

**FIRST TRADE MINISTERIAL CONFERENCE
OF AFRICAN AND SOUTH AMERICAN COUNTRIES (ASA)
MARRAKECH PLAN OF ACTION**

Preamble

1. We, Trade Ministers of African and South American countries, meeting in Marrakech (Kingdom of Morocco) on June 19th, 2008, following the recommendations of the Africa-South America Summit, which took place from 26 to 30 November 2006 in Abuja, Nigeria,
2. Recalling the Final Declaration and the Plan of Action of the 1st Africa-South America Summit of Abuja, and taking into account the conclusions of the coordinators' meeting held in Caracas from 16 to 18 July 2007, Abuja coordinators meeting and Brasilia coordinators and 1st Senior Officials meeting,
3. Having reviewed the international economic situation, particularly in Africa and South America, and having exchanged our views on this subject,
4. Deeply concerned about the low growth rates of the Least developed countries and some developing countries, particularly due, among other factors, to the increasing burden of debt, the surge of the energy bill and the price of food products, the fluctuation in commodity prices, the difficulties in terms of market access, the decrease of international aid and the inadequacy of Foreign Direct Investment flows into Least Developed Countries,
5. Recognizing the importance of long standing preferences for the achievement of economic growth and development of African economies, and their need for adequate transitional periods,
6. Recognizing the important role of commodities in economies of Africa and South American countries, the two regions should therefore intensify their cooperation in this area and establish appropriate mechanisms to achieve greater synergies in the production and trading of commodities.
7. Recalling the Millennium Declaration, and in particular the development goals aiming at eradicating poverty,
8. Having considered the conclusions of the 12th session of the UNCTAD, held in Accra, Ghana from 20 to 25 April 2008,
9. Recalling the commitment of WTO members to conclude the Doha Development Round with development dimension at its core, and welcoming the efforts made so as to find solutions to the marginalization of the Least Developed Countries and the developing countries in international trade, and help them to fully integrate into the multilateral trading system,
10. Reiterating our irreversible commitment to put South-South integration and cooperation in place that befits in an increasingly globalized world,

11. We endorse the Plan of Action, hereinafter, within the spirit of solidarity and cooperation that characterize our age-long brotherly multi-sectoral relations, and lay the foundations for a new framework to strengthen partnership between our two regions and to promote dialogue on issues of common interest,

KEY ELEMENTS OF THE PLAN OF ACTION

I. HARMONIZING AND COORDINATING POSITIONS

12. African and South American countries are firmly committed to the multilateral trading system, including the reform objectives set out within the framework of the Doha Development Agenda through the Doha Ministerial Declaration, and reaffirmed by the General Council Decision of 1 August 2004 and by the Ministerial Declaration of Hong Kong, China.

13. The conclusion of the Doha Round, originally scheduled for late 2004, is still subject to delay due to a lack of flexibility to bring the trade of agricultural goods to the framework of WTO. This sector, which remains the main livelihood of African and South American populations, is still seriously threatened by subsidies that distort trade and by the protectionist measures applied by many developed countries.

14. Such delay has a negative impact on the efforts made by African and South American countries to strengthen their integration into the multilateral trading system and to achieve the Millennium Development Goals.

15. African and South American countries call on World Trade Organization (WTO) members, especially the major protagonists of the negotiations, to meet the conditions necessary to reach a final balanced agreement focusing on the development dimension as a fundamental element of the Doha Development Agenda, and ensure comparability between the level of ambition in agriculture and Non Agricultural Market Access (NAMA) and respect for the principles of special differential treatment and of less than full reciprocity in reduction commitments

16. African and South American countries have always worked towards the establishment, within the WTO, of a universal, rules-based, open, non-discriminatory and fair multilateral trading system, that shall contribute to economic growth, sustainable development and job creation in all sectors,

17. In addition to its paramount importance for the economic development of African and South American countries, the Doha work programme represents also an important means to promote trade between these countries.

18. In view of the aforementioned, African and South American countries are committed to strengthening their consultations on the following:

- a) The achievement of the objectives and principles set out in the Abuja Declaration and Plan of Action as concerns the Doha Development Agenda, particularly the removal of tariff and non tariff barriers for developing countries, with regard to the products of the Least Developed Countries and small and vulnerable economies.

- b) The conclusion of the Doha Round at the latest by the end of 2008, without compromising the developmental agenda. The developed countries partners should show more political commitment to overcome obstacles, while effectively taking into account the legitimate interests of African and South American countries, and without compromise the development dimension,
- c) The recognition of the importance of concluding negotiations on, inter alia, agricultural and Non Agricultural Market Access (NAMA) remains key to unlocking the overall negotiations within WTO. Sufficient transitional period should be provided to allow the economies of our two regions to make the necessary adjustments for their sustainable viability.
- d) The conclusion of Agriculture negotiations definitely requires a firm commitment to fully eliminate export subsidies and effectively reduce substantially internal support that distort agricultural trade, a substantial and effective improvement of market access, while taking into account the concerns of developing countries and particularly the Least Developed Countries (LDCs). Should also be addressed the issue of food aid and preference erosion, while granting an effective and operational Special and Differential Treatment (SDT) with regard to special products and special safeguard mechanisms.
- e) Recalling the importance of agriculture in the Doha Development Agenda (DDA), in particular the pillar on market access for tropical products, African and South American countries reaffirm their solidarity and convergence of views on these issues.

However, given the specificity of these essential products for their economies, both sides agree to manage the issue of bananas outside the agricultural modalities at the level of the WTO and ensure that banana-producing countries in both regions find within the framework of the Africa-South America Summit, a final and fair solution for everyone, while highlighting the development dimension.

- f) The specific issue of cotton is expected to make positive progress on the basis of the General Council's decision of 1 August 2004 and the Ministerial Declaration of Hong Kong, China. It is imperative to achieve a breakthrough on cotton in the Doha negotiations. In this regard, we support the proposal submitted by C4 on cotton.
- g) Support initiatives of cotton-producing countries of both regions in order to bring the United States of America and the European Union to phase out subsidies granted to their cotton producers and accept the principle of a compensation fund to be financed by them in order to compensate the cotton growers of both regions until the competition rules on the international market are perfectly equitable.
- h) The "development" dimension in the negotiations on market access for non-agricultural products must be taken into account, in accordance with the spirit and the letter of the Doha Ministerial Declaration, in particular the principle of less than full reciprocity and Special and Differential Treatment,

in order to meet the needs and concerns of African and South American countries. Improving the predictability of trade and market access for non-agricultural products must meet the requirements of developing countries in Africa and South America.

- i) African and South American countries urge developed countries that have not done so yet, to provide duty-free and quota-free immediate and predictable market access to all exports from LDCs, and also invite developing countries in a position to do so, to do the same as far as possible.
- j) African and South American countries encourage WTO Members to respond positively to requests for specific commitments made by African and South American countries under the Doha Round negotiations on services. African and South American countries require that flexibilities contained in the General Agreement on Trade in Services (GATS) are maintained so as to enable them to liberalize their trade in services according to their respective levels of development, taking into account the principle of progressive liberalization, and that modalities should be fully implemented on the basis of the proposals made by the LDCs in March 2006.
- k) African and South American countries attach great importance to the works aiming at improving and clarifying the rules of Article XXIV of GATT 1994 (Territorial implementation, border traffic, custom unions and free trade areas), and urge WTO members to integrate the development dimension into these works. In this regard, flexibility should be provided in addressing the issue of consistency of the EPA with the WTO rules.
- l) WTO Members should refer to the results of the Sixth WTO Ministerial Conference on fisheries subsidies in order to develop disciplines prohibiting subsidies leading to fishing overcapacity and overfishing by supporting responsible practices, so as to achieve a sustainable exploitation of marine resources. Flexibility is to be granted to developing countries, especially to artisanal fisheries in the context of SDT, given its contribution to human development, to poverty reduction and to food security, as well as its socio-economic impact on regions dependent on fishing activities.
- m) Trade facilitation constitutes a key to trade development among WTO members. The negotiations in this respect must be accompanied by adequate technical and financial assistance, in accordance with the provisions of the 1 August 2004 Decision and the Declaration of Hong Kong (China), which could enable African and South American countries to reap tangible benefits from the reform process.
- n) The current provisions of the TRIPS Agreement (Trade-Related Aspects of Intellectual Property Rights) do not allow adequate protection of profuse genetic resources and traditional knowledge available to African and South American countries. The results of the work pertaining to the link between the Convention on Biological Diversity (CBD) and the TRIPS Agreement should fill this gap in accordance with the Doha Declaration mandate.

- o) WTO members are urged to facilitate and accelerate the accession process underway in African countries, including the Least Developed Countries among them, without requiring these countries to undertake commitments inconsistent with their development levels and which go beyond the WTO rules and the commitments taken by the developing countries members of the WTO.
- p) Particular attention should be given to the countries in post conflict situation in the two regions particularly with regard to their reconstruction and development efforts.
- q) African and South American countries urge WTO members to maintain and strengthen their commitment to capacity building and technical assistance, in accordance with the development priorities set out in the Ministerial Declaration of Doha, the Decision adopted by the General Council on 1 August 2004 and the Ministerial Declaration of Hong Kong, China.
- r) Technical assistance and capacity building provided are fundamental elements of the development dimension of the Doha Round. They should cover particularly the improvement of institutional and human capacities of African and South American countries in the areas of negotiations and integration into the multilateral trading system through, inter alia, the Enhanced Integrated Framework and the Joint Integrated Technical Assistance Programme (JITAP), Aid for Trade etc.
- s) Regarding the aid for trade initiative, its implementation should in no way substitute for the results of negotiations to be achieved under the development goals set by the Doha Development Agenda. The resources allocated, within the framework of Aid for Trade will actually have to be additional, predictable, demand-driven, unconditional, and provided in the form of grants. The objective is to improve the supply capacity, to develop the trade-related infrastructure, to strengthen human and institutional capacities and to address the costs of the implementation of multilateral trade rules, mainly in terms of preference erosion, in a context marked by the rise of food and energy prices.

19. African and South American countries have a common strategic objective, which is promoting the development dimension of the Doha Round. We welcome the unity demonstrated by our countries since the Ministerial Conference of Hong Kong, China, particularly within the framework of the coordination carried out within the Group of developing countries.

20. African and South American countries call for working towards further harmonization and coordination of our positions through the respective working groups established in the Brasilia communiqué of 11 June 2008, on these issues through the revitalization of existing informal mechanisms and the creation of informal groups on issues of common interest to African and South American countries, including aspects related to:

- a) Tropical and assimilated products;
- b) Products affected by preference erosion;
- c) horticultural products;
- d) Commodities; and

- e) Measures concerning the possible negative effects of the reform programme on least developed countries and developing countries which are net importers of food products.

21. We recognize the importance of UNCTAD's mandate on Trade and Development as the main body of the United Nations system to ensure an integrated treatment of trade and development and related issues in the areas of finance, technology, investment and sustainable development, and its contribution as a forum for debate and consensus building on trade and development issues. In this regard, we support the role played by UNCTAD within its mandate.

22. We agree to strengthen coordination between African and South American countries for the full implementation of the recommendations of the XIIth session of the UNCTAD Ministerial Conference, which took place from 20 to 25 April 2008 in Accra, Ghana. In this respect we urge the Secretary General and the member states of UNCTAD to make efforts to achieve the objectives of the April 2008 Accra Accord as soon as possible in particular the creation of the autonomous unit on commodities, in accordance to paragraph 183 of the said Accord.

23. Intensify reflection on the energy issue as it is acute in most countries of both regions in order to find a comprehensive and definitive answer, particularly in the civil nuclear and development of new and renewable energy (solar and wind in particular).

24. We consider that the recent surge in world foodstuffs prices, combined with climate hazards and climate change and soaring oil prices, is likely to jeopardize food security, sustainable development and the achievement of the Millennium Development Goals. These problems represent a real threat to stability and development in many developing countries, namely the least developed among them.

25. We consider that these global phenomena have repercussions worldwide, particularly on the most vulnerable developing countries. They require solutions involving, as part of a comprehensive and integrated approach, the mobilization of the entire international community which should take strategic decisions within the prospect of a new global food policy.

26. We commit ourselves to express our solidarity with the countries of Africa and South America most affected by price fluctuations of foodstuffs and oil, and to study the means to support this solidarity.

27. We confirm that the surge of food and energy prices should in no case affect the ability of developing countries importing these products to cover the basic needs of their populations, and to mobilize resources necessary to carry out their economic and social development policy.

28. We commit ourselves to show tangible solidarity towards the developing countries which are net importers of commodities, and to this end, make use of existing institutions, facilitate the access to international funds and allow them to face up to food shortages and the price surge of oil products. In this respect, we give priority to direct the agricultural production in such a way as to meet the needs of human consumption.

II-TRADE AND INVESTMENT

29. Promoting business, in general, and trade in particular requires a favourable environment in terms of macroeconomic stability, investment in infrastructure and human capital development, access to financing and appropriate investment, export incentive systems supported by a legal framework negotiated between countries of the two regions.

A. TRADE

30. In order to encourage the development of trade and partnership between the two regions and to use them as tools for growth and development, we call for removing all barriers to trade, particularly tariff peaks and tariff escalation, and establishing a sustainable and fruitful partnership by:

1) Strengthening the existing promotion mechanisms

31. Strengthening the Global System of Trade Preferences (GSTP) among Developing Countries, which provides an ideal and promising framework to promote trade between African and South American countries. Out of the 44 parties to the GSTP Agreement, 24 African and South American countries, besides the MERCOSUR, are among its members and participate in the various rounds of negotiations.

32. Encouraging countries in both regions to participate in this System so as to bring a new dynamism to trade between Africa and South America, and working towards the conclusion of the ongoing 3rd negotiation round before the end of 2008 .

33. Working towards a horizontal and vertical strengthening of the GSTP. Vertical, by increasing the products covered by this interregional Arrangement, and horizontal, by raising awareness among other African and South American countries, as to the importance and the potentials of this Agreement, in preparation for their accession.

34. Redoubling efforts towards the effective implementation of paragraph 47 of the WTO Ministerial Declaration of Hong Kong, China concerning the LDCs, in the perspective of promoting trade between South American and African countries and the Least Developed Countries in both regions.

2) New trade promotion mechanisms:

35. Organizing an annual trade fair with product exhibition on a rotational basis between the two regions, in order to bring in the potential of both regions, to encourage business to business interaction and the establishment of partnerships.

36. Organizing a biannual business and investment Forum in order to facilitate contacts between private sectors of both regions and to explore trade and investment opportunities.

37. Creating a core for a virtual business-to-business market, involving companies representing sectors of mutual interest for both regions, in such a way as to develop strategic relationships and partnerships between these companies in terms of production

(supply in raw materials, inputs: outsourcing, e-procurement) and export to third markets.

38. Giving impetus to the promotion of partnerships among export promotion organizations, and also among investment promotion agencies in both regions.

39. Creating an African-South-American mechanism for exchange promotion, including governmental and Para governmental organization as well as professional associations in charge of promoting export and organizing and managing commercial events.

40. Mutualizing resources for:

(i) Effective exploitation of the cereal production potential (especially rice and wheat) in both regions,

(ii) Strengthen the quality of human resources especially in scientific and technical fields, giving priority to the training of engineers.

3) Sharing information and building supply capacities:

41. Sharing experience in terms of industrial policies centered on trade;

42. Preparing a list of projects centered on the Millennium Development Goals aimed seeking funding;

43. Enhancing access to and sharing of information on markets, particularly through the new "knowledge management platform".

4) Facilitating customs procedures

44. Simplifying and harmonizing import and export documents and improving customs procedures.

5) Trade financing:

45. Establishing a fruitful cooperation between African financial institutions and their South American counterparts with a view to promoting and sustaining business relationships between commercial banks on both regions.

46. Designating at least one bank in each country, to be part of a network of African-American banks.

47. Urging the international community to provide financial assistance to developing countries which are net oil importers so as to help them cope with the burden of the energy bill.

6) Cooperation in the agriculture and livestock sectors

48. Reviewing possibilities of cooperation in the field of plant protection, notably in the context of the anti-locust and use of bio pesticides.

49. Encouraging partnership in the field of technology transfer on the production of embryos and genetic improvement of cattle for the production of milk and meat.

7) Cooperation in the sectors of energy and industry

50. Considering the possibilities of partnership in the field of bio fuel production and in the field of industry, by promoting systems of strategic alliances, such as joint ventures, between African and South American companies, notably in the sectors of food, horticulture, fisheries, textiles and so on.

B. SERVICES AND INVESTMENT:

51. In most countries of both regions, there still remain deficiencies in many areas. It is therefore essential to redouble efforts in order to improve the business environment and governance that would enhance attractiveness of foreign investment, namely by:

a) Encouraging countries to create a climate favorable for the promotion of investment in and between the two regions.

b) Establishing a panel of experts, with the support of the UNCTAD and the International Trade Center (ITC), in order to identify new and dynamic services sectors that could contribute to growth in both regions.

c) Taking advantage of complementarities between the two regions in terms of trade in services, investment and the facilitation of movement of natural persons, especially businessmen, by encouraging the conclusion of bilateral agreements in this regard.

III- TRADE AND INVESTMENT RELATED ISSUES

1. Infrastructure, logistics and trade facilitation

52. Promoting the interconnection of African and South American economies among themselves and with the rest of the world, by improving ports, roads, waterways and other infrastructure.

53. Encouraging airlines and maritime transportation companies to increase the number of airlines in operation between both regions.

54. Examining, within the Working Group on trade, investment and tourism, appropriate mechanisms to improve logistics, infrastructures, trade facilitation and market access, taking into account the special needs of Land –Locked Developing Countries and Least Developed Countries.

2. Standards and conformity assessment

55. Identifying, in conjunction with the business circles, the sectors which must comply with technical regulations, meet regulatory standards and conformity assessment evaluation, so as to reduce barriers and improve market

56. Harmonizing, as much as possible, the major technical regulations, standards and conformity assessment evaluation and agricultural sanitary and phytosanitary measures in order to ensure their transparency.

57. Fostering cooperation and encouraging the use of international standards, with an active participation in international standardization activities;

58. Contributing actively to strengthening standardization and conformity assessment institutions, in order to develop common and compatible mechanisms at the regional level.

3 - Information and Communication Technologies (ICTs):

59. Encouraging the use of these technologies in the field of trade, and boosting cooperation to reduce the digital divide.

60. Supporting an African-South American Web-portal, to promote cooperation and economic dialogue as well as opportunities for exchange and investment between the two regions.

IV - COOPERATION AND TECHNICAL ASSISTANCE

61. Promoting long-term and short-term exchange of national experts between standardization and conformity bodies, customs administrations, investment and export promotion organizations as well as intellectual property agencies.

62. Sharing technical expertise and transfer of technology between the two regions in order to support efforts in both parties aiming at increasing and diversifying production and supply of basic foodstuffs.

63. Developing a agenda of activities and training, through specific seminars and workshops, in order to optimize resources and national expertise, while taking into account economic realities and specific interests of each region by engaging within the framework of tripartite cooperation.

64. In order to implement this plan of action, the Working Group on Trade, Investment and Tourism recently created in Brasilia, will set targeted priorities and reflect on the mechanism for mid-term reviews.

65. An assessment of actions carried out and those requiring follow-up will be presented at the 2nd Conference of Trade Ministers of African and South American countries, to be held within two years.

Adopted in Marrakech, June 19th, 2008