

*IPU Document No.6 (110<sup>th</sup> IPU Assembly)*

*circulated in the 59<sup>th</sup> session of the General Assembly, in accordance with resolution A/57/47,*

*under agenda items 45, 86 (a) (b), 88 (a) of the preliminary list*



INTER-PARLIAMENTARY UNION

---

**Resolution adopted by consensus\* by the 110<sup>th</sup> IPU Assembly**

**(Mexico City, 23 April 2004)**

**Working towards an equitable environment for international commerce: the  
issues of trade in agricultural products and the access to basic medicines**

The 110<sup>th</sup> Assembly of the Inter-Parliamentary Union,

---

\* The delegation of China expressed a reservation on operative paragraph 5 in view of the fact that, following its accession to the WTO, China had already removed its cotton subsidies. The delegation of Latvia had a reservation on operative paragraph 7 because it considered necessary to maintain agricultural subsidies in Latvia as a transitional measure for some years to come. The delegations of Morocco and Burkina Faso expressed reservations on operative paragraph 7 on the grounds that they were in favour of total elimination of all subsidies as opposed to radical reduction of agricultural subsidies only. The delegation of Mexico also

*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,

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

*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 LDCs) and the G33,

---

expressed its reservation on operative paragraph 7 because it believed that subsidies should be removed gradually and that countries should be free to decide how to proceed in this regard.

*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, *also aware* of the collective criticism levelled by these groups against shortcomings in the WTO negotiation procedures,

*Recognising* the need for better designed negotiating structures with clear rules, agreed by all WTO members, to allow for the establishment of an equitable and transparent environment for international trade,

*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,

*Concerned* that one third of the world's population does not have access to essential medicines, and *particularly concerned* at the spread of HIV/AIDS, affecting 42 million people throughout the world, a significant proportion of whom are in Africa, 90% of whom do not have access to medicines,

*Welcoming* the WTO agreement of 30 August 2003 on legal changes that will make it easier for poorer countries to import less expensive generic medicines made under compulsory licensing if they are unable to manufacture the medicines themselves,

*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,

*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,

*Welcoming* French President Chirac's proposals at the G8 Summit in Evian in 2003 to eliminate export subsidies on all products of interest to developing countries,

*Noting* that the "peace clause" of the WTO Agriculture Agreement has now expired, and that countries now have greater freedom to take action against each other's agricultural subsidies wherever they exist,

*Recognising* that measures to be taken must be firmly based upon the concept of sustainable development, as agreed upon at the Johannesburg Summit of 2002, including the integration of all three components - environment, economy and social questions - as well as the fight against poverty,

*Further noting* that:

- The Doha Ministerial Declaration entails a number of commitments to tackle specific problems that have long been identified as major obstacles 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's population, particularly in 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 commodity is therefore of strategic importance 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 and the EU violate the rules of international trade and distort the universal principles of competition. Such subsidies - more than 6 times the amount of official development aid to developing countries - have led the international trading system into an impasse, as they contradict the basic principles of international free trade, resulting in price distortion, and link international trade in agricultural products to prices which are not determined by competition but by exorbitant farm subsidies, quota systems, restrictions on quantities, and agricultural export subsidies, all of which damage the agricultural sector, which is vital to the economic and social development of the developing countries,
  - It is important for developing countries to have the right to open their markets on a step-by-step basis to ensure secure food supplies through sustainable, domestic agricultural production,
1. *Calls for* continued provision of financial and technical assistance to negotiating teams of developing countries, so as to enable them to become more effective in international negotiations;
  2. *Recommends* that negotiations for opening markets be simultaneously pursued along North-North, South-South and South-North lines;

3. *Recognises* the strategic importance of the cotton industry in development and poverty reduction in many countries, particularly the least developed ones, while stressing that changes negotiated in the area of agriculture should be non-sectoral;
4. *Supports* the sectoral initiatives on cotton, referred to in the document presented to the Fifth WTO Ministerial Conference by its Chairman, Mr. L. Derbez;
5. *Urges* the European Union, the United States of America and China to remove their cotton subsidies and *calls on* the Common Fund for Commodities (CFC) to put forward proposals in support of the Cotton Initiative of the governments and parliaments of Mali, Benin, Burkina Faso and Chad, which are aimed 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;
6. *Requests* that the search for a solution to the problems of the African cotton sector be considered a priority within the framework of the Doha Development Round;
7. *Calls for* radical reduction of all agricultural subsidies that contribute to under-development as well as the reduction of tariffs and non-tariff barriers imposed on imports from developing countries;
8. *Emphasises* 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 calls for its prompt implementation through the enactment of national legislation by each parliament;

9. *Encourages* parliaments to scrutinise the actions of both governments and 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;
10. *Urges* WTO and its members to provide technical aid to countries in need and to ensure appropriate application of paragraph 6 of the Doha Declaration on the TRIPS Agreement and Public Health;
11. *Calls for* a special fund to be put in place to finance the purchase of equipment for diagnosing and monitoring diseases and to purchase antiretroviral HIV/AIDS medicines and *also calls for* WTO provisions to be reinforced in order to facilitate exchange, thereby fostering competition in generic products and driving down the price of anti-AIDS drugs;
12. *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 developing countries with no or little manufacturing capacity in the pharmaceutical sector and to the least developed countries, so that they can import such drugs without restrictions;
13. *Further calls* upon parliaments to foster government action to ensure that antiretroviral drugs and those preventing mother-to-child HIV transmission are made freely accessible to HIV/AIDS patients, rather than simply to lower the price of such drugs;

14. *Urges* the parties concerned to support medical research into medicines suitable for developing countries given that the health problems related to HIV/AIDS cannot be solved through inexpensive medicines alone;
15. *Invites* governments to establish national HIV programmes to strengthen the national health system, to take measures against other serious diseases by providing affordably priced essential equipment to facilitate the diagnosis of common diseases, to promote the supply of food of proper nutritional value, and to develop health infrastructure;
16. *Expects* that agreements concluded at the various WTO negotiations will contribute significantly to redress imbalances and inequalities within world trade, and that priority will be given to the concerns related to the development of poor countries;
17. *Invites* WTO Members to recognise that agriculture has a multifunctional role which includes food safety, land conservation, animal welfare, the preservation of a way of life, revitalisation of rural society and rural employment, and *further invites* them to take non-trade concerns into account in WTO negotiations, enabling the co-existence of diverse agricultural systems of various countries, in particular in the developing world;
18. *Calls on* the IPU Member parliaments to monitor the pursuit by governments of the above-mentioned objectives;



19. *Reiterates* the call made in the Parliamentary Declaration from the Cancún meeting, as follows: "Transparency of the WTO should be enhanced by associating parliaments more closely with the activities of the WTO. Moreover, we call on all WTO Members to include members of parliament in their official delegations to future Ministerial Conferences".