

## **LDC TRADE MINISTERS' MEETING**

Maseru, Lesotho  
27 – 29 February 2008

### **MASERU DECLARATION**

We, the Ministers of the Least Developed Countries (LDCs) responsible for trade, meeting in Maseru, Lesotho with a view to advancing and promoting the interests of LDCs in the Doha Development Round of multilateral trade negotiations at the World Trade Organization (WTO);

*Recalling* the LDC Ministers' Declarations adopted at Zanzibar in 2001, Dhaka in 2003, Dakar in 2004 and Livingstone in 2005;

*Acknowledging* the contribution of trade to the economic development and growth of the economies of LDCs, particularly those that are most vulnerable;

*Desiring* to secure the meaningful and effective integration of LDCs into the multilateral trading system;

*Welcoming* the commitment by Members to exempt LDCs from undertaking any reduction commitments in Agriculture and NAMA;

*Reaffirming* the need to conduct the WTO negotiations in a transparent and all-inclusive manner and the need to maintain the centrality of development outcome from the Doha Development Round;

*Recalling* the commitment of Members of the WTO to place the needs and concerns of LDCs at the heart of the Doha Development Agenda (DDA) negotiations;

*Having reviewed* the progress made in the DDA negotiations towards this goal;

*Noting* that, while progress has been made in certain areas, important common negotiating goals of the LDCs in the DDA have not been attained fully;

#### **Call upon the WTO Members to agree on the following:**

##### **Duty-free and Quota-free Market Access and Rules of Origin**

1. A commitment by developed country Members to fully implement the decision on duty-free and quota-free market access as contained in Annex F of the Hong Kong Ministerial Declaration, including through Agriculture and Non-Agricultural Market Access modalities, with a view to ensuring commercially meaningful duty-free and quota-free market access for at least 97 per cent of products originating from LDCs, defined at the tariff line level, by the end of 2008;
2. A commitment by developed country Members to grant, in a progressive manner, duty-free and quota-free market access for the remaining 3 per cent of products originating in LDCs at an earlier date, but not later than the end of the implementation period of the Doha Round;

3. Specification by each developed country, on a product-by-product basis, of the dates on which it will grant duty-free and quota-free market access for the remaining 3% of products originating in LDCs by the time Members submit their comprehensive draft schedules of concessions;
4. A commitment by a larger number of developing countries declaring themselves in a position to do so to progressively implement beyond current market access levels and to provide duty-free and quota-free market access to products originating from all LDCs starting at an earlier date, but not later than the end of the implementation period;
5. An agreement by Members to base their rules of origin for products originating in LDCs on the model Rules of Origin in TN/CTD/W/30, TN/MA/W/74 and TN/AG/GEN/20;
6. An agreement to establish an effective monitoring mechanism as part of the NAMA and Agricultural Modalities of the Doha Round, to oversee provisions for duty-free and quota-free market access to all products from all LDCs and to monitor the implementation of simple and transparent rules of origin for products originating in LDCs;
7. Operationalisation of commitment by development partners and the relevant international institutions to provide additional financial and technical assistance through appropriate delivery mechanisms aimed at industrialisation and diversification of LDCs' economies, and to meet their implementation obligations, including fulfilling SPS and TBT requirements, building capacity in standards and related infrastructure and assisting LDCs to manage their adjustment processes, including those necessary to face the results of MFN multilateral trade liberalization; and
8. Parallel progress should be made in the implementation of DFQF market access commitments in agriculture and NAMA modalities for comparable outcomes in both areas.

## **Agriculture**

9. A commitment to achieve DFQF market access provisions specified in paragraph 1 to 8 above;
10. The elimination, in accordance with the Hong Kong Ministerial Declaration, of all forms of export subsidies by the end of 2013, except where provisions are for LDCs;
11. An agreement to cap blue box support and to adopt disciplines on spending at product-specific level;
12. The review and clarification of green box disciplines and the design of appropriate and effective monitoring and surveillance mechanisms to avoid box shifting;
13. Full access to Special Safeguard Mechanism (SSM) under all circumstances to address import surges and price declines. In view of the institutional capacity of the LDCs recourse to SSM should be simple and user friendly and access to SSM should not be limited to the implementation period. There should be no ceiling on the level of tariff necessary to address import surges. The remedy should be sufficient to address the magnitude of the surge;
14. Access to all Special and Differential Treatment provisions and exemption from any form of reduction commitments;
15. An acceptance by all Members that food aid should respond to the demands of LDCs;

16. Commitments by development partners in the improvement of the monitoring of food aid transactions to avoid commercial displacement in the recipient countries while encouraging the purchase of local and regional products to promote the development of the local and regional agricultural sector;
17. Permitting the monetisation of non-emergency food aid only under exceptional circumstances to be determined by recipient countries;
18. Establishing an appropriate 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; this should include arrangements between producing and consuming countries / and between commodity-dependent producing countries; and
19. Inclusion of paragraphs 87 to 97 of TN/AG/W/4 Rev.1 as an integral part of the Agreement on Agriculture.

### **Cotton**

20. Achieving an ambitious, expeditious and specific outcome for cotton trade-related aspects, in particular the elimination of trade-distorting domestic support measures and export subsidies, granting of duty-free and quota-free market access for cotton and cotton by-products originating from the LDCs;
21. Setting up a safety net mechanism for cotton producing LDCs to address revenue losses as a result of declining prices in the international markets; and
22. Implementing the commitment by WTO Members contained in the July Package and the Hong Kong Ministerial Declaration regarding the mobilisation of technical and financial assistance to ensure the coherence between the trade and development aspects.

### **NAMA**

23. A commitment to achieve the outcomes specified in paragraph 1 to 8 above, under the headings DFQF market access and rules of origin, in the negotiations on non-agricultural market access (NAMA);
24. Flexibilities for LDCs to determine the level of bindings of their tariff lines. LDCs will be the judge of the extent and level of the bindings they will make;
25. An agreement to eliminate all non-tariff barriers on products originating in LDCs;
26. Agreement not to impose any discipline on export taxes, as these are legitimate tools for development; and
27. Access to all Special and Differential Treatment provisions and exemption from any forms of reduction commitments.

## **Preference Erosion**

28. An agreement to incorporate both trade and non-trade solutions in the NAMA and Agricultural modalities to address the erosion of preferences;
29. An agreement by all Members to incorporate all the tariff lines contained in the list submitted by the LDCs in Document Job (07)/167, with a view to addressing the erosion of preferences on the LDCs in their major markets, namely the EC and the US, and to subject these tariff lines to a longer grace period in tariff cuts as proposed by LDCs; and
30. The sectoral initiatives of the NAMA negotiations shall not harm the export interests of LDCs due to erosion of their preferences. Effective mechanism should be established to mitigate any negative effect of the sectoral tariff initiatives.

## **Services**

31. An outcome in services consistent with the development objectives of the GATS, 2001 Services Negotiating Guidelines and the Hong Kong Ministerial Declaration, including Annex C. Steps towards the completion of the negotiations should be consistent with these objectives;
32. Full and effective implementation of the modalities for the special treatment for LDCs for the negotiations on trade in services before the end of 2008 and as contained in TN/S/13;
33. An immediate fulfilment of the obligations of developing an appropriate mechanism to grant special priority to LDCs in sectors and modes of supply of export interest to LDCs, including through a legal mechanism to ensure that preferential and more favourable treatment to services and service suppliers of LDCs is exempt from the MFN obligation in Article II of the GATS;
34. Commitments on market access and national treatment to LDCs in the sectors and modes of supply of export interest to LDCs, in particular commitments on the temporary movement of persons supplying services (Mode 4) as identified by LDCs;
35. A commitment from developed countries, and developing countries in a position to do so, to provide preferential and more favourable treatment to services and service suppliers of LDCs, in accordance with the proposal by LDCs contained in TN/S/W/59;
36. Immediate assistance to LDCs in identifying sectors and modes of supply that represent their development priorities;
37. Provision of needs-based technical assistance and capacity building aimed at assisting in building their institutional framework and domestic regulation capacity including facilitating the establishment of technical standards and participation of LDCs in the relevant organisations; and
38. Commitments by WTO Members to ensure the strengthening of LDC domestic services supply capacity, efficiency, and export competitiveness in accordance with Article IV:1(a) of the GATS and paragraph 8 of the LDC Modalities (TN/S/13). Reporting by WTO Members of any measures taken to date towards that objective. Future commitments shall include measures as set out in paragraph 8 of the LDC Modalities.

## **Trade Facilitation**

39. Priority to be granted to LDCs in availing technical and financial support for conducting the self-assessments and priority needs exercise at national level;
40. Follow-up to the self-assessments and priority needs exercise whereby LDCs are provided assistance to determine the costs implications of proposed trade facilitation measures;
41. Adequate financial and technical assistance and capacity building for the development of required infrastructure in LDCs, through a coordinated and sustained flow of funding that also addresses the cost of the implementation of the proposed trade facilitation measures affecting LDCs;
42. Indication by Members during the scheduling stage of the nature and means of effecting capacity building, technical assistance and financial assistance;
43. LDCs shall not be required to undertake mandatory commitments until their acquisition of the necessary capacity to implement such provisions. The LDCs should be the ones to determine whether such implementation capacity has been acquired; and
44. LDCs shall individually notify their implementation plans after the entry into force of any new trade facilitation agreement.

## **TRIPS**

45. Amendment to the TRIPS Agreement to require, in accordance with the proposals contained in IP/C/W/474, mandatory disclosure of source and origin of biological resources and associated traditional knowledge and proof of prior consent to address misappropriation and erroneous granting of patents in order to enhance the developmental aspects and benefits that could accrue to the LDCs;
46. Commitments by developed WTO Members to provide incentives to enterprises and institutions within their territories that achieve effective technology transfer to LDCs in accordance with Article 66.2 of the TRIPS Agreement. Such measures must go beyond workshops and seminars to include measures that provide incentives to enterprises and institutions in developed WTO Members to work in direct conjunction with enterprises and institutions in LDCs in a manner that results in technology transfer;
47. Establishment of a monitoring mechanism to review the situations where enterprises and institutions within developed WTO Members have provided technology transfer to LDCs as a result of such incentives and their effectiveness at creating a viable technological base in the LDC;
48. A commitment to expedite the process of ratifying the Protocol amending the TRIPS Agreement attached to the Decision of 6 December 2005 (WT/L/641) within the two year extension period agreed to in WT/L/711;
49. A commitment by development partners to provide financial and technical assistance for need assessments and implementation of bankable project identified by LDCs; and
50. Explore the Convention on Biological Diversity (CBD) and its relations with the TRIPS Agreement with a view to incorporating the LDCs concerns embedded in the CBD, but not covered in TRIPs.

### **Rules and Fisheries Subsidies**

51. Approval of Article III.1 of Annex VIII of the Chair's draft text of the 30<sup>th</sup> November 2007 on Fisheries Subsidies which exempts LDCs from the prohibited subsidies to the fishing sector that are listed in Article I.1 of the text;
52. Provision for adequate technical assistance to meet information requirements under the Notification and Surveillance on subsidies Implementation of the provision of technical assistance, particularly for the information requirements of Article VI:5; and
53. Exemption of LDC exports from safeguard measures and antidumping actions so as to facilitate exports from LDCs.

### **Special and Differential Treatment Provisions**

54. Full implementation of the provisions on special and differential treatment for all LDCs and the effective application of these provisions for the LDCs in the process of accession to the WTO; and
55. Establishment of a simple, practical and efficient monitoring mechanism that compliments other existing and proposed monitoring mechanisms which will allow for regular review of the implementation and effectiveness of S&D provisions in the existing agreements in line with paragraph 44 of the Doha Ministerial Declaration as well as provisions that will result from the current round.

### **LDC Accessions to the WTO**

56. The adoption of a binding mechanism to fast-track accession of LDCs, based on full and faithful adherence to the letter and spirit of the Guidelines for LDCs accession to the WTO that were adopted by the General Council in December 2002. Members shall refrain from taking non trade issues towards acceding countries;
57. A comprehensive review by the Sub-Committee on LDCs of the accession process of the recently-acceded LDCs and an annual review of the ongoing accessions to evaluate the implementation of the LDC Accession Guidelines, with the results of the review included in the Annual Report of the Committee on Trade and Development to the General Council;
58. Ensure the full and automatic application to all LDCs in the process of accession of the provisions on all special and differential treatment for LDCs contained in the WTO Agreements and any such provisions that will emerge from the Doha Round of negotiations; and
59. The provision of increased financial and technical assistance and capacity building programmes on a sustained basis for acceding and newly acceded LDCs to enable them to effectively participate in the accession process and to adhere to their commitments in the WTO respectively, as well as to expedite their integration into the multilateral trading system.

### **We further call for:**

60. Full implementation of the commitments made in the Marrakesh Declaration and Ministerial Decisions in favour of LDCs, as well as the Ministerial Decisions on Measures concerning the

Possible Negative Effects of the Reform Programme on LDCs and Net-Food Importing Developing Countries (NFIDCs);

61. Efforts to ensure that the negotiations adhere to 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;
62. Provision of increased, sustained and targeted technical and financial assistance in favour of LDCs, consistent with Doha work programme, including continued delivery by WTO secretariat of specialized technical assistance and training activities;
63. Special consideration to be given to developing countries that are in Customs Unions with LDCs in reduction commitments;
64. According high priority and importance to national ownership by LDCs of the EIF as an effective tool to enhance economic development;
65. Strengthening the effectiveness of the EIF through, *inter alia*, building supply-side capacity, technology and trade-related infrastructure that would support diversification of LDCs' production and export base;
66. Immediate appointment of the EIF Executive Director, selection and appointment of the Trust Fund Manager and acceleration of other related processes, which will strengthen EIF global governance structure;
67. Operationalisation of the EIF by mid-2008 so that the LDCs start benefiting from the facilities available under EIF;
68. Immediate measures to move the Aid for Trade process from analysis and needs assessment to the implementation at country, regional and international levels with full recognition of regional integration as a necessary step to enhancing trade competitiveness and scale up the overall ODA envelope so that resources are additional and substantial and can be employed in all areas defined in the broad definition of Aid for Trade;
69. Establishment of an appropriate system or mechanism of reporting and monitoring of Aid for Trade which takes into account national foreign aid flow monitoring systems;
70. Efforts to ensure the coherence mandate between the WTO and International Financial Institutions (IMF, World Bank) as well as regional development institutions (AfDB, ADB), , in line with the rights and flexibilities that LDCs have obtained under the WTO, is put into full operation to support LDC development objectives; and
71. UNCTAD XII, which offers a unique opportunity, to address the challenges and opportunities of globalisation for development and ensure and strengthen the coherence between development and trade, particularly in the context of LDCs.

**We express our appreciation to:**

72. His Majesty The King, his Government and People of the Kingdom of Lesotho for hosting this LDC Ministers meeting in Maseru;

73. Development partners, institutions, organisations and agencies who continue to support the efforts of LDCs to secure a trading system that takes their interests into account and those who have made it possible for the LDCs to hold this meeting; and
74. Lesotho, as Coordinator of the WTO LDCs Group, and mandate her to further pursue the negotiating agenda as contained in this Declaration and to present it to the WTO bodies and Ministerial Conferences.

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