



Honourable Minister Sunil Bahadur Thapa
Ministry of Commerce & Supplies
Singhdurbar, Kathmandu

11 May 2013

Dear Honourable Minister,

We are writing as LDC Watch with a concern about how trade policy can be used to further our national development goals, including the empowerment of women, small and medium enterprise development, and the increase in jobs which are priority development issues in Nepal.

Together with other civil society groups, part of the Our World is Not for Sale, we oppose the attempts by developed countries in the World Trade Organization (WTO) to push aside negotiations on key development issues of concern to developing countries and Least Developed Countries (LDCs). These issues are intended to correct the imbalances within the existing WTO rules, and realize the development dimension of Doha mandate. Yet, the outcomes of the Ministerial Conference in Bali are significantly imbalanced. The issues of interest for developing countries and LDCs have been sidelined and addressed in "best endeavor" language. However, the developed country agenda, reflected in the trade facilitation agreement (TFA), has been concluded with binding rules that carry extensive regulatory and recurring cost implications. Moreover, there is the issue of the uncertainty of flows of funds that are supposed to be provided for developing countries and LDCs to implement the TF commitments. Developing countries and LDCs are being pushed to take commitments on Categories A and B (binding), and not put things under Category C (not binding) on the pretext that funds would be provided if more commitments are made in Categories A and B.

No matter one's appraisal of the trade facilitation agreement, it should be considered within the assessment of the overall balance of the Doha negotiations, especially in regard to the extent to which the Doha negotiations have actually fulfilled – or not – the development dimension of the Doha mandate. Development outcomes are supposed to be the priority of the Doha negotiations, particularly since this is why developing countries agreed to the initiation of the Round in the first place.

For those purposes, it is of utmost importance that the WTO Members link the entry into force of the TFA to the conclusion of the Doha Round Single Undertaking mandate. This would be in accordance with paragraph 47 of the Doha Declaration, which establishes that "*the conduct, conclusion and entry into force of the outcome of the negotiations shall be treated as parts of a single undertaking*".

This should be the case given the need to counterbalance an extremely weak solution in the area of Food Security resulting from the Bali Ministerial Conference. This is also

essential in order to ensure negotiations leverage on the way forward in the negotiations post-Bali, and in order to ensure that development issues are fully dealt with in the Doha Round.

That would also allow for considering the TFA when assessing the overall balance of the negotiations under the Doha mandate. Otherwise, if already the TFA enters into force before the conclusion of the negotiations under the Doha mandate, the TFA would be harvested alone irrespective of what is achieved in the rest of the negotiations under the Doha work programme.

Moreover, giving legal effect to the TFA will establish a precedent for bringing in new agreements under the umbrella of WTO law and the coverage of the Dispute Settlement Understanding in the future.

We urge you to secure the linkage between the entry into force of the TFA and the conclusion of the single undertaking in the 'protocol of acceptance' of the trade facilitation agreement, which will be discussed in the Preparatory Committee on Trade Facilitation.

We thank you and remain at your disposal for any further consultations in regard to the position of Nepal in the WTO.

Yours sincerely,



Dr. Arjun Karki
International Co-ordinator