

Sub-Committee on Least-Developed Countries
Twenty-Ninth Session

NOTE ON THE MEETING OF 16 JULY 2002

Chair: Ambassador Johan Molander (Sweden)

1. The Chairman welcomed capital-based representatives of acceding LDCs who attended the WTO Seminar on Accessions held on 15-16 July 2002, back-to-back with the Twenty-Ninth Session of the Sub-Committee.

A. ADOPTION OF AGENDA

2. Zambia proposed to raise an element of the agreed Work Programme namely, "Mainstreaming, as appropriate, into the WTO's work trade-related elements of the LDC-III Programme of Action, as relevant to the WTO's mandate" under item B of the agenda. The Sub-Committee adopted the agenda for the meeting contained in WTO/AIR/1848 as amended.

B. FOLLOW-UP TO MINISTERIAL DECISIONS/DECLARATIONS: WTO WORK PROGRAMME FOR LEAST-DEVELOPED COUNTRIES

3. The Chairman noted that the WTO Work Programme for LDCs, WT/COMTD/LDC/11, had been adopted by the Sub-Committee on 12 February 2002, in accordance with the mandate contained in paragraph 42 of the Doha Ministerial Declaration. At the twenty-eight session of the Sub-Committee, Members had reaffirmed their commitment to the effective implementation of the WTO Work Programme for LDCs. The need to prioritise on a few elements of the work programme at each session of the Sub-Committee was also recognised. This session was focussed on accession of LDCs.

(i) Accession of Least-Developed Countries

4. The Chairman recalled that the Sub-Committee was held back-to-back with the Seminar on Accession to facilitate the participation of acceding LDCs, especially the non-residents among them. Chairpersons of some of the LDCs' accession Working Parties and representatives from all the LDCs in accession were present at the meeting. The concluding remarks by the Secretariat from the Accession Seminar held on 15-16 July 2002, was circulated at the meeting (see Annex). Documents WT/ACC/10 and WT/ACC/11/Rev.1 distributed at the Seminar were also made available.

5. He noted that paragraph 18 of the LDC Work Programme, listed specific actions agreed to by Members of the Sub-Committee relating to the accession of LDCs. This meeting provided an opportunity to discuss accession of LDCs in light of these commitments. Work to be undertaken included examination of a report by the Secretariat on technical assistance activities in support of accessions, and briefings on progress made in the Working Parties on LDCs accessions by Chairpersons and by the acceding LDCs themselves. The document WT/COMTD/LDC/W/27 contained the state-of-play of LDCs' accessions, which was submitted to the Sub-Committee by the chairpersons of LDCs' accessions Working Parties. In accordance with the requirements of paragraph 18 of the LDC Work Programme, information on technical assistance and training provided by the WTO Secretariat and the Training Institute to acceding LDCs was also included in the document.

6. He noted that the priority attached to the delivery of technical assistance to acceding LDCs was in evidence with over 300 activities carried out by the WTO between 1998–2002. He invited acceding LDCs to refer to their respective experiences with the accession process, and to their specific technical assistance and capacity building needs.

7. The representative of Nepal said that its process of accession to the GATT/WTO had started in 1989. Nepal was therefore the oldest LDC in the process of accession. His country had gathered a substantive amount of experience on WTO accession. Nepal sought membership so as to integrate into the global economic system and to raise the standard of living of its people. The goal was overall economic development and WTO membership was seen as an instrument in attaining this objective.

8. He said that on the accession of LDCs, the Zanzibar Declaration of LDCs' Ministers in 2001, was a guiding principle that was still valid. The Seminar on Accessions which was held for the first time by the WTO, brought out issues and constraints faced in the process of accession. There was broad understanding that the accession process was lengthy, arduous and complex. The delay in the accession process was crowding out limited human and financial resources. It was also limiting the use of policy instruments for development. There was therefore a need to devise a time-bound accession package for LDCs. He suggested that the target could be the maximum of three years from the date of establishment of a working party or a maximum of three working party meetings, whichever was concluded earlier.

9. He said that LDCs sought WTO membership not to dilute or diminish the multilateral trading rules. Acceding LDCs would respect and abide by the rules. But rules that went beyond the capacity of the acceding government should not be imposed. A realistic and adequate adjustment period was critical. He said that transition periods should be based on objective criteria. Despite the Special and Differential treatment (S&D) provisions, the tendency of WTO Members during the accession process was to extract concessions and seek commitments from acceding countries that did not take account of acceding countries development, trade and financial needs. He said that the S&D provisions should be extended automatically to all acceding countries. Pursuant to paragraphs 9 and 42 of the Doha Ministerial Declaration, Nepal hoped that the Sub-Committee would address the problems faced and would devise uniform guidelines to conclude the accession process in an accelerated manner.

10. The representative of Bhutan expressed appreciation for the Seminar on Accession that had preceded the Sub-Committee. The Seminar was useful as it had fostered a frank exchange of views between Members and acceding countries. He encouraged the WTO Secretariat to organise such events periodically for the benefit of acceding countries. He acknowledged that the "Accession of LDCs" was being given importance by WTO Members of the Sub-Committee. The WTO was an important economic and political institution. Membership of the WTO was crucial for countries at lower levels of development that were seeking to integrate and benefit from the global economic system.

11. He noted that the process of accession to the WTO had remained cumbersome and difficult. The experience of some countries that were at an advanced stage of accession negotiations had not been encouraging. No LDC had acceded to the WTO since it was established in 1995. This was an indication of the difficulties faced. The multi-track negotiations for LDCs were tedious and onerous for LDCs. As they had neither the sufficient technical expertise nor the financial means to sustain a lengthy accession process. Further, some Members tended to demand concessions and commitments that went beyond the WTO requirements. Such an approach was not consistent with the Doha Declaration in which Ministers had agreed to work to "facilitate and accelerate the negotiations with acceding LDCs". He also recalled the commitments made at LDC-III.

12. He stated that for WTO membership to be meaningful, accession needed to contribute to economic liberalisation and all round development and growth of the country. His delegation noted that there was a move to facilitate the process by reducing the number of working party meetings. He

urged the Sub-Committee to work towards simple and coherent accession procedures in keeping with the spirit of the Doha Ministerial Declaration and LDC-III. The terms of accession should take account of the stage of development and special needs of the acceding country. Automatic eligibility of all S&D provisions in existing WTO agreements was important. He urged the exclusion of "WTO-plus" commitments. The preparation for membership also required a thorough understanding of the accession procedures and the range of issues covered under the WTO agreements. LDCs had limited expertise and it was therefore important that acceding LDCs were provided financial and technical assistance, as stressed in the Doha Declaration. Bhutan had received technical assistance from UNCTAD. He underlined the need for sustained assistance from UNCTAD and other donor countries and organisations in order to facilitate the accession process. Assistance was also needed to build national capacity to implement the WTO agreements following the completion of their accession. He thanked WTO, UNCTAD, UK and the EU in this regard.

13. The representative of Ethiopia welcomed the Seminar on Accession that had been organised back-to-back with the 29th session of the Sub-Committee. He expressed concern at the lack of progress on accession of LDCs to the WTO. The accession process was complex and costly. This was in sharp contrast with the limited human, institutional and financial resources of acceding LDCs. At the seminar, participants had suggested a fast-track approach to accession and establishing multilaterally agreed benchmarks for commitments to be expected from acceding LDCs. The core elements of a fast-track approach were spelt out in the LDC-III Programme of Action and the Zanzibar Declaration. He said that the core elements, *inter alia*, included:

- (a) facilitating accession of LDCs on terms that took account of their level of development, including their limited human, institutional, financial and administrative capacities;
- (b) refraining from seeking obligations or commitments that went beyond that applicable to current LDC Members;
- (c) providing eligibility for S&D treatment in existing WTO Agreements including all transitional periods;
- (d) providing adequate technical and financial assistance;
- (e) establishing clear and simplified procedures by streamlining procedural and documentation requirements;
- (f) refraining from seeking commitments from acceding LDCs in the plurilateral trade agreements as a condition for membership;
- (g) making the accession process more effective and less onerous by tailoring it to the specific economic condition of each acceding LDC; and,
- (h) developing fast-track procedures in specific sectors such as services, industrial tariffs, agriculture etc.

14. He stated that pursuant to the WTO Work Programme for LDCs, the Sub-Committee was expected to reach agreement on concrete recommendations regarding the accession of LDCs. The Chairman of the Sub-Committee was to report to the first meeting of the General Council in 2003. He urged the Sub-Committee to agree to the core principles that he had outlined. These guidelines could facilitate and accelerate LDCs' accessions to the WTO. Accession of LDCs was important for the preservation of confidence in the WTO and the multilateral trading system.

15. The representative of the Lao People's Democratic Republic said that the seminar on accession held back-to-back with the meeting of the Sub-Committee was timely. It provided her non-resident delegation with an opportunity to participate. Trade was regarded as an important tool to foster development as it boosted economic activity and raised employment. The accession of the Lao PDR to the WTO was consistent with its national policy to open doors and promote economic integration. The Government of the Lao PDR gave priority to integration and was negotiating its accession to the WTO. Of the 28 countries in accession, 9 were LDCs, including the Lao PDR. However, her country's ability to obtain membership depended mostly on its internal capacities. This was essential to convert WTO accession into development opportunities. She said that the process of accession of the Lao PDR should proceed quickly without unreasonable delays. In order to accelerate the accession process she suggested that:

- (a) WTO members and the international agencies, such as UNCTAD or ITC increased their existing assistance to Lao PDR. This would support the accession negotiations and longer term developmental assistance, which was needed to build human and institutional capacity to use WTO membership in an effective manner; and,
- (b) the accession procedures should be revised and include S&D provisions in order to facilitate the accession of LDCs.

16. The representative of Sudan thanked the Secretariat for organising the Seminar on Accessions. His country had applied for membership to the WTO. In view of the mandate contained in the Doha Declaration to facilitate the accession of LDCs, Sudan was ready to accelerate its efforts to join the WTO. His delegation looked forward to technical assistance from the Secretariat and Members to ease their entry into the WTO.

17. The representative of Zambia (on behalf of LDCs) welcomed the participation of acceding LDCs and statements made by LDCs' capital-based representatives. He said that while the international community had reiterated its commitment to integrate the LDCs into the global economy, it was regrettable that since the establishment of the WTO, no LDC had as yet acceded to the WTO. He recalled that nine LDCs were in the process of accession including some that dated back to 1989. Facilitating the process of accession for LDCs to the WTO was the first step in integrating these countries into the global economy. The lengthy process of accession negotiations had placed an administrative burden on acceding LDCs that went beyond the available capacity in these countries, notwithstanding the technical assistance provided to them.

18. He recalled that at the LDC-III Conference in Brussels, the international community had recognized the shortcomings in the LDCs' accession process and had undertaken commitments to address those difficulties. In the Zanzibar Declaration, LDCs' Trade Ministers, in preparation for the Doha Ministerial Conference, had further spelt out principles to be adopted to streamline the rules and procedures to "fast-track" LDCs accession to the WTO. In addition, in the Doha Ministerial Declaration, Ministers had agreed "that the WTO should take into account, in designing its work programme for LDCs, the trade-related elements of the Brussels Declaration and Programme of Action, consistent with the WTO's mandate, adopted at LDC-III." This was the basis of the Work Programme that the Sub-Committee was considering.

19. He said that the main interest of LDCs was to see that the commitments adopted in the Program of Action at the LDC-III Conference in Brussels and the principles elaborated by LDCs' Ministers in Zanzibar were operationalised expeditiously. These elements were to be mainstreamed into the WTO Work Programme and WTO rules. The underlying principle in the process of accession negotiations should be that LDCs would not be required to bear higher levels of commitment than those applicable to existing LDC Members of the WTO.

20. He noted that some of the main elements of the LDCs' position contained in the Program of Action of LDC-III included:

- (a) basing the accession process on terms that took account of the stage of development and the basic principles of Special and Differential treatment. This meant providing automatic eligibility of all acceding LDCs to all provisions on Special and Differential treatment in existing WTO agreements. Furthermore, LDCs were not in favor of "WTO-plus" (going beyond the existing WTO rules and disciplines) and/or "WTO-minus" (narrowing LDCs WTO rights) in the accession process;
- (b) WTO members exercising restraint in seeking concessions from the acceding LDCs in the negotiations on market access for goods and services in keeping with the letter and spirit of the provisions of the Ministerial Decision on Measures in favour of Least Developed Countries. Only commitments that were commensurate with their level of development should be sought;
- (c) ensuring that the accession process should be more effective and less onerous and streamlining procedural requirements, especially those related to bilateral market access negotiations, such that they are tailored to LDCs' specific economic conditions; and,
- (d) assisting acceding countries with immediate and focused technical, financial and other forms of assistance required to support their accession process and capacity building on trade policy issues.

21. He requested the Secretariat prepare a paper listing the special provisions for LDCs in the agreements that: (i) acceding LDCs would automatically be eligible to; and (ii) those items on which negotiations would be involved before an acceding LDC was eligible. On behalf of LDCs, he proposed that, the work program established by the Sub Committee should lead to a decision to be taken by the General Council, not later than the end of 2002. This decision should incorporate all the substantive elements mentioned by LDCs so as to facilitate and accelerate accessions of LDCs.

22. The representative of Mauritania thanked the Secretariat for the document on the state-of-play of LDCs' accessions (WT/COMTD/LDC/W/27) and the Technical Note on the Accession Process (WT/ACC/10). He welcomed capital-based delegates from acceding LDCs and expressed his appreciation for the organisation of the Seminar on Accessions. His delegation supported the statement made by Zambia, the LDCs' coordinator, and the statements made by acceding LDCs under this agenda item. The issue of LDCs' accessions was difficult, despite paragraph 9 and 42 of the Doha Declaration, the Zanzibar Declaration and the Brussels Programme of Action that had given clear instructions to accelerate the process. He urged Chairpersons of LDCs' accession working parties to report on progress made as mandated in paragraph 18 (ii) of the WTO Work Programme for LDCs. This would enable open discussions and recommendations in areas where there were problems that impeded the accession of LDCs. The Chairman of the Sub-Committee would also report with recommendations as agreed to the General Council at its first meeting in 2003. A clear decision on the issue of accessions was important to fulfill the Ministerial mandate and for the credibility of the multilateral trading system.

23. The representative of Cuba said that the statements made by acceding countries indicated the difficulties that existed. His delegation expressed its solidarity with the countries that sought rapid accession to the WTO. Since 1995, no LDC had joined the WTO. Moreover there was a lack of transparency in the process as the level of concessions and commitments that had been imposed on these countries were more than what they, as LDCs, could meet. Obligations were being imposed that were more onerous than those contained in the WTO agreements.

24. The representative of the European Communities took note of the interventions made and experiences shared by acceding LDCs at the Sub-Committee. A sense of urgency and a degree of frustration with the accession process had been expressed. His delegation attached importance and a sense of obligation to address this issue as highlighted at LDC-III and in paragraphs 9 and 42 of the Doha Declaration. Paragraph 18 (iii) of the WTO Work Programme for LDCs adopted by Members in February 2002, called on the Sub-Committee to report to the General Council with concrete recommendations to facilitate and accelerate the process. Also under the WTO Work Programme there was a status report to be made to the Fifth Ministerial. There were therefore operational deadlines to meet.

25. He recalled that at LDC-III, Canada, Japan, the EC and the US had put forward a paper on LDCs accessions. Some of the points made in their paper were pertinent for progress on the accessions issue. For instance, on market access it suggested seeking "reasonable schedules of commitments on goods and services." On Rules and their implementation, the paper suggested that the flexibility foreseen under the WTO Agreements for LDCs should be fully utilised, including, in the area of transitional periods where they existed. The link to technical assistance was also made.

26. The representative also drew attention to his delegation's proposal to the General Council (WT/GC/W/153) in 1999. It contained concrete elements. On industrial tariffs it proposed an across the board binding of tariffs at around 30 percent. On agriculture the binding suggested was about 40 percent. On services, his delegation suggested commitments on three services sectors with emphasis on mode 3. The automatic availability of transition periods for LDCs was also proposed. There were several ideas on the table and he noted that suggestions had also been made at the Seminar on Accession to move the process forward.

27. He stated that there was a trade-off between the "substance" and the "speed" of accession. His delegation did not view that accession at any price would be beneficial. The system was based on rules that could be undermined if acceding LDCs sought flexibility and could not implement even the core obligations needed for them to effectively participate and benefit from the system. There were therefore certain issues for which flexibility would be difficult. Flexibility on market access at the "request and offer" negotiations would not imply derogations from "national treatment", or from GATT Article III or XI, Agreement on SPS, etc. The rules to effectively trade needed to be fulfilled. The capacity to meet these rules also needed to be built. He said that technical assistance and capacity-building were also important and would be reported on under the LDC Work Programme.

28. On operational issues he said that there was need for Chairpersons of accession Working Parties to also participate in these discussions at the Sub-Committee. Their inputs in drawing up possible recommendations was important. There was also a need for channelling Members inputs in the Sub-Committee to the LDC accession working groups. He suggested that in addition to the reports on the Seminar and the Sub-Committee, the WTO Secretariat should prepare a compilation of recent and past proposals made on accession. Any follow-up actions taken on the proposals could also be reported. He proposed that such a compilation would be a basis for an informal consultations of the Sub-Committee in the fall. Concrete recommendations could be considered in the consultations. An analysis of technical assistance needs for acceding LDCs would also need to be made.

29. The representative of Tanzania expressed appreciation for the Seminar on Accession held back-to-back with the Sub-Committee. A "fast-track" approach for LDC accessions agreed to in Brussels, Zanzibar, and during the Doha Ministerial was supported by her delegation. Concrete proposals were needed to operationalise the "fast-track" approach and accelerate the accession process.

30. The representative of Canada said that the Work Programme adopted by the Sub-Committee gave an opportunity to have an in-depth discussion on the LDCs' accession process. He had attended the Seminar on Accessions and said that the comments and suggestions made as reflected in the

Seminar's concluding remarks were useful. At the Doha Ministerial, Ministers had highlighted the particular challenge faced by LDC accessions and had called on Members to conclude these negotiations as soon as possible. Looking at ways to facilitate and accelerate the process were also called for. Canada expressed its willingness to work with others in the Sub-Committee to meet the schedule agreed to in LDC Work Programme and to generate practical ideas to fulfill this mandate. This would need to build upon the progress that had already been achieved in streamlining the LDCs' accession process.

31. He recalled that at the Accession Seminar, Canada's Ambassador H.E Sergio Marchi had spoken of the importance of achieving universality in the membership of the WTO. It had been noted that no LDCs accession had been completed since the establishment of the WTO. There was a need to do better. At the Seminar, it had also been stressed that the WTO accession needed to be viewed in the wider context of furthering the acceding government's economic reform objectives. This was a possible ingredient for a successful accession.

32. He acknowledged that the accession process was difficult and rigorous. There was a broad range of legislation, regulations and enforcement mechanisms that needed to be brought into conformity with WTO standards. There were not a lot of shortcuts. Well targeted technical assistance and capacity building were essential. His delegation was pleased that there were many activities in the WTO technical assistance programme that were directed towards LDCs' accession candidates consistent with the Doha Declaration. This assistance was being complemented with the multitude of bilateral and regional capacity building efforts.

33. He said that LDC-III was also relevant to the Doha mandate. The delegate from the EC had referred to the paper from Canada, EC, Japan and the US. The paper had pledged to work towards a more effective and less onerous process. Specifically, it proposed seeking reasonable schedules of commitments on goods and services, allowing LDCs to make full use of the flexibility foreseen for them under the WTO agreements, including some transition periods, when needed and supported by a realistic action plan. The paper also pledged to strengthen technical assistance and capacity building, including making effective use of the Poverty Reduction Strategy Papers (PRSPs) and the Integrated Framework (IF). There was a need to go further in the consideration of this item at the Sub-Committee so as to come forward with practical mechanism for improving the approach to accessions. For example, on technical assistance, it was possible to develop for each acceding LDC a multi-institutional programme of activities at an early stage of the accession process. This could be in line with the IF. A comprehensive plan for TA was needed to fill the gaps required to complete the accession process. This could focus on challenges such as training for customs officials etc. in addition to the work of drafting legislation. Other preliminary suggestions included:

- (a) examining the scope for informal "mentoring" arrangements for acceding governments by WTO members. Including, where practical, recently acceded governments who could share their experience with the accession process;
- (b) examining the possibility of more effectively using the period of Observer Status to prepare for the accession negotiations;
- (c) availability of transition periods, where warranted, for acceding LDCs;
- (d) the trade policy review process could also be a tool soon after the completion of the accession process to ensure that all aspects were on track, and for providing further assistance in identified areas. Having a "TPR-like" exercise could also be envisaged at the beginning of the accession process as a means of better identifying the gaps that needed to be filled during the accession negotiation;

- (e) some ideas had been put forward from LDCs on practical ways to facilitate negotiations. For instance undertaking more through electronic exchanges/means or through the Secretariat could facilitate the bilateral market access negotiations. Some LDCs had also suggested possible meetings in locations other than Geneva.

34. Finally, the Canadian representative supported the suggestion made by the EC and requested that a compilation of the specific ideas to facilitate accessions be prepared by the Secretariat. This compilation could be considered at an informal consultation of the Sub-Committee shortly after the summer break with a view to fulfilling the various aspects of the mandate on LDCs accessions.

35. The representative of Bangladesh welcomed capital-based representatives of acceding LDCs to the Sub-Committee. He fully supported the statement made by Zambia, the current LDC's co-ordinator.. It was recognised that the accession process was difficult. However, maximum flexibility needed to be shown to LDCs in their accession to the WTO in light of their limited capacity.

36. The representative of Norway thanked the Secretariat for the Seminar. The process of facilitating accession to the WTO was consistent with the enhancement of reforms by the acceding governments themselves. He noted that the accession process provided an opportunity for current Members to influence the interpretation of the rules and the average level of commitments to be expected in the future. As opposed to negotiations in general, accession negotiations were more bilateral in nature. This was a matter of concern for Norway as there were delegations that could exert a greater influence on the accession process. A multilateral framework for the accession negotiations was suggested in addition to the bilateral negotiations. Restraint needed to be exercised by the more influential Members by not seeking commitments in bilateral accession negotiations that went beyond the existing WTO framework. This could undermine the integrity of the rules-based multilateral trading system.

37. The representative of Cambodia said that his delegation was quite advanced in the accession process. They had recently submitted additional documentation for a Third Working Party meeting that could be held in mid-October 2002. Cambodia wished to share its experience, particularly, with other acceding LDCs. There were both difficulties and breakthroughs in the accession process. On the difficulties, he said that to benefit from the global trading system, the acceding country had to undergo necessary reforms. This was not a "one-way approach". Political will from the acceding country was not enough if it was not matched by political will from their main trading partners. Trading partners needed to be more understanding in their demands. It was a "two-way approach". Cambodia had the political will to accede to the global trading system. However, in their negotiations particularly at the bilateral level, a few major trading partners had made demands that they viewed as unreasonable, particularly, as other trading partners had welcomed Cambodia's offer. He urged developed countries to show restraint in their demands, particularly on LDCs.

38. He said that Cambodia had also had positive experiences to share in the accession process. Many developed countries had expressed support for their accession. For LDCs, the cost of transportation of their delegation to Geneva for Working Party meetings and bilaterals was quite prohibitive. He proposed that some of the bilateral negotiations could be held outside Geneva. He invited delegations to carry out the bilateral negotiations in Cambodia as they would be better prepared to respond. In addition to the cost benefits, this would also speed up the accession negotiations. Other creative solutions, as suggested by Canada, such as the use of electronic means on non-sensitive issues was also useful. Cambodia was a main beneficiary of the IF and there was access to a lot of technical assistance in support of their accession. He thanked UNCTAD for its support in this regard.

39. The representative of the United States said that a pragmatic approach had been taken on this subject. The Sub-Committee, held back-to-back with the Seminar on Accession, was commendable as it allowed delegates to develop and explore a range of ideas for proceeding with this important topic.

The urgency and sense of frustration that had been expressed had been noted. Her delegation supported the need to find pragmatic ways to facilitate the process and to follow through on the commitments made. She said that the process of accession was in itself an opportunity to help the acceding governments understand the obligations that they needed to undertake to establish a better environment for trade and investment. The domestic institutions also needed to be prepared for accession and the follow-through after membership. It was not necessarily possible to adopt a "one size fits all" approach to this process as the process itself had value. Nevertheless there was need to consider all the ideas that had been put forward. She welcomed the suggestion by the EC to have a comprehensive overview and outline of all the ideas that had been suggested. This would enable the search for solutions. She expressed her delegation's commitment in working to expedite and simplify this process and supported the suggestion for informal meeting in the fall.

40. The US supported more funding for technical assistance. The experience of Cambodia with the Integrated Framework was also commended. She said that Cambodia's experience could serve as a model for other acceding countries. Even though progress had perhaps been slow, the US believed that the process was moving in the right direction. She welcomed the opportunity to continue work on this issue in the fall.

41. The representative of Zambia (on behalf of LDCs) said that the interventions from acceding LDCs had highlighted the problems faced in the process. The Sub-Committee established by the Committee on Trade and Development provided a forum to discuss the situation of LDCs in the trading system. There was need for concrete actions to be taken and movement beyond the statements made. For example, Cambodia had elaborated difficulties it faced and notwithstanding its positive experience with the IF, it was still seeking membership to the WTO. There was therefore need to conclude accession negotiations with LDCs at the earliest.

42. The representative of Equatorial Guinea said that their main concern as an Observer was the issue of technical assistance for accession. Without assistance they could not undertake an assessment of the costs to begin their accession negotiations. His country needed information on technical assistance under the IF and the availability of bilateral assistance to begin and accelerate the process. Given that China had taken 15 years to accede, as a first step there was a need to evaluate before hand the impact and cost of accession to the WTO. He sought assistance for such an assessment.

43. The Chairman noted that two documents had been requested in the interventions. One paper had been requested by Zambia, on behalf of LDCs, that would list special provisions for LDCs in the Agreements. He said that the delegation of Zambia would be in further contact with the Secretariat on this matter. The other document, a compilation of proposals, was requested by the European Communities with a proposal to also schedule an additional informal meeting in the fall. The Chairman said that a date for such an informal meeting would be communicated in due course.

44. He said that a sense of urgency to move accessions forward had been conveyed by participants at the Seminar and at the Sub-Committee. The individual needs, constraints, achievements and difficulties faced by acceding LDCs had been highlighted in the discussions. Accession procedures had evolved as experience was gained. Though efforts had been made to simplify the process, there had been a call for more streamlining and further improvements. In this regard, several ideas had been suggested at the accession Seminar. These were reflected in the Concluding Remarks circulated and would also be included in a document to be compiled by the Secretariat.

45. However, he also noted that each accession remained essentially a negotiation between the acceding government concerned and WTO Members, at two levels namely a consideration of systemic issues and bilateral market access negotiations. Like in any negotiation, it was understandable that there would be differences. These differences could be reconciled through finding

a workable compromise between the special needs of the acceding government and the requirements of the rules-based WTO system.. The Secretariat had been playing the role of a proactive facilitator.

46. He said that the WTO would be strengthened as it became fully universal. The capacity and commitment of the acceding government to put in place WTO-related national legislation and enforcement mechanisms was important for the pace of the accession. This was central for accession, as the WTO was a framework of contractual and binding commitments undertaken by Members, enforceable through a dispute settlement process. The speed with which a government could deal with these issues influenced the pace of its accession. Timely completion of national legislation and enforcement structures was important to ensure that governments became effective WTO Members upon entry. Capacity building was needed and the needs of LDCs were recognised.

47. The Chairman said that the discussions had also highlighted areas of convergence. For instance, the importance of timely and focussed technical assistance and capacity building at various stages of the accession process had been mentioned by Members and acceding LDCs alike. He noted that the concluding remarks from the Seminar had also reflected areas of convergence and possible improvements. This was welcome, as the LDCs Work Programme mandated him as the Chairman of the Sub-Committee to report to the General Council at its first meeting in 2003 with concrete recommendations, as appropriate, agreed to in the Sub-Committee, on the implementation of the commitment made by Ministers to "facilitate and accelerate negotiations with acceding LDCs." A status-report was also to be submitted by the Director-General to the Fifth Ministerial Conference.

48. He stated that increased and coordinated bilateral and multilateral assistance was an area where further focus was needed. He intended to further discuss technical cooperation at the November meeting of the Sub-Committee. In addition to the activities undertaken by the Secretariat, the assistance provided by other multilateral, regional and bilateral organisations would be highlighted with the launch of the Technical Assistance database.

49. He thanked acceding LDCs and Members for the constructive discussions. The Seminar on Accessions had also been greatly appreciated. He proposed that: (i) the Concluding Remarks of the Seminar on Accessions would be reflected in the records of the Sub-Committee (see Annex); and (ii) that the Sub-Committee take note of the document WT/COMTD/LDC/W/27 and the statements made.

50. It was so **agreed**.

(ii) *Mainstreaming, as appropriate, into the WTO's work trade-related elements of the LDC-III Programme of Action, as relevant to the WTO's mandate*

51. The Chairman invited the representative of Zambia to make its statement on mainstreaming.

52. The representative of Zambia recalled that at the last meeting of the Sub-Committee he had drawn attention to paragraph 13 in section (d) of the LDC Work Programme. He said that the mandate of this paragraph had not been fully exhausted. The last sentence of paragraph 13 stated that "the Sub-Committee shall accordingly consider possible means of implementing these elements and would monitor, review and report annually to the Committee on Trade and Development". He suggested that this issue be further considered in the Sub-Committee. He said that his delegation sought to develop some modalities or mechanism. He proposed that the Secretariat assist LDC Members to prepare the means to operationalise and implement this aspect of the Work Programme.

53. The representative of the European Communities requested the representative of Zambia to clarify what the document was to contain. He said that his delegation had not prepared at this session to discuss this item. He said it was important to have a clear understanding of the request made.

54. The representative of Zambia said that the means and mechanism developed for the process of mainstreaming trade into the PRSP was an example. This is what his delegation had in mind – as they sought to mainstream, as appropriate, the trade chapter of the Brussels Programme of Action. Another example was the modalities that LDCs were discussing in the GATS. He said that paragraph 13 of the Work Programme had been negotiated by Members. The Secretariat was requested to translate this negotiated paragraph into a mechanism and means.

55. The representative of the European Communities said that point (f) and paragraph 13 of the LDC Work programme was based on paragraph 42 of the Doha Ministerial Declaration, which stated that "we reaffirm the commitments we undertook at LDC-III, and agree that the WTO should take into account, in designing its work programme for LDCs, the trade-related elements of the Brussels Declaration and Programme of Action, consistent with the WTO's mandate, adopted at LDC-III." He said that there was also a point (g) of the LDC Work Programme on Follow-up to Ministerial Declaration/Decisions, which included follow-up on LDC-III. He said that some follow-up work had been done at this session of the Sub-Committee, for instance, on accession of LDCs which was an element from LDC-III. There was an attempt to mainstream the accession decisions from LDC-III, the same was true of market access etc. He agreed that there was a need for close examination of these issues but urged that this should not be done in a duplicative manner. In this regard, he recalled that his delegation had submitted a proposal under paragraph 51 of the Doha Declaration. He sought views of other delegations so as to make best use of the Secretariat's resources.

56. The representative of Equatorial Guinea said that he looked forward to recommendations from the Sub-Committee following the mandate of the Doha Declaration to accelerate the accession of LDCs.

57. The representative of Zambia proposed that at the next meeting of the Sub-Committee a sub-item on mainstreaming be retained on the agenda. In order to facilitate consideration of this issue, the LDCs would attempt to present their position.

58. The Chairman proposed that the issues under the WTO Work Programme for LDCs that would be considered at the next session of the Sub-Committee, would be: (i) Technical Assistance and Capacity Building Initiatives for LDCs; (ii) Market Access for LDCs; and as suggested by Zambia, (iii) Mainstreaming, as appropriate, into the WTO's work trade-related elements of the LDC-III Programme of Action, as relevant to the WTO's mandate. In addition, accession of LDCs would be further considered at an informal meeting in the fall.

59. It was so agreed.

60. The representative of the European Communities said that paragraph 10 of the LDC work programme on Technical Assistance and Capacity Building did not include any reference on accessions. He said that there was need for some focus on technical assistance for accessions.

61. The representative of the WTO Secretariat said that assistance for accession would be considered. He also drew attention to the document WT/COMTD/LDC/W/27 which contained a section on technical assistance to acceding LDCs.

C. OTHER BUSINESS

62. The Chairman proposed that the Sub-Committee meet for its 30th Session on 7 November 2002. A suitable date for an informal session would be communicated in due course.

63. It was so agreed.

64. In the absence of any other business, the meeting was adjourned.

Annex

ACCESSIONS SEMINAR, 15-16 July 2002

Concluding Remarks
by Director, Accessions and Director, TCD

16 July 2002

1. This Seminar was planned and conducted under the WTO's Technical Cooperation Programme in pursuance of the mandate set up in paragraphs 9 and 42 of the Doha Declaration and in particular paragraph 18 of the WTO Work Programme for LDCs. It represents a high point in the activities of the WTO in 2002. It also constitutes a major collective effort by Members, acceding governments and Chairpersons of the current accession working parties, to move towards the goal of making the WTO truly universal in scope and application.
2. This event also marks the first time that WTO Members and acceding governments have had a detailed exchange of general and specific aspects of the negotiating dynamics of accession. It has involved the participation of the substantive Divisions of the Secretariat including in particular Technical Cooperation and Accessions.
3. It is encouraging that despite the heavy schedule of WTO activities, participation in the discussions was full, focussed and genuinely constructive.
4. 52 Members and some 20 acceding governments including all 9 least developed countries and the Chairpersons of 8 accession Working Parties have taken part in the deliberations.
5. There was a widely shared feeling that occasions such as this Seminar should be periodically arranged to monitor progress in accessions, deal with procedural and other problems and collectively identify ways to further facilitate the smooth entry of new Members into the WTO. In this context, it was generally recognised that the Chairpersons of accession working parties had a key role to play and that their experience and knowledge would be particularly valuable in dealing with issues that were of general concern and of relevance to all accessions. There was wide agreement that we needed at least an annual meeting with the Chairpersons and the Secretariat. This would promote genuinely constructive exchanges of views in future seminars of this kind which provide a forum for Members, acceding governments, chairpersons and the Secretariat to interact together.
6. We shall not attempt to summarise each and every point made in the rich dialogue we have had over the past two days. There are, however, a number of general issues worth underlining both in terms of substance and procedures.
7. Participants stressed the universal vocation of the WTO and noted that each completed accession was a positive step towards this end. All agreed that accessions were a major political and technical challenge which should continue to be addressed positively.
8. In the seven working sessions, Members and acceding governments assisted by our very experienced discussants, drew lessons from the experiences gained from accession negotiations that have been completed under WTO procedures as well as from those that are still underway. There was also a series of focussed and detailed discussions with respect to certain major subjects that invariably feature in accession negotiations; namely, market access, agriculture, TBT and SPS, TRIPS and Services. It was noted that there were many other areas which were also central to most if not all accessions such as Customs Valuation, internal taxes, TRIMs, Government Procurement, Subsidies, State Trading etc. and that future seminars might address these in a phased manner.

9. Participants noted that accession to the WTO was complex and demanding because of the contractual nature of the WTO's system of rules and obligations tied as they are to the necessity of appropriate legislative and enforcement mechanisms being in place by the time of WTO entry in order to guarantee effective membership. The complexity had increased because of the evolving nature of WTO Agreements as well as their tendency to cut across the whole range of national economic, financial and trade policies of the governments. For these same reasons, experience had shown that the pace of individual accessions was directly linked to the pace of domestic economic reform and the political commitment brought to the reform process by the acceding government concerned.

10. Additionally, because all accessions concerned negotiations between acceding governments and WTO Members at the multilateral and individual levels, experience had shown that each accession progressed on its own merits and that consequently, the duration of the process, the number of Working Party meetings or commitments undertaken by acceding governments, transition periods granted if any, varied on a case-by-case basis.

11. There was agreement that the accession procedures established under the WTO were more transparent, structured and predictable than before and that this had generally facilitated the accession process. However, more needed to be done in terms of simplifying and shortening the individual stages of the accession process and streamlining the negotiating process. This was specially the case for the accessions concerning the least developed or small market economies keeping in view their obvious financial and man-power constraints. In this context concern was expressed that no least developed country had acceded to the WTO since its establishment in 1995.

12. A number of participants reiterated the need for agreeing a "fast-track approach" to accessions and establishing multilaterally agreed benchmarks for commitments to be expected from the acceding governments. Additionally, several participants and discussants stated that the accessions process was rendered much more difficult because of demands from Members which went beyond the requirements of the WTO Agreements as well as the obligations undertaken by the WTO Members.

13. A number of participants pointed out that while a progressive streamlining of procedures was important, it was often seen that problems and delays occurred more due to gaps or perceived uncertainties in the capacity of the acceding governments to enact WTO-consistent legislation and regulations and ensure their enforcement. They argued that the current procedures were aimed at ensuring that the acceding governments would become fully operational members upon accession without being exposed to frustrating dispute settlement procedures immediately upon entry.

14. A large number of participants from acceding governments referred to specific obligations established in the individual WTO Agreements and expressed concern regarding immediate implications for them. Specially for least developed and small economies with limited administrative capacities and legal and regulatory infrastructures in a delicate process of evolution, WTO membership will only be meaningful if they are able to implement treaty obligations through the enactment of WTO consistent legislation and regulations and the setting up of the necessary enforcement mechanisms, at the time of accession. The enactment of legislation and establishment of attendant implementation mechanisms in wide ranging areas imposed onerous burdens of adjustment on these governments.

15. Discussions on these issues resulted in the unanimously held view that timely and focussed technical assistance in these and other equally important areas like man-power training was the single most important contribution that could be made for the system to facilitate wider WTO membership as well as ensuring that WTO membership leads quickly and concretely to the genuine integration of these countries into the multilateral trading system, in conditions consistent with their economic, financial and trade needs.

16. It was encouraging that the commitments undertaken in this area by WTO Members at Doha have led to a visible improvement in the capacity of the WTO to expand the scope and coverage of technical assistance activities. However, it is already evident that much more must be done to address the needs that exist.

17. Donors and recipients should build upon the experience gained under the existing programs including the Integrated Framework approach, focussed particularly on LDCs, with a view to constantly improving coherence and coordination.

18. As the principal stake holders in all technical assistance-related activity, the acceding governments have a key responsibility in identifying their individual needs and priorities and pursuing them rigorously on the ground.

19. Participants welcomed the technical assistance being provided by the Secretariat. They stressed the need to maintain and increase the current levels of technical assistance and to reinforce the human and financial resources available to the Secretariat. In areas such as agriculture, TBT, SPS, TRIPS, etc., UNCTAD, WIPO, WB, WIPO, WCO, ISO, OIE, etc. should continue to provide technical assistance.

20. For its part, the WTO Secretariat should continue to ensure, as best as possible, the coherence of the technical assistance and capacity building being offered to the acceding Governments at the bilateral, regional and multilateral levels.
