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Standing Committee II -
Sustainable Development,
Finance and Trade

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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**

Preliminary draft resolution prepared by the Co-rapporteurs
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The 110th Assembly of the Inter-Parliamentary Union,

- (1) *Recognising:*
- The objectives of the IPU, as stated in its Statutes;
 - The final declaration of the Parliamentary Meeting on International Trade (Geneva, 8 and 9 June 2001) "For a free, just and equitable multilateral trade system: providing a parliamentary dimension",
 - The Doha Ministerial Declaration and its provisions in the area of trade,
 - The Declaration of 12 September 2003 issued by MPs gathered at Cancun on the occasion of the Fifth WTO Ministerial Conference to discuss issues related to multilateral trade,
 - The objectives on the CAP-EU partnership signed in Cotonou on 23rd June 2000 regarding trade and poverty alleviation,
 - Its previous resolutions and in particular those on international trade, development and poverty reduction,
- (2) *Noting* that the ministerial declaration of Doha recognizes that the majority of the members of WTO are developing countries and world trade should be largely commensurate with the needs of their economic development,
- (3) *Noting* that the stronger voice of developing countries in Cancun with the involvement of negotiating groups such as G20+, G90 (AU, CDC and ACP Countries) and the G33,
- (4) *Noting* the differing positions of these WTO groups with some wishing for total trade liberalisation and others wishing to keep tariff preferences under SDT but all wishing to have their voice heard,

- (5) *Noting* the need for better designed negotiating structures with clear rules agreed by all WTO members to allow for the equitable setting up of an environment for International Trade,
- (6) *Noting* that at the Doha Conference an agreement was concluded for a special interpretation of the TRIPS Agreement to meet public health needs,
- (7) *Noting* that one third of the world population does not have access to essential medicines and that the medical situation of developing countries due to the AIDS epidemic, affecting 42 million people throughout the world, of whom a significant proportion are in Africa and 90 per cent of whom do not have medicines,
- (8) *Welcoming* the agreement of 30th August 2003 to remove the obstacles which poor people face in gaining access to affordable essential medicines formally under patent,
- (9) *Noting* that there is support through the Global Health Fund for essential medicines not under patent but also requiring a full health service delivery system in each country,
- (10) *Noting* the reforms of the EU Common Agricultural Policy with major decoupling of subsidies from production but *recognising* trade distorting domestic support and export subsidies clearly harms developing countries,
- (11) *Welcoming* President Chirac's initiatives 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 has now expired and legal challenges are possible to eradicate trade agricultural distorting subsidies wherever they are found,
- (13) *Further noting* that:
- The Doha 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;
 - For two-thirds of the world, agriculture is the means of subsistence, particularly in developing countries; and cotton represents nearly 30 % of national exports and 5 - 10 % of the GDP of sub-Saharan Africa; producers who make their living on cotton make up approximately 40% of the population of this state production; and thus cotton occupies a very important strategic position in the fight against poverty; and for sub-Saharan African states, represents nearly 30% of international exports, 5-10 % of their GDP and offers a way of life for approximately 40 % of the population of these states;
 - The subsidies of the rich countries guarantee a minimum price with their producers, this means the market is flooded with a non-competitive agricultural goods and recalling that the exorbitant subsidies granted by the USA, the EU and China with their cotton producers are made in violation of the rules of the international trade and distort the universal principles of competition, these subsidies reached US\$311 billion - representing more than 6 times the amount of public aid to the development of third world countries, that being US\$55 billion,

1. *Requires* continued funding of negotiating teams in developing countries so as to enable them to have a more effective voice in international negotiations;
2. *Recommends* that negotiations for opening markets be both North- North, South – South and South – North;
3. *Concludes* that the recent decision on the implementation of paragraph 6 of the Doha declaration on the TRIPS accord and public health, opens the way to prompt implementation of this agreement by national legislation in each Parliament;
4. *Encourages* Parliaments to scrutinise the actions of government and pharmaceutical companies, particularly after 31 December 2004 by when all countries (except the Least Developed) are required to have introduced product patents on pharmaceuticals, to ensure implementation in the spirit of the WTO Decision of 30 August 2003;
5. *Concludes* that the WTO and its members should provide technical aid to the countries in need and for a correct application of paragraph 6 of the Doha declaration on TRIPS and public health;
6. A special fund is put in place to finance the purchase of Anti-Retroviral HIV/AIDS medicines.
 - (a) included on the list of essential drugs
 - (b) the reinforcing of the provisions from the WTO, providing a freer exchange, can stimulate competition of generic products and can drive down the price of Anti-AIDs drugs;
7. *Calls upon* all the Parliaments present to pass legislation to give effect to the decision of the WTO on 30 August 2003 and that it be for compulsory licensing for export of patented essential medicines for life threatening diseases to least-developed countries; and the latter be able to import such drugs for such purposes free of restrictions;
8. *Concludes* that the agreements concluded at the various WTO negotiations contribute in a notable and significant way to rectify imbalances and inequalities that exist within world trade, and that concrete priority is granted to the concerns related to the development of poor countries;
9. While wanting to ensure any movement on agricultural produce is non-sectoral and applies across sectors, *reaffirms* the strategic character of the cotton industry for the development and the fight against poverty in the many countries and especially those least advanced states and such as to invite the IPU to favourably accommodate sectoral initiatives on cotton, and to note that the proposal in the Derbez text was not acceptable and that both EU/US subsidies be removed and the Common Fund for Commodities (CFC) be asked to come forward with proposals for cotton with the support of the governments and parliaments of Mali, Benin, Burkina Faso and Chad;
10. *Requests* urgently the total elimination of the provision of all agricultural subsidies which contribute to under development;
11. *Calls on* the IPU Member Parliaments to monitor the pursuit by governments of the above mentioned objections.