Ministerial Conference in Nairobi, Kenya. This week, ministers should welcome Afghanistan and Liberia as new members, and adopt decisions on electronic commerce, vulnerable economies and intellectual property. Questions remain as to whether an outcome can be reached this week on any of the issues of the current negotiating round, while ministers will consider the way forward for post-Nairobi WTO negotiations. CUTS is there to update you on the proceedings.

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Plenary Today

**USTR CALLS FOR A NEW FORM OF “PRAGMATIC MULTILATERALISM”**

Today’s plenary session witnessed ministerial speeches from several countries, the most anticipated being the United States who has been the main advocate for reconsidering the DDA as a negotiating framework.

In his statement, Michael Froman, the United States Trade Representative, suggested that moving beyond Doha doesn’t mean leaving its unfinished business behind, but rather bringing new approaches to the table. “Freeing ourselves from the strictures of the Doha framework would allow us bring new, creative approaches to those issues, as well as allow us to explore emerging trade issues, revitalizing the WTO and the multilateral trading system.”

Other members taking the floor today included Guinea, Hungary, Montenegro, Sri Lanka, Congo, El Salvador, Benin, Latvia, Viet Nam, Zambia, Belgium, Slovenia, Tonga, Namibia, Grenada, Mozambique, Denmark, Myanmar, and Sierra Leone.
WTO WELCOMES AFGHANISTAN AS ITS 164TH MEMBER

This afternoon, the WTO membership welcomed Afghanistan as a new member. Muhammad Khan Rahmani, First Deputy Chief Executive of the Islamic Republic of Afghanistan, described his country’s accession as a “historic day” in its long-standing efforts for economic development and poverty reduction. He recalled that trade has been a high priority for Afghanistan, who is a member of several regional agreements. He encouraged investors to take advantage of the tremendous opportunities the country has to offer, including natural resources reserves worth USD 3 trillion.

The Director-General of the WTO, Roberto Azevêdo, congratulated the organization’s members and the government of Afghanistan for this historic achievement after an eleven year-long accession process. He recalled that this marks not only the 36th accession concluded, but also the 36th LDC member of the WTO. He assured that the WTO will accompany Afghanistan in the implementation of its accession. “Today is an important milestone, but is not the end of the journey” he said.

Negotiations Insights

TODAY’S UPDATE

Nairobi is seeing intense member engagement since last night, when ministers discussed a first draft declaration until late. The major divergence remains on retaining the 14 years old Doha Development Agenda as the framework for post-Nairobi negotiations, as well as whether or not to introduce new issues as demanded by some members. Discussions on the draft continue, with tough negotiations expected to go on through the night.

In addition, a draft text on agriculture was circulated this morning by the ministerial facilitator for agriculture to help ministers find common ground. The text attempts to identify compromise outcomes across the three areas that, together with cotton, have been the focus of recent WTO work on agriculture, namely: Special Safeguard Mechanism, Public Stockholding for Food Security Purposes, and Export Competition. More detailed outcomes are being considered in the case of the latter as, according to WTO press briefing, the gaps on SSM seem to be too important to expect consensus now.

Negotiations also continued on several other issues including transparency in rules,
fisheries subsidies, and special and differential treatment for developing and least developed countries. On the latter, developing and least developed countries reacted with disappointment as the draft proposed by the Chair of the talks offered less-than-satisfactory outcomes on only 9 of the 25 proposals by developing and least developed countries. On the other hand, some progress has been reported in the negotiations on transparency in rules areas and fisheries subsidies.

Given the limited progress made in the talks at the Ministerial thus far, and the substantial differences among members, the negotiations are expected to be extended beyond the original deadline of Friday morning to provide additional time to members to reach a consensus outcome.

**WHAT'S ON THE TABLE**

Fourteen years into the Doha Development Round of trade negotiations, the WTO membership’s success in delivering multilateral trade deals has so far been limited, including on issues of priority to developing and least developing countries. This week’s 10th WTO Ministerial Conference is expected to be crucial for the future of these negotiations, as some members call for reconsidering the relevance of the DDA as a negotiating framework.

Suggestions are also being put forward that trade ministers should consider the introduction of new negotiating issues, something which is opposed by many developing countries who are concerned about the eventual conclusion of the current issues which are of interest to them. Besides this, members have been trying to put together a package of current DDA issues to be concluded by their ministers in Nairobi, but were far from a consensus on its content.

Some of the issues initially proposed for inclusion in a Nairobi package included agricultural export competition, some development issues (e.g. simplified and preferential rules of origin for exports from LDCs), and improved transparency in areas such as fisheries subsidies. Some members have, however, conditioned their approval to the inclusion of more contentious issues such as Special Safeguard Mechanism, public stockholding for food security purposes, and special and differential treatment provisions.

With the lack of a consensus emerging ahead of Nairobi, ministers have been forwarded a draft declaration with a number of brackets to deal with, in all its three parts, i.e.: (i) Preamble on the achievements and challenges over the WTO’s 20-year history; (ii) decisions by trade ministers, e.g. on a package of DDA issues; and (iii) the future work of the organisation, e.g. framework for post-Nairobi work programme. Nevertheless, the draft declaration anticipates the adoption of three decisions on: (i) TRIPs Non-violation and Situation Complaints; (ii) Work Programme on Electronic Commerce; (iii) Work Programme on Small Economies.

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**CUTS @Nairobi**

**TRADE AS A TOOL FOR LDCS’ GRADUATION: HOW CAN THE MULTILATERAL TRADING SYSTEM DELIVER ON DEVELOPMENT?**
This side event chaired by Ambassador Steffen Smidt, LDC Facilitator looked at the various ways through which the multilateral trading system has fostered development in the past and how the WTO can aid in achieving the goal of the Istanbul Programme of Action (IPoA), in particular what measures can be implemented to facilitate the LDCs in their transition for graduation. Only four countries have graduated out of the LDC category since it was established in 1971.

The panel comprised a distinguished group of experts, namely: Bipul Chatterjee, Executive Director, CUTS International; Shishir Priyardishi, Director, Development Division, WTO, H.E. Mr Modest J Mero, Ambassador and Permanent Representative of Tanzania to the United Nations, WTO and other international organisations in Geneva; Mr Naindra Prasad Upadhaya, Permanent Secretary Ministry of Commerce and Supplies of the Government of Nepal; Angela Geck, University of Freiburg, Germany; and Ms. Jane Nalunga, Country Director, SEATINI.

The panel began with a discussion on the fact that not only is there a need to help LDCs graduate, but it is also important to help LDCs address post-graduation concerns. Although LDC graduation reflects a positive achievement on the part of LDCs, many LDCs have expressed the need to address concerns that arise as a result of no longer having LDC status.

Panellists acknowledged that that while there had been much progress at the multilateral level to help LDCs further integrate into the global trading system, there was still much work to be done. It was recognised that in spite of the positive impact that trade can have on LDCs, trade policy cannot work in isolation. Many LDCs have not been able to successfully integrate their trade policies within their larger national development policies and as such, have not been able to use trade as a route for growth and development.

The session ended with the recognition that while trade is an important tool, LDCs faced multiple constraints and suffered from extreme vulnerabilities. As a result, it is also important to look at the challenges that LDCs face particularly with regards to structural transformation. LDCs are exporters of raw materials and importers of processed foods, therefore structural transformation would require facilitating production and linking production to industrialisation.

REGIONAL INTEGRATION IN AFRICA

By CUTS Nairobi, University of Sussex and ECDPM

This public event organised today at the WTO NGO Centre discussed the issue of "Regional Integration and Public Participation in Africa", as well as the issue of "Regional Integration and Poverty: What we know so far?". Key event deliberations included the challenges of defining regional integration and measurements of poverty, availability of quality quantitative data, and limited application of qualitative assessment.

The main conclusion of the research paper presented was that the effect of regional integration on poverty is inconclusive, in other words, some countries potential lose
while others may find themselves winning from regional integration. The issue of isolating the effect of regional integration on poverty, infrastructure and other enabling factors that contribute to poverty reduction, consideration of informal sectors and so on were key points raised for the consideration of the main presenter.