

**ACCESSION OF LEAST-DEVELOPED COUNTRIES**

*Decision of 25 July 2012*

Addendum

The General Council,

*Reaffirming* its Decision adopted on 10 December 2002 facilitating and accelerating the negotiations for the accession of LDCs to the WTO, contained in document WT/L/508 ("the 2002 LDC Accession Guidelines");

*Having regard to* the Decision on accession of LDCs, adopted on 17 December 2011 by Ministers at the Eighth WTO Ministerial Conference, contained in document WT/L/846 and their instructions to the Sub-Committee on LDCs to develop recommendations to further strengthen, streamline and operationalize the 2002 LDC Accession Guidelines;

*Decides that:*

1. The 2002 LDC Accession Guidelines shall be strengthened, streamlined and operationalized in accordance with the provisions set out hereunder. This Decision is to be considered as an Addendum to the 2002 LDC Accession Guidelines.

**I. BENCHMARKS ON GOODS**

2. The 2002 guidelines stipulate that Members are to exercise restraint in seeking market access concessions from acceding LDCs, while the latter are expected to offer reasonable concessions commensurate with their individual development, financial and trade needs. Further, the Decision on LDC accession adopted at the MC8 Conference directs the Sub-Committee to develop recommendations to further strengthen, streamline and operationalize the 2002 guidelines, and in this context, *inter alia*, develop benchmarks in the area of goods taking into account the level of commitments undertaken by existing LDC Members.

3. Members agree that market access negotiations on goods shall be guided by the following principles and benchmarks:

*Principles:*

(a) Comprehensive binding coverage is a fundamental objective of the multilateral trading system (MTS), ensuring stability and predictability about a country's trading regime. At the same time, it is also recognized that some flexibility should be provided to the acceding LDCs in order to help them integrate into the MTS, consistent with their individual development, financial and trade needs.

(b) Tariff negotiations of Members with acceding LDCs should ensure the appropriate balance between predictability of tariff concessions of acceding LDCs and their need to

address specific constraints or difficulties as well as to pursue their legitimate development objectives.

(c) It is recognized that each accession is unique. The tariff concessions to be offered by the acceding LDCs could vary depending on their individual/particular circumstances. Establishing benchmarks on average bound rates does not prejudice the right of Members to negotiate the level of bound rates in individual lines of interest to them. At the same time, this offers an opportunity to acceding LDCs to determine the bound rate suitable to each tariff line.<sup>1</sup> Benchmarks do not stipulate minimum or maximum bound tariffs to be undertaken by any acceding LDC.

4. Drawing from the above principles, the acceding LDCs shall undertake commitments in the following manner:

A. Agriculture

5. Pursuant to the provisions of the Agreement on Agriculture, Members had bound all their agricultural tariff lines at the time of joining the WTO. This will also be required from the acceding LDCs. With regard to average bound rates, the acceding LDCs shall bind all of their agricultural tariff lines at an overall average rate of 50 per cent.<sup>2</sup>

B. Non-Agriculture

6. With regard to negotiations on tariff bindings on non-agricultural products, while comprehensive binding coverage is a fundamental objective, flexibilities shall be provided to acceding LDCs consistent with their individual development, financial and trade needs.

7. Accordingly, the acceding LDCs shall undertake commitments in the area of non-agricultural market access as set out below:<sup>3</sup>

(i) Acceding LDCs shall bind 95 per cent of their non-agricultural tariff lines at an overall average rate of 35 per cent.

(ii) Acceding LDCs that choose to undertake comprehensive bindings of NAMA tariff lines may do so and be afforded proportionately higher overall average rates than provided for in paragraph 7(i), with the precise level of bindings and average rates to be agreed between the acceding LDC and the Members. In such cases the acceding LDC shall be entitled to transition periods of up to 10 years for up to 10 per cent of their tariff lines.

## II. BENCHMARKS ON SERVICES

8. Members agree that market access negotiations on services shall be guided by the following principles and benchmarks:

(a) Negotiations of Members with acceding LDCs shall respect the principle of special treatment for LDCs contained in Articles IV and XIX of the General Agreement on Trade in Services (GATS). In particular, Members shall take into account the serious difficulty of

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<sup>1</sup> In accordance with established procedures and practice, market access negotiations shall proceed bilaterally on the basis of requests from WTO Members or on the basis of offers from an acceding LDC.

<sup>2</sup> Simple average of the final *ad valorem* tariff rates or *ad valorem* equivalents.

<sup>3</sup> The unbound tariff lines will be subject to negotiations and will include tariff lines that take into account the sensitivities of acceding LDCs.

acceding LDCs in undertaking commitments, in view of their special economic situation and their individual development, financial and trade needs.

(b) There shall be flexibility for acceding LDCs for opening fewer sectors, liberalizing fewer types of transactions, and progressively extending market access in line with their development situation. Acceding LDCs shall not be expected to offer full national treatment, nor are they expected to undertake additional commitments under Article XVIII of the GATS on regulatory issues which may go beyond their institutional, regulatory, and administrative capacities.

(c) Since each accession is unique, offers from acceding LDCs may vary depending on their individual/particular circumstances, without prejudice to the right of Members to negotiate commitments of interest to them or the commitments that would be undertaken by an acceding LDC.

9. Drawing from the above principles, the acceding LDCs shall undertake commitments in the following manner:

10. Acceding LDCs shall identify their priority services sectors and sub-sectors and make reasonable offers commensurate with their individual development, financial and trade needs as well as their regulatory and institutional capacities. Acceding LDCs shall be provided with technical assistance, as appropriate, to enhance their regulatory and institutional capacities.

11. Acceding LDCs shall have the flexibility to undertake commitments, whether full or partial, under different modes of supply. They shall have the flexibility to phase in such commitments, as appropriate, over an adequate period of time.

12. Acceding LDCs shall not be required to undertake commitments in services sectors and sub-sectors beyond those that have been committed by existing WTO LDC Members, nor in sectors and sub-sectors that do not correspond to their individual development, financial and trade needs. Accordingly, WTO Members shall exercise restraint in seeking commitments in trade in services from the acceding LDCs.

### **III. TRANSPARENCY IN ACCESSION NEGOTIATIONS**

13. Members agree that transparency in the accession negotiations shall be further enhanced in the following manner:

14. The Accession Working Parties will continue to provide the forum for Members and acceding LDCs to collectively review the bilateral market access negotiations on goods and services. Members shall refrain from reopening the accession package once negotiations have been completed and consolidated schedules circulated for verification at the level of the Working Party.<sup>4</sup>

15. Accession of LDCs shall continue to remain one of the systemic elements of the WTO Work Programme for the LDCs under which Members may monitor the progress in LDC accessions, including based on state-of-play reports from the Secretariat. The Chairs of Working Parties of acceding LDCs shall report regularly to the Sub-Committee on LDCs on the progress made in their respective accession processes. The accession of LDCs shall continue to receive particular attention in the Director-General's annual reports on the state-of-play of accessions to the WTO.

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<sup>4</sup> The consolidated schedules refer to both the schedule of concessions & commitments on goods as well as schedule of specific commitments on services.

16. The good offices of the Chairperson of the Sub-Committee on LDCs as well as Chairpersons of the LDCs' Accession Working Parties shall be available to facilitate the conclusion of the accession process of acceding LDCs.

17. Upon request from the acceding LDCs or Members, periodic dialogues under the aegis of the Sub-Committee on LDCs could be held, with a view to deepening the understanding of issues relating to LDC accessions as well as to finding ways to address any difficulties encountered by the acceding LDCs.<sup>5</sup>

#### **IV. S&D AND TRANSITION PERIODS**

18. It is reaffirmed that Special and Differential Treatment, as set out in the Multilateral Trade Agreements, Ministerial Decisions, and other relevant WTO legal instruments, shall be applicable to all acceding LDCs, from the date of entry into force of their respective Protocols of Accession.<sup>6</sup>

19. Requests for additional transition periods/arrangements beyond the ones foreseen under specific WTO Agreements shall be favourably considered on a case-by-case basis, taking into account individual development, financial and trade needs of acceding LDCs.

20. Requests for transition periods/arrangements shall be accompanied by Action Plans, with a view to helping acceding LDCs implement WTO rules. It is recognized that acceding LDCs need adequate technical assistance and support to implement such Action Plans. Members commit themselves to ensure support and assistance during the transition periods.

#### **V. TECHNICAL ASSISTANCE**

21. Members underline the need for enhanced technical assistance and capacity building to help acceding LDCs to complete their accession process, implement their commitments and to integrate them into the multilateral trading system.

22. As part of each LDC's accession process, the WTO Secretariat shall draw up technical assistance framework plans, based on inputs from the acceding LDCs, aiming at greater coordination and effective delivery of technical assistance at all stages of the process, making optimal use of existing facilities. Such plans will include the assistance required to implement the Action Plans referred to in paragraph 20. The TA framework Plans will be demand driven and will be adjusted over time to reflect changes in acceding LDCs' needs.

23. The Sub-Committee on LDCs, through the WTO Secretariat, shall seek reports, on a periodic basis, from relevant multilateral, regional or bilateral development partners, to update WTO Members on their TA support in favour of acceding LDCs. The WTO Secretariat shall continue to attach priority attention to the technical assistance requests from the acceding LDCs.

24. It is reaffirmed that acceding LDCs preparing or updating their DTIS under the Enhanced Integrated Framework (EIF) have the option to identify and prioritize accession-related needs through their DTIS and DTIS Action Matrix. Development partners are urged to respond adequately to such needs expressed by the acceding LDCs.

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<sup>5</sup> To the extent possible, these dialogues should take place on the margins of Geneva Week to allow participation of non-resident acceding LDCs.

<sup>6</sup> As originally set out in the 2002 Accession Guidelines in document WT/L/508.