

US - EU

Globalisation, Trade and Financing

Globalisation - the growing integration of economies and societies around the world - of opportunities and challenges for sustainable development and has the potential to improve living standards for all. Globalisation offers opportunities and challenges. Globalisation has meant increased trade and capital flows, increased sharing of ideas and the extension of democracy and rule of law to an ever-widening circle of countries. While globalisation has improved lives around the world and offers enormous opportunities for further improvement, our challenge remains to ensure its benefits are enjoyed by all countries. There is concern that larger integration of economies and societies may lead to instability in the international economic and financial system, negative environmental and social implications and loss of cultural diversity. Developing countries and countries with economies in transition face special difficulties in responding to the challenges and opportunities of globalisation. We must work to realize the potential of globalisation and promote sustainable development for all through actions at all levels to:

Continue to promote the open, equitable, rules-based, predictable and non-discriminatory trading and financial systems that benefit all countries in pursuit of sustainable development. Support the successful and timely completion of the workplan contained in the Doha Ministerial Declaration and the implementation of the Monterrey consensus. Welcome the Doha Ministerial Declaration's recognition of the importance of placing the needs and interests of developing countries at the heart of the Work Programme adopted in the Declaration, including through enhanced market access in products of interest to developing countries.

Enhance the delivery of coordinated, effective and targeted trade related technical assistance and capacity-building programmes, including to take advantage of existing and future market access opportunities and to examine the linkages between trade and other aspects of sustainable development.

Comprehensively address the problems encountered by developing countries in the implementation of the Uruguay Round Agreements, as well as the resource constraints faced by them in fulfilling those agreements in accordance with the Doha Development Agenda.

Facilitate the accession of all developing countries, particularly the least developed countries, as well as countries with economies in transition, that apply for membership to WTO.

To complement and support the Doha Ministerial Declaration and Monterrey, by undertaking further action at the national, regional and international levels, including through public/private partnerships, to enhance the benefits, in particular for developing countries as well as countries with economies in transition, of trade liberalisation, through inter alia, actions at all levels to:

- (i) Establish, and strengthen existing, regional trade and cooperation agreements and integrate sustainable development considerations in these.
- (ii) Strongly encourage countries that have not already done so to provide, as quickly as possible, duty-free and quota-free access for exports from all least developed countries.
- (iii) Make preferential trade schemes, such as the Generalised System of Preferences GSP, supportive of sustainable development through positive measures.

- (iv) Promote the creation and expansion of domestic and international markets for products, including through voluntary and market based initiatives, technical assistance cooperation with developing countries.
- (v) Support voluntary efforts to build markets for goods produced in an environmentally friendly manner. Stimulate trade in goods which maximize environmental and social benefits for producers in developing countries.
- (vi) Support measures to simplify and make more transparent domestic regulations and procedures that affect trade so as to assist exporters, particularly those in developing countries.
- (vii) Support the completion of the workprogram of the Doha Ministerial Declaration on subsidies so as to promote sustainable development and enhance the environment.

To continue to enhance the mutual supportiveness of trade and other aspects of sustainable development actions are needed at all levels to:

- (i) Encourage the WTO Committee on Trade and Environment together with the Committee on Trade and Development, within their respective mandates, to take all necessary steps to achieve an outcome that benefits sustainable development in accordance with the commitments made under the Doha ministerial declaration. Moreover, the committees should pursue their work on relevant items of their respective agendas in a timely fashion.
- (ii) Promote a constructive and sustainable relationship between globalization and social development, through support for the work of ILO's World Commission on the Social Dimension of Globalisation.
- (iii) Advance the work and coordination on trade and environment and development of the WTO, UNCTAD and UNEP, involving other relevant international and regional organizations.
- (iv) Further develop and promote the use of environmental impact assessments or where appropriate sustainability impact assessments, at the national level, as a tool to better identify trade, environment and development interlinkages and appropriate mitigating and enhancing measures. Encourage countries and international organizations with experience in this field to provide technical assistance to developing countries for these purposes.

Encourage foreign direct investment that is supportive of sustainable development and enhance the benefits for sustainable development which developing countries can draw from foreign direct investment with particular actions to:

- (i) Create the necessary domestic and international conditions to facilitate increases in the flow of FDI to developing countries, in particular the least developed countries, which is critical to sustainable development, particularly FDI flows for infrastructure development and other priority areas in developing countries to supplement the domestic resources mobilized by them.
- (ii) Promote, use and further develop international guidelines for government measures and financial instruments such as export credits and investment guarantee schemes to encourage investments in support of sustainable development through positive measures.
- (iii) Promote corporate responsibility and accountability and the exchange of best practices, including through a number of ongoing public/private partnerships and voluntary initiatives such as those in the United Nations, the OECD and other fora.
- (iv) Encourage public/private initiatives that enhance the ease of access, accuracy, timeliness and coverage of information on countries and financial markets, which strengthen capacities for risk assessment. Multilateral and regional financial institutions could provide further assistance for all these purposes.

Encourage international financial and trade institutions in their efforts to ensure that decision making processes and institutional structures are open and transparent. Promote mutual supportiveness between the

multilateral trading system and the multilateral environmental agreements, as a complement to and in support of the work program agreed through the WTO. Promote further collaboration, between on the one hand WTO and, on the other hand UNCTAD, UNDP, UNEP, ILO and other relevant agencies, including in the field of providing technical assistance to developing countries.

Assist developing countries and countries with economies in transition in bridging the digital divide, creating digital opportunities and harnessing the potential of information and communication technology for development, and in this context, support the World Summit on Information Society.

Means of Implementation: Trade

Recognizing the major role trade can play in achieving sustainable development and in alleviating poverty, we encourage WTO members to vigorously pursue, in a balanced, transparent and inclusive manner, the negotiating agenda and work programme agreed at the WTO fourth Ministerial Conference at Doha, Qatar, November 2001. In order for developing countries, and especially the least developed among them, to increase their share in the growth of world trade commensurate with the needs of their economic development, we urge WTO members to take the following actions:

- (i) Facilitate the accession of all developing countries particularly the least developed countries, as well as countries with economies in transition, that apply for membership of the WTO, in accordance with the Monterrey Consensus;
- (ii) Support the Doha Development Agenda as an important commitment on the part of developed and developing countries to mainstream trade in their respective development policies and programs, and to implement substantial trade related technical assistance and capacity building measures. Support the Doha Development Agenda Global Trust Fund established after the Fourth WTO Ministerial Conference as an important step forward in ensuring a sound and predictable basis for WTO-related technical assistance and capacity building;

Build the capacity of commodity-dependent countries with the capacity to diversify exports through, inter alia, financial and technical assistance, and international assistance for economic diversification, sustainable resource management, and strengthen the activities covered by the Second Account of the Common Fund for Commodities to support sustainable development.

Call upon WTO members to fulfil the commitments made in Doha, notably in terms of access to markets, in particular for products of export interest to developing countries, especially LDCs, particularly in areas of interest to these countries, by implementing the following actions, and being mindful of the comprehensive framework for negotiation and of the opportunities that will result from the successful conclusions of these negotiations by 1 January 2005:

- Operational*
- (i) Review all special and differential treatment provisions with a view to strengthening them and making them more precise, effective and operational, in accordance with the Doha Ministerial Declaration;
 - (ii) Aim to reduce, or as appropriate, eliminate tariffs on non-agricultural products, including the reduction or elimination of tariff peaks, high tariff escalation, as well as non-tariff barriers, in particular on products of export interest to developing countries. Product coverage should be comprehensive and without a priori exclusions. The negotiations shall take fully in account the special needs and interest of developing countries including through less than full reciprocity in reduction commitments in accordance with the Doha Ministerial Declaration;
 - (iii) Fulfil, without prejudging the outcome of the negotiations, the commitment for comprehensive negotiations of the Agreement on Agriculture, aiming at substantial improvements in market access, reduction of, with a view to phasing out, all forms of export

subsidies, and substantial reductions in trade-distorting domestic support, while agreeing the provisions for special and differential treatment for developing countries shall be an integral part of all elements of the negotiations, taking into account their development needs including food security and rural development, and confirm that non-trade concerns will be taken into account in the negotiations, in accordance with the Doha Ministerial Declaration.

Enhance the benefits for developing countries, as well as with economies in transition, from trade liberalization, including through public-private partnerships, through, inter alia, action at all levels including through financial support technical assistance, the development of technology and capacity building in developing countries to:

- (i) Enhance trade infrastructure and strengthen institutions;
- (ii) Increase developing country capacity to diversify and increase exports, manage resources sustainably and to cope with the instability of commodity prices and declining terms of trade;
- (iii) Increase the value-added of developing country exports.

We stress the importance of the Doha Declaration on the TRIPS Agreement and Public Health, where we agreed that the TRIPS Agreement does not and should not prevent Members from taking measures to protect public health. Accordingly, while reiterating our commitments to the TRIPS Agreement, we affirm that the Agreement can and should be interpreted and implemented in a manner supportive of WTO Members' right to protect public health and, in particular, to promote access to medicines for all.