

The Doha Development Agenda (DDA) and Aid for Trade
Finding the Policy Link



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And Aid For Trade:
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SERIES **WORKING PAPERS**

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And Aid For Trade:

Finding the Policy Link

By Mariarosaria Iorio
IGTN Geneva Office

Rio de Janeiro
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Masters in Political Sciences
Coordinator IGTN Geneva Office
15, rue des Savoises
1205 Geneva
Switzerland
maria.rosaria@igtn.org

IGTN Secretariat
EQUIT Institute - Gender, Economy and Global Citizenship
Rua da Lapa 180. 908 - 909.
Rio de Janeiro - Brazil.
CEP: 20021 - 180
www.igtn.org

Translation: Ana Franca Migliori.

Graphics and publication:



letraeimagem@letraeimagem.com.br

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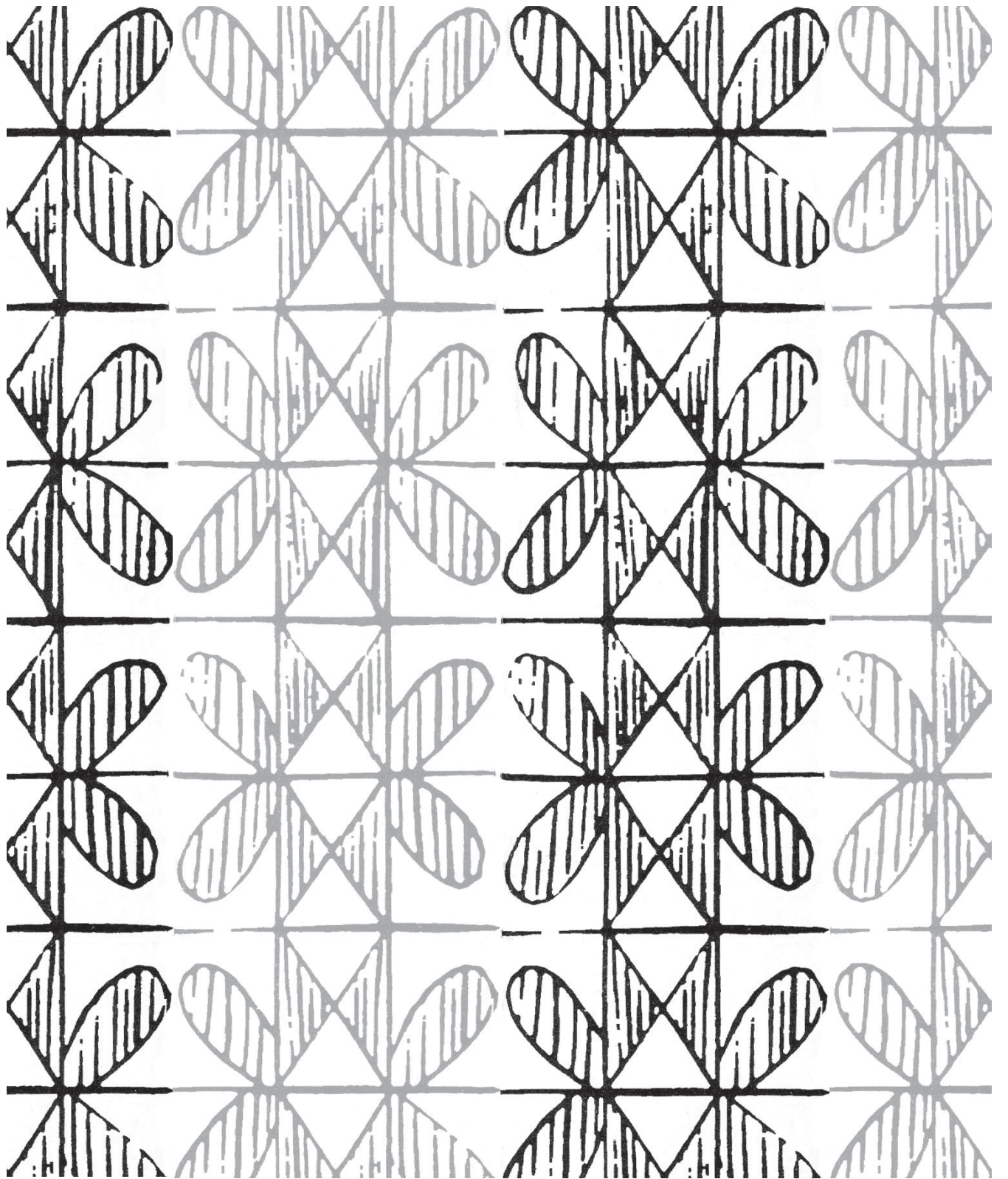
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List of Abbreviations

DDA	Doha Development Agenda
IGTN	International gender and trade network
LDCs	Least-Developed countries
NGOs	Non Governmental Organizations
SAPs	Structural Adjustment Programs
WTO	World Trade Organization





The DDA and Aid for Trade: Finding the Policy Link¹

Introduction

Further to the Doha Development Round of trade negotiations, the Hong Kong Ministerial Declaration instructed the WTO Director-General to set up a Task Force to provide recommendations on how to implement Aid for Trade. In its report to the 27 July 2006 General Council meeting the Task Force has defined the rationale of Aid for Trade as follows: “*Aid for Trade is about assisting developing countries to increase exports of goods and services, to integrate in the multilateral trading system, and to benefit from the liberalized trade and increased market access. Aid for Trade will enhance growth prospects and reduce poverty in developing countries, as well as complement multilateral trade reforms and distribute the global benefits more equitably across and within countries*”.

However, as stated by Zambia on behalf of the LDC group “*Aid for Trade has been on-going for long time. More than forty donors, bilateral and multilateral are providing aid in the area of trade for*

¹ This paper focuses on the recommendations of the Task Force on Aid for Trade as presented in document WT/AFT/1. The Task force on Aid for Trade is composed by 13 Members: Barbados, Brazil, Canada, China, Colombia, the European Union, Japan, India, Thailand, the United States and the coordinators of the ACP, the African and the LDC group. The Resident Representative of Sweden, Ambassador Mia Horn Af Rantzen chairs the Task Force in her personal capacity. The mandate of the Task Force was set by Paragraph 57 of the Hong Kong, Declaration, which reads as follows: We welcome the discussions of Finance and Development Ministers in various fora, including the Development Committee of the World Bank and IMF, that have taken place this year on expanding Aid for Trade. Aid for Trade should aim to help developing countries, particularly LDCs, to build the supply-side capacity and trade-related infrastructure that they need to assist them to implement and benefit from WTO Agreements and more broadly to expand their trade. Aid for Trade cannot be a substitute for the development benefits that will result from a successful conclusion to the DDA, particularly on market access. However, it can be a valuable complement to the DDA. We invite the Director-General to create a task force that shall provide recommendations on how to operationalize Aid for Trade. The Task Force will provide recommendations to the General Council by July 2006 on how Aid for Trade might contribute most effectively to the development dimension of the DDA. We also invite the Director-General to consult with Members as well as with the IMF and World Bank, relevant international organisations and the regional development banks with a view to reporting to the General Council on appropriate mechanisms to secure additional financial resources for Aid for Trade, where appropriate through grants and concessional loans. The Task Force presented its recommendations at the 27 July 2006 General Council meeting.



*developing countries. What is new is the linkage between aid for trade and the multilateral trade regime, the development emphasis and the Doha Development Agenda (DDA), and recognition by donor community that trade should be actively used as an instrument of development policy to accelerate growth and reduce poverty”.*²

The discourse on the link between the multilateral trade regime negotiations and Aid for Trade puts *Trade* at the center of growth promotion and poverty reduction strategies at the national, regional and multilateral level.

This political and policy shift affects the way development policies and technical cooperation, including gender-related activities, are to be designed and implemented in the future, and will not go without implications for funding provided for other sectors and aspects of the development policy and implementation.

Mainstreaming of trade in development will also influence technical cooperation assistance requests put forward by developing and LDC World Trade Organization (WTO) Members.

This *new* policy orientation raises, nevertheless, a number of critical issues, while animating the debate on the fairness of WTO negotiations and their “developmental” function, and on the role of the WTO as a technical cooperation agency (which it is not).

Indeed, the impact of trade negotiations on economic development and social equity remains a “hot” topic, in particular as it concerns aid-related aspects. Many, and often divergent, opinions and positions are expressed in this regard. These divergent positions reflect different theoretical and political references and rationales. These divergences of views and approaches have inspired this paper, which intends to be a contribution to the on-going debate.

Although, this aspect of the analysis is not at the core of our paper, it is worth recalling the two main approaches that frame discourses and visions on the role and consequences of trade mainstreaming in development strategies at the global, the regional and the national levels.

These two perspectives are:

- (i) The WTO approach based upon the principles of the liberal and neo-liberal economic theory of *comparative advantage and international competitiveness*. In this perspective, trade liberalization is conducive, although in the long term, to overall economic prosperity and development. For the supporters of this approach, trade is at the core of development policies, and constitutes the lens through which economic and social development, including gender equality of treatment, have to be perceived and achieved.
- (ii) The social movements and the Non-Governmental-Organizations (NGOs) approaches are critical of the above-mentioned model. These actors promote a more equitable and solidarity-based world system, thus recognizing the need for international trade rules. However, rules of a different nature

² WT/AFT/W/22 – Communication from Zambia on behalf of the LDC group.



than those negotiated in the WTO arena. Indeed, although very promising in theory, the neo-liberal vision of the world has not met the expectations of development as promised by the conclusion of the Uruguay Round. On the contrary, it has increased unemployment, in particular ³women's, widened the gaps between the rich and the poor, while resulting in geo-political instabilities all over the world.

These two main approaches underpin the rationale and the *philosophical* framework of the analysis on the overall functioning of the world trading system, in general, and on the means to be put in place to achieve economic development. They also raise a number of questions that concern both the general principles and the specifics of *development and aid for trade trend* both in the WTO and in other development agencies.



³ Liberalization accompanied by the disengagement of the State in the context of the SAPs in most developing countries has resulted in a decline of women in socially-valued employment, in increased occupational segregation, and lack of access to appropriate training. Women remain mostly employed in temporary, part-time, casual, and home-based work.



Objectives and Structure of This Paper

This paper has two main objectives:

- (i) Critically analyze the rationale and principles of Aid for Trade as presented by the Task Force to the 27 July 2006 General Council and as adopted on 10 October 2006 Council;
- (ii) Identify policy and issues and evaluation indicators of an eventual implementation of Aid for Trade.



It will be structured around three following sections:

Presentation of Scope, Announced Guiding Principles and Objectives of Aid for Trade as stated in the recommendations submitted by the Task Force (WT/AFT/1) at the 27 July 2006 General Council meeting;

Analysis and questioning of theoretical references and principles underpinning Aid for Trade;
Conclusions and Recommendations.



Premises and Methodology

The analysis undertaken in this paper will be framed by four main premises, which relate to the WTO institutional framework and Agreements.

Aid for Trade will have to be implemented pursuant to Article III of the Marrakech Agreement⁴ defining the institutional field of action of the WTO, without expanding its functions in a direct or indirect manner. We would not agree with any extension of the WTO mandate even though the decision is taken by consensus by its Members;

Aid for Trade is to be situated in the context of provisions on Special and Differential Treatment for LDCs, as defined by the WTO Agreements, including implementation periods (recalled in Annex 1 by Agreement); Ministerial Decisions and Declarations in favor of LDCs (Annex 2); and WTO provisions for developing countries (Annex 3);

Aid for Trade is (and shall remain) a sub-item of aid for development as pointed out by Zambia in its communication on behalf of the LDC Group (WT/AFT/W/22). It should not become a substitute for other development and international cooperation activities;

⁴ Article III of the Marrakech Agreement reads as follows: The WTO shall facilitate the implementation, administration and operation, and further the objectives of this Agreement and of the Multilateral Trade Agreements, and shall also provide the framework for the implementation, administration and operation of the Plurilateral Trade Agreements. The WTO shall provide the forum for negotiations among its Members concerning their multilateral trade relations in matters dealt with under the agreements in the Annexes to this Agreement. The WTO may also provide a forum for further negotiations among its Members concerning their multilateral trade relations, and a framework for the implementation of the results of such negotiations, as may be decided by the Ministerial Conference. The WTO shall administer the Understanding on Rules and Procedures Governing the Settlement of Disputes (hereinafter referred to as the "Dispute Settlement Understanding" or "DSU") in Annex 2 to this Agreement. The WTO shall administer the Trade Policy Review Mechanism (hereinafter referred to as the "TPRM") provided for in Annex 3 to this Agreement. With a view to achieving greater coherence in global economic policy-making, the WTO shall cooperate, as appropriate, with the International Monetary Fund and with the International Bank for Reconstruction and Development and its affiliated agencies.

Aid for Trade might be eventually implemented without the conclusion of the Doha Development Round. It should not bridge the WTO field of action with regard to technical cooperation and training programs.⁵ Activities that do not fall in the WTO mandate should be picked up by other Organizations.



⁵ Aid for Trade implementation should not be linked to the negotiations taking place in the context of the Doha Development Agenda. It should be implemented independently from the results of the Doha Round.



Scope And Guiding Principles of Aid for Trade

The Task Force on Aid for Trade has identified the following main sectors of activities that are in the scope of aid for trade:

- (i) Trade policy and regulations, including training, analysis and capacity building to comply with WTO rules and standards;
- (ii) Trade development, including market analysis and development;
- (iii) Building the supply-side capacity and trade-related infrastructure to facilitate market access and increased export;
- (iv) Building productive capacity;
- (v) Trade-related adjustment, including putting in place measures to benefit from trade liberalization;
- (vi) Assisting regional and global integration;
- (vii) Assisting implementation of WTO Agreements.



The Guiding Principles of Aid for Trade will be those announced in the *Paris Declaration on Aid Effectiveness*, namely: country ownership, alignment of aid for trade to the national development goals for 2010; donors' coordination; harmonization of donors' procedures; program-based aid modalities, transparency and multi-year commitments. *Aid for Trade should be rendered in a coherent manner taking full account, inter alia, of the gender-perspective and of the overall goal of sustainable development.*



Analysis and Questioning

(a) The Theoretical References

When reading the recommendations by the Task Force, *Mainstreaming of trade* in development policy appears to be *The Means*, to promote growth, development and poverty reduction as well as to achieve the Millennium Development Goals (MDG).

The macro-economics theory of supply and demand⁶ is inspiring the document of the Task Force, and it is applied to the formulation and the implementation of Aid for Trade. This theoretical reference does not go without consequences as it constitutes the milestone of the world trading system. Although, supporters of the existing liberal trading system proclaim that international tradetrade has achieved its results in terms of global economic growth, empirical evidence shows that it has still has not succeeded in lifting citizens out of poverty, while jeopardizing employment and incomes at the regional and national levels.

In this regard, at least three main questions can be raised when examining at the implementation of aid for trade as planned:

- (i) What are the foreseen consequences, if any, of such an external intervention, on infrastructure building and export production strengthening?
- (ii) What will be the impact on local and national social preferences and production systems?
- (iii) While shifting resource allocations and prices of goods destined for international markets, how are donors planning to face this shift of preferences and loss of jobs, in particular for women, that derive from the adjustment costs to trade liberalization in developing countries, thus undermining the local demand?

⁶ Supply is the quantity that producers are willing to sell at a given price. The main determinants of supply will be the market price of the good and the cost of producing it. In fact, supply curves are constructed from the firm's long-run cost schedule. Demand is the quantity of a good that consumers are not only willing to purchase but also have the capacity to buy at the given price per unit of time.

The risk being that while raising expectations, Aid for Trade might still leave weaker trading partners in a dependent position vis-à-vis international markets. Thus, main structural production systems imbalances will persist, and redistribution policy issues might remain unsolved as national authorities will have to face the consequences of adjustment costs.

(b) Adjustments Costs

The Recommendations also state that Aid for Trade should address the supply-and infrastructure constraints of developing and LDC WTO Members, and help these countries to better (i) adjust to trade liberalization; (ii) integrate regionally and internationally, and (iii) implement WTO Agreements. These objectives are too ambitious when compared to resources available.

As generally acknowledged, adjustment costs in most countries result mostly from preference erosion, loss of tariff revenue, loss of employment, adjustment to the expiration of the Agreement on Textiles and Clothing, high food prices, weak supply-side responses, social costs from job losses and retraining and increases in interest rates, plus cross-country effects of tariff cuts.

In this respect, in 2003 the IMF estimated that a 40 per cent cut in the MFN tariffs of QUAD countries (US, Japan, Canada and EU) would result in a potential aggregate value of export revenue loss for LDCs of about \$530 million per year and about \$914 million for middle-income developing countries.

In this context, Aid for Trade should not and cannot be the development solution to adjustment costs, including diversification into new products, finding alternative sources of fiscal revenue, retraining and retooling of employees to facilitate social adjustment and helping enterprises adapt to a more competitive trading environment.⁷

This is not only a practical, but also a political issue. A number of points are to be mentioned in this regard. On the one hand, developed countries' trade policies impede poorer countries from accessing rich markets for their goods, while distorting international trade. International aid should not be used to compensate for lack of market access. Furthermore, for developing countries, which are currently not able to take advantage of existing market access possibilities in developed countries, funds provided under Aid for Trade will not be enough to address their supply side constraints.

Developing countries that have to adjust to their niche loss in developed countries' markets as a result of the phasing out of the Agreement on Textiles and Clothing or as a result of new sugar market conditions, will not be able to do so in the current system of economies of scale.

⁷ Report on a Conference organized by the UNCTAD and the Commonwealth Secretariat, United Nations, New York and Geneva, 2006.



The contradiction remains evident as both bilateral and multilateral donors are ready to enter into Aid for Trade to increase developing and LDCs participation in the world trading system.

(c) Trade Mainstreaming and Development

The Task Force clearly states that: *mainstreaming trade into national development strategies is the key to the effectiveness of Aid for Trade*. As a result, actions that should be taken at the national, regional and global levels are identified.

The Task Force also emphasizes the link between economic growth and trade liberalization as means to stimulate growth, and poverty reduction.

This emphasis feeds into the main negotiating positions of developing and LDC WTO Members, that articulate their needs in terms of increased market access to Northern Developed countries markets.

However, in this regard a number of questions arise:

- (i) Is increase market access the solution to development-related issues?
- (ii) Is this perspective to be replaced by a larger policy space and autonomy at the national level, including a gender-sensitive production system that creates equitable employment opportunities?
- (iii) Should national autonomy and institutional development aim at facing national economic redistribution of wealth and gender-equitable social policies?

These questions define a different scenario from the market access one, and stress the national policy autonomy dimension, while raising issues of political philosophy, i.e. production systems, social-democracy, redistribution of trade revenues and autonomous alternative policy-making (as opposed to autonomous trade liberalization).

Indeed, a number of studies have demonstrated that growth and trade are not enough to reduce poverty, without the necessary national redistribution and social policies put in place by national governments on the basis of citizens' control and choices.

The assumption of trade as “the development tool” confuses the end and the means as it “*diverts the debate from the more central question on whether or not open trade policies are a reliable mechanism for generating self-sustaining growth and poverty reduction, the evidence for which is far less convincing*” Evidence shows that unless there is a national institutional framework, including domestic regulations and social schemes as well as a national priority setting, trade alone does not take countries to development (Rodrick, 2001).

(d) Country-Eligibility, Monitoring and Evaluation

AS ENVISAGED BY THE TASK FORCE

In principle, all developing countries and LDCs will be eligible for Aid for Trade, as noted in the Hong Kong Ministerial Declaration. However, given the WTO self-eligibility procedure, the eligibility criteria for Aid for Trade should be further clarified as well as indicators of success or failure. This is part of the Monitoring-Evaluation phase.

In recipient countries, Aid for Trade is to be monitored with regard to aid mainstreaming, identification of priority needs, donor responses, and progress made in implementing trade-related projects and programs as well as the impact of these efforts. Evaluation of in-country processes should focus, inter alia, on progress in mainstreaming trade in national development plans. Evaluations should adopt a results-based approach in order to ensure effectiveness of Aid-for-Trade programs in relation to the objectives.

As it concerns donors, they should report on the content of such commitments as well as on how they plan to meet the targets for Aid for Trade that they have announced.⁸

AS WE SEE IT

Monitoring and Evaluation are to be situated in the clear objectives and program formulation and implementation. Experience in UN executing agencies has shown that stating general principles is not enough to guarantee effective use of aid.

Past experience has shown that monitoring and evaluation should take into account not only institutional mechanisms, but also principles underpinning as well as outcomes of assistance programs.

Quantifiable criteria of evaluation (this is an indicative list to be accompanied by qualitative assessment) should include whether or not Aid and Trade:

- (i) Has lifted nationals out of poverty by raising their incomes in a stable and sustainable manner;
- (ii) Production and exports of beneficiaries have increased to a certain percentage as a result of aid for trade;
- (iii) Building infrastructure has benefited the whole population, in particular women as main care economy actors;
- (iv) Has been beneficial to local producers and local distribution chains;

⁸ WT/AFT/1.

- (v) Has been used to reorient mono-crop export-led agricultural production into self-reliant and diversified production aiming at solving malnutrition and famines;
- (vi) Has resulted (wherever possible) in national industrialization plans;
- (vii) Has promoted services of interest to the overall well-being of local populations.



Conclusions

On the basis of the above, the following points are to be stressed:

(a) Role of trade in national development policy-making

Without denying its contribution to world welfare, trade should continue to be perceived as a sub-item of development, and not *The Means*, if not *The Only Means*, to achieve or maintain economic growth and development;

Trade needs are to be put in the larger context of social and political national strategies and preferences and not be the condition *sine qua non* to shape national socially equitable development policies;



(b) Role of Aid for Trade in national policy-making

Aid for Trade should not become a sub-item of the World Bank programs, which remain a revamped version of Structural Adjustment Programs (SAPs), but rather a sub-item of national autonomous policy-making centered on social-friendly economic policies.

Aid for Trade should go beyond the general policy declarations related to *gender-sensitive policy and sustainable development* (para. F2 of the Task Force document W/AFT/1). It should be part of a specific global plan by sectors aimed at improving female employment and working conditions wherever possible, i.e., higher employment standards and more stable and sustainable income.

Aid for Trade should be indeed monitored and evaluated. This process should take place in light of clearly stated objectives and both qualitative and quantitative criteria;

Formulation of appropriate national regulatory frameworks should be a priority activity, in particular in LDCs and lower income developing countries.

Aid for Trade should address main production systems imbalances, in particular to reduce external dependency and support transformation of mono-culture productions into a more self-sustained and development-friendly production system at the national, regional and global levels.

In conclusion, independently of whether or not Aid for Trade shall be or will be linked to the continuation of the DDA negotiations, the reflection on the evolution of aid for trade in both the WTO and other agencies context raises a number of issues that relate on the one hand to the rationale underpinning aid for trade.

On the other hand, evaluation remains central. Indicators of success (or failure) taking into account both quantitative and qualitative aspects of development should be set to ensure appropriate and really sustainable implementation of Aid for Trade. Such an approach would avoid undermining ongoing national development efforts, and resulting in even more disrupted local social and production realities.

Nevertheless, when analyzing the contemporary international production system through the lens of social reciprocity and redistribution as well as of gender social symmetry, citizens in the world can easily assess how harmful the impact the existing production and trading system can be on national social and political stability.

Aid for Trade will not be enough to face these challenges, and definitely is not the *policy link* necessary to lift people out of poverty, and guarantee sustainable gender-sensitive development in the world.



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Annex 1

Special and Differential Treatment for Least-Developed Countries

WT/COMTD/W/135

Note by the Secretariat⁹

5 October 2004

LDC Specific Special and Differential Treatment Provisions in the Existing WTO Agreements and Legal Instruments

LEGAL TEXTS

I. UNDERSTANDING ON THE BALANCE-OF-PAYMENTS PROVISIONS OF THE GENERAL AGREEMENT ON TARIFFS AND TRADE 1994

8. Consultations may be held under the simplified procedures approved on 19 December 1972 (BISD 20S/47-49, referred to in this Understanding as “simplified consultation procedures”) in the case of least-developed country Members or in the case of developing country Members which are pursuing liberalization efforts in conformity with the schedule presented to the Committee in previous consultations. Simplified consultation procedures may also be used when the Trade Policy Review of a developing country Member is scheduled for the same calendar year as the date fixed for the consultations. In such cases the decision as to whether full consultation procedures should be used will be made on the basis of the factors enumerated in paragraph 8 of the 1979 Declaration. Except in the case of least-developed country Members, no more than two successive consultations may be held under simplified consultation procedure

12. The Secretariat shall, with a view to facilitating the consultations in the Committee, prepare a factual background paper dealing with the different aspects of the plan for consultations. In the case of developing country Members, the Secretariat document shall include relevant background and analytical material on the incidence of the external trading environment on the Balance-of-Payments situation and



⁹ This note 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.

prospects of the consulting Member. The technical assistance services of the Secretariat shall, at the request of a developing country Member, assist in preparing the documentation for the consultations.

II. AGREEMENT ON AGRICULTURE

Article 15 - Special and Differential Treatment

2. Developing country Members shall have the flexibility to implement reduction commitments over a period of up to 10 years. Least-developed country Members shall not be required to undertake reduction commitments.

Article 16 - Least-Developed and Net Food-Importing Developing Countries

1. Developed country Members shall take such action as is provided for within the framework of the Decision on Measures Concerning the Possible Negative Effects of the Reform Programme on Least-Developed and Net Food-Importing Developing Countries.

2. The Committee on Agriculture shall monitor, as appropriate, the follow-up to this Decision.

III. AGREEMENT ON THE APPLICATION OF SANITARY AND PHYTOSANITARY MEASURES

Article 10 - Special and Differential Treatment

1. In the preparation and application of sanitary or phytosanitary measures, Members shall take account of the special needs of developing country Members, and in particular of the least-developed country Members

Article 14 - Final Provisions

The least-developed country Members may delay application of the provisions of this Agreement for a period of five years following the date of entry into force of the WTO Agreement with respect to their sanitary or phytosanitary measures affecting importation or imported products. Other developing country Members may delay application of the provisions of this Agreement, other than paragraph 8 of Article 5 and Article 7, for two years following the date of entry into force of the WTO Agreement with respect to their existing sanitary or phytosanitary measures affecting importation or imported products, where such application is prevented by a lack of technical expertise, technical infrastructure or resources

IV. AGREEMENT ON TEXTILES AND CLOTHING

Preamble

Members,

Recalling further that it was agreed that special treatment should be accorded to the least-developed country Members;

2. Members agree to use the provisions of paragraph 18 of Article 2 and paragraph 6 (b) of Article 6 in such a way as to permit meaningful increases in access possibilities for small suppliers and the development of commercially significant trading opportunities for new entrants in the field of textiles and clothing trade.¹⁰

Article 6

6. In the application of the transitional safeguard, particular account shall be taken of the interests of exporting members as set out below:

a) least-developed country Members shall be accorded treatment significantly more favourable than that provided to the other groups of Members referred to in this paragraph, preferably in all its elements, but at least in overall terms;

V. AGREEMENT ON TECHNICAL BARRIERS TO TRADE

Article 11 - Technical Assistance to Other Members

In providing advice and technical assistance to other Members in terms of paragraphs 1 to 7, Members shall give priority to the needs of the least-developed country Members.

Article 12 - Special and Differential Treatment of Developing Country Members

12.7 Members shall, in accordance with the provisions of Article 11, provide technical assistance to developing country Members to ensure that the preparation and application of technical regulations, standards and conformity assessment procedures do not create unnecessary obstacles to the expansion and diversification of exports from developing country Members. In determining the terms and conditions of the technical assistance, account shall be taken of the stage of development of the requesting Members and in particular of the least-developed country Members.

12.8 It is recognized that developing country Members may face special problems, including institutional and infrastructural problems, in the field of preparation and application of technical regulations, standards and conformity assessment procedures. It is further recognized that the special development and trade needs of developing country Members, as well as their stage of technological development, may hinder their ability to discharge fully their obligations under this Agreement. Members, therefore, shall take this fact fully into account. Accordingly, with a view to ensuring that developing country Members are able to comply with this Agreement, the Committee on Technical Barriers to Trade provided for in Article 13 (referred to in this Agreement as the “Committee”) is enabled to grant, upon request, specified, time-limited exceptions in whole or in part from obligations under this Agreement. When considering such requests the Committee shall take into account the special problems, in the

¹⁰ To the extent possible, exports from a least-developed country Member may also benefit from this provision.



field of preparation and application of technical regulations, standards and conformity assessment procedures, and the special development and trade needs of the developing country Member, as well as its stage of technological development, which may hinder its ability to discharge fully its obligations under this Agreement. The Committee shall, in particular, take into account the special problems of the least-developed country Members.

VI. AGREEMENT ON TRADE-RELATED INVESTMENT MEASURES

Preamble

Members,

Taking into account *the particular trade, development and financial needs of developing country Members, particularly those of the least-developed country Members;*

Article 5 - Notification and Transitional Arrangements

2. Each Member shall eliminate all TRIMs which are notified under paragraph 1 within two years of the date of entry into force of the WTO Agreement in the case of a developed country Member, within five years in the case of a developing country Member, and within seven years in the case of a least-developed country Member.

3. On request, the Council for Trade in Goods may extend the transition period for the elimination of TRIMs notified under paragraph 1 for a developing country Member, including a least-developed country Member, which demonstrates particular difficulties in implementing the provisions of this Agreement. In considering such a request, the Council for Trade in Goods shall take into account the individual development, financial and trade needs of the Member in question.

VII. AGREEMENT ON IMPORT LICENSING PROCEDURES

Article 3 - Non-Automatic Import Licensing

5 (j) in allocating licences, the Member should consider the import performance of the applicant. In this regard, consideration should be given as to whether licences issued to applicants in the past have been fully utilized during a recent representative period. In cases where licences have not been fully utilized, the Member shall examine the reasons for this and take these reasons into consideration when allocating new licences. Consideration shall also be given to ensuring a reasonable distribution of licences to new importers, taking into account the desirability of issuing licences for products in economic quantities. In this regard, special consideration should be given to those importers importing products originating in developing country Members and, in particular, the least-developed country Members;

VIII. AGREEMENT ON SUBSIDIES AND COUNTERVAILING MEASURES

Part VIII: Developing Country Members

Article 27 - Special and Differential Treatment of Developing Country Members

27.2 The prohibition of paragraph 1(a) of Article 3 shall not apply to:

(a) Developing country Members referred to in Annex VII.

(b) Other developing country Members for a period of eight years from the date of entry into force of the WTO Agreement, subject to compliance with the provisions in paragraph 4.

27.3 The prohibition of paragraph 1(b) of Article 3 shall not apply to developing country Members for a period of five years, and shall not apply to least developed country Members for a period of eight years, from the date of entry into force of the WTO Agreement.

Annex VII - Developing Country Members Referred to in Paragraph 2(a) of Article 27

The developing country Members not subject to the provisions of paragraph 1(a) of Article 3 under the terms of paragraph 2(a) of Article 27 are:

(a) Least-developed countries designated as such by the United Nations which are Members of the WTO.

IX. ANNEX 1B: GENERAL AGREEMENT ON TRADE IN SERVICES (GATS)

Preamble

Members,

Taking particular account of the serious difficulty of the least-developed countries in view of their special economic situation and their development, trade and financial needs;

Article IV - Increasing Participation of Developing Countries

3. Special priority shall be given to the least-developed country Members in the implementation of paragraphs 1 and 2. Particular account shall be taken of the serious difficulty of the least-developed countries in accepting negotiated specific commitments in view of their special economic situation and their development, trade and financial needs.

Article IV: 1 and 2

1. The increasing participation of developing country Members in world trade shall be facilitated through negotiated specific commitments, by different Members pursuant to Parts III and IV of this Agreement, relating to:

(a) the strengthening of their domestic services capacity and its efficiency and competitiveness, inter alia through access to technology on a commercial basis;



- (b) the improvement of their access to distribution channels and information networks; and
- (c) the liberalization of market access in sectors and modes of supply of export interest to them.

2. Developed country Members, and to the extent possible other Members, shall establish contact points within two years from the date of entry into force of the WTO Agreement to facilitate the access of developing country Members' service suppliers to information, related to their respective markets, concerning:

- (a) commercial and technical aspects of the supply of services;
- (b) registration, recognition and obtaining of professional qualifications; and
- (c) the availability of services technology.)

Article XIX - Negotiation of Specific Commitments

3. For each round, negotiating guidelines and procedures shall be established. For the purposes of establishing such guidelines, the Council for Trade in Services shall carry out an assessment of trade in services in overall terms and on a sectoral basis with reference to the objectives of this Agreement, including those set out in paragraph 1 of Article IV. Negotiating guidelines shall establish modalities for the treatment of liberalization undertaken autonomously by Members since previous negotiations, as well as for the special treatment for least-developed country Members under the provisions of paragraph 3 of Article IV.



Annex on Telecommunications

6. Technical Co-operation

(d) Members shall give special consideration to opportunities for the least-developed countries to encourage foreign suppliers of telecommunications services to assist in the transfer of technology, training and other activities that support the development of their telecommunications infrastructure and expansion of their telecommunications services trade.

X. ANNEX 1C: THE AGREEMENT ON TRADE-RELATED ASPECTS OF INTELLECTUAL PROPERTY RIGHTS

Preamble

Members,

Recognizing also the special needs of the least-developed country Members in respect of maximum flexibility in the domestic implementation of laws and regulations in order to enable them to create a sound and viable technological base;

Part VI - Transitional Arrangements

Article 66 - Least-Developed Country Members

1. In view of the special needs and requirements of least-developed country Members, their economic, financial and administrative constraints, and their need for flexibility to create a viable technological base, such Members shall not be required to apply the provisions of this Agreement, other than Articles 3, 4 and 5, for a period of 10 years from the date of application as defined under paragraph 1 of Article 65. The Council for TRIPS shall, upon duly motivated request by a least-developed country Member, accord extensions of this period.

2. Developed country Members shall provide incentives to enterprises and institutions in their territories for the purpose of promoting and encouraging technology transfer to least-developed country Members in order to enable them to create a sound and viable technological base.

XI. ANNEX 2: UNDERSTANDING ON RULES AND PROCEDURES GOVERNING THE SETTLEMENT OF DISPUTES

Article 24 - Special Procedures Involving Least-Developed Country Members

1. At all stages of the determination of the causes of a dispute and of dispute settlement procedures involving a least-developed country Member, particular consideration shall be given to the special situation of least-developed country Members. In this regard, Members shall exercise due restraint in raising matters under these procedures involving a least-developed country Member. If nullification or impairment is found to result from a measure taken by a least-developed country Member, complaining parties shall exercise due restraint in asking for compensation or seeking authorization to suspend the application of concessions or other obligations pursuant to these procedures.

2. In dispute settlement cases involving a least-developed country Member, where a satisfactory solution has not been found in the course of consultations the Director-General or the Chairman of the DSB shall, upon request by a least-developed country Member offer their good offices, conciliation and mediation with a view to assisting the parties to settle the dispute, before a request for a panel is made. The Director-General or the Chairman of the DSB, in providing the above assistance, may consult any source which either deems appropriate.

XII. ANNEX 3: TRADE POLICY REVIEW MECHANISM (TPRM)

C. Procedures for review

(ii) The trade policies and practices of all Members shall be subject to periodic review. The impact of individual Members on the functioning of the multilateral trading system, defined in terms of their share of world trade in a recent representative period, will be the determining factor in deciding on the frequency of reviews. The first four trading entities so identified (counting the European Communities as one) shall be subject to review every two years. The next 16 shall be reviewed every four years. Other Members shall be reviewed every six years, except that a longer period may be fixed for least-developed



country Members. It is understood that the review of entities having a common external policy covering more than one Member shall cover all components of policy affecting trade including relevant policies and practices of the individual Members. Exceptionally, in the event of changes in a Member's trade policies or practices that may have a significant impact on its trading partners, the Member concerned may be requested by the TPRB, after consultation, to bring forward its next review.

D. Reporting

In order to achieve the fullest possible degree of transparency, each Member shall report regularly to the TPRB. Full reports shall describe the trade policies and practices pursued by the Member or Members concerned, based on an agreed format to be decided upon by the TPRB. This format shall initially be based on the Outline Format for Country Reports established by the Decision of 19 July 1989 (BISD 36S/406-409), amended as necessary to extend the coverage of reports to all aspects of trade policies covered by the Multilateral Trade Agreements in Annex 1 and, where applicable, the Plurilateral Trade Agreements. This format may be revised by the TPRB in the light of experience. Between reviews, Members shall provide brief reports when there are any significant changes in their trade policies; an annual update of statistical information will be provided according to the agreed format. Particular account shall be taken of difficulties presented to least-developed country Members in compiling their reports. The Secretariat shall make available technical assistance on request to developing country Members, and in particular to the least-developed country Members. Information contained in reports should to the greatest extent possible be coordinated with notifications made under provisions of the Multilateral Trade Agreements and, where applicable, the Plurilateral Trade Agreements.

XIII. ANNEX 4: PLURILATERAL TRADE AGREEMENTS

Agreement on Government Procurement

Preamble

Parties to this Agreement (hereinafter referred to as "Parties")

Recognizing the need to take into account the development, financial and trade needs of developing countries, in particular the least-developed countries;

Article V: Special and Differential Treatment for Developing Countries

Objectives

1. Parties shall, in the implementation and administration of this Agreement, through the provisions set out in this Article, duly take into account the development, financial and trade needs of developing countries, in particular least-developed countries, in their need to:



(a) safeguard their balance-of-payments position and ensure a level of reserves adequate for the implementation of programmes of economic development;

(b) promote the establishment or development of domestic industries including the development of small-scale and cottage industries in rural or backward areas; and economic development of other sectors of the economy;

(c) support industrial units so long as they are wholly or substantially dependent on government procurement; and

(d) encourage their economic development through regional or global arrangements among developing countries presented to the Ministerial Conference of the World Trade Organization (hereinafter referred to as the «WTO») and not disapproved by it.

2. Consistently with the provisions of this Agreement, each Party shall, in the preparation and application of laws, regulations and procedures affecting government procurement, facilitate increased imports from developing countries, bearing in mind the special problems of least-developed countries and of those countries at low stages of economic development.

Special Treatment for Least-Developed Countries

12. Having regard to paragraph 6 of the Decision of the CONTRACTING PARTIES to GATT 1947 of 28 November 1979 on Differential and More Favourable Treatment, Reciprocity and Fuller Participation of Developing Countries (BISD 26S/203-205), special treatment shall be granted to least-developed country Parties and to the suppliers in those Parties with respect to products or services originating in those Parties, in the context of any general or specific measures in favour of developing country Parties. A Party may also grant the benefits of this Agreement to suppliers in least-developed countries which are not Parties, with respect to products or services originating in those countries.

13. Each developed country Party shall, upon request, provide assistance which it may deem appropriate to potential tenderers in least-developed countries in submitting their tenders and selecting the products or services which are likely to be of interest to its entities as well as to suppliers in least-developed countries, and likewise assist them to comply with technical regulations and standards relating to products or services which are the subject of the intended procurement.



Annex 2

Ministerial and GC decisions and declarations

I. Ministerial Decisions

In addition to the LDC specific S&D provisions contained in the legal texts, there are a number of Ministerial decisions and declarations in favour of LDCs. Below is a list of the various Ministerial decisions and declarations.

Decision on Measures in Favour of Least-Developed Countries (1993);

Decision on Measures Concerning the Possible Negative Effects of the Reform Programme on Least-Developed and Net Food-Importing Developing Countries (1993);

Decision on the Acceptance of and Accession to the Agreement Establishing the World Trade Organization (1993);

Decision on Trade and Environment (1993);

Singapore Ministerial Declaration (1996);

Comprehensive and Integrated WTO Plan of Action for the Least-Developed Countries (1996);

Geneva Ministerial Declaration (1998);

Doha Ministerial Declaration (2001);

Declaration on the TRIPS Agreement and Public Health (2001); and

Decision on Implementation-Related Issues and Concerns (2001).

The Decision on Measures in favour of LDCs was adopted in the context of the Uruguay Round to address the special concerns of LDCs. It states that LDCs will only be required to undertake commitments and concessions to the extent consistent with their individual development, financial and trade needs or their administrative and institutional capabilities. The Decision includes provisions that require the expeditious implementation of S&D provisions of LDCs; the need to accord special consideration to the export interests of LDCs; and the need for substantially increased technical assistance.

In all the WTO Ministerial Declarations, there is special reference to the needs of LDCs. At the first WTO Ministerial Conference in Singapore in 1996, Ministers adopted the WTO Action Plan for least-developed

countries. The Plan aims to improve the trade opportunities of the least-developed countries and their integration in the multilateral trading system. In pursuance of the Action Plan, a High Level Meeting on Integrated Initiatives for Least-Developed Countries' Trade Development was held in October 1997, organized by the WTO in close collaboration with the IMF, ITC, UNCTAD, UNDP and the World Bank. The High Level Meeting endorsed the Integrated Framework for trade-related technical assistance to least-developed countries. The Integrated Framework seeks to increase the benefits which least-developed countries derive from technical assistance to help them to enhance their trading opportunities.

At the Doha Ministerial Conference in November 2001, Ministers recognised the particular vulnerability of the LDCs and committed themselves to “addressing the marginalisation of the least-developed countries in international trade and to improving their effective participation in the multilateral trading system”. Paragraphs 42 and 43 of the Ministerial Declaration specifically address the concerns of LDCs (see Annex). In total, 21 paragraphs specifically mention LDCs.¹¹ The Declaration on the TRIPS Agreement and Public Health, adopted at the Doha Ministerial Conference, instructed the Council for TRIPS to extend LDCs' transition period under the TRIPS Agreement in respect of pharmaceutical products until 1 January 2016.

The Decision on Implementation-Related Issues and Concerns has a number of provisions for LDCs including provisions relating to: the Agreement on the Application of Sanitary and Phytosanitary Measures; Agreement on Technical Barriers to Trade; Agreement on Trade-Related Investment Measures; Agreement on the Implementation of Article VII of GATT 1994; Agreement on Subsidies and Countervailing Measures; and the TRIPS Agreement.



II. Decisions by the General Council and Other Bodies

In 1979, the GATT Council adopted the Decision of the Contracting Parties on Differential and More Favourable Treatment, Reciprocity and Fuller Participation of Developing Countries (“The Enabling Clause”). The Decision allowed contracting parties to accord differential and more favourable treatment to developing countries without according such treatment to other contracting parties. The Decision also recognised the special treatment of LDCs among the developing countries. Pursuant to the Enabling Clause, Members continue to notify their Generalised System of Preferences (GSP) Schemes in favour of LDCs. A total of 28 WTO Members have, on an autonomous basis, announced measures to improve market access opportunities for LDCs, and there are ongoing discussions for additional measures to progressively improve access. The Sub-Committee on LDCs continues to undertake annual monitoring of market access improvements for LDCs.¹²

In 1999, the General Council adopted the Decision on Waiver for Preferential Tariff Treatment of Least-Developed Countries which allows developing country Members to offer preferential tariff treatment for products from LDCs.

¹¹ Paragraphs 2-3, 9, 15-16, 21-22, 24-28, 32-33, 36, 38-39, 42-43, 44 and 50.

¹² WT/COMTD/LDC/W/31 and Corr.1.

Since the launch of the Doha Development Agenda, concrete steps have been taken to advance the negotiating agenda and the priorities of LDCs. Post Doha, there have been a number of decisions and measures taken in favour of LDCs. These include the following:

- adoption of the WTO Work Programme for LDCs¹³ by the General Council on 13 February 2002, as mandated in paragraph 42 of the Doha Ministerial Declaration;
- decision adopted by the Council for Trade-Related Aspects of Intellectual Property Rights on 27 June 2002, on the “Extension of the Transition Period under Article 66.1 of the TRIPS Agreement for LDC Members for Certain Obligations with Respect to Pharmaceutical Products”;¹⁴
- adoption of the waiver by the General Council on 8 July 2002,¹⁵ in respect of the obligations of LDC Members under Article 70.9 of the TRIPS Agreement until 1 January 2016;

Decision on the “Accession of LDCs” adopted by the General Council on 10 December 2002;¹⁶

Decision on the “Implementation of Article 66.2 of the TRIPS Agreement” adopted by the Council for TRIPS on 19 February 2003;¹⁷

Decision on the Implementation of Paragraph 6 of the Doha Declaration on the TRIPS Agreement and Public Health; adopted by the General Council on 30 August 2003;¹⁸

Modalities for the Treatment of Autonomous Liberalization adopted by the Special Session of the Council for Trade in Services on 6 March 2003;¹⁹

Guidelines and Procedures for the Negotiations on Trade in Services adopted by the Special Session of the Council for Trade in Services on 28 March 2001;²⁰ and

Modalities for the Special Treatment for LDC Members in the Negotiations on Trade in Services adopted by the Special Session of the Council for Trade in Services on 3 September 2003.²¹

Pursuant to the mandate contained in paragraph 42 of the Doha Ministerial Declaration, the WTO Work Programme for the LDCs was adopted by the Sub-Committee on Least-Developed Countries and reported to the General Council in February 2002. The WTO Work Programme for the LDCs is the main platform through which the issues of interest to LDCs are being considered by the Members. Key issues in the Work Programme are: (i) Market Access for LDCs; (ii) Trade-Related Technical Assistance and Capacity Building Initiatives for LDCs; (iii) Providing, as appropriate, support to agencies assisting with the diversification of LDCs’ production and export base; (iv) Mainstreaming into the WTO’s work, the trade-related elements of the LDC-III Programme of Action, as relevant to the WTO’s mandate; (v)

¹³ WT/COMTD/LDC/11.

¹⁴ IP/C/25.

¹⁵ WT/L/478.

¹⁶ WT/L/508.

¹⁷ IP/C/28.

¹⁸ WT/L/540.

¹⁹ TN/S/6.

²⁰ S/L/93.

²¹ TN/S/13.

Participation of LDCs in the Multilateral Trading System; (vi) Accession of LDCs to the WTO; and (vii) Follow-up to WTO Ministerial Decisions/Declarations.

There have been a number of LDC specific decisions and waivers with respect to the TRIPS Agreement. At its meeting in June 2002, the TRIPS Council adopted a decision on the “Extension of the Transition Period under Article 66.1 of the TRIPS Agreement for Least-Developed Country Members for Certain Obligations with Respect to Pharmaceutical Products”. This Decision gives effect to the extension of the transition period for LDCs until 1 January 2016 with respect to paragraph 7 of the Doha Declaration on the TRIPS Agreement and Public Health. On 8 July 2002, the General Council approved a waiver in respect of the obligations of LDC Members under Article 70.9 of the TRIPS Agreement until 1 January 2016. The waiver supplements the decision on the extension of transition periods by waiving the obligations of LDC Members relating to the grant of exclusive marketing rights under Article 70.9 for the same period. At its meeting in February 2003, the TRIPS Council adopted a decision on “Implementation of Article 66.2 of the TRIPS Agreement” giving effect to the instructions of the Doha Ministerial Conference in paragraph 11.2 of the Decision on Implementation-Related Issues and Concerns to put in place a mechanism for ensuring the monitoring and full implementation of the obligations in question. Furthermore, it should be noted that the Decision on the Implementation of Paragraph 6 of the Doha Declaration on the TRIPS Agreement and Public Health contains certain provisions specific to LDCs.

A number of LDC decisions have also been adopted in the context of the Special Session of the Council for Trade in Services. The General Agreement on Trade in Services (GATS) addresses the concerns of developing and least-developed countries by providing appropriate flexibility on an individual basis. Such flexibility is reflected in numerous provisions of the Agreement as well as in its basic structure which allows each Member to undertake liberalization commitments in a manner consistent with its development needs. Furthermore, both the Guidelines and Procedures for the Negotiations on Trade in Services as well as the Modalities for the Treatment of Autonomous Liberalization mention the need to grant LDCs special priority and consideration. In September 2003, the Special Session also adopted the Modalities for the Special Treatment of LDCs in the Negotiations on Trade in Services which calls for Members to take into account the serious difficulty of LDCs and the need to exercise restraint in seeking commitments from them.

The recently adopted General Council Decision of 1 August 2004 contains a number of S&D provisions for developing countries (including LDCs). In addition, there are a number of LDC specific provisions. On Agriculture, LDCs are not required to undertake reduction commitments. On Non-Agricultural Market Access, LDCs will not be required to apply the formula nor participate in the sectoral approach. Members are also encouraged to provide duty-free and quota-free market access for LDC agricultural and non agricultural products. On Trade Facilitation, LDCs will only be required to undertake commitments to the extent consistent with their individual development, financial and trade needs or their administrative and institutional capabilities.



III. Technical Cooperation For LDCs

To assist LDCs to meaningfully draw on the benefits of the rules-based trading system and to participate effectively in the ongoing negotiations, the WTO Secretariat continues to give priority attention to capacity building for LDCs. This is both in terms of numbers of activities to be offered (LDCs can have up to three national activities compared to two for others) as well as in terms of the closer consultative process they are to benefit from, for example for ascertaining their needs. The WTO Secretariat also organizes short-term introduction courses specifically for trade officials from LDC capitals which are held twice a year in Geneva. For the specialized courses on dispute settlement, which are held three times a year in Geneva, a certain number of fellowships are open to LDC officials only. In 2003, LDCs were associated with nearly half of all technical assistance activities undertaken by the Secretariat. Moreover, nearly one quarter (102) of all activities reported took place in 31 different LDCs, including 71 national activities, and 20 regional seminars.

In addition to the technical assistance provided by the WTO, LDCs also benefit from the Integrated Framework (IF). The IF is a partnership initiative among the LDCs, multilateral agencies²² and bilateral donors aimed at assisting the LDCs to increase their participation in the multilateral trading system and global economy. It seeks to integrate trade priorities into LDCs' national development plans and poverty reduction strategies and to assist in the coordinated delivery of trade related technical assistance. Currently, more than 30 out of the 50 LDCs are beneficiaries.

LDCs also benefit from the WTO's partnership arrangements with multilateral institutions aimed at addressing the trade and development challenges of developing countries. These include, *inter alia*, the Joint Integrated Technical Assistance Programme (JITAP, ten out of the 16 beneficiaries are LDCs); WTO-UNIDO Programme; Standards and Trade Development Facility (STDF); and the WTO - WIPO Joint Initiative on Technical Co-operation for LDCs.²³



²² ITC, IMF, UNCTAD, UNDP, World Bank, and the WTO.

²³ For more details see WTO TA Plan for 2005; and WT/COMTD/LDC/W/33.



Annex 3

WTO Agreements Provisions for Developing Countries

1. All provisions noted as applying to developing countries apply also to least-developed countries.
2. *Italicised* points in parentheses refer to the manner of application of the relevant provisions to developed country Members.

Agreement on Agriculture

<i>Article</i>	<i>Provision for Developing Country Members</i>	<i>Provision Specifically for Least-developed Country Members</i>
Preamble	Recognition of special and differential treatment; in implementing their commitments on market access, developed country Members to take fully into account the needs and conditions of developing country Members by providing for a greater improvement of opportunities and terms of access for agricultural products of particular interest to those Members, including the fullest liberalization of trade in tropical agricultural products; the possible negative effects of the implementation of the reform programme on least-developed and net-food importing developing countries to be taken into account.	
4.0 and Schedules	Average tariff reduction of 24 per cent, with minimum cut per tariff line of 10 per cent (<i>36 and 15 per cent, respectively</i>). Option to establish ceiling bindings for previously unbound agricultural tariffs.	

6.1 and Schedules	Trade-distorting domestic support (Total Aggregate Measurement of Support or Total AMS) to be reduced by 13.3 per cent (<i>20 per cent</i>).	
6.2	Investment subsidies generally available to agriculture, agricultural input subsidies generally available to low-income or resource-poor producers, and domestic support to domestic producers to encourage diversification from illicit narcotic crops to be excluded from reduction commitments and not included in Total AMS.	
6.4	<i>De minimis</i> provision allowing exclusion of product-specific and non-product specific trade-distorting domestic support of less than 10 per cent of the total value of production of the product concerned or total agricultural production, respectively (<i>5 per cent</i>).	
8 and Schedules	Export subsidy reduction commitments of 14 per cent in terms of subsidized export volume and 24 per cent in terms of budgetary outlays (<i>21 and 36 per cent, respectively</i>).	
9.4	During the implementation period, no requirement to undertake commitments in respect of subsidies to reduce the costs of marketing exports and of government-provided or mandated internal transport and freight charges on export shipments on terms more favourable than for domestic shipments.	
12.2	Disciplines on export prohibitions and restrictions not applicable, unless the developing country Member is a net-food exporter of the specific foodstuff concerned.	
15.1	Recognition of differential and more favourable treatment for developing country Members, as set out in the relevant provisions of the Agreement and embodied in the Schedules of concessions and commitments.	
15.2 and Schedules	Developing country Members to implement reduction commitments over a period of 10 years (<i>6 years</i>).	Least-developed country Members are not required to undertake reduction commitments.

16	Developed country Members to take action as provided for within the framework of the Decision on Measures Concerning the Possible Negative Effects of the Reform Programme on Least-Developed and Net-Food Importing Developing Countries. Committee on Agriculture to monitor the follow-up to this Decision.	
20	Special and differential treatment to developing country Members, to be taken into account in the continuation of the reform process.	
Annex 2, para. 3	Special and differential treatment with regard to public stockholding for food security purposes.	
Annex 2, para. 4	Special and differential treatment with regard to domestic food aid.	
Annex Section B	Special and differential treatment in the context of the “Special Treatment” provisions of Annex 5, concerning market access conditions mentioned in Article 4.2.	
Notifica-tions	Certain annual notification requirements in the area of domestic may be set aside, on request, by the Committee on Agriculture.	Certain notifications only to be submitted every other year.



Agreement on Sanitary and Phytosanitary Restrictions

<i>Article</i>	<i>Provision for Developing Country Members.</i>	<i>Provision Specifically for Least-developed Country Members</i>
Preamble	Recognition of special difficulties developing countries may encounter in complying with SPS measures in importing markets and in formulating such measures on their territory. Desire to assist such countries in their endeavours in this regard.	
9	Members to provide technical assistance.	
10.1	In the preparation and application of SPS Measures, Members to take into account special needs of Developing Country and LDC Members.	
10.2	Possibility of longer time frames for compliance with new sanitary or phytosanitary measures.	

10.3	SPS Committee enabled to grant specified, time-limited exemptions in whole or in part from obligations under the SPS Agreement..	
10.4	Members to encourage and facilitate participation of developing countries in relevant international organisations.	
14	May delay for up to 2 years implementation of most provisions of the Agreement relating to measures affecting imports (with the exception of measures not based on relevant or extant international standards).	May delay for up to 5 years implementation of the provisions of the Agreement.
Ann. B	Members to allow “reasonable” interval between announcement and introduction of measures.	

Agreement on Textiles and Clothing

<i>Article</i>	<i>Provision for Developing Country Members.</i>	<i>Provision Specifically for Least-developed Country Members.</i>
1.2	Members agree to use provisions of Art. 2.18 and Art. 6.6(b) (below) to permit meaningful increases in access possibilities for small suppliers and new entrants.	
1.4	Particular interests of cotton-producing exporting Members should, in consultation with them, be reflected in implementation.	
2.18	“Meaningful improvements in access” through accelerated increases in growth rates, or through agreed changes with respect to the mix of base levels, growth and flexibility, for Members subject to restrictions on 31 December 1994 and whose restrictions account for less than 1.2 per cent of all restrictions imposed by relevant Member as of 31 December 1991.	
6.6 (a)		Significantly more favourable treatment to be given to LDCs by Members making use of transitional safeguards.

6.6 (b)	Members whose export volumes are small in comparison with the total volume of exports of other Members and represent a small percentage of imports of a product into importing Member shall be accorded differential and more favourable treatment in the fixing of economic terms of Articles 6.8, 6.13 and 6.14, i.e. in fixing levels of export restraint, growth and flexibility (see also Article 1.2).	
6.6 (c)	Special consideration to be given to needs of wool exporters with wool dependent economies and accounting for small share of importing Members market, when quota levels, and growth rates and flexibility are considered.	
Annex: para. 3)	Developing country cottage industry handlooms and hand made products, traditional handicraft textile and clothing products, when certified as such; certain “historically traded textile products” and products made of pure silk are not subject to the transitional safeguard provisions of Article 6.	

Agreement on Technical Barriers to Trade

<i>Article</i>	<i>Provision for Developing Country Members.</i>	<i>Provision Specifically for Least-developed Country Members</i>
Preamble	Recognition of the contribution which international standardization can make to the transfer of technology from developed to developing countries; recognition that by developing countries may encounter special difficulties in formulation and application of technical regulations and standards; and desiring to assist such countries in their endeavours in this regard.	
2.12 & 5.9	Except in “urgent circumstances” Members to allow reasonable interval publication and entry into force of measures to allow producers in exporting Members, particularly developing country Members, opportunity to adapt their products or methods of production.	
11.1	Members to advise other Members, especially developing countries, on request, regarding the preparation of technical regulations.	Special consideration given

11.2, 11.5	<p>Members shall, if requested, advise other Members, especially developing countries, and shall grant them technical assistance on mutually agreed terms and conditions: regarding the establishment of national standardizing bodies and participation in the international standardizing bodies and shall encourage their national standardizing bodies to do likewise (11.2); regarding the steps that should be taken by their producers to have access to conformity assessment systems within the territory of the Member receiving the request (11.5);</p>	
11.3, 11.4	<p>Members shall, if requested, take such reasonable measures as may be available to them to: arrange for the regulatory bodies within their territories to advise other Members, especially developing country Members, and shall grant them technical assistance on mutually agreed terms and conditions regarding the establishment of regulatory bodies, or bodies for the assessment of conformity with technical regulations and the methods by which their technical regulations can best be met (11.3); arrange for advice to be given to other Members, especially the developing country Members, and shall grant them technical assistance on mutually agreed terms and conditions regarding the establishment of bodies for the assessment of conformity with standards adopted within the territory of the requesting Member (11.4).</p>	
11.6	<p>Members, which are Members or participants of international or regional conformity assessment systems shall, if requested, advise and provide technical assistance on mutually agreed terms for establishment of legal framework and institutions to enable other Members, particularly developing Members, to meet obligations of membership or participation in such conformity assessment systems.</p>	
12.2	<p>Members shall give particular attention to developing Members' rights and obligations and shall take into account the special development, financial and trade needs of developing Members in the implementation of the Agreement, both nationally and in the operation of the Agreement's institutional arrangements.</p>	

12.3, 12.7	Members shall, in preparing and applying technical regulations, standards and conformity assessment procedures, take account of the special development, financial and trade needs of developing Members with a view to ensuring that unnecessary obstacles to exports from developing countries are not created. Technical assistance to be provided by Members to that end, taking account of the stage of development of the requesting Members.	Particular account to be taken of the least-developed Members in provision of technical assistance..
12.4	[Because] developing Members adopt certain technical regulations, standards or conformity assessment procedures aimed at preserving indigenous technology and production methods and processes compatible with their development, Members recognize that developing Members should not be expected to use international standards... which are not appropriate to their development, financial and trade needs.	
12.5, 12.6	Members shall take such reasonable measures as may be available to them to ensure: that international standardizing bodies and international systems for conformity assessment are organized and operated in a way which facilitates active and representative participation of relevant bodies in all Members, taking into account the special problems of developing country Members (12.5); that international standardizing bodies, upon request of developing Members, examine the possibility of, and if practicable prepare international standards concerning products of special interest to developing Members. (12.6).	
12.10	TBT Committee to review application of special and differential provisions	

Agreement on Trade-related Investment Measures (TRIMS)

<i>Article</i>	<i>Provision for Developing Country Members</i>	<i>Provision Specifically for Least-developed Country Members</i>
Preamble	Taking into account trade, development and financial needs of developing countries and especially LDCs.	

4	Permission to “deviate temporarily” from requirement to eliminate TRIMS inconsistent with Articles III and XI of GATT 1994, to the extent and in such a manner as Article XVIII of the GATT, the Understanding on the Balance of Payments provisions of GATT 1994, and the 1979 Declaration on Trade Measures Taken for Balance of Payments Purposes, permit deviation from Articles III and XI of GATT 1994.	
5.2	5 years (<i>2 years</i>) to eliminate TRIMS inconsistent with Agreement.	7 year transitional period.
5.3	Possible extension of transitional period on the basis of demonstrated particular difficulties in implementation and taking into account the individual development, financial and trade needs of the Member in question, on agreement of Council for Trade in Goods.	

Agreement on the Implementation of Article VI (Anti-Dumping)

<i>Article</i>	<i>Provision for Developing Country Members</i>	<i>Provision Specifically for Least-developed Country Members</i>
15	Special regard to be given by developed countries to “special situation” of developing countries when considering application of anti-dumping measures Constructive remedies to be explored prior to imposition of antidumping measures.	

Agreement on the Implementation of Article VII (Customs Valuation)

<i>Article</i>	<i>Provision for Developing Country Members</i>	<i>Provision Specifically for Least-developed Country Members</i>
20	Establishment of special and differential treatment	
20.1	Developing country Members not party to the Tokyo Round Agreement on Implementation of GATT Article VII may delay application of all provisions for up to 5 years after entry into force of WTO Agreement for such Members.	

20.2	Developing country Members not party to the Tokyo Round Agreement may delay application of Articles 1.2(b) (iii) and 6 regarding the computed value method, for a period of up to three years following application of other provisions of the Agreement.	
20.3	Provision by developed countries of technical assistance on mutually agreed terms.	
Ann III.2	Possibility of retaining existing system of minimum values under terms and conditions to be agreed by the Committee	
Ann III.3	Right to refuse importers' request to reverse order of Articles 5 and 6.	
Ann III.4	Right to reserve application of Art 5.2 in accordance with the provisions of the relevant note thereto whether or not requested by importer.	
Ann. III.5	If developing country experiences problems in applying Article I insofar as it relates to sole distributors/ importers, a study will be made on request to find appropriate solutions.	



Agreement on Preshipment Inspection (PSI)

<i>Article</i>	<i>Provision for Developing Country Members</i>	<i>Provision Specifically for Least-developed Country Members</i>
Preamble	Need recognized for developing countries to have recourse to PSI "for as long and insofar as it is necessary" to verify quality, quantity or price of imports.	
3.3	Exporter Members shall offer to provide technical assistance to user Members, if requested, directed to achieving objectives of the Agreement on mutually agreed terms. Such assistance may be given on a bilateral, plurilateral or multilateral basis.	

Agreement on Import Licensing

<i>Article</i>	<i>Provision for Developing Country Members</i>	<i>Provision Specifically for Least-developed Country Members</i>
Preamble	Members to take into account trade, development and financial needs of developing countries.	
1.2	Members shall ensure that administrative procedures used to implement licensing schemes conform to GATT 1994 provisions, taking into account development, financial and trade needs of developing country Members.	
2.2, footnote 5	Developing country Members that were not signatories to the corresponding Tokyo Round Agreement may delay by up to two years, following notification, of obligation to accept application for automatic licence on any working day before next day customs clearance, and to grant automatic licences within 10 working days of receipt of applications.	
3.5(a)(iv)	Developing countries “would not be expected” to incur additional administrative burden in order to provide import statistics for products subject to non-automatic licensing.	
3.5(j)	Special consideration to be given to importers importing products from developing countries in allocating non-automatic licences.	Consideration to be given to importers products especially from least-developed countries.



Agreement on Safeguards

<i>Article</i>	<i>Provision for Developing Country Members</i>	<i>Provision Specifically for Least-developed Country Members</i>
9.1, footnote 2	Safeguards “shall not be applied” against products originating in developing countries if share of imports is not in excess of 3 per cent, and if developing country Members with less than 3 per cent share do not account collectively for more than 9 per cent of imports.	
9.2	Safeguards may be maintained for up to 10 years (4-year initial period + 6 year extension) (8 years - 4+4).	

9.2	Safeguards of more than 180 days in duration may be re-imposed after half the time they were in force (<i>full extent of the period in force</i>) has elapsed, subject to a minimum non-application period of two years.	
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Agreement on Subsidies and Countervailing Measures

<i>Article</i>	<i>Provision for Developing Country Members</i>	<i>Provision Specifically for Least-developed Country Members</i>
27	Recognition of principle of differential and more favourable treatment	
27.2 (a)	Developing countries with per capita income below US\$ 1,000 (and listed in Annex VII) exempted from prohibition on export subsidies.	Not subject to prohibitions on export subsidies.
27.2 (b) and 27.4	8 year transition periods, within which subsidies phased out, preferably in a progressive manner. Consultations with Committee not later than one year before the expiry of the period of extension sought. Annual consultations if extension justified. Two year phase out if not justified.	
27.3	Prohibition on subsidies contingent on export performance not applicable for 5 years.	8 years.
27.5 and 27.6	Export Subsidies to be phased out within 2 years of attaining “export competitiveness” in any given product; 8 year phase out for Annex VII Members. “Export competitiveness” is defined as at least 3.25 % of world trade in the “product” (HS Section) for two consecutive calendar years.	8 years.
27.7	“Remedy” provisions of Article 7 are applicable to developing country Members for subsidies in conformity with 27.2-27.5. Otherwise Article 4 applies.	
27.8	Subsidies specified in Article 6.1 (i.e ad valorem subsidisation of product in excess of 5 per cent, to cover operating losses, of industries or enterprises, direct forgiveness of debts and grants to cover debt repayment not be presumed to cause serious prejudice; positive evidence must be supplied.	

27.9-10	Subsidies actionable only if they cause injury or nullify or impair benefits to other Members under GATT 1994. Countervailing duty investigations to be terminated where share of total imports less than 4 per cent and where total import share of developing country Members, each with less than 4 per cent share, does not exceed 9 per cent.	
27.11	<i>De minimis</i> subsidisation provision requiring termination of countervailing inquiry 2 per cent (<i>1 per cent</i>) or 3 per cent if export subsidies eliminated before the end of 8 year period.	
27.13	Certain subsidies granted in context of privatization programmes are not actionable.	

General Agreement on Trade in Services (GATS)

<i>Article</i>	<i>Provision for Developing Country Members</i>	<i>Provision Specifically for Least-developed Country Members</i>
Preamble	Recognition of particular need for developing countries to exercise right to regulate or introduce new regulations on supply of services within territory in order to meet development objectives, and desiring to facilitate increased participation of developing countries in trade in services and the expansion of their exports in services, <i>inter alia</i> through strengthening domestic capacity.	
III:4	“Appropriate flexibility” with respect to time limits for establishment of enquiry points may be agreed with individual developing country.	
IV:1	Increased developing country participation in services trade to be facilitated through negotiations of specific commitments relating to strengthening domestic services capacity, efficiency and competitiveness through access to technology on a commercial basis, improvement of market access to distribution channels and information networks, liberalisation of market access in sectors and modes of supply of export interest.	See against IV:3 below

IV:2	Members to facilitate developing country access to market information through establishment of contact points.	
IV:3		Special priority to be given to LDCs in implementation of Articles IV:1 and 2, and “particular account” to be taken of LDCs’ difficulties in accepting negotiated commitments owing to particular development trade and financial needs.
V:3	Flexibility in application of Article V:1 requirement for substantial sector coverage and elimination of discrimination between Members in context of an agreement entered into by Members with a view to liberalising trade in services.	
XV:1	Provision for flexibility in use of subsidies in development programmes.	
XIX:2	Flexibility for developing countries to open fewer sectors, liberalise fewer types of transaction, progressively extending market access in line with economic development. Flexibility for developing countries to attach conditions when providing market access to foreign suppliers, in order to facilitate increased participation by developing countries in trade in services.	
XXVI:2	Provision for technical assistance on a multilateral basis.	

GATS Annex on Telecommunications

<i>Article</i>	<i>Provision for Developing Country Members</i>	<i>Provision Specifically for Least-developed Country Members</i>
para 5 (g)	Provision for placing reasonable conditions of access to public telecoms transport networks and services consonant with need to strengthen domestic telecoms infrastructure and increase participation in international trade.	

para 6 (a)	In order to facilitate improvement of telecommunications infrastructure, Members and their suppliers encouraged to participate, to “fullest extent practicable” in development programmes of international and regional organizations.	6 (d): special consideration to opportunities for LDCs to encourage foreign suppliers to assist in transfer of technology, training and other activities for developing telecoms trade.
para 6 (c)	Members to provide information “where practicable” to developing countries regarding telecommunications services and technological developments.	

Agreement on Trade-related Aspects of Intellectual Property Rights (TRIPS)

<i>Article</i>	<i>Provision for Developing Country Members</i>	<i>Provision Specifically for Least-developed Country Members</i>
Preamble	Recognition that objectives of national systems of intellectual property protection include developmental objectives.	Recognition of special interest of LDCs in respect of maximum flexibility in implementation of domestic regulations in order to enable the creation of a sound technological base.
65.2 and 65.4	Four year transitional period additional to one year available to all original Members (applicable to most but not all TRIPS obligations). Further 5 year extension in cases where Agreement requires extending product patent protection to areas of technology not so protectable by end of general transition period.	
66		Delay for up to 10 years for most TRIPS obligations. Possibility of extension following duly motivated request.
66.2		Developed country Members to provide incentives to enterprises and institutions in their territories for purpose of encouraging transfer of technology to LDCs.

67	Provision by developed Members of technical and financial cooperation.	
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Trade Policy Review Mechanism

<i>Article</i>	<i>Provision for Developing Country Members</i>	<i>Provision Specifically for Least-developed Country Members</i>
Section D		Technical Assistance to be provided by Secretariat.

Understanding on Rules and Procedures Governing the Settlement of Disputes

<i>Article</i>	<i>Provision for Developing Country Members</i>	<i>Provision Specifically for Least-developed Country Members</i>
3.12	Right to invoke 1966 Decision regarding Procedures under Article XXIII in lieu of Arts 4, 5, 6 and 12 of the understanding.	
4.10	Members to give “special consideration” to interests of developing countries during consultations.	
8.10	Developing countries can require that at least 1 panellist in cases concerning them be a national of a developing country.	
12.10	Possibility to extend length of time-limit for resolution. Panels to allow “sufficient time” for developing countries to prepare argumentation.	
12.11	Panel findings to make explicit reference to way in which special and differential treatment taken into account.	
21.2	On surveillance of implementation of recommendations or rulings, particular attention should be paid to matters affecting the interests of developing country Members with respect to matters which have been subject to dispute settlement.	
21.7	If [a matter is raised] by a developing country Member, the DSB shall consider what further action it might take which would be appropriate to the circumstances.	

21.8	If case brought by developing country, DSB when considering appropriate action, to take into account impact on economy of developing country concerned as well as trade coverage.	“Particular consideration” shall be given to the special situation of LDC Members at all stages in the determination of causes of dispute and of dispute settlement.
24.1		Members to “exercise due restraint” in raising matters under these procedures involving an LDC Member. If nullification or impairment established, Members to “exercise due restraint” in seeking compensation or authorisation to suspend concessions or any other obligation pursuant to these procedures.
24.2		If satisfactory solution not found, Director General or Chairman of DSB may offer their good offices upon request by LDC to find acceptable solution prior to request for a panel.
27.2	Provision by the Secretariat of services of qualified legal experts from the WTO technical cooperation services to any developing country Member that so requests.	