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DRAFT COMPREHENSIVE AND INTEGRATED WTO PLAN OF ACTION FOR THE LEAST-DEVELOPED COUNTRIES

At its meeting on 7, 8 and 13 November 1996 the General Council approved the following draft WTO Plan of Action for the Least-Developed Countries and agreed to submit it for adoption by the Ministerial Conference.

Preamble

1. The WTO *Decision on Measures in Favour of Least-Developed Countries* provides for WTO Members to adopt positive measures in favour of least-developed countries. Other WTO legal instruments contain additional provisions for, *inter alia*, enhancing their trading opportunities and their integration into the multilateral trading system. The implementation of these commitments remained a priority for WTO Members. Similar objectives have led to initiatives launched by other agencies - including the United Nations, the United Nations Conference on Trade and Development (UNCTAD), the International Trade Centre (ITC), the World Bank and the International Monetary Fund (IMF).
2. A comprehensive approach, bringing together national efforts and those of the international community, is required to achieve growth in least-developed countries through appropriate macroeconomic policies, supply-side measures and improved market access. Least-developed countries wishing to take advantage of the opportunities provided for in some WTO Agreements to attract foreign direct investment should be assisted.
3. This Plan of Action offers a comprehensive approach and includes measures relating to the implementation of the Decision in Favour of Least-Developed Countries, as well as in the areas of capacity-building and market access from a WTO perspective. It envisages a closer cooperation between the WTO and other multilateral agencies assisting least-developed countries. This is also in conformity with the Marrakesh *Declaration on the Contribution of the WTO to Achieving Greater Coherence in Global Economic Policymaking*, a central purpose of which is to contribute to the expansion of trade, sustainable growth and development of developing countries, including least-developed countries, through the closer cooperation of the WTO with the World Bank and the IMF.
4. The WTO Plan of Action will be applied in respect of the least-developed countries designated as such by the United Nations which are Members of the WTO.

I. Implementation of the Decision on Measures in Favour of Least-Developed Countries

5. While the *Decision on Measures in Favour of Least-Developed Countries* contains calls for action, the following could contribute to a more effective implementation.

- (a) The WTO Members shall step up their efforts to improve the capacity of least-developed countries' to meet their notification obligations.
- (b) An effective review every two years in the Committee on Trade and Development (in accordance with its terms of reference) on the basis of reports by the Chairpersons of the relevant WTO Bodies and other available information of the implementation of measures in favour of least-developed countries. This should coincide with the Ministerial Conferences.
- (c) The WTO Bodies are invited to identify means to assist least-developed countries in implementing their WTO commitments.
- (d) The Committee on Trade and Development will explore ways of ensuring greater disclosure of the application of the Uruguay Round provisions in favour of least-developed countries¹; and, of increasing efforts to disseminate information relating to those provisions.

II. Human and Institutional Capacity-Building

6. In the Guidelines for WTO Technical Cooperation, least-developed countries are priority beneficiaries. The Members of the WTO shall ensure that this priority is assigned to least-developed countries, and in accordance with the Guidelines, the effectiveness of the technical cooperation will be continually evaluated against this priority.

7. With a view to assisting in the institutional capacity-building in the area of trade, the WTO shall work with other relevant agencies to develop a comprehensive approach and outline a division of labour, in particular with UNCTAD and the ITC, as well as with UNDP, the World Bank, IMF and Regional Banks. The Development Assistance Committee (DAC) of the OECD should also be involved. With regard to supply-side constraints, priority should be attached to export diversification and facilitating the implementation of commitments to allow least-developed countries to benefit from the new market opportunities deriving from the Uruguay Round. The WTO should cooperate with other relevant institutions in order to encourage a favourable investment climate.

8. Joint WTO/ITC training courses could be organized for public sector officials and the private sector.

9. The WTO should explore the availability of resources for the provision of technical assistance to least-developed countries by developing countries with successful experiences in trade.

10. The participation of least-developed countries' officials in WTO meetings would be financed by strictly voluntary contributions.

¹For example, by improving the flow of information, in particular (a) from Members offering the benefits to Members potentially using them and (b) from all Members to the Committee.

III. Market Access

11. The initiatives proposed below are presented as options to be examined by WTO Members in the light of the Singapore Ministerial Conference to improve the access to the markets of exports of least-developed countries. Further consideration should be given to additional multilateral action and coordination in this endeavour.

- Developed country Members, and developing country Members on an autonomous basis, would explore the possibilities of granting preferential duty-free access for the exports of least-developed countries. In both cases exceptions could be provided for.
- WTO Members should endeavour to make use, when possible, of the relevant provisions of the Agreement on Textiles and Clothing to increase market access opportunities for least-developed countries.
- Whenever provided for in the WTO Agreements, Members may decide to extend unilaterally and on an autonomous basis, certain benefits to least-developed countries' suppliers.
- WTO Members should pursue, on an autonomous basis, preferential policies and liberalization undertakings in order to further facilitate access to their markets for least-developed countries' exports, such as an early implementation of Uruguay Round undertakings.

IV. Other Initiatives

12. The Secretariat shall provide factual and legal information to assist acceding least-developed countries in drawing up their Memorandum on the Foreign Trade Regime, as well as their Schedules of Concessions for goods and Commitments in services.

13. In accordance with its mandate, the WTO shall endeavour to work jointly with other relevant multilateral and regional institutions to induce investment in least-developed countries as a result of new trade opportunities.

14. Individual Members may study the feasibility of binding preferential tariff rates in a WTO preferential scheme which would be applicable to least-developed countries only.