agriculture, in line with the strategic objectives of Agenda 2063. Issue-wise mapping of the various joint proposals made at the WTO with the approach in the AfCFTA framework may be desirable. The AU may also wish to map the different approaches of AU Members towards the various ongoing plurilateral initiatives at the WTO.

2.2 Which are the priority areas where civil society organisations like CUTS International can complement efforts of the African Group to promote continental and multilateral trade objectives, through initiatives such as capacity-building programmes?