
Sub-Committee on Least-Developed Countries

ACCESSION OF LEAST-DEVELOPED COUNTRIES TO THE WTO

Note by the Secretariat

This document has been prepared under the Secretariat's own responsibility and without prejudice to the positions of Members and to their rights and obligations under the WTO

I. INTRODUCTION

1. At the 51st Session of the Sub-Committee on Least-Developed Countries, the Secretariat was requested to prepare a note on the accession of Least-Developed Countries (LDCs). In the past, the Sub-Committee has been briefed on the state-of-play in LDCs' accession through short, informal notes prepared by the Secretariat. This note builds on the earlier state-of-play papers.¹ It includes information on the implementation of measures to facilitate and streamline the accession processes of LDCs, including technical assistance and capacity building efforts.

2. The challenges facing LDCs in accession are recognised by the international community and the WTO membership. In May 2001, the Brussels Programme of Action (POA) adopted by the Third United Nations Conference on LDCs called for the streamlining of WTO accession requirements to ensure that the accession process is more effective and less onerous and tailored to the LDCs' specific economic conditions.² At the Fourth Ministerial Conference in Doha (November 2001), WTO Ministers stressed the importance they attached to concluding accession negotiations, in particular those of LDCs, "as quickly as possible". Furthermore, they agreed to work to "facilitate and accelerate accession negotiations" with acceding LDCs, and instructed the WTO Secretariat to reflect the priority attached by Members to LDCs' accession in the annual plans for technical assistance. The Hong Kong Ministerial Declaration also stressed the importance of facilitating and accelerating the accession negotiations of LDCs.

3. Since Doha, steps have been taken to facilitate and accelerate the accession of LDCs. In February 2002, the Sub-Committee on LDCs adopted the WTO Work Programme for LDCs (WT/COMTD/LDC/11), which reflected LDCs' accession as one of the systemic issues to address the particular needs, interests and concerns of the LDCs. More specifically, the Work Programme outlined specific actions in the area of LDCs' accession, including: (i) discussion of LDCs' accession in Sub-Committee meetings, coinciding with the Geneva Week briefings for non-resident delegations; (ii) briefings by the Chairpersons of LDCs' Accession Working Parties and the acceding LDCs on the

¹ Information on the state-of-play in LDCs' accessions has been provided in documents JOB(03)/87, JOB(03)/191, JOB(04)/3, JOB(05)/180, JOB(06)/242 and JOB(07)/147.

² In 2006, the Director-General submitted his report on the Mid-Term Review of the Implementation of the POA, including the WTO's implementation of POA commitments with respect to LDCs' accession to the WTO (WT/COMTD/LDC/13).

state-of-play in the Working Parties; (iii) a report to the General Council with recommendations to "facilitate and accelerate negotiations with acceding LDCs"; (iv) a report by the Secretariat on technical assistance activities in support of LDCs' accession; and (v) a status report by the Director-General to the Fifth Ministerial Conference on the "Implementation of the Commitment by Ministers to Facilitate and Accelerate the Accession of the LDCs".

4. Pursuant to the Work Programme, the Sub-Committee on LDCs has accorded high importance to the accession of LDCs to the WTO. One important outcome from the implementation of the LDCs' Work Programme was the development of the Guidelines on the Accession of LDCs by the Sub-Committee, which were subsequently approved by the General Council in December 2002.³ The Director-General in his status report to the Fifth Ministerial Conference on the "Implementation of the Commitment by Ministers to Facilitate and Accelerate the Accession of the LDCs" stated that the "adoption of the Guidelines represents the willingness of WTO Members to show greater flexibility all around".⁴

5. Among the 49 countries classified by the United Nations as least-developed, 32 are Members of the WTO, and 12 are currently in the process of accession - Afghanistan, Bhutan, Comoros, Ethiopia, Equatorial Guinea, Lao PDR, Liberia, Samoa, Sao Tomé and Príncipe, Sudan, Vanuatu, and Yemen. In these accessions, the state-of-play and steps taken in response to challenges are highlighted and reviewed in the sections below.

II. STATE-OF-PLAY IN ONGOING LDCS' ACCESSION

6. This section provides a brief description of the state-of-play for each LDC in the process of accession. The countries are presented in alphabetical order, except for LDCs in the very initial stages of accession. For these countries, the submission of a Memorandum on the Foreign Trade Regime (MFTR) by the acceding government is still pending and, as a consequence, the Working Party has yet to meet. Information on LDCs' accession in the very initial stages is presented in summary form at the end of the section.

7. Working Party meetings were held for four LDCs in 2008 (Bhutan, Ethiopia, Lao PDR, and Yemen), and two accessions were advanced through consultations or contacts (Samoa and Vanuatu). A similar level of activity is expected in 2009. In all accessions, the pace of negotiations depends on a range of factors, including the timely submission of the necessary inputs.

8. The Working Party on the Accession of Bhutan was established in October 1999. Bhutan's Memorandum on its Foreign Trade Regime was submitted in February 2003. Four Working Party meetings have been held (in November 2004, October 2005, October 2006 and January 2008). The next meeting of the Working Party will be organized as soon as the necessary inputs are received from Bhutan.

9. Multilateral work is progressing on the basis of a Draft Report of the Working Party. Areas identified as needing further work include foreign exchange and payments, trading rights, quantitative restrictions and import licensing, TRIMs and TRIPS. The Working Party is considering requests for transitional arrangements for the implementation of WTO rules on Customs Valuation, SPS, TBT, and TRIPS.

10. Bhutan is engaged in bilateral market access negotiations with Canada, China, Japan, EC and the US. A team from Bhutan visited Geneva in June 2008 to advance the bilateral negotiations. No bilateral agreement has been signed so far.

³ The Guidelines are contained in document WT/L/508.

⁴ The status report by the Director-General is contained in document WT/MIN(03)/2.

11. Over the past three years, Bhutan has addressed Constitutional reform leading to national elections. In addition, there has been staff turnover at the Ministry of Economic Affairs. These factors have affected the pace of Bhutan's accession.

12. Ethiopia's Working Party was established in February 2003. Ethiopia submitted its Memorandum on the Foreign Trade Regime in December 2006. The first Working Party meeting was held in May 2008 to consider the documents submitted by Ethiopia and set a marker for the work ahead. Ethiopia is preparing new inputs for the next meeting of the Working Party (i.e. replies to questions, legislative action plan, and checklists on agricultural support, SPS/TBT and TRIPS). Bilateral market access negotiations on goods and services will begin in earnest once Ethiopia submits its initial offers.

13. The Working Party on the Accession of Lao PDR was established in February 1998. Lao PDR submitted its Memorandum on the Foreign Trade Regime in March 2001. The Working Party has held four meetings - in October 2004, November 2006, November 2007, and July 2008.

14. The Secretariat circulated a Factual Summary of Points Raised in October 2007 to assist the Working Party in its deliberations on multilateral issues. The Factual Summary was subsequently revised (in June 2008), and will be further updated prior to the next meeting. Progress has been steady, particularly with the adoption of new legislation by Lao PDR. The Lao Government is in the process of revising regulations and reducing the product coverage of goods subject to price controls, import/export prohibitions, and licensing. Other areas being studied, or subject to further work, include trading rights, customs issues, subsidies, SPS, TBT, TRIMs and TRIPS. Requests for transitional arrangements have been tabled for the implementation of some WTO Agreements (Customs Valuation, SPS, TBT, TRIMs and TRIPS).

15. Lao PDR is engaged in bilateral market access negotiations with Australia, Canada, Chinese Taipei, the EC, India, Japan and the US. No bilateral agreement has been concluded so far.

16. Samoa's Working Party was established in July 1998. Samoa circulated its Memorandum in February 2000, and the Working Party met in March 2002. Multilateral work has since continued on an informal basis, usually on the margins of the Geneva Week. An informal consultation took place in July 2008. Inputs from Samoa for a possible consultation on the fringes of the next Geneva Week (in May 2009) are still pending.

17. On the multilateral front, the discussions are advancing on the basis of a draft Working Party Report. Key outstanding issues concern quantitative import restrictions, internal taxes, and intellectual property rights. Samoa is drafting legislation to bring its foreign trade regime into conformity with WTO rules. Transitional arrangements are being examined with respect to the implementation of WTO rules on SPS and TRIPS.

18. Samoa has been conducting bilateral market access negotiations with Australia, China, the EC, Honduras, Japan, New Zealand and the US. Agreements have been concluded with China, Honduras and New Zealand.

19. Samoa is scheduled to graduate from LDC status by the end of 2010⁵ – a factor which is adding momentum to the process.

⁵ UN ECOSOC Resolution E/2007/L.35 and the UN General Assembly Resolutions A/RES/59/209 and A/RES/62/97.

20. Sudan's Working Party was established in October 1994. Sudan's accession dossier was activated with the submission of its Memorandum on the Foreign Trade Regime in January 1999. The Working Party held its first meeting in July 2003, and met again in March 2004. In September 2004, the Secretariat prepared and circulated a Factual Summary of Points Raised to facilitate further work on the multilateral front.

21. Sudan has been advancing its bilateral market access negotiations with interested Members. Brazil, China and Jordan have concluded their bilateral negotiations with Sudan.

22. Vanuatu's Working Party was established in July 1995, and the final meeting of the Working Party was held in October 2001. Shortly before Vanuatu's accession package was to be sent for the approval of Ministers at Doha, the authorities of Vanuatu informed the Secretariat that they needed more time to consider the package. This accession will be completed only after interested Members and Vanuatu can agree to changes, if any, in the package already agreed.

23. On 12 March 2008, the Government of Vanuatu endorsed a proposal to resume the WTO accession process. A team of ni-Vanuatu officials visited Geneva in July 2008 and in November 2008 to make contact with concerned Geneva delegations. Discussions are ongoing to establish a possible basis for the resumption of Vanuatu's accession in the near term. The authorities of Vanuatu are also making efforts to sensitize the relevant domestic stakeholders on the importance of concluding the accession process.

24. Yemen's Working Party was established in July 2000. Steady progress has been made since Yemen's submission of a Memorandum on its Foreign Trade Regime in November 2002. The Working Party has held five meetings - in November 2004, October 2005, July 2006, November 2007, and October 2008. The timing of the next meeting depends on the receipt of the inputs from Yemen.

25. Prior to the next meeting, the Secretariat will revise the Elements of the Draft Working Party Report. Concerning the systemic issues discussed in the Working Party, gaps remain in areas such as trading rights, fees and charges, import prohibitions and licensing, customs valuation, subsidies, SPS, TBT, TRIMs and TRIPS. Yemen is seeking flexibilities in these areas, and has been requested to provide more detailed action plans and specific justifications to facilitate agreement on possible transitional arrangements.

26. On the bilateral front, Yemen is engaged in market access negotiations with Australia, Canada, the EC, El Salvador, Japan, Korea (Rep. of) and the US. China concluded its negotiations with Yemen in 2006.

27. Domestic reforms to bring Yemen's trade and economic regime in conformity with WTO requirements are to be accelerated in 2009.

28. As for the five LDCs in the initial stages of their accession processes, their respective Working Parties were established by the General Council between December 2004 and February 2008. The Working Parties are listed in chronological order in Table 1. In accordance with established procedures and practice, the first step to activate the accession process is the tabling of a Memorandum on the Foreign Trade Regime by the acceding Government. The Memorandum is circulated to all Members of the WTO, and they are invited to seek clarifications on the information contained in the Memorandum. Once the initial exchange of formal questions and replies has been completed, and circulated by the Secretariat, the Working Party will be able to hold its first meeting. The submission of the Memorandum on the Foreign Trade Regime is still pending for all countries listed in Table 1.

Table 1: LDCs' accessions in the initial stages

<i>NAME OF COUNTRY</i>	<i>WORKING PARTY ESTABLISHED IN</i>
AFGHANISTAN	DECEMBER 2004
SAO TOMÉ AND PRINCIPE	MAY 2005
COMOROS	OCTOBER 2007
LIBERIA	DECEMBER 2007
EQUATORIAL GUINEA	FEBRUARY 2008

III. LDCs' ACCESSIONS COMPLETED SINCE 2002

29. Three LDCs have successfully completed their accession negotiations pursuant to the provisions of Article XII of the Marrakesh Agreement establishing the World Trade Organization.

30. The Working Party on the accession of Cambodia held its final meeting, and thus concluded its mandate, in July 2003. Cambodia's accession terms were formally approved by Ministers at the Fifth WTO Ministerial Conference held in Cancún (Mexico) in September 2003.⁶ Following domestic ratification, Cambodia became the 148th Member of the WTO on 13 October 2004.

31. The Working Party on the accession of Nepal concluded its mandate in August 2003. Nepal's accession terms were formally approved by Ministers at the Fifth WTO Ministerial Conference in September 2003.⁷ Nepal subsequently ratified the terms and conditions of its membership, and became the 147th Member of the WTO on 23 April 2004.

32. The final meeting of the Working Party on the accession of Cape Verde was held in early December 2007. The Working Party forwarded Cape Verde's accession package to the General Council, which approved the terms of Cape Verde's accession at a meeting held on 18 December 2007.⁸ Cape Verde ratified the terms and conditions of its membership to become the 153rd Member of the WTO on 23 July 2008.⁹

IV. IMPLEMENTATION OF THE GENERAL COUNCIL DECISION OF 10 DECEMBER 2002

33. The Guidelines on the accession of LDCs were developed by the Sub-Committee on LDCs, and subsequently approved by the General Council in December 2002. The General Council's Decision mandated the Sub-Committee to review the implementation of the Guidelines on a regular

⁶ Cambodia's Protocol of Accession is contained in document WT/MIN(03)/18, the Report of the Working Party and the Schedules of Concessions and Commitments on Goods and Services are contained in WT/ACC/KHM/21 and its Addenda 1 and 2.

⁷ Nepal's Protocol of Accession is contained in document WT/MIN(03)/19, the Report of the Working Party and the Schedules of Concessions and Commitments on Goods and Services are contained in WT/ACC/NPL/16 and its Addenda 1 and 2.

⁸ Cape Verde's Protocol of Accession is contained in document WT/L/715, the Report of the Working Party and the Schedules of Concessions and Commitments on Goods and Services are contained in WT/ACC/CPV/30 and its Addenda 1 and 2.

⁹ Cape Verde graduated from the LDCs' Group effective 1 January 2008 (UN General Assembly Resolution A/RES/59/210).

basis. Accession of LDCs has since been an item on the agenda of the Sub-Committee. In this and other fora, Members have stressed the importance they attach to the Guidelines. Acceding LDCs, supported by LDC Members in the WTO, continue to call for full and faithful implementation of the Guidelines on LDCs' accession.¹⁰

34. The Decision calls for LDCs' accessions to be facilitated and accelerated through simplified and streamlined procedures with a view to concluding the negotiations as quickly as possible, and sets out Guidelines with respect to: (i) market access; (ii) WTO rules; (iii) the process; and (iv) trade-related technical assistance and capacity building. The analysis in this section is thus organized according to these four themes.

(i) *Market Access*

35. The Guidelines stipulate that Members are to exercise restraint in seeking concessions and commitments on trade in goods and services from acceding LDCs, while acceding LDCs are expected to offer access through reasonable concessions and commitments commensurate with their individual development, financial and trade needs.

36. In accordance with established procedures and practice, market access negotiations are conducted between the acceding government and interested Members on a bilateral basis. Information about the status of requests and offers in the bilateral negotiations is limited, although agreed results shall apply MFN. However, based on the information available, it would appear that Members active in market access negotiations with acceding governments, have decided not to exercise their rights to enter into such negotiations with all, or some, acceding LDCs. Members engaged in such negotiations state that their requests have been developed while exercising restraint in keeping with the Guidelines.

37. Concerning the three completed LDCs' accessions, Cambodia, Nepal and Cape Verde have bound their tariffs at levels of 19.0, 26.0 and 15.8 per cent, respectively.¹¹ Reductions in the bound rates are being effected over periods up to ten years (from their dates of accession). For the three countries, the average final bound rates are at levels of up to double the level of their applied rates at the time of accession. With regard to the 160 services sub-sectors in which commitments can be made under the GATS, Cambodia, Nepal, and Cape Verde undertook specific commitments in 94, 99 and 77 of these sub-sectors, respectively.

(ii) *WTO Rules*

38. The Guidelines state that the WTO's special and differential treatment provisions shall be applicable to all acceding LDCs, and that, based on identified needs, transitional arrangements – accompanied by action plans – shall be granted to enable acceding LDCs to implement their commitments and obligations effectively. The action plans are to be supported by technical assistance and capacity building measures for acceding LDCs. Accession to the Plurilateral Trade Agreements or participation in other optional sectoral market access initiatives shall not be a precondition for their accession to the WTO.

39. The Working Party assesses the ability of the acceding government to apply and enforce WTO rules and requirements from the date of accession. This is at the centre of the multilateral work of every accession Working Party. Achieving WTO conformity frequently requires changes and

¹⁰ See paragraphs 56 to 59 of the Maseru Declaration adopted by LDC Trade Ministers in February 2008 (WT/L/719).

¹¹ These percentages refer to the average final bound rates, i.e. at the end of the implementation period. Detailed information concerning the terms of accession of Cambodia, Nepal and Cape Verde (and other acceded Members) can be found in their respective schedules.

reforms in the legal, institutional and administrative framework of the acceding country. For an acceding LDC, the Working Party will engage in fact-finding to establish the level of existing conformity with WTO obligations, and develop a common understanding of the changes that would be required to ensure compliance in areas where such conformity is lacking. As stipulated in the Guidelines, the acceding LDC will table action plans for compliance with WTO rules, as necessary. Technical assistance needs may also be identified and examined in connection with the action plans to ensure that they remain operational before and after accession. Any requests for transitional arrangements for the implementation of WTO Agreements are considered on the basis of the action plans. The length of the transitional arrangement is a function of the projected date of accession and the foreseen end-date for the implementation of specific measures under the action plan. Transitional arrangements are agreed and confirmed through the adoption of the Report of the Working Party and are applicable from the date of accession.

40. Transitional arrangements are under consideration in all ongoing LDCs' accession Working Parties that have advanced beyond the first meeting(s) of the Working Party. In the completed LDCs' accessions, Nepal was granted transitional periods to implement the WTO Agreements on Customs Valuation, SPS, TBT and TRIPS. For Cambodia, its implementation of the WTO Agreements on Customs Valuation, Rules of Origin, SPS, TBT and TRIPS has been subject to transitional arrangements, and specific flexibilities were agreed for the phasing-in of WTO obligations with respect to trading rights and import measures on certain goods, and the establishment of a WTO-consistent duty drawback scheme. Cape Verde negotiated its terms of accession as an LDC. Cape Verde has now graduated but is still enjoying transition periods for the implementation of the WTO Agreements on Customs Valuation, Subsidies and Countervailing Measures, SPS, and TRIPS, and specific flexibilities for the modification of legislation regarding customs user fee, free zones, and subsidies. Technical assistance needs have been evaluated and are being provided by the WTO, other intergovernmental organizations, and WTO Members. Neither Cambodia nor Nepal nor Cape Verde have made commitments to accede to any of the Plurilateral Trade Agreements, and they have opted for less than full participation in sectoral initiatives.

(iii) *Process*

41. The Guidelines identify general and specific measures to streamline the accession procedures and processes for acceding LDCs. The Guidelines note that the good offices of the Director-General shall be available to assist acceding LDCs and the chairpersons of their Working Parties.

42. WTO Members and the Secretariat are conscious of the need to ensure that the documentation exchange in each LDC's accession Working Party remains pertinent and not more onerous than necessary. The Secretariat is mandated to prepare a "Factual Summary of Points Raised" at an early stage of the multilateral accession process to facilitate and guide additional fact-finding in LDCs' accessions.¹² Each Working Party meeting is concluded with a summary of the exact inputs and materials expected from the acceding LDC for the next meeting, to ensure that the number of meetings are kept to a minimum.

43. For non-resident acceding LDCs, Working Party meetings or consultations are routinely scheduled on the margins of the Geneva Week to ease the financial burden on these delegations. The increasing use of information technology by acceding LDCs and Members has also facilitated the exchange of information as well as the negotiations. Bilateral contacts are often effected by electronic

¹² In other accessions, the Factual Summary is prepared only when the available information is sufficiently complete.

mail, videoconferencing, or by visits to the capitals of the concerned parties. The WTO Secretariat has assisted in the establishment of WTO Reference Centres in ten of the 12 acceding LDCs.¹³

44. The Director-General of the WTO accords priority attention to accessions, in particular to the accession of LDCs. The good offices of the Director-General remain available, as and when appropriate, to assist acceding LDCs. Chairs of Working Parties, supported by the Secretariat, have also carried out high-level visits to acceding LDCs to advance their accession process.

(iv) *Trade-Related Technical Assistance and Capacity Building*

45. The Guidelines call for targeted, coordinated and effective technical assistance and capacity building measures to be provided, on a priority basis, to assist acceding LDCs at all stages of the accession process. The assistance is to be provided by the WTO and other relevant multilateral, regional and bilateral development partners.

46. The WTO delivers technical assistance to acceding LDCs on a priority basis. WTO assistance is being provided under the Biennial Technical Assistance and Training Plan for 2008-2009.¹⁴ Assistance provided by the WTO includes activities carried out in the acceding LDCs, WTO outreach, regional seminars and workshops, the establishment of reference centres, participation in general and specialized training courses organized by the WTO¹⁵, the Geneva Week for non-resident delegations, and trainee and internship programmes. Acceding LDCs have participated in over 600 WTO activities since 2003. LDCs, including acceding LDCs, are entitled to three national activities per year. The activities are funded and organized by the WTO on the basis of needs and priorities identified by the acceding government.

47. Other multilateral agencies and bilateral donors continue to provide significant and valuable support to acceding LDCs at all stages of the accession process and post-accession.¹⁶ The assistance sought by acceding governments is *inter alia* linked to the submission of documentation to the Working Party, the preparation of legislation (including translation into an official language of the WTO), training, outreach to the general public or key stakeholders, and the establishment and operation of enforcement mechanisms. The WTO/OECD Doha Development Agenda Trade-Related Technical Assistance and Capacity-Building Database¹⁷ provides an overview of the assistance available. Table 2 provides an illustrative list of the assistance being provided to acceding LDCs.

¹³ WTO Reference Centres have been established in Bhutan, Comoros, Ethiopia, Equatorial Guinea, Lao PDR, Samoa, Sao Tomé and Príncipe, Sudan, Vanuatu and Yemen. They are yet to be established in Afghanistan and Liberia.

¹⁴ See document WT/COMTD/W/160. WTO Technical Assistance Products have been grouped as General WTO-Related Technical Assistance and Training; Specialized and Advanced Technical Assistance and Training; Academic Support for Training and Capacity Building; Trainee Programmes and Internships; and E-Learning.

¹⁵ Trade Policy Courses, Introduction Courses for LDCs, e-training, etc.

¹⁶ Technical assistance providers include the bilateral donor agencies, IMF, ITC, FAO, UNCTAD, UNDP, UNIDO, UN Regional Economic Commissions, Regional Development Banks, Commonwealth Secretariat, WCO, WIPO, World Bank, WTO.

¹⁷ Website: tcbdb.wto.org.

Table 2: Technical Assistance and Capacity Building for Acceding LDCs

COUNTRY	ENHANCED INTEGRATED FRAMEWORK	WTO (2003 – 2009)					ILLUSTRATIVE LIST OF BILATERAL DONORS	OTHER MULTILATERAL AGENCIES, DEVELOPMENT PARTNERS
		NATIONAL	REGIONAL	GENEVA-BASED	OTHER	TOTAL		
AFGHANISTAN	BENEFICIARY OF THE ENHANCED INTEGRATED FRAMEWORK (EIF). PREPARATION OF DTIS IS UNDERWAY.	5	39	9	2	55	FRANCE, GERMANY, JAPAN, KOREA, NETHERLANDS, UK, US	IMF, UNCTAD, WCO, WORLD BANK (IDA)
BHUTAN	WORKSHOP ON EIF AND TRADE FACILITATION HELD IN MARCH 2009 IN THIMPHU. GOVERNMENT YET TO APPLY FOR THE EIF.	10	82	19	7	118	AUSTRIA, DENMARK, EC, JAPAN, KOREA, THAILAND	IMF, ITC, FAO, UNCTAD, UNESCAP, UNIDO, WCO, WIPO
COMOROS	BENEFICIARY OF THE EIF. DTIS FINALIZED IN 2007 AND INCLUDES A SECTION ON WTO ACCESSION. PROPOSALS FOR FUNDING INCLUDE CAPACITY BUILDING FOR ACCESSION.	7	60	8	2	77	BELGIUM, FRANCE, US	COMMONWEALTH SECT., IMF, ITC, FAO, WCO
EQUATORIAL GUINEA	SEEKING ASSISTANCE UNDER THE EIF. TECHNICAL REVIEWS TO BE UNDERTAKEN AT A LATER STAGE IN 2009.	3	62	23	-	88	US	FAO
ETHIOPIA	BENEFICIARY OF THE EIF.	16	81	16	30	143	EC, FRANCE, GERMANY,	IMF, UNCTAD, UNIDO,

<i>COUNTRY</i>	<i>ENHANCED INTEGRATED FRAMEWORK</i>	<i>WTO (2003 – 2009)</i>					<i>ILLUSTRATIVE LIST OF BILATERAL DONORS</i>	<i>OTHER MULTILATERAL AGENCIES, DEVELOPMENT PARTNERS</i>
		<i>NATIONAL</i>	<i>REGIONAL</i>	<i>GENEVA-BASED</i>	<i>OTHER</i>	<i>TOTAL</i>		
	DTIS FINALIZED IN 2003 AND INCLUDES A SECTION ON WTO ACCESSION . EIFTF (WINDOW II) FINANCING INCLUDES AN ACCESSIONS-RELATED PROJECT .						JAPAN, KOREA, NETHERLANDS, UK, US	WCO, WORLD BANK (IDA)
LAO PDR	BENEFICIARY OF THE EIF. DTIS FINALIZED IN 2006 AND INCLUDES A CHAPTER ON WTO ACCESSION . EIFTF (WINDOW II) FINANCING INCLUDES AN ACCESSIONS-RELATED PROJECT .	16	99	31	13	159	AUSTRALIA, EC, FRANCE, JAPAN, KOREA, SWITZERLAND, THAILAND	ADB, IMF, ITC, FAO, UNCTAD, UNESCAP, UNDP, UNIDO, WIPO
LIBERIA	BENEFICIARY OF THE EIF. DTIS FINALIZED IN 2008 AND INCLUDES A SECTION ON WTO ACCESSION . PROJECT PROPOSAL FOR EIFTF FUNDING IN PREPARATION .	2	56	2	3	63	US	IMF, ITC, FAO, UNIDO, WORLD BANK (IDA)
SAMOA	SEEKING ASSISTANCE UNDER THE EIF. DTIS YET TO BE DRAFTED.	6	79	28	8	121	AUSTRALIA, EC, JAPAN, NEW ZEALAND	COMMONWEALTH SECT., UNDP, UNESCAP

<i>COUNTRY</i>	<i>ENHANCED INTEGRATED FRAMEWORK</i>	<i>WTO (2003 – 2009)</i>					<i>ILLUSTRATIVE LIST OF BILATERAL DONORS</i>	<i>OTHER MULTILATERAL AGENCIES, DEVELOPMENT PARTNERS</i>
		<i>NATIONAL</i>	<i>REGIONAL</i>	<i>GENEVA-BASED</i>	<i>OTHER</i>	<i>TOTAL</i>		
SAO TOMÉ AND PRINCIPE	BENEFICIARY OF THE EIF. DTIS FINALIZED IN 2005 AND INCLUDES A SECTION ON WTO ACCESSION. EIFTF (WINDOW II) FINANCING INCLUDES AN ACCESSIONS-RELATED PROJECT.	5	60	31	1	97	EC, FRANCE, JAPAN, KOREA, PORTUGAL, US	FAO, L'ORGANISATION INTERNATIONALE DE LA FRANCOPHONIE, UNCTAD, WORLD BANK (IDA)
SUDAN	BENEFICIARY OF THE EIF. DTIS FINALIZED IN 2008 AND INCLUDES A SECTION ON WTO ACCESSION. PROJECT PROPOSAL FOR EIFTF FUNDING IN PREPARATION.	10	128	22	23	183	FRANCE, GERMANY, JAPAN, KOREA, US	IMF, IsDB, FAO, UNCTAD, UNESCWA, UNIDO, WORLD BANK (IDA)
VANUATU	BENEFICIARY OF THE EIF. DTIS FINALIZED IN 2007 AND INCLUDES A SECTION ON WTO ACCESSION. EIFTF (WINDOW II) FINANCING INCLUDES AN ACCESSIONS-RELATED PROJECT.	7	79	21	2	109	EC, FRANCE, JAPAN, NEW ZEALAND	UNESCAP
YEMEN	BENEFICIARY OF THE EIF. DTIS FINALIZED IN 2004 AND INCLUDES A SECTION	21	57	16	12	106	EC, FRANCE, GERMANY, JAPAN, KOREA, NETHERLANDS, UK, US	IMF, UNCTAD, WIPO, WORLD BANK (IDA)

<i>COUNTRY</i>	<i>ENHANCED INTEGRATED FRAMEWORK</i>	<i>WTO (2003 – 2009)</i>					<i>ILLUSTRATIVE LIST OF BILATERAL DONORS</i>	<i>OTHER MULTILATERAL AGENCIES, DEVELOPMENT PARTNERS</i>
		<i>NATIONAL</i>	<i>REGIONAL</i>	<i>GENEVA- BASED</i>	<i>OTHER</i>	<i>TOTAL</i>		
	ON WTO ACCESSION. PROPOSALS FOR FUNDING INCLUDE CAPACITY BUILDING FOR ACCESSION.							

48. Coordinated technical assistance is available through mechanisms such as the Enhanced Integrated Framework (EIF).¹⁸ Most LDCs in the process of accession have joined the EIF or are currently seeking to be included in the framework. Potential synergies exist between the EIF and the accession process. The preparation of the Diagnostic Trade Integration Studies (DTIS) have been found to stimulate domestic debates on trade reform. For the acceding LDCs, the DTIS may devote a section or chapter to WTO accession, identifying and prioritizing accession-related needs along with the broader trade priorities in an Action Matrix. In some cases, accession-related needs identified in such Action Matrices have been funded through the EIF Trust Fund. The Comoros, Ethiopia, Lao PDR, Sao Tomé and Príncipe, and Vanuatu have received accession-related support through Window II of the Trust Fund. Funding may also be sought from other development partners or through the Aid for Trade initiative.¹⁹

49. Concerning the concluded LDCs' accessions, all three countries joined the Integrated Framework while in the process of accession. The Diagnostic Trade Integration Studies for Cambodia and Nepal are currently being updated to address some of the challenges faced post-accession. For Cape Verde, the EIF will provide a follow-up mechanism to support actions plans incorporated in the accession package.

V. CHALLENGES FACED BY ACCEDING LDCs

50. The accession of LDCs is subject to a number of challenges. These include human and institutional capacity constraints, the sustained commitment needed to pursue domestic reforms and accelerate the pace of WTO accession, the specific concerns of non-residents, and the internal coordination required to negotiate terms of accession and bring the domestic legislative and enforcement mechanisms in conformity with WTO requirements.

51. Accession to the WTO is a challenging task for any government, but in particular for a small economy or an LDC with limited human and institutional capacity. The accession process requires focused attention of the acceding government from the very early stages, as the Working Party first engages in fact-finding – on the basis of information provided by the applicant – before proceeding to the next phase characterized by active negotiation. The factual information on the economic and trade regime relevant to the accession process may not be readily available, or policies may need to be appropriately developed and formulated before being presented to an external audience. These constraints can to some extent be offset with the provision of technical assistance, but a balance will also need to be struck between short-term efficiency and expediency and longer-term considerations of ownership of the process by the acceding government.

52. Sustained commitment to WTO Membership at the policymaking level is key to ensure steady progress in the accession process. The commitment may be affected, over time, with changes in government, elections, or different priorities and changing perceptions in public opinion or the business community about the benefits and costs of joining the WTO. Membership invariably entails significant reforms as the acceding LDC establishes an economic and trade regime based on the rule of law in conformity with WTO obligations and requirements. A close relationship between the administration and the legislature is necessary to develop the legal framework and administrative enforcement infrastructure to comply with international rules and standards.

¹⁸ More information on the EIF is available at the website www.integratedframework.org.

¹⁹ More information on Aid for Trade is available at the WTO website at www.wto.org.

53. In acceding countries, knowledge and expertise about the WTO can be continuously enhanced. In this regard, activities focus on government officials, the business community, parliamentarians, and the general public. Capacity in LDCs is limited. Most LDCs are faced with the dilemma regarding the day-to-day performance of tasks in relation to the longer term need of investing in human resource development. The extent of knowledge and expertise required, combined with periodic reorganization and staff turnovers, are part of the challenges that acceding LDCs face.

54. The WTO Agreements regulate broad areas of economic life, well beyond the competencies of any single ministry or government agency. A successful accession process, therefore, requires the establishment of an effective inter-governmental and inter-agency coordination mechanism from the initial stages and throughout. The need for such effective coordination is underestimated. The WTO accession process involves negotiations, both within the acceding country to achieve coordination and with external negotiating partners. Internally, the business community and domestic interest groups are frequently associated with the process in order to achieve domestic buy-in and maintain the political momentum.

55. Geographical distance and non-residency pose challenges for acceding countries. The LDCs currently in the process of accession are geographically distant from the WTO, and travel to Geneva can be difficult, cumbersome and expensive. Efforts are therefore made to keep the number of meetings to a minimum, and to the extent possible to link the timing of meetings to other ongoing activities in Geneva (such as training or the organization of the Geneva Weeks). Maintaining a permanent presence in Geneva is critical to ensure the regular flow of pertinent information to Capitals as well as for the interaction with other delegations and the international organizations in Geneva. Although several LDCs have established Permanent Missions during the course of their accession processes, six acceding LDCs (Comoros, Equatorial Guinea, Liberia, Samoa, Sao Tomé and Príncipe, and Vanuatu) have so far not been able to commit the resources required to establish a permanent presence in Geneva.

VI. CONCLUSION

56. WTO Members attach priority to LDCs' accessions in accordance with the Guidelines on LDCs' accession. The Director-General is intensifying efforts in this regard, including through the provision of technical assistance in favour of acceding LDCs and through appropriate Secretariat support. Pursuant to the Doha and the Hong Kong Ministerial Declarations, steps have been taken to facilitate and accelerate the accession negotiations of LDCs. The WTO Work Programme for LDCs provides the basis for progress on the accession of LDCs in the Sub-Committee. The adoption of the Guidelines on LDCs' accessions in December 2002 marked a concrete step in favour of acceding LDCs.

57. Members have emphasized their commitment to implement the Guidelines in various fora. Nonetheless, concerns have been expressed regarding implementation of the Guidelines. The accession procedures and arrangements have been streamlined by the Secretariat, in consultation with Members, to try to ensure that accession does not become more onerous than necessary. Members involved in the establishment of the accession terms for LDCs consider their involvement to be fully consistent with the letter and spirit of the Guidelines. Acceding LDCs appear to have benefited from country-specific flexibility in the market access negotiations, transitional arrangements for compliance with WTO Agreements on the basis of action plans, simplified procedures, and technical assistance in support of the accession process.

58. LDCs undergoing the accession process are required to adjust their economic and trade regimes for compliance with WTO requirements. Work on compliance is necessarily detailed due to the complexity of WTO Agreements. However, accession has offered LDCs' applicants the opportunity to become familiar with the requirements of membership prior to their formal entry into the WTO. This experience equips acceding LDCs with the skills needed to realize their rights and discharge their obligations as WTO Members from the date of their entry into the WTO system.

59. The need for focussed and targeted technical assistance to support acceding LDCs is well recognized. LDCs receive assistance on a priority basis from the WTO, as well as from bilateral, regional and multilateral development partners. There is scope for further progress. The specific challenges faced by non-residents deserve further attention. The provision of technical assistance and capacity building measures requires careful consideration of priorities and the timely availability of quality resources – a constant challenge for all stakeholders involved in these efforts. Country ownership is essential to channel this support and ensure the long-term value added for the beneficiaries. In this regard, the Enhanced Integrated Framework has provided a complementary mechanism to identify, prioritize and seek support for policy reform and accession to the WTO.

60. Since December 2002, Nepal, Cambodia and Cape Verde have concluded their accession negotiations, and significant progress has been recorded in ongoing LDCs' accessions. Three LDCs' accessions have been initiated during the last 18 months. With the commitment of acceding LDCs and support of the international community, the accession dossiers of LDCs should continue to advance on a priority basis.
