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**WORKING TOWARDS AN EQUITABLE ENVIRONMENT FOR INTERNATIONAL
COMMERCE: THE ISSUES OF TRADE IN AGRICULTURAL PRODUCTS AND
THE ACCESS TO BASIC MEDICINES**

Revised preliminary draft resolution prepared by the Co-rapporteurs

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The 110th Assembly of the Inter-Parliamentary Union,

(1)

Recalling:

- The objectives of the IPU, as stated in its Statutes;
- The Final Declaration of the Parliamentary Meeting on International Trade "For a free, just and equitable multilateral trade system: providing a parliamentary dimension" (Geneva, June 2001),
- The Doha Ministerial Declaration adopted by the Fourth WTO Ministerial Conference (Doha, November 2001),
- The Declaration of the Cancún session of the Parliamentary Conference on the WTO held on the occasion of the Fifth WTO Ministerial Conference (Cancún, September 2003),
- The objectives of the Partnership Agreement signed in Cotonou on 23 June 2000 between the members of the African, Caribbean and Pacific Group of States (ACP) and the European Union (EU) regarding poverty eradication, sustainable development and the gradual integration of the ACP countries into the world economy,
- IPU resolutions on international trade, development and poverty reduction,

(2) *Noting* that the Doha Ministerial Declaration recognizes that the majority of WTO members are developing countries and that world trade should be largely commensurate with the needs of their economic development,

(3) *Also noting* that the voice of developing countries became stronger at the WTO Ministerial Conference in Cancún with the involvement of negotiating groups such as the G20+, the G90 (African Union, ACP and the Least Developed Countries) and the G33,

- (4) *Aware of* the differing positions of these groups, some of which advocate total trade liberalisation, while others wish to keep tariff preferences under special and differential treatment, but all of which seek their voice to be heard,
- (5) *Recognizing* the need for better designed negotiating structures with clear rules, agreed by all WTO members, to allow for the establishment of an equitable environment for international trade,
- (6) *Noting* that an agreement was concluded at the Doha Ministerial Conference concerning a special interpretation of the trade-related aspects of intellectual property rights (TRIPS) to meet public health needs,
- (7) *Preoccupied* that one third of the world population does not have access to essential medicines, and *particularly concerned* at the spread of the HIV/AIDS pandemic, affecting 42 million people throughout the world, a significant proportion of whom are in Africa and 90 per cent of whom do not have access to medicines,
- (8) *Welcoming* the WTO agreement of 30 August 2003 on legal changes that will make it easier for poorer countries to import cheaper generic medicines made under compulsory licensing if they are unable to manufacture the medicines themselves,
- (9) *Aware of* the support through the Global Fund to Fight AIDS, Tuberculosis and Malaria for essential not-patented medicines requiring the provision of a full health service delivery system in each country,
- (10) *Noting* the reforms of the EU Common Agricultural Policy entailing major decoupling of production subsidies while *remaining aware* that trade distorting domestic support and export subsidies clearly harm developing countries,
- (11) *Welcoming* French President Chirac's proposals at the G8 meeting at Evian in 2003 to eliminate export subsidies on all products of interest to developing countries,
- (12) *Noting* that the "peace clause" of the WTO Agriculture Agreement has now expired and that countries have greater freedom to take action against each others' agricultural subsidies wherever they are found,
- (13) *Further noting* that:
- The Doha Ministerial Declaration entails a number of commitments to tackle specific problems that have long been identified as major stumbling blocks preventing developing countries from securing a more equitable share of world trade;
 - While agriculture provides a means of subsistence for two-thirds of the world, particularly the developing countries, in Sub-Saharan Africa where cotton producers make up approximately 40% of the overall population, cotton represents nearly 30 % of national exports and 5-10 % of GDP, and that this product thus holds an important strategic position in the fight against poverty,
 - The subsidies of the wealthy countries guarantee a minimum price to their producers, which results in the market being flooded with non-competitive agricultural goods, while the exorbitant cotton subsidies granted by the USA,

the EU and China violate the rules of international trade and distort the universal principles of competition; such subsidies reached US\$311 billion which is more than 6 times the amount of official development aid to developing countries,

1. *Calls for* continued provision of financial assistance to negotiating teams of developing countries so as to enable them to have a more effective voice in international negotiations;
2. *Recommends* that negotiations for opening markets be simultaneously pursued along North-North, South-South and South-North lines;
3. *Emphasizes* that the decision of the WTO General Council of 30 August 2003 on the implementation of paragraph 6 of the Doha Declaration on the TRIPS Agreement and Public Health opens the way to its prompt implementation through national legislation to be passed by each parliament;
4. *Encourages* parliaments to scrutinise the actions both of government and of pharmaceutical companies to ensure implementation of the above-mentioned WTO decision, particularly after 31 December 2004 by which date all countries (except LDCs) are required to have introduced product patents on pharmaceuticals;
5. *Urges* the WTO and its members to provide technical aid to the countries in need and to ensure correct application of paragraph 6 of the Doha Declaration on the TRIPS Agreement and Public Health;
6. *Calls for* a special fund to be put in place to finance the purchase of antiretroviral HIV/AIDS medicines and *also calls for*:
 - (a) such medicines to be included on the WHO Model List of Essential Medicines;
 - (b) WTO provisions to be reinforced in order to provide a freer exchange stimulating competition in generic products and thus driving down the price of anti-AIDS drugs;
7. *Calls upon* all parliaments to pass legislation giving effect to the 30 August 2003 decision of the WTO that introduces compulsory licensing for the export of patented medicines for life threatening diseases to least developed countries so that the latter can import such drugs without restrictions;
8. *Further calls* upon parliaments to stimulate government action to ensure that antiretroviral drugs and those preventing mother-to-child HIV transmission are made accessible to HIV/AIDS patients, rather than simply lowering the price of such drugs;
9. *Hopes* that agreements concluded at the various WTO negotiations will contribute significantly to the rectification of imbalances and inequalities within world trade, and that specific priority will be granted to the concerns related to the development of poor countries;

10. *Recognizes* the strategic position of the cotton industry for development and poverty reduction in many countries, especially the least advanced ones, while stressing that changes negotiated in the area of agriculture should be non-sectoral;
11. *Invites* the IPU to support sectoral initiatives on cotton referred to in the document presented to the Fifth WTO Ministerial Conference by its Chairman, Mr. L. Derbez;
12. *Urges* the EU, US and China to remove their cotton subsidies and *calls on* the Common Fund for Commodities (CFC) to come forward with proposals in support of the Cotton Initiative of the governments and parliaments of Mali, Benin, Burkina Faso and Chad, which aim at the progressive elimination of all cotton subsidies and the establishment of a compensation mechanism to support the cotton sector in the least developed countries;
13. *Calls for* the urgent and complete elimination of all agricultural subsidies contributing to under-development;
14. *Calls on* the IPU Member parliaments to monitor the pursuit by governments of the above mentioned objectives.