

ACCESSION OF LEAST DEVELOPED COUNTRIES TO THE WTO:

CHALLENGES AND OPPORTUNITIES

A paper prepared for the Tenth China Roundtable, 18-20 January 2022

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1 INTRODUCTION

1. China's Least-Developed Countries (LDCs) and Accessions Programme (the China Programme) was established on 14 July 2011 with the aim of strengthening the participation of LDCs in the WTO and assisting them in their WTO accession processes. The Programme has supported LDCs through five main pillars: (i) China WTO Accessions Internship Programme; (ii) Annual China Round Tables on WTO Accessions; (iii) increasing the participation of LDCs in WTO meetings; (iv) South-South Dialogue on LDCs in WTO meetings; and (v) follow-up workshops to LDCs' Trade Policy Reviews.

2. Since 2012, the Annual China Round Tables have provided a unique platform to discuss pertinent issues relating to WTO accession, and in particular LDC accessions. So far, Round Tables have been hosted by nine different Members.

3. The 10th China Round Table will be held virtually on 18-20 January 2022.

4. This paper has been prepared for the 10th China Round Table. It starts with a brief summary of the origins of the LDC group at the United Nations. The initiative to establish LDCs as a country category responded to the conviction that there exists a group of low-income countries, among the poorest in the world, that would benefit from special attention and tailor-made treatment to manage their multifaceted development problems. The opportunities and challenges of international trade exert a significant influence on the growth and development prospects of developing countries and it was not long after the 1971 UN decision that the GATT made room for a new approach to the world's poorest trading nations.

5. The paper then goes on to look in more detail at what WTO accession modalities involve and what the process implies for acceding parties, particularly the least developed countries. It traces the evolution of the WTO approach to LDC accessions, and discusses the steps required in what can be an arduous and long process. The paper summarizes some of the commitments undertaken by the nine LDCs who have acceded to the WTO under Article XII of the Marrakesh Agreement.

6. The paper goes on to discuss the post-accession phase facing new LDC WTO Members in terms of the challenges and opportunities associated with membership, as well as the importance of participating in WTO activities. It then briefly examines the economic performance of recently acceded LDC Members to see how they have fared. The authors are careful, however, not to assert direct causality between WTO membership and economic and policy outcomes, as many diverse influences are at work. Finally, the paper concludes with some suggestions and recommendations for those LDCs who are currently negotiating their WTO accessions or contemplating doing so.

2 BACKGROUND

2.1 Least developed countries (LDCs) and the United Nations

7. The idea of establishing a separate country category comprising the least-developed among developing countries gained currency in the late 1960s. On 18 November 1971, United Nations Resolution 2768 (XXVI) – "Identification of the least developed among developing countries" – formally established the first list of LDCs, comprising 25 countries. Today, the list includes 46 countries, 20 of which were on the original 1971 list¹. The Committee for Development Policy (CDP) is a subsidiary body of the Economic and Social Council (ECOSOC) and, among other things, is mandated to review the list of LDCs every three years and make recommendations on the inclusion or graduation of countries

¹ Since 1971, the following countries have been included in the LDC category: Bangladesh, Central African Republic, Gambia (1975); Cabo Verde, Comoros (1977); Guinea-Bissau (1981); Djibouti, Equatorial Guinea, Sao Tomé and Príncipe, Sierra Leone, Togo (1982); Vanuatu (1985); Kiribati, Mauritania, Tuvalu (1986); Myanmar (1987); Mozambique (1988); Liberia (1990); Cambodia, DRC, Madagascar, Solomon Islands, Zambia (1991); Angola, Eritrea (1994); Senegal (2000); Timor-Leste (2003); South-Sudan (2012).

eligible for LDC status.² The Committee relies on the following three criteria to guide its recommendations:

- Income: adjustable criterion based on Gross National Income (GNI) per capita averaged over three years. As of 2021 a country must have GNI per capita less than US\$1,018 to be included on the list.
- Human Assets: based on indicators of nutrition, health, education and adult literacy
- Economic and Environmental Vulnerability: based on instability of agricultural production, instability of exports of goods and services, economic importance of non-traditional activities, merchandise export concentration, a handicap of economic smallness, and the percentage of population displaced by natural disasters.

8. Over the years, the United Nations has continued to pay attention to LDCs and the challenges they face. On 19 December 1979, the General Assembly in Resolution 34/203 decided to convene a United Nations Conference on the Least Developed Countries in order to finalize, adopt and support the Substantial New Programme of Action for the 1980s for the Least Developed Countries.

9. Based on the above, the first United Nations Conference on LDCs was held in Paris in September 1981 where "The Substantial New Programme for the 1980s for the Least Developed Countries" was adopted. Paragraph 78 of the programme stated that the "GATT should consider prolonging the life of the special sub-committee on the Trade of the LDCs of the Committee on Trade and Development, since it provides a most useful forum for dialogue." It also referred to Tokyo Round negotiating outcomes relevant to LDCs (see below).

10. The Second United Nations Conference on the LDCs was held in Paris again, almost a decade later, in September 1990, where "The Paris Declaration and Programme of Action for the Least Developed Countries for the 1990s" was adopted. Paragraph 48 of the Programme of Actions noted that the successful conclusion of the GATT Uruguay Round negotiations would help LDCs. It also stated that "urgent steps are needed to provide improved market access for products originated from LDCs". Paragraph 51 called for special attention for advance implementation of MFN tariff reductions on products of interest to developing countries; enhanced market access including in relation to tropical products and textiles and clothing; phased implementation of the results of negotiations in the field of TRIPs (trade-related aspects of intellectual property rights) and of TRIMS (trade-related investment measures) and in relation to trade in services; and special consideration in regard to the application of strengthened rules.

11. The Third UN conference on LDCs was held in Brussels in May 2001. This was the first UN conference on LDCs following the establishment of the WTO in 1995. The conference adopted "The Brussels Declaration and the Brussels Programme of Action for the LDCs for the Decade 2001-2010." Paragraph 6 of the Brussels Declaration noted that increased trade was essential for growth and development. Emphasis was also placed on improving preferential market access for LDCs by working towards Duty Free Quota Free (DFQF) access for all LDC products in developed country markets. Mention was also made of the need to facilitate the accession process to the WTO for least developed countries.

12. The Fourth UN Conference on LDCs was held in May 2011 in Istanbul, Turkey. The conference adopted the "Istanbul Declaration" and the "Programme of Action for the Least Developed Countries for the Decade 2011-2020." Paragraph 9 of the Istanbul Declaration "reaffirmed that International trade remains a key driver of economic growth and sustainable development of the LDCs". It also stressed the importance of a successful conclusion of the Doha Round. LDCs also pressed for DFQF access on a lasting basis. They further stressed the need for capacity-building for LDCs on a priority basis and for facilitated accession processes to the WTO for LDCs.

13. This brief summary of continuing work at the United Nations on LDC matters shows that emphasis has consistently been placed on the importance of trade for development and growth. This

² Since 1971, the following countries have graduated from the LDC category: Botswana (1994); Cabo Verde (2007); Maldives (2011); Samoa (2014); Equatorial Guinea (2017); Vanuatu (2020).

emphasis is at the nub of the linkages between the GATT/WTO and the United Nations in fostering the development of LDCs. Declarations coming out of the UN LDC conferences have frequently referred to market access for LDCs, other GATT/WTO issues under negotiation, as well as WTO accession for LDCs.

2.2 Least developed countries and the GATT/WTO

14. The first mention of least developed countries in the GATT followed not long after the 1971 UN Resolution establishing the category. It came in Paragraph 6 of the 1973 Tokyo Declaration that launched the Tokyo Round of multilateral trade negotiations. It stated that "[T]he Ministers recognize that the particular situation and problems of the least developed among the developing countries shall be given special attention, and stress the need to ensure that these countries receive special treatment in the context of any general or specific measures taken in favour of the developing countries during the negotiations."

15. As a result, the Enabling Clause (Decision on Differential and More Favourable Treatment, Reciprocity and Fuller Participation of Developing Countries) contained special provisions for the least developed countries. Paragraph 2(d) provides for special LDC treatment in the context of special and differential treatment measures. Paragraph 8 recognizes the particular difficulties that may be faced by LDCs in making concessions and contributions in trade negotiations. Special provisions for LDCs are also found in some of the WTO Agreements negotiated in the Uruguay Round.

16. Since the establishment of the WTO in 1995, a total of 59 applications have been received to accede to the Organization pursuant to Article XII of the Marrakesh Agreement Establishing the WTO. To date, 36 have successfully concluded accession negotiations and joined the WTO. Out of the 59 applications received, 17 have been from LDCs and nine of them concluded accession negotiations as LDCs. These were Nepal and Cambodia in 2004, Cabo Verde in 2008, Samoa and Vanuatu in 2012, Lao PDR in 2013, Yemen in 2014, and Liberia and Afghanistan in 2016. Three of these countries – Cabo Verde, Samoa and Vanuatu – have since graduated from LDC status, respectively in 2008, 2014 and 2020.

17. As of November 2021, 35 LDCs are Members of the WTO, and eight are in the process of accession. Table 1 lists the Article XII Members that joined the WTO as LDCs as well as LDC observer countries in the process of accession. Three other LDCs – Eritrea, Kiribati and Tuvalu – are yet to express an intention to apply for accession to the WTO.

Table 1: LDC Article XII Members and observers as of January 2022

Article XII Members				LDC Observers		
	Country	Date of Application	Date of Accession		Country	Date of Application
1	Afghanistan ⁺	11/2004	30/07/2016	1	Bhutan	06/10/1999
2	Cabo Verde [*]	11/1999	23/07/2008	2	Comoros ⁺	09/10/2007
3	Cambodia	12/1994	13/10/2004	3	Ethiopia ⁺	10/02/2003
4	Lao PDR	07/1997	02/02/2013	4	Sao Tomé & Príncipe	26/05/2005
5	Liberia ⁺	06/2007	14/07/2016	5	Somalia ⁺	07/12/2016
6	Nepal	05/2004	23/04/2004	6	South Sudan ⁺	07/12/2017
7	Samoa [*]	04/1998	10/05/2012	7	Sudan ⁺	25/10/1994
8	Vanuatu [*]	07/1995	24/08/2012	8	Timor-Leste ⁺	07/12/2016
9	Yemen ⁺	04/2000	26/06/2014			

Source: WTO.

* Graduated from LDC status.

+ On the World Bank's FY22 List of Fragile and Conflict-affected States (FCS).

18. Out of the 17 accession applications from LDCs, nine have been from the Asia-Pacific region and eight from Africa. Out of the nine concluded accessions, seven were from the Asia-Pacific region while two are from Africa. As for the on-going LDC accessions, two are from the Asia-Pacific region, and the rest are from Africa. In addition, it should be noted that the nine LDCs, including the three Article XII LDCs (Afghanistan, Liberia and Yemen) and the most recent LDC applications (Somalia, South Sudan Timor-Leste,) are classified as Fragile and Conflict-affected States (FCS) by the World Bank.³

19. Currently, LDCs account for over one-third of on-going accessions which stand at 23.⁴ On average, they have been in the process of accession for 17 years, with Sudan being the longest in its 27th year. It should also be noted that four of them have met the criteria to graduate from LDC status in the coming years. Bhutan and Sao Tome and Principe are scheduled to graduate in 2023 and 2024, respectively. Timor-Leste has met the graduation criteria at least two consecutive times, but the decision was deferred by UN's Committee for Development Policy. Comoros has met the criteria for the first time in 2021.

3 ACCESSION OF LDCS TO THE WTO: POLITICAL CONTEXT

20. Accession of LDCs has been on the agenda of WTO membership, especially since the 4th Ministerial Conference in Doha, Qatar, in November 2001 which launched the Doha Round. The agenda is driven by the LDC Group which includes both WTO Members and observers, together with the support of regional Groups, such as the African Group, the ACP Group and the Arab Group whose memberships include LDCs. The LDC Group has been at the forefront in conveying specific difficulties and challenges of acceding LDCs associated with WTO membership, seeking greater flexibility and technical assistance during the accession process. This section reviews the WTO bodies and programmes that have played a role in advancing the agenda of LDC accessions.

3.1 Ministerial Conference and General Council

21. The Ministerial Conference is the highest governing body of the WTO and meets at least every two years. In intervening periods between the Ministerial Conferences, the General Council acts on behalf of the Ministerial Conference on all WTO affairs. Since the establishment of the WTO, 11 Ministerial Conferences have been held to date.

The 4th Ministerial Conference, Doha, Qatar, November 2001

22. In November 2001, Ministers at the 4th WTO Ministerial Meeting in Doha launched new negotiations.

23. In preparation for the Doha Ministerial Conference, LDC Trade Ministers met in Zanzibar, Tanzania in July 2001, to forge common positions. In a 14-page Zanzibar Declaration, Ministers laid out their concerns and aspirations, including on accession. This was further to the adoption of the Brussels Programme of Action at the Third UN Conference on LDCs in May 2001, which called for the streamlining of WTO accession requirements to ensure that the accession process is more effective and less onerous and tailored to the LDCs' specific economic conditions. The Tanzanian host of the Zanzibar meeting expressed concern "at the slow pace in the accession process of LDCs as reflected in the fact that not a single LDC has been able to accede to the WTO since its establishment".

24. The Ministers' long list of proposals for facilitating accession included: greater clarity in the objectives, rules and disciplines governing accession procedures; the streamlining of procedures and documentary requirements; and the minimization of the number of working party sessions and bilateral meeting required. In short, they sought clear, simplified and fast-track procedures for accession. LDCs

³ In addition, Eritrea, Kiribati and Tuvalu are also classified as FCS by the World Bank in the FY22 List.

⁴ These include: Algeria, Andorra, Azerbaijan, Bahamas, Belarus, Bhutan, Bosnia and Herzegovina, Comoros, Curaçao, Equatorial Guinea, Ethiopia, Iran, Iraq, Lebanese Republic, Libya, Sao Tomé and Principe, Serbia, Somalia, South Sudan, Sudan, Syrian Arab Republic, Timor-Leste, and Uzbekistan. The average length of ongoing accession processes is almost 19 years.

also urged restraint from their negotiating partners in terms of what they were required to commit in accessions, which should be consistent with their domestic capacities and developmental situation. They emphasized the importance of adequate technical assistance and capacity building.

25. A few months later, Ministers stated the following in the Doha WTO Ministerial Declaration regarding LDC accessions: "We attach great importance to concluding accession proceedings as quickly as possible. In particular, we are committed to accelerating the accession of least-developed countries" (paragraph 9). They further stated that "[A]ccession of LDCs remains a priority for the Membership. We agree to work to facilitate and accelerate negotiations with acceding LDCs. We instruct the Secretariat to reflect the priority we attach to LDCs' accessions in the annual plans for technical assistance" (paragraph 42).

26. Pursuant to the Doha mandate, in February 2002, the Sub-Committee on LDCs adopted the WTO Work Programme for LDCs⁵ which reflected LDC accessions as a systemic issue calling for the particular needs, interests and concerns of the LDCs to be addressed. One important outcome of the implementation of the Work Programme was the development of the Guidelines on the Accession of LDCs by the Sub-Committee, which were subsequently approved by the General Council in December 2002.

General Council Decision on Accession of LDCs ("LDC Accessions Guidelines") of 10 December 2002 and 25 July 2012⁶

27. The 2002 General Council decision set out guidelines for the conduct of accession negotiations with LDCs with a view to concluding them as quickly as possible. The guidelines covered market access, WTO rules, process, and trade-related technical assistance and capacity building. On market access, Members agreed to show restraint in seeking concessions and commitments from LDCs, while the latter were to offer reasonable concessions and commitments appropriately aligned with their individual development, financial and trade needs.

28. On WTO rules, the guidelines confirm that LDCs have full access to all special and differential treatment (S&D) provisions, phase-in periods for their obligations and commitments appropriate to their individual needs, and Action Plans accompanied by technical assistance and capacity building support from WTO Members, who may also guide LDCs through the implementation process. Finally, LDCs are not obliged to join any plurilateral agreements or participate in any other optional sectoral market access initiatives, unless they decide themselves to do so.

29. As far as process is concerned, the 2002 guidelines affirm that the good offices of the Director-General are available in case they are required, and that efforts will be made to expedite documentation exchange and streamline procedures with Secretariat assistance as needed. Targeted technical assistance will also be made available at an early stage.

30. These new guidelines were intended to encourage LDCs to re-engage and finalize their accession negotiations. The guidelines provided impetus for Cambodia and Nepal to finalize their accession processes at the Fifth Ministerial Conference held in Cancun, Mexico in 2003 and they became the first and second LDCs to accede to the WTO under Article XII in 2004.

31. At the Sixth Ministerial Conference held in Hong Kong in 2005, Ministers reaffirmed their commitment "...to facilitate and accelerate negotiations with acceding LDCs based on the accession guidelines adopted by the General Council in December 2002. We commit to continue giving our attention and priority to concluding the ongoing accession proceedings as rapidly as possible" (paragraph 47 of the 2005 Ministerial Declaration).

⁵ WT/COMTD/LDC/11

⁶ WT/L/508 and Add.1.

32. At the Eight Ministerial Conference held in Geneva in December 2011, by which time Cabo Verde, Vanuatu and Samoa had finalized their accession negotiations, Ministers "direct[ed] the Sub-Committee on LDCs to develop recommendations to further strengthen, streamline and operationalize the 2002 guidelines by, *inter alia*, including benchmarks, in particular in the area of goods, which take into account the level of commitments undertaken by existing LDC Members." They instructed the Sub-Committee on LDCs to complete this work and make recommendations to the General Council no later than July 2012."⁷

33. In July 2012, the General Council took another Decision⁸ on ways of further facilitating LDC accessions. The resulting decision developed new benchmarks on goods where the acceding LDCs were to bind all their agriculture tariff lines at an overall average rate of 50 per cent. For Non-Agricultural products, acceding LDCs were to bind 95 per cent of their tariff lines at an overall average of 35 per cent. Up to 10 percent of the tariff lines in question were entitled to a phase-in period of up to 10 years.

34. For the benchmarks on services, WTO Members were asked to respect the principle of special treatment for LDCs contained in Articles IV and XIX of the General Agreement on Trade in Services (GATS). They were also asked to show flexibility towards acceding LDCs in opening up fewer sectors, liberalizing fewer types of transactions, and progressively extending market access in line with their development situation.

35. The guidelines further argued for favourable consideration of extended implementation periods on a case-by-case basis in light of the individual development, financial and trade needs of acceding least developed countries. Acceding LDCs would not be asked for commitments going beyond those of existing LDC Members. The guidelines also called for greater transparency in accession negotiations involving LDCs. The important role of technical assistance and capacity was once again emphasized.

36. It is important to note that the 2002 and 2012 guidelines are aimed at complementing the accession "Procedures for Negotiation under Article XII"⁹ which are applicable to all accessions, including LDC accessions.

3.2 Sub-Committee on Least-Developed Countries

37. The Sub-Committee on LDCs, a subsidiary body of the Committee on Trade and Development, is mandated to look at systemic issues of interest to LDCs in the multilateral trading system. The work of the Sub-Committee is guided by the WTO Work Programme for LDCs¹⁰, first adopted in 2002 and then revised in 2013, focusing in particular on market access, technical assistance and WTO accessions.

38. Since the adoption of the Work Programme, the Sub-Committee has been the major platform in the WTO for discussing issues related to LDC accessions, including on the implementation of the Doha mandate to "facilitate and accelerate accession negotiations with acceding LDCs," stating that "[P]rogress on the issue of the accession of LDCs is important for the preservation of confidence in the WTO and in the multilateral trading system."

39. In accordance with the Work Programme, the work of the Sub-Committee includes: (i) the treatment of accession as a standing agenda of the Sub-Committee; (ii) the invitation of the Chairpersons of LDCs' Accession Working Parties and the acceding LDCs to brief on progress made by the Working Parties; (iii) reporting to the General Council with concrete recommendations, as appropriate, and as agreed in the Sub Committee, on the implementation of the commitment by Ministers to "facilitate and accelerate negotiations with acceding LDCs"; (iv) the preparation of a report by the WTO Secretariat on its technical assistance activities in support of LDCs' accession, including the implementation of accession commitments by LDCs, which are to be accorded priority in the Biennial WTO Secretariat-Wide Plan for Technical Assistance; and (v) ensuring that the Director General's annual

⁷ WT/L/846

⁸ WT/L/508 /Add.1

⁹ WT/ACC/22/Rev.1.

¹⁰ WT/COMTD/LDC/11 and Rev.1

reports on the state of play of accessions to the WTO shall continue to give particular attention to LDC accessions.

40. In addition to the Secretariat's annual reporting of the state of LDC accessions to the Sub-Committee, the Sub-Committee has considered various aspects of LDC accessions, including on technical assistance¹¹ and post-accession¹². It has also provided a platform to discuss LDC accessions, such as a "Dialogue with Acceding LDCs" in 2009.¹³

3.3 China LDCs and Accessions Programme

41. In addition to the decisions and discussions on LDC accessions in various WTO bodies, the launch of China's LDCs and Accessions Programme (the China Programme) in July 2011 has provided additional focus, financial resources dedicated to dialogue, experience sharing, and capacity building in support of LDC accessions. The China Programme is aimed at strengthening LDCs' participation in the WTO and assisting them in WTO accession processes, through its five pillars: (i) China WTO Accessions Internship Programme; (ii) Annual China Round Tables on WTO Accessions; (iii) increasing participation of LDCs in WTO meetings; (iv) South-South Dialogue on LDCs in WTO meetings; and (v) LDCs' Trade Policy Review follow-up workshops.

42. Since 2021, the Annual China Round Tables (CRTs) have provided a unique platform to discuss pertinent issues relating to WTO accession, and in particular LDC accessions. So far, nine Round Tables have been hosted on three continents: CRT-01 in Beijing, China (May 2012); CRT-02 in Luang Prabang, Lao PDR (October 2013); CRT-03 in Dushanbe, Tajikistan (June 2015); CRT-04 in Nairobi, Kenya (December 2015); CRT-05 in Siem Reap, Cambodia (March 2017); CRT-06 in Buenos Aires, Argentina (December 2017); CRT-07 in Astana, Kazakhstan (September 2018); CRT-08 in Moscow, Russian Federation (December 2019); CRT-09, virtual platform (December 2020). The tenth China Round Table (CRT-10) will be held virtually in January 2022. Many of the CRTs have issued outcome documents.¹⁴

43. Three of the China Round Tables focus exclusively on LDC Accessions: CRT-01, CRT-05 and CRT-10. These CRTs focus on the best practices in LDC accessions, based on experience sharing among accession negotiators, Members and partners. Technical assistance and post-accession were also discussed.

44. Another important contribution of the China Programme is the "WTO Accessions Internship Programme" which is aimed at developing the capacity of recent graduates and young professionals from developing and least-developed Members and Observers to master the WTO rules-based system, in particular WTO accessions, so as to prepare them for careers in the fields of trade law, international economics and international relations. A total of 39 young professionals from more than 25 developing countries, including 13 from LDCs, have participated in the Programme. Many of the former interns have become part of accession negotiating teams or the WTO team, or joined institutions as trade professionals engaged in WTO-related affairs.

45. Other activities in support of LDC accessions have been undertaken under the China Programme, including post-accession support for Afghanistan and Liberia, and specific support for priority accessions such as Comoros.

¹¹ "Technical Assistance for Acceding LDCs", Note by the Secretariat, WT/COMTD/LDC/W/32, 6 May 2004.

¹² "Proposal for the Establishment of a Work Programme on Post-Accession for Recently Acceded LDCs", WT/COMTD/LDC/W/50, April 2011

¹³ "Report of the Dialogue with Acceding LDCs", 28 May 2009, WT/COMCD/LDC/15

¹⁴ The outcome documents are available in the following WTO documents: WT/L/856 (CRT-01); WT/ACC/20 (CRT-02); WT/ACC/24 (CRT-03); WT/ACC/29 (CRT-05); WT/ACC/32/Rev.1 (CRT-07); WT/ACC/35 (CRT-08).

3.4 g7+ WTO Accessions Group and Trade for Peace

46. The most recent Members to accede to the WTO were Liberia and Afghanistan, in July 2016, following the approval of their accession protocols at the 10th Ministerial Conference in Nairobi, Kenya, in December 2015. These two Members are not only LDCs, but also FCS that have suffered years of civil wars. For them, WTO membership represented a pathway to stability and peace, as the accession process served as institution building and the establishment of an internationally recognized legal framework to conduct trade policy and trade relations with the rest of the world, as they opened their economies for business after years of conflict and instability.

47. Their stories of using WTO membership for the path to structural and economic development, and ultimately, peace have attracted more applications from countries that have been similarly affected by conflict. New applications received after the membership of Liberia and Afghanistan include Somalia and Timor-Leste in December 2016, and South Sudan in December 2017. These new applications have increased the number of FCS among acceding LDCs: seven of the eight acceding LDCs are FCS, either classified by the World Bank (i.e. Comoros, Ethiopia, Somalia, South Sudan, Sudan and Timor-Leste) or being part of the g7+, an association of 20 FCS formed in 2010 (i.e. Sao Tome & Principe). Against this background, the g7+ WTO Accessions Group was created during the 11th Ministerial Conference in Buenos Aires, Argentina, in December 2017.

48. Co-chaired by Afghanistan and Liberia, the Ministers from the Group¹⁵ met and adopted a joint declaration (WT/MIN(17)/51). The stated objective of the Group is to serve as a "platform for targeted facilitation and tailored support of the WTO accession and post-accession efforts of fragile and conflict affected states, aimed at re-building their economies through WTO-related structural reforms, the establishment of credible economic and institutional frameworks, and the enhancement of transparency and good governance." The Group sees the WTO accession process for "peacebuilding and sustainable economic development" and calls on "the expediting and completion of the WTO accessions of these states, on terms designed to contribute to their economic growth and development."

49. Since the establishment of the Group¹⁶, it has played a key role in launching the Trade for Peace (T4P) initiative by the WTO Secretariat. Following a number of outreach activities undertaken in partnership with organizations involved in peace-building and humanitarian activities. The initiative was transformed into the T4P Programme, in March 2021. Activities are currently carried under the Programme's four pillars: (i) political engagement and institutional partnerships; (ii) public outreach and dialogue; (iii) research and (iv) capacity building and training.

50. The trade for peace vision has been shared by other acceding governments beyond the LDCs in the g7+ WTO Accessions Group. In addition to those classified as FCS/LDCs, Azerbaijan, Iraq, Lebanon, Libya and Syrian Arab Republic are also included in the World Bank FY22 list of FCS. In this context, the Group has called for the establishment of a dedicated Work Programme on T4P for FCS, whose proposal is being considered in the context of the 12th Ministerial Conference (WT/GC/W/830). In the proposal, the Group has called for recognition of the role of trade "in promoting economic development, peace and stability" and acknowledgement of "the existence of specific trade-related challenges linked to institutional fragility and/or violent conflict" of FCS. This is the first attempt in the WTO to introduce the concept of FCS and associated challenges.

4 ACCESSION PROCESS

51. Accession to the WTO is a process in which the aspiring Member must in principle negotiate with the entire WTO membership. In practice, the process is a little less daunting in that typically it is only a relatively small subset of the membership that engages with the country seeking to join, in the setting of a WTO Accession Working Party. Nevertheless, the negotiations are taxing and can last a long time,

¹⁵ The Group includes: three Article XII LDCs (Afghanistan, Liberia and Yemen) and five acceding LDCs (Comoros, Sao Tome and Principe, Somalia, South Sudan, and Timor-Leste).

¹⁶ Since the establishment of the Group, Sudan officially joined in 2019.

generally several years. The acceding country can to some degree influence the time the process takes, but not entirely.

52. In essence, accession negotiations involve: (i) the examination by WTO Members of the foreign trade regime of the acceding government; (ii) discussions with the applicant on its trade regime and policies; and (iii) negotiation of the terms of membership that require the acceding party to agree to a series of policy commitments on market access in goods and services, along with a wide range of WTO rules. The accession documentation resulting from this process forms the accession package of a new Member. The negotiated package must be agreed by consensus among Working Party Members. An Accession Protocol is then drawn up for approval by all WTO Members. Consensus in this context means that no WTO Member objects to the accession of a new Member on the agreed terms. Appended to the Accession Protocol is: (i) the Report of the Working Party; (ii) the schedule of concessions and commitments on goods; and (iii) the schedule of specific commitments on trade in services. All these documents are essential to establish the legal legitimacy of membership.

53. The average duration of Article XII accessions to date for LDCs is 12 years and 9 months, somewhat longer than the average duration of the 36 completed accessions, which is 10 years and 4 months. The duration ranges from 8 years (in Liberia) to 17 years (Vanuatu), in many cases with intervening periods of inaction by acceding countries.

54. Part of the explanation for the time an accession takes might be that the legal and policy shifts implied by WTO membership forms part of a more far-reaching reform process as governments seek to generate growth and development. The bid for WTO membership can play a catalytic role in launching a process of structural economic reform, and also act as a multilateral lock-in mechanism. All nine Article XII LDC members have cited economic reforms as one of the main reasons for seeking WTO membership. While improved economic performance that has occurred over the years (see below) in some recent LDC accession economies cannot simply be attributed to WTO accession, the experience of going through the accession process may have helped to equip decision-makers with the necessary tools for domestic reform.

55. Table 2 summarizes key features of the accession processes of the nine Article XII LDCs. For most LDCs, a significant portion of the accession duration is spent between the date of the establishment of the Working Party and the date of the first Working Party meeting (see Table 2). During this time period, acceding governments are required to provide sufficient information on their foreign trade regime for the fact-finding phase of the accession process to begin. Such information includes the Memorandum on the Foreign Trade Regime (MFTR), which explains how the acceding country's foreign trade regime works, accompanied with the Legislative Action Plan (LAP), as well as texts of trade-related laws and regulations. In the Working Party cycles that follow, acceding governments engage in a continuing questions and responses exchange with Working Party members, which leads to the negotiating stage of the process resulting in the issuance of a draft Working Party Report, and providing detailed information and responses to questionnaires on import licensing, customs valuation and other WTO Agreements. Acceding governments also submit their goods and/or services offers as basis for the bilateral market access negotiations with interested Working Party members. This process is rigorous for acceding governments, particularly for LDCs who have limited capacity, as it requires efficient inter-ministerial coordination and extensive cooperation with domestic commercial actors. On average, LDCs took 5 years and 2 months to hold their first Working Party meetings, with Nepal recording the longest period at 10 years and 9 months and Vanuatu recording the shortest period at 1 year.

56. The number of Working Party meetings held during LDC accession processes also varies, ranging from 11 (Yemen) to 2 (Vanuatu and Samoa). The number of such meetings often indicates the frequency of formal interactions between acceding governments and WTO Members, which is key in advancing the accession process. Vanuatu, despite having the longest accession duration among LDCs at 17 years, only held 2 formal Working Party meetings while Liberia held 4 formal Working Party meetings during its 8-year accession process. It should be noted that informal Working Party meetings are another venue to check on progress and provide additional negotiating opportunities with Members.

57. The number of written questions submitted for written response during the accession process can also provide an indication of the level of interaction between acceding governments and Members. This number often depends on many factors including the size of the acceding country's economy, the complexity of the trade regime, the quality of the initial documentation provided to Members, and the ability of the applicant's technical team to provide clarity on the concerns raised by Members etc. On average, LDCs were asked 721 questions during accession with Lao PDR and Yemen recording the highest number of questions asked, at 1224 and 1164 respectively, and Liberia recording the lowest number of questions asked at 264.

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Table 2: Summary of the accession process of nine concluded LDC Accessions

Article XII Member	Working Party established	Working Party Meeting (first meetings - number of meetings)	Memorandum on the Foreign Trade Regime (MFTR)	Factual Summary	Draft Working Party Report (first circulation - number of revisions)	Number of Questions	Initial Goods Offer (first circulation - number of revisions)	Initial Services Offer (first circulation - number of revisions)	Membership Date	Length of Accession Process
Nepal	06/1989	05/2000 (3)	08/1998	-	06/2003 (2)	466	07/2000 (2)	07/2000 (2)	04/2004	14 years 11 months
Cambodia	12/1994	05/2001 (5)	06/1999	10/2002	03/2003 (3)	460	12/2001 (2)	12/2001 (3)	10/2004	9 years 10 months
Cabo Verde	07/2000	03/2004 (6)	07/2003	10/2004	11/2005 (3)	888	11/2004 (4)	11/2004 (5)	07/2008	8 years 8 months
Samoa	07/1998	03/2002 (2)	02/2000	-	06/2003 (6)	914	08/2001 (0)	08/2001 (2)	05/2012	14 years 1 months
Vanuatu	07/1995	07/1996 (2)	11/1995	-	09/1999 (1)	343	11/1997 (2)	11/1997 (2)	08/2012	17 years 1 months
Lao PDR	02/1998	10/2004 (10)	03/2001	10/2007	02/2012 (2)	1224	11/2006 (3)	10/2007 (3)	02/2013	15 years 7 months
Yemen	07/2000	11/2004 (11)	11/2002	09/2005	12/2009 (5)	1164	09/2005 (3)	08/2005 (3)	06/2014	14 years 2 months
Liberia	12/2007	07/2012 (4)	04/2011	-	03/2015 (3)	264	11/2014 (0)	11/2014 (0)	07/2016	8 years 1 month
Afghanistan	12/2004	01/2011 (5)	03/2009	05/2012	06/2013 (2)	773	11/2012 (0)	06/2012 (0)	07/2016	10 years 8 months

4.1 Rules-related commitments

58. As shown in Table 3, the number of rules-related accession commitments undertaken by the nine Article XII LDCs ranges between 25 and 37. These commitments are recorded in each country's Working Party Report. Table 3 also lists the number of laws and regulations implicated in the process. On average, Article XII LDCs produced 91 legal documents in the accession process.

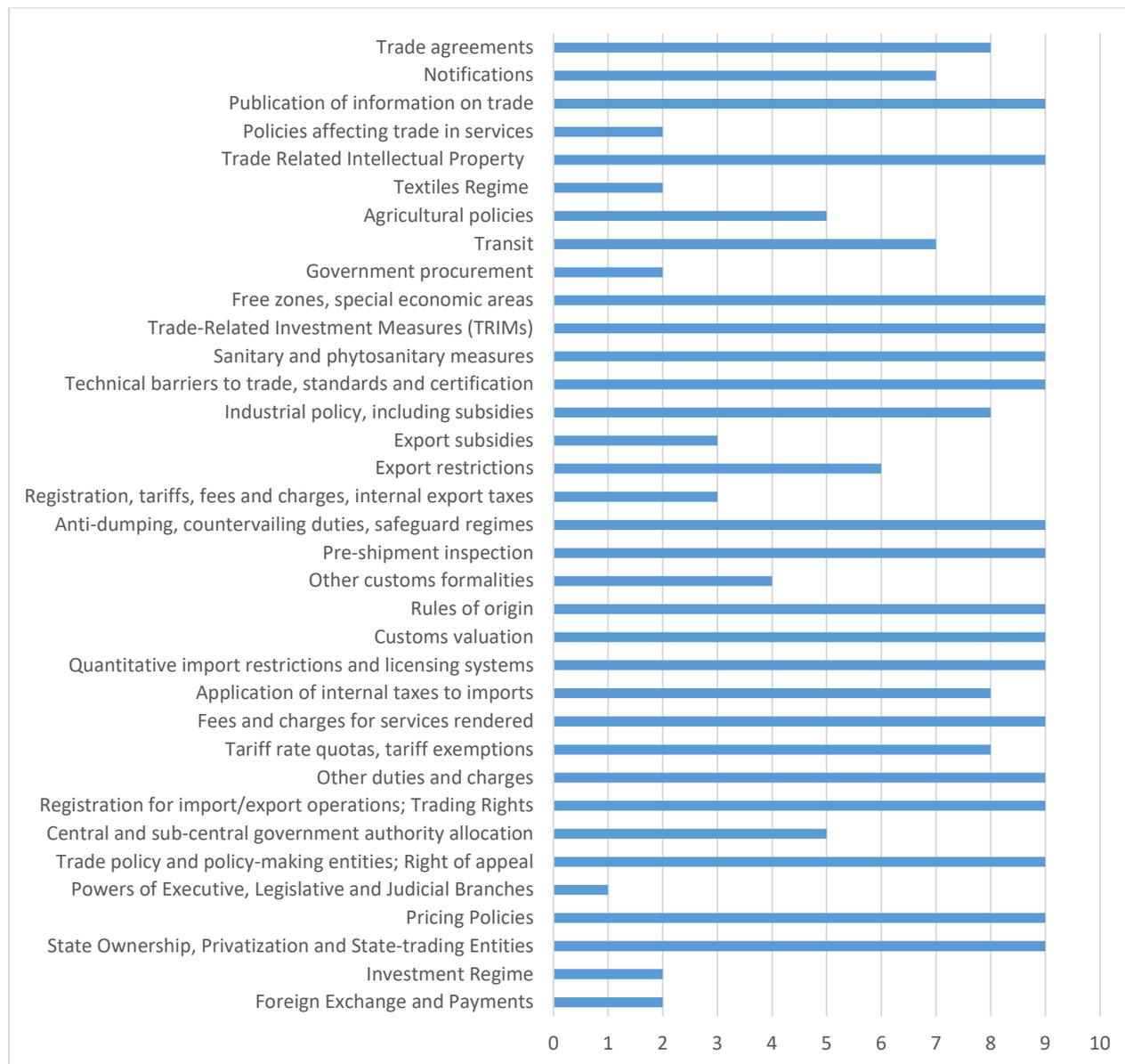
Table 3: Working Party Report commitment paragraphs and legislative instruments involved in the accession process

Article XII Member	Date of accession	Number of commitment paragraphs	Number of legislative instruments
Afghanistan	30/07/2016	37	75
Cabo Verde	23/07/2008	26	73
Cambodia	13/10/2004	29	85
Lao PDR	2/2/2013	26	159
Liberia	14/07/2016	31	102
Nepal	23/04/2004	25	24
Samoa	10/5/2012	37	123
Vanuatu	24/08/2012	30	123
Yemen	26/06/2014	28	58
AVERAGE		30	91

Source: WTO

59. Chart 1 lists the policy areas where the Article XII LDCs took commitments. Of the 35 areas listed, 17 involved policies upon which all the LDCs committed. For the rest, the number of the nine Article XII LDCs that committed in particular areas ranged from one to eight depending on the distinctions of their individual policy and legal frameworks for trade. The table is largely self-explanatory, and the number of countries committing in a given policy area listed on the vertical axis can be read off the horizontal axis. Overall, the range of commitments taken was far-reaching and doubtless exceeded the range of commitments made by some developing and least-developed countries that joined the GATT earlier on rather than the WTO. That transition did not call for additional negotiations on commitments as these were implicit in the results of the Uruguay Round that framed the WTO, some of which were difficult for post-Doha acceding LDCs to adopt rapidly or during the accession process.

Chart 1: Coverage of accession-specific commitments of Article XII LDCs



Source: WTO

4.2 Market access commitments

60. Negotiations on market access in goods and services are conducted on a bilateral basis between the acceding government and interested WTO Members and then combined and multilateralized on an MFN basis. In total, nine Article XII LDC Members concluded 87 bilateral market access agreements on goods and 64 bilateral market access agreements on services. This amounts to an average of 10 bilateral market access agreements on goods and 7 bilateral market access agreements on services per accession country. Once bilateral market access agreements are concluded and deposited with the Secretariat, the commitments are consolidated by the Secretariat into Schedules of Tariff Concessions and Commitments on Goods and Specific Commitments on Trade in Services. These are annexed to the Accession Protocols.

61. Table 4 shows the outcomes of market access negotiations on goods and services of Article XII LDC Members. The binding coverage of tariff concessions on goods is 100 per cent for almost all these Members, with a few exceptions involving Afghanistan and Nepal. As Table 5 shows, in the case of original LDC Members, the average binding coverage is 53.7 per cent. Moreover, while LDCs in general have higher average final bound rates than non-LDCs, Article XII LDC Members have an average final bound rate of 22.4 per cent compared to 65.2 per cent for original LDC Members. Finally, all Members, including LDCs, generally have higher average final bound rates for agricultural products than for non-agricultural products.

62. In the case of services, significant reductions have been made in regulatory barriers by Article XII LDC Members. They have undertaken commitments in specific sub-sectors of nearly all services sectors identified in accordance with the United Nations Provisional Central Product Classification (CPC Prov.) 1991, with the exception of Cabo Verde and Samoa, that did not commit in the health-related and social services sector, and Vanuatu and Lao PDR, that did not commit in recreational, cultural and sporting services. Overall, Article XII LDC Members undertook specific commitments in an average number of 87 services sub-sectors. This is a much higher level of commitment than that of the Original LDC Members, with an average of 20 services sub-sectors.

Table 4: Summary of Article XII LDC Accession Market Access Outcomes on Goods and Services

Article XII LDC Members	Date of Membership	GOODS			SERVICES		
		Binding coverage (%)	Average final bound rate (%)			Number of services sub-sectors	
			All products	Agricultural products	Non-agricultural products		
1	Afghanistan	30/07/2016	96.6	13.5	33.6	10.3	104
2	Cabo Verde	23/07/2008	100	15.8	19.3	15.2	103
3	Cambodia	13/10/2004	100	19.1	28.1	17.7	94
4	Lao PDR	2/2/2013	100	18.8	19.3	18.7	79
5	Liberia	14/07/2016	100	26.7	23.8	27.2	102
6	Nepal	23/04/2004	99.4	26	41.5	23.7	77
7	Samoa	10/5/2012	100	21.1	25.8	20.4	80
8	Vanuatu	24/08/2012	100	39.7	43.7	39.1	69
9	Yemen	26/06/2014	100	21.1	24.9	20.5	78

Source: WTO

Table 5: Summary of Market Access commitments on Goods and Services of Article XII Members including LDCs as compared to those of the original Members

	Binding coverage (%)	GOODS			SERVICES
		Average final bound rate (%)			Average number of services sub-sectors
		All products	Agricultural products	Non-agricultural products	
Article XII Members	99.9	13.9	20.3	12.9	102
of which LDCs	99.6	22.4	28.9	21.4	87
of which non-LDCs	100.0	11.0	17.4	10.1	107
Original Members	74.0	45.5	65.4	34.0	48
of which LDCs	53.7	65.2	79.9	45.4	20
of which non-LDCs	81.9	37.9	59.8	29.6	

Source: WTO

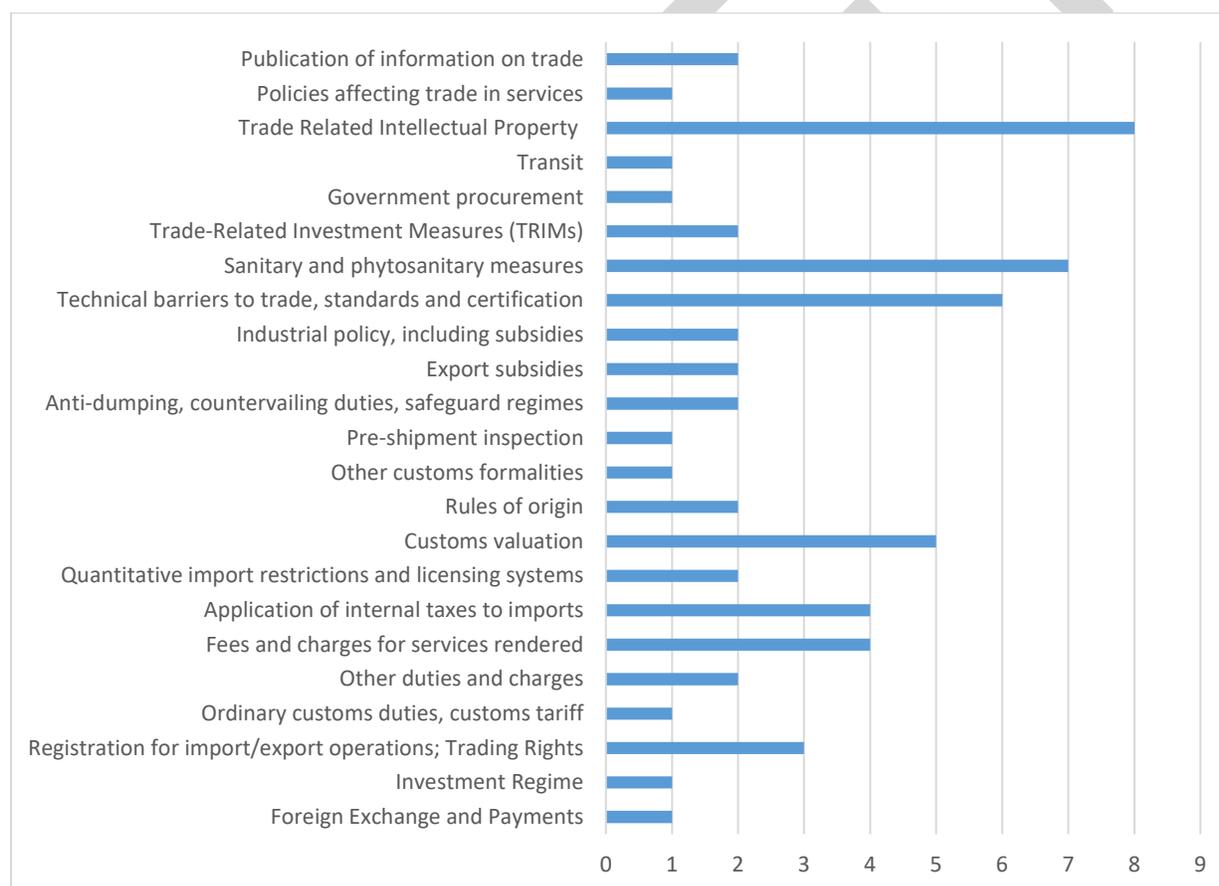
Transition Periods

63. Transition periods are a feature of the special and differential treatment provisions of the WTO Agreement and the 2002 and 2012 General Council Guidelines on LDC Accession. Chart 2 summarizes the transition periods granted to Article XII LDC Members. These periods are negotiated on the basis of: (i) the need for a transition period demonstrated by the acceding government; and (ii) specific Action Plans that lay out the steps that remain to be taken and a calendar for progressive compliance, as well as a date by which the new Member shall be in full compliance with the WTO rules.

64. The implementation of some obligations in the Working Party Report can be particularly challenging for LDCs. For this reason, LDCs are often granted transition periods considering their individual development, financial and trade needs. Some LDCs link their progress to capacity building programs that help them to fulfil their commitments.

65. Based on the information received from the Article XII LDCs, they are generally on track in the implementation of their commitments under the transitional periods set up by their Post-Accession Implementation Plans.

Chart 2: Transition periods (years) granted to Article XII LDCs



Source: WTO

5 POST-ACCESSION IMPLEMENTATION STRATEGIES

66. The post-accession period is as important as the accession phase. It must deliver on the commitments undertaken by the country during accession. It may be even more important in that implementing negotiated outcomes requires a sustained and well-coordinated effort that eventually becomes an integral part of national policy and not just a new reform or change in policy. As LDCs move along this path, they rely as heavily on technical assistance and capacity building as they did during the accession negotiations.

67. The establishment of a policy framework for post-accession is critical not only for the implementation of commitments but also for the utilization of the WTO platform as an integral part of domestic structural reforms in the post-accession phase. LDCs need the clarity of a post-accession strategy more than many other new Members. Among the nine Article XII LDC Members, seven of them developed post-accession strategy documents that were adopted by the government as an implementation tool for carrying out WTO commitments.

5.1 Key elements accompanying a post-accession strategy

68. Effective internal coordination is a key aspect not only of the WTO accession process, and in the post-accession phase as well. Sustained internal coordination for the implementation of WTO commitments is particularly crucial. Such coordination requires a lead organization that has overall responsibility for the implementation of commitments, and in particular for those that are being phased in over time. Key elements of an effective approach to post-accession challenges are briefly outlined below.

Designate a lead ministry

69. Continuity is key for the post-accession success. In line with this, all nine Article XII LDC Members re-appointed or continued with the same line ministry responsible for coordinating input for the accession negotiations to lead the WTO post-accession implementation. This helped the countries stay on track for the implementation of the WTO commitments and WTO related reforms. In some instances, personnel were replaced or moved elsewhere, and this ran the risk of temporarily slowing down the post-implementation process.

Establish an inter-ministerial structure

70. Most of the nine countries established an inter-ministerial committee to oversee the implementation of accession commitments and the post-accession process. Some of them were asked to report at cabinet level on progress with implementation.

Rely on a private sector and stakeholder consultative mechanism

71. As the role of the private sector is vital in the post-accession phase, implementing commitments and adopting new laws, regulations, and by-laws, without consulting the private sector is likely to create problems. A coordinated mechanism can address these problems. In all nine Article XII LDCs, such mechanisms were established.

Ensure effective representation in Geneva

72. One of the major aspects of being a WTO Member is the need to attend meetings, contribute to them and report back to capital. To fully reap the benefits of the WTO membership, continuing interaction is needed with other WTO Members and the WTO Secretariat, along with involvement in the various WTO councils and committees. For this, it is important that the Member has either a permanent mission to the WTO or a focal point in the country's mission to UN Office in Geneva.

73. Afghanistan was the first LDC to establish a full-fledged mission to WTO and this gave the country a unique opportunity to utilize its membership to the maximum, including chairing WTO committees and interacting with Members on several trade, transit, investment and capacity-building related activities. Cambodia became the second country among the nine Article XII LDCs to establish a mission to the WTO in Geneva. Most other Article XII LDCs have focal points in their UN mission in Geneva who handle WTO issues.

6 PARTICIPATING IN THE WTO

74. Once a country becomes Member of the WTO, they must engage in the day-to-day work of the Organization to achieve what they expected from their membership. Such day-to-day participation encompasses three key functions of the WTO: (i) administration of the WTO Agreements through regular work (ii) negotiations, and (iii) dispute settlement.

75. Regular attendance and participation in WTO meetings is the most reliable and effective form of building post-accession capacity and deepening WTO knowledge. It is only through participation based on "learning by doing" that a Member can realize and maximize the benefits of WTO membership.

Participation of Article XII LDCs in Ministerial Meetings

76. As the highest decision-making body of the WTO, Ministerial conferences generally take place every two years. Ministers from the majority of Member countries and observers participate and provide guidance for the future activities of the WTO. All Article XII LDCs tend to participate regularly in Ministerial meetings. A few of these countries were active, for example, in proposing the new initiative on Trade for Peace at the last Ministerial conference.

Participation of Article XII LDCs in WTO Councils and Committees

77. Article XII LDC Members are quite active in the LDC Group. Two of them (Nepal between January and December 2013 and Cambodia between February 2017 and February 2018) even served as LDC Group coordinators. But they seem to be less present in the broader structure of WTO Councils and Committees. Afghanistan was active in chairing WTO bodies, including one working group and three committees from 2018 to 2021. Afghanistan's former WTO ambassador also chaired the accession Working Party of South Sudan. In 2021 Nepal served as chair of one committee. To fully utilize the WTO membership and increase their presence, Article XII LDCs need to play an active role in WTO Councils and Committees, including through chairing. Table 6 summarizes this information.

Table 6: Chairpersons of WTO bodies from Article XII LDC Members:

No.	Art. XII LDC	WTO Body	Year	Name of Chairperson
1	Afghanistan	Committee on Rules of Origin	2021	Mr. Sulaiman Satari
2	Afghanistan	Committee on Trade and Development	2020	Amb. Mohammad Qurban Hagjo
3	Afghanistan	Committee on Trade Facilitation	2019	Amb. Mohammad Qurban Hagjo
4	Afghanistan	Working Group on Trade, Debt and Finance	2018	Amb. Mohammad Qurban Hagjo
5	Nepal	Committee on Custom Valuation	2021	Mr. Buddhi Prasad Upadhyaya

Source: WTO Secretariat

Trade Facilitation Agreement

78. The negotiation of the Trade Facilitation Agreement (TFA) was completed in December 2013 and it entered into force on 22 February 2017 after ratification by two-thirds of the WTO membership. The Agreement has been ratified by all the Article XII LDC Members, including those that acceded after 2013, with the exception of Yemen. Under the agreement, Members specify their commitments in three separate categories. Category A is for immediate implementation upon entry into force of the agreement. Category B allows the delayed implementation of designated provisions within a specified time frame. Category C also provides a transition period, but fulfilment of the commitment is conditional upon receipt of technical assistance.

2005 Protocol Amending the TRIPS Agreement

79. WTO Members approved changes to the WTO's intellectual property (TRIPS) agreement on 6th December 2005 in order to make permanent a decision on patents and public health originally adopted in 2003. This was formally built into the TRIPS Agreement after acceptance of the Protocol of Amendment by two-thirds of the WTO Members. The amendment took effect on 23 January 2017 and replaced the 2003 waiver for Members who have accepted the amendment. Out of these nine Article XII LDCs, Cambodia, Samoa, Lao PDR and Nepal have ratified these amendments.

Joint statements Initiatives (JSI) and Plurilateral agreements

80. Several Article XII LDC Members showed interest in joining the Joint Statement Initiatives (Table 7). Afghanistan, Cabo Verde, Cambodia, Lao PDR, Liberia and Vanuatu have joined the Joint Statement Initiative (JSI) on Investment Facilitation for Development. Afghanistan and Lao PDR also joined the Joint Statement Initiative on Micro, Small and Medium sized Enterprises (MSMEs). Lao PDR is the only country from the group that has joined the JSI on E-Commerce. Three of them also joined the newly launched environmental initiatives (Cabo Verde joined the Trade and Environmental Sustainability Structured Discussions /TESSD/ and the Informal Dialogue on Plastic Pollution and Environmentally Sustainable Plastics Trade /IDP/, Cambodia the IDP, and Vanuatu the Fossil Fuel Subsidy Reform and the IDP). In terms of one other agreement that not all Members participate in – the Information Technology Agreement – Afghanistan and Cambodia are Members, and Lao PDR has recently joined, including the Expansion of the Information Technology Agreement. As for Annex IV Agreements, Afghanistan is an observer to the Government Procurement Agreement.¹⁷

Table 7: Participation of Article XII LDCs in JSIs and Membership of Plurilateral Agreements

	Art. XII LDC Member	Participation in JSIs	Submissions in JSIs	Plurilateral Agreements
1	Afghanistan	<ol style="list-style-type: none"> 1. Investment Facilitation for Development 2. MSMEs 	-	ITA GPA (Observer)
2	Cabo Verde	<ol style="list-style-type: none"> 1. Investment Facilitation for Development 2. Trade and Environmental Sustainability Structured Discussions (TESSD) 3. Informal Dialogue on Plastic Pollution and Environmentally Sustainable Plastics Trade (IDP) 	-	-

¹⁷ Afghanistan was interested in joining the GPA as an observer for two reasons: i) Afghanistan's procurement law is open to international companies without any discrimination; ii) to build the capacity of the procurement agency of the government by utilizing technical assistance from the WTO.

	Art. XII LDC Member	Participation in JSIs	Submissions in JSIs	Plurilateral Agreements
3	Cambodia	1. Investment Facilitation for Development 2. Informal Dialogue on Plastic Pollution and Environmentally Sustainable Plastics Trade (IDP)	INF/IFD/RD/83 ¹⁸ INF/IFD/RD/79 ¹⁹	-
4	Lao PDR	1. E-Commerce 2. Investment Facilitation for Development 3. MSMEs	INF/IFD/RD/81 ²⁰ INF/IFD/RD/84 ²¹	ITA and ITA Expansion
5	Liberia	1. Investment Facilitation for Development	-	-
6	Nepal	-	-	-
7	Samoa	-	-	-
8	Vanuatu	1. Investment Facilitation for Development 2. Fossil Fuel Subsidy Reform 3. Informal Dialogue on Plastic Pollution and Environmentally Sustainable Plastics Trade (IDP)	-	-
9	Yemen	-	-	-

Participation in ongoing discussions of the WTO

81. Despite having limited resources, Article XII LDCs have managed to participate in ongoing discussions taking place in the WTO in different areas. These countries were quite active in meetings and raised their concerns regarding the topics of interest to them. Based on available information, Article XII LDCs have been involved in 22 topics of discussion and are sometimes playing an important role. Table 8 shows the detail.

Table 8: Article XII LDC participation in ongoing discussions in the WTO

Participation in ongoing WTO discussions on:		Afghanistan	Cabo Verde	Cambodia	Lao PDR	Liberia	Nepal	Samoa	Vanuatu	Yemen
1	Vaccines: Proposal for a Waiver from Certain Provisions of the TRIPS Agreement for the Prevention, Containment and Treatment of COVID-19 (IP/C/W/669)	√	√				√		√	
2	Plastics (IPD)		√						√	
3	Fisheries subsidies	√	√		√		√	√	√	
4	Ministerial Decisions in favour of LDCs, such as DFQF market access, preferential rules of origin and the Services Waiver			√			√			
5	S&D	√		√			√			
6	Services domestic regulation (in the Working Party on Domestic Regulation)			√						

¹⁸ Cambodia's specific comments on provisions of the 'Easter Text' and text proposals on the Preamble; 'Cross-border co-operation on investment facilitation'; and 'Sustainable Investment' (1 September 2021)

¹⁹ Cambodia's Text Proposal on Measures Against Corruption (16 July 2021)

²⁰ Lao PDR's specific comments on several provisions of the 'Easter Text' and text proposals on 'General Principles'; 'Technical Assistance and Capacity Building'; and 'Supplier-Development Programmes' (5 August 2021)

²¹ Lao PDR's specific comments on Section V of the 'Easter Text (Rev.1)' Supplemental submission with respect to its submission contained in document INF/IFD/RD/81, dated 5 August 2021 (22 September 2021)

	Participation in ongoing WTO discussions on:	Afghanistan	Cabo Verde	Cambodia	Lao PDR	Liberia	Nepal	Samoa	Vanuatu	Yemen
7	Aid for trade			√	√		√			
8	Emergency Safeguard Measures (ESM) Under Article X of the GATS			√	√					
9	Extension of The Transitional Period under Article 66.1 of TRIPS	√		√						
10	Participation in discussions on LDC graduation	√			√					
11	Rules of origin (incl. Preferential RoO for LDCs – G/RO/W/154)	√			√		√			√
12	Market Access for Products and Services of Export Interest to LDCs (WT/COMTD/LDC/W/60)	√			√		√			
13	MSMEs	√			√					
14	Government Procurement Under Article XIII of the GATS				√					
15	Measures to Allow Graduated LDCs, With GNP Below USD 1,000, Benefits Pursuant to Annex VII(B) of the SCM Agreement (WT/GC/W/742-WT/GC/W/752)	√					√		√	
16	Work Programme on E-commerce	√			√		√			
17	Legal status of JSIs (WT/GC/W/819)						√			
18	Work Programme on Small Economies	√							√	
19	WTO reform	√					√			
20	Waivers Under Article IX of The WTO Agreement - Preferential Tariff Treatment for Least Developed Countries – Extension of Waiver (G/C/W/764)	√					√			
21	European Union: Covid-19 Vaccine Export Transparency and Authorization Measure (CTG)								√	
22	Support to accessions of LDCs	√	√	√		√	√			√

Source: WTO

Trade Policy Reviews (TPRs) of Article XII LDCs

82. Surveillance of national trade policies is a fundamentally important activity running throughout the work of the WTO. At the centre of this work is the Trade Policy Review Mechanism. Out of the nine countries analysed in this study, six had at least one Trade Policy Review, while Cambodia and Nepal already went through two reviews. WTO Members were engaged in the Trade Policy Reviews of these Article XII countries, making several observations on their trade policy regimes. Table 9 provides an overview of the TPRs of the analysed Article XII countries.

Table 9: TPRs of Article XII LDCs

Art. XII countries	Date of TPR	Number of statements made by WTO Members
Cabo Verde	6-8 October 2015	14
Cambodia	1-3 November 2011 21-23 November 2017	16 24
Lao PDR	18-20 November 2019	24
Nepal	13-15 March 2012 3-5 December 2018	18 22
Samoa	10-12 April 2019	18

Art. XII countries	Date of TPR	Number of statements made by WTO Members
Vanuatu	23-25 October 2018	18

Source: WTO

Participation in Trade Policy Reviews of other Members

83. Most Article XII LDCs are keeping an eye on the countries of interest to them, and so they participate and make statements in their Trade Policy Reviews (TPRs). Article XII LDCs have participated in 72 TPRs. Nepal and Cambodia had the highest number of participation (20 each). This participation gives countries first-hand knowledge about the economies and trade performance in countries of interest, the possibility of raising concerns regarding specific policies of measures that may affect bilateral trade, and an opportunity to learn from their experiences. As coordinators of the LDC group, some of these countries delivered statements on behalf of the LDC group. Table 10 shows how many TPRs each of the nine Article XII LDCs participated in.

Table 10: Article XII LDC participation in TPRs

Article XII LDCs	Participation in Trade Policy Reviews
Afghanistan	11
Cambodia	20
Cabo Verde	2
Lao PDR	10
Liberia	0
Nepal	20
Samoa	3
Vanuatu	11
Yemen	6
Total	83

Source: WTO

Participation of the 9 analysed Article XII LDCs in the transparency mechanism for regional trade agreements (RTAs)

84. All of the nine Article XII LDCs are party to at least one RTA. As part of the WTO's transparency mechanism for RTAs, many of them engaged with the Secretariat in the preparation of factual presentations on these RTAs (e.g. Afghanistan, Cambodia, Lao PDR, Nepal and Samoa).

Questions received by Article XII LDCs from other Members in various councils and committees

85. In the context of post-accession implementation of Article XII LDCs, some WTO Members are keenly watching the process, and policy changes or new decisions sometimes raise questions in different WTO councils and committees. The nine Article XII LDCs received questions from 24 countries, with the majority of these relating to trade facilitation and custom valuation. These two areas are important for the LDCs and are also where they might need more capacity building for the implementation of their accession commitments. Table 11 provides details. Article XII LDCs also used the WTO as a platform for raising several concerns against other WTO Members.²²

²² E.g., in 2017, Lao PDR raised a concern in relation to Canada's investigation on silicon metal; in 2019, Cambodia raised a concern with respect to the EU's safeguard measures on Indica Rice from Cambodia.

Table 11: Number of Members raising questions to Article XII LDCs on specific topics

Questions received on:	Trade Facilitation	Customs Valuation	Anti-Dumping	SCM	Import Ban	Total no. of Members asking questions
Article XII LDCs						
Afghanistan		1				1
Cambodia	4	1				5
Cabo Verde		1				1
Lao PDR	3	1	1	1		6
Liberia	2		1			3
Nepal	1	3			1	5
Samoa	1					1
Vanuatu	1	1				2
Total	12	8	2	1	1	24

Specific Trade Concerns (STCs) raised in the TBT and SPS Committees against Article XII LDC Members

86. The analysed Article XII countries have not raised any specific trade concerns against WTO Members, but two of them were subject to STCs raised by other Members in the TBT and SPS Committees. Yemen was subject to four STCs brought up in the TBT Committee against the Gulf Cooperation Council.²³ Nepal was subject to two STCs, one raised in the TBT, the other one in the SPS Committee context.²⁴

Technical assistance and capacity building

87. Technical assistance and capacity building are an integral part of the accession and post-accession processes, as they build knowledge and expertise on the WTO Agreements. The 2002 and 2012 LDC Guidelines specifically instruct the WTO Secretariat to work with Members and other partners to make sure that LDCs receive proper capacity building support in the context of their accession processes. It may be noted that the LDC Group submitted a Proposal for the Establishment of a Work Programme on Post-Accession for Recently Acceded LDCs to the Sub-Committee in 2011. In respect of post-accession technical assistance and capacity building, the nine Article XII LDCs have received significant support through WTO programmes or in collaboration with other partners. This includes short, medium, and long-term (up to 10 months) capacity building programmes to help trade policy officials become more familiar with the WTO. Activities under the auspices of the Enhanced Integrated Framework (EIF) and Aid for Trade have also supported technical assistance and capacity building activities benefitting LDCs. Samoa (2012), Lao PDR (2014), Liberia (2016), and Afghanistan (2016), for example, received tailor-made post-accession activities.

88. As shown in Table 12, a total of 7,356 participants from the nine Article XII LDCs have been involved in capacity building programmes – both online and face-to-face – offered by WTO directly or with partners. With 1432 participants, Nepal ranked top of the table, while Samoa and Cambodia also

23 (i) Kingdom of Saudi Arabia, Kingdom of Bahrain, State of Kuwait, Oman, Qatar, United Arab Emirates, Yemen - The Cooperation Council for the Arab States of the Gulf Draft Technical Regulation for "Requirements of Handling Energy Drinks" (ID 442) – TBT; (ii) Oman, Kingdom of Bahrain, State of Kuwait, Qatar, Kingdom of Saudi Arabia, United Arab Emirates, Yemen - Guide for control of imported foods – Certification requirements for animal products (ID 540) – TBT; (iii) Kingdom of Bahrain, State of Kuwait, Qatar, Kingdom of Saudi Arabia, Oman, United Arab Emirates, Yemen - GCC Technical Regulations for the Restriction of the use of certain Hazardous Substances in electrical and electronic equipment (ID 572) – TBT; (iv) Kingdom of Saudi Arabia, Kingdom of Bahrain, State of Kuwait, Oman, Qatar, Yemen, United Arab Emirates - Halal Feedstuff (ID 643) – TBT.

24 Nepal - National Alcohol Regulation and Control Policy – Graphic Warnings and Statements for Alcoholic Beverages (ID 541) – TBT; Nepal's import ban on energy drinks (ID 473) (STC 473) – SPS.

had more than 1000 participants in the programmes. Cabo Verde and Liberia had the smallest number of participants – 295 and 410 respectively. On average, 817 participants per country took part in capacity building programmes.

Table 12: Participants from Article XII LDCs in WTO capacity building programmes

Countries	UP to 2018 both online and face to face training	2019 -2021 face to face training	2019-2021 online training	Total CB/TA
Afghanistan	389	149	112	650
Cabo Verde	286	5	4	295
Cambodia	783	63	161	1007
Lao PDR	873	55	64	992
Liberia	363	12	35	410
Nepal	1137	32	263	1432
Samoa	959	66	32	1057
Vanuatu	551	57	125	733
Yemen	759	6	15	780
Total	6100	445	811	7356
Average	678	49	90	817

Source: WTO

Using WTO platforms for disputes

89. Of the nine Article XII LDCs, Afghanistan was the only one to mention utilization of the WTO dispute settlement mechanism as one of the main reasons for seeking membership. The focus of this interest was to address problems with neighbouring countries.

90. The dispute settlement mechanism gives the WTO a unique position among multilateral institutions but in last 17 years none of the article XII LDC Members have filed a dispute or had a dispute filed against them. Only Afghanistan was a third party to three disputes and Yemen to two disputes involving other countries (Table 13).

Table 13: Article XII LDC involvement as third party to WTO disputes

No	Country Name	As Complainant	As Respondent	As Third Party
1	Afghanistan	0	0	3 (DS576, DS538, DS526)
2	Yemen	0	0	2 (DS567, DS526)

Source: WTO

Transparency and notifications

91. Transparency is a key principle of the multilateral trading system underpinning all WTO agreements. Two fundamental requirements for transparency are: (i) publication of relevant information on trade; and (ii) timely notification of new trade-related measures and legislation. In line with the requirement of WTO agreements to set up and notify enquiry points, on SPS, TBT and TRIPS, all nine Article XII LDCs submitted the related notifications.

92. According to WTO data, Article XII LDCs submitted a total of 591 notifications to different committees. On average 66 notifications were submitted by each Member. Some 265 notifications were submitted by members of the Gulf Cooperation Council, including Yemen. Nepal and Cambodia came in second and third, with 77 and 73 notifications. The lowest number of notifications were submitted by Cabo Verde and Liberia (23 and 14, respectively). Afghanistan, Lao PDR, Samoa and Vanuatu submitted 30 plus notifications to different committees of the WTO. Table 14 summarizes the information.

Table 14: Notifications submitted by Article XII Members to different WTO committees

No.	Committees/Council	Afghanistan	Cabo Verde	Cambodia	Lao PDR	Liberia	Nepal	Samoa	Vanuatu	Yemen
1	Committee on Trade Facilitation	2	1	5	5	3	4	2	3	
2	Committee on Market Access	3	3		1					
3	Committee on Import Licensing	1	3	3	3		2	1		
4	Customs Valuation Committee	1	4	3	1		1		1	
5	Committee on Rules of Origin	1		2	2	1	1	3	2	1
6	Committee on Pre-shipment Inspection	2			1					
7	Anti-Dumping Committee	2	1	1	3	1	2		2	
8	Committee on Subsidies and Countervailing Measures	4		3	4	1	3		2	
9	Committee on Safeguards	1		1	2	1	1		1	
10	TBT Committee	3		23	1	3	9	2	1	203
11	SPS Committee	3	4		3	1	31			61
12	TRIMS Committee	1		2	1	1	14	1		
13	Working Party on State Trading Enterprise	1	1	1	1			1	1	
14	Committee on Agriculture	6	1	15	2			14	10	
15	TRIPS Council	1	4	1	1	1	1	5	13	
16	Council for Trade in Services	2		5	3		6	1		
17	Committee on RTAs		1	7	2	1		2		
18	Committee on Trade and Development	1		1			2			
	Total Notifications	35	23	73	36	14	77	32	36	265

Source: WTO

7 ECONOMIC PERFORMANCE IN ARTICLE XII LEAST DEVELOPED COUNTRIES

93. The Article XII LDCs would reasonably have expected an economic growth dividend resulting from the reforms associated with WTO accession. This expectation was certainly part of the narrative embraced by most if not all the LDCs in explaining the rationale for joining the WTO. The picture is mixed, however, because multiple factors – often beyond the control of policy-makers – determine outcomes. Moreover, as already stated, it is exceedingly difficult empirically to attribute reliably the magnitude or even the direction of economic performance to a single factor such as WTO accession. These caveats regarding the interpretation of growth performance should be born in mind when looking at the performance of individual countries.

94. Table 15 records real GDP growth rates in the nine Article XII LDCs from 2010 to 2020. The data for 2020 reflects extraordinary circumstances, significantly dependent on geography and economic structure and should not be assessed in terms of any trends observed in previous years, or the lack thereof. Afghanistan's GDP growth has been fairly steady since 2014, having come down from high average rates between 2010 and 2013 (except for 2011). Like all the countries in Table 15 with the exception of Yemen, Afghanistan experienced negative growth in 2020 on account of the COVID-19 pandemic. Cabo Verde, Nepal, and Vanuatu saw increased growth, mostly in the latter part of the period. Cambodia and Lao PDR maintained consistently high growth rates. Liberia fared poorly from 2014 onwards. Samoa's growth rate was somewhat erratic, going negative in some years. Yemen experienced negative GDP growth on average between 2010 and 2020.

Table 15: Real GDP Growth, 2010-2020

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Afghanistan	14.4	0.4	12.8	5.6	2.7	2.5	2.3	2.7	1.3	3.9	-1.9
Cabo Verde	1.5	4.0	1.1	0.8	0.6	1.0	4.7	3.7	4.5	5.7	-14.8
Cambodia	6.0	7.1	7.3	7.4	7.1	7.1	7.0	6.8	7.5	7.1	-3.1
Lao PDR	8.5	8.0	8.0	8.0	7.6	7.3	7.02	6.9	6.3	5.5	0.4

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Liberia	6.1	8.2	8.0	8.7	0.7	0	-1.6	2.5	1.2	-2.3	-2.9
Nepal	4.8	3.4	4.4	3.5	6.0	4.0	0.4	9.0	7.6	6.7	-2.1
Samoa	0.5	4.2	-4.1	-0.4	0.1	4.3	8.1	1.0	-2.1	3.6	-2.7
Vanuatu	1.3	3.1	1.0	0.5	3.1	0.4	4.7	6.3	2.9	3.3	-9.2
Yemen	7.7	-12.7	2.4	-12.7	2.4	4.8	0.2	-28.0	-9.4	-5.1	0.8

Source: www.theglobaleconomy.com

95. Table 16 records exports of goods and services for the nine LDCs from 2010 to 2019. Increasing and diversifying exports is undoubtedly an aspiration for countries acceding to the WTO. For LDCs this raises a range of challenges that can take some time to overcome. Such challenges include making good use of preferences where these are available, and meeting standards in international markets. Given the export structures of most LDCs, complying with sanitary and phytosanitary standards can be a particular challenge. Technical assistance and capacity building are important components of efforts to increase exports. All the countries in Table 16 except Yemen experienced average increases in exports over the period, although it should be noted that these numbers are in current price terms, which is likely to have accounted for some of the growth.

Table 16: Exports of goods and services, 2010-2019 (billion USD)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Afghanistan	0.3	0.3	0.3	0.5	0.6	0.6	0.6	0.8	0.9	1.0
Cambodia	6.1	6.9	8.1	9.5	10.6	11.1	12.3	13.5	15.1	16.6
Cabo Verde	0.5	0.7	0.7	0.8	0.8	0.7	0.7	0.8	1.0	1.0
Lao PDR	2.5	3.5	3.9	4.6	5.4	4.9	5.3	4.9	5.3	5.8
Liberia	0.4	0.5	0.9	1.1	0.9	0.6	0.7	0.8	0.9	0.9
Nepal	1.5	1.7	1.9	2.1	2.3	2.5	2.0	2.3	2.6	2.7
Samoa	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.3	0.3
Vanuatu	0.3	0.4	0.4	0.4	0.4	0.3	0.4	0.4	0.5	0.4
Yemen	6.8	6.9	7.0	7.1	2.5	0.2	0.0	0.1	0.1	0.0

Source: www.theglobaleconomy.com

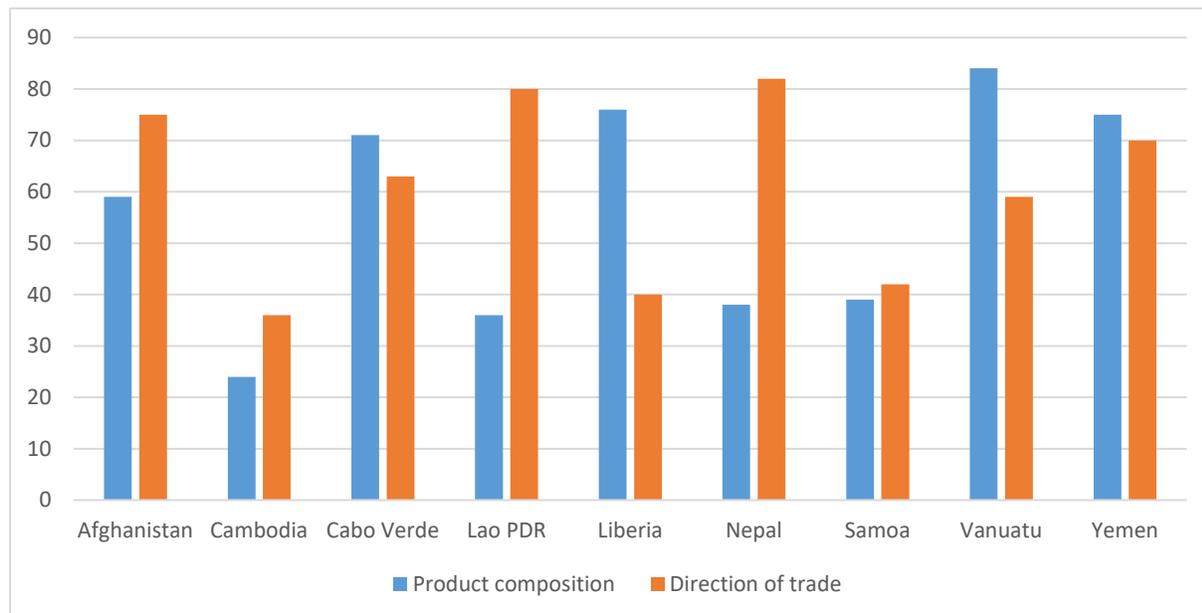
96. As far as the direction of trade is concerned, Annex Table 1 lists the top ten export destination countries for Article XII LDCs in 2019. Chart 3 below offers an indication of the degree of concentration of both export products and export destinations for the Article XII LDCs in 2019. The bars in the chart represent the share of the three leading export products and the three principal export destinations for each of the Article XII LDCs. The numbers on the left-hand vertical axis are percentage shares.

97. A general and very familiar proposition is that the more diversified a country's exports are, both in terms of product composition and export destinations, the greater the resilience of exports in the face of external shocks. In general, it is also the case that the more developed an economy, the more diversified will it be in terms of product mix and markets in exports. These considerations are behind the notion that development and diversification go together.

98. As shown in Chart 3, Afghanistan, Cabo Verde, Liberia, Vanuatu, and Yemen have relatively high product compositions in the export baskets, ranging from just under 60 per cent (Afghanistan) to over 80 per cent (Vanuatu). The rest of the Article XII LDCs have an export concentration rate for their top three products of less than 40 per cent.

99. In terms of the concentration of export destinations, Lao PDR joins the five LDCs mentioned in the previous paragraph as being the most geographically dependant, with ratios again between just under 60 per cent (Vanuatu) and just over 80 per cent (Nepal). For the countries with less dependency on a small number of export markets, the ratios are between 36 per cent (Cambodia) and 42 per cent (Samoa).

Chart 3: Shares of the three main exports and export destinations for 2019 (%)

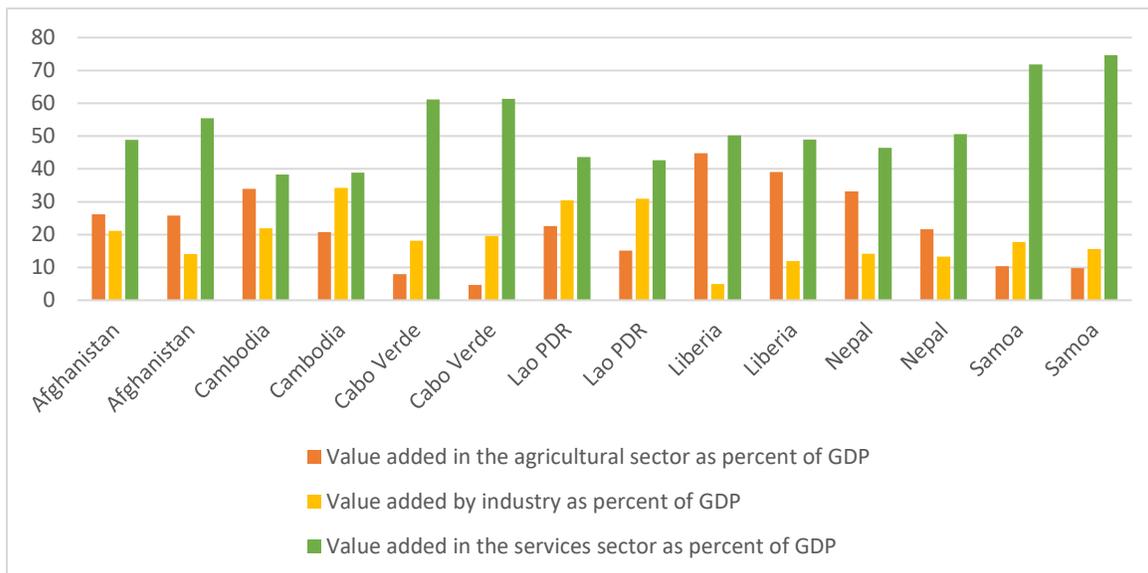


Source: Observatory of Economic Complexity: <https://oec.world/en/profile/country>

100. Chart 4 looks at the sources of value-added in GDP for the Article XII LDCs. The value-added is allocated between agriculture, industry and services in terms of their respective percentage shares. The horizontal axis shows two data points for each LDC (excluding Vanuatu for whom there are no data) referring to the years 2010 and 2019. In order to complement these observations for two years only, Annex Table 2 contains three tabulations that provide the figures for each year between 2010 and 2019.

101. The three sources of value have maintained a fairly stable relationship over the years, although there have been some shifts. Agriculture remains a significant source of value-added for these LDCs. Cambodia, Lao PDR, Nepal, Liberia, and Yemen have seen the share of agriculture in GDP shrink to varying degrees. Afghanistan has lost industry share, while the shares of industry have increased in the case of Cambodia and Liberia. Afghanistan has seen a significant increase in the services component of total value-added. Nepal has also seen an increase but to a lesser extent. Yemen's share of services in GDP has fallen over the period. These changes may have occurred for a variety of reasons, including as a result of evolving trade patterns. As these LDCs grow and develop, they will become more dependent on services as a source of income and jobs, consistent with a pattern observed in most countries in the world.

Chart 4: Shares of Value-Added in GDP for selected Article XII LDC (2010 and 2019)



Source: www.theglobaleconomy.com

102. Finally, Table 17 reports on Foreign Direct investment (FDI), expressing FDI flows from 2010 to 2019 as a percentage share of GDP for each of the Article XII LDCs. FDI is considered a key factor for the development of any economy, especially the least developed ones. In some of the countries in Table 17, FDI flows have tended sometimes to vary quite a bit from one year to another. This is the case for Liberia and Vanuatu and may be the result, at least in part, of large single investments being made relative to the size of the country. Doubtless other facts were in play as well. Cambodia, Cabo Verde, Lao PDR, Liberia, and Vanuatu have performed the best among the Article XII LDCs in terms of attracting FDI flows relative to their size. An analysis of why this is the case is beyond the scope of this note, and it is likely that a range of factors have been in play.

Table 17: Foreign Direct Investment as a percentage of GDP in Article XII LDCs, 2010-2019

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Afghanistan	1.2	0.3	0.3	0.2	0.2	0.9	0.5	0.3	0.7	0.1
Cambodia	12.5	12.0	14.2	13.6	11.1	10.1	12.4	12.6	13.1	13.5
Cabo Verde	7.0	5.5	7.4	4.8	9.7	6.0	7.6	6.3	5.5	5.4
Lao PDR	3.9	3.4	6.1	5.7	6.5	7.5	5.9	10.1	7.6	4.1
Liberia	103.0	87.0	84.9	65.2	16.0	7.3	9.5	7.5	4.0	2.8
Nepal	0.6	0.4	0.4	0.3	0.1	0.2	0.4	0.7	0.2	0.5
Samoa	-0.2	1.2	2.7	1.8	3.0	3.4	0.3	1.1	2.0	0.1
Vanuatu	9.4	8.0	8.1	7.8	1.7	4.2	6.3	4.3	4.1	3.7
Yemen	0.6	-1.6	-0.1	-0.3	-0.5	-0.1	-1.8	-1.4	-1.2	0.0

Source: <https://www.macrotrends.net/countries>

8 LESSONS LEARNED AND RECOMMENDATIONS FOR ACCEDING COUNTRIES

103. WTO accession is a unique process for each acceding country. The decision to accede to the WTO and the approach to negotiations will be different from one country to another. The nine Article XII LDCs each had their own reasons and motivations. The same is true for those LDCs currently negotiating their accession. Therefore, there is no one-size-fits-all recipe for accession and post-accession. There are, however, some issues where a common approach makes sense. These will be addressed here.

8.1 Pre-accession and the negotiations

104. The decision to join the WTO should come either from the top leadership of the country or be explicitly supported by the top leadership. The accession process demands a strong political buy-in to support arduous negotiations and the accompanying technical work. The latter includes drafting new laws and regulations and amending the existing ones. Sometimes difficult decisions require the involvement of top leadership. Drawing on the experiences of the Article XII LDCs, a number of points are worth consideration on the part of currently acceding LDCs:

Development of the overall accession strategy

105. The WTO accession process is a major economic decision for any country. In order to use the membership to help in fostering growth and development, a proper accession strategy should be in place. The roles of each entity and ministry should be specified, and the approach towards market access in goods and services, as well as the legislative action plan should be clear. A number of the Article XII LDCs started the process without a clear vision or a proper accession strategy in place. This caused delays and problems in the process.

A single ministry should lead the process and establish a WTO Unit

106. A unit should be established to coordinate the accession. This unit should serve as hub for accession-related information and should also be the focal point for contacts with line ministries as well as with the WTO Secretariat. In many cases, the lead ministry that establishes a WTO Unit would be the ministry that carries most responsibility for international trade but the arrangements will obviously reflect the specific situation facing each country.

Nominating a Chief Negotiator

107. The Chief Negotiator plays an important role in the accession process, as she/he is the main person responsible for the overall accession. This individual needs to be technically knowledgeable, possess good communication skills, and have diplomatic tact. The Chief Negotiator should be able to handle pressure and sometimes make hard decisions. The Chief Negotiator also needs to be backed up by a strong team and enjoy political support at the highest level. As the accession process is likely to take some years, the composition of the WTO Unit needs to be able to plan for continuity.

Establishment of the negotiating team

108. Building an effective team is key to success. It is the Chief Negotiator's job to identify key people from line ministries to be involved in the process. Without a strong technical team, it is difficult for the Chief Negotiator to conclude the work. Also, to add value to the team, if financially feasible, it is useful to involve representatives of the legislature and from the private sector in order to make the process inclusive. At the end of the process, this will also help with public approval of the outcome.

Capacity Building of the Negotiation Team

109. Members of the WTO need to build up their knowledge of the WTO and become knowledgeable in a range of key institutional and policy matters. A mixture of specialization and cross-fertilization within the team makes it stronger and more effective. There are two direct ways of building up this capacity: i) use the online courses offered by WTO and make them compulsory for every Member of the team, and ii) utilize the WTO's face to face capacity building programs and make the online course a prerequisite for that. A good deal of learning can also be acquired from personal connections with the individuals who deliver the technical assistance from the WTO Secretariat and elsewhere, as well as from officials of other governments.

Assign a Liaison Officer in the UN Mission in Geneva

110. During the accession process regular contact with the WTO Secretariat and WTO Members is essential but as the acceding governments cannot send a representative to the WTO before accession, it is important to send a dedicated person to the country's mission in Geneva to coordinate work with the WTO and capital. This will help establish a direct link between the WTO and the lead ministry.

Use your accession process for domestic reforms

111. Accession to the WTO is not a single action, but rather a process that evaluates the overall economic system of a country and proposes changes to different rules, procedures and laws. It is recommended to take advantage of this process to pursue domestic reforms, and also take advantage of the availability of technical assistance accompanying the accession process.

Prepare realistic goods and services market access offers

112. Market access negotiations are the backbone of the accession process, and a well prepared, well documented, and realistic market access offer for both goods and services is key to the success of the process. Acceding LDCs should utilize the flexibilities provided by the 2012 LDC Guidelines while remaining within the parameters defining the bottom line in market access commitments.

Consult with the legislature, the private sector and civil society

113. Part of the preparation is to consult with the relevant stakeholders, mainly from the private sector and the legislature, but also in some cases with civil society organizations. As the accession process is complex, there should be broader consultation with the producers from all industries, importers, and services providers in different sectors. This will give good guidance to the negotiation team about sensitivities that need to be taken into account. The role of the legislature is also critical, as ultimately it is the legislature that approves the accession package.

Coordinate with the Accessions Division of the WTO Secretariat

114. The Accessions Division is the point of contact within the WTO for acceding countries. Direct contact with the Accessions Division is needed for the process. The Division can be a good adviser and a problem solver between the acceding LDCs and WTO Members and a link with the donor community. The Division can also help with support from within the WTO Secretariat, for instance on technical assistance from the WTO side. It can also put acceding LDCs in touch with recently acceded Members who are willing to share their accession experiences.

Do not be shy of presenting an idea

115. WTO accession is a unique process to every country where different ideas and proposals should be projected without hesitation, even if they seem novel. For such innovation to have a chance of success, it must be well justified and cognizant of WTO rules.

Public outreach

116. Conveying and explaining government activities in terms of accession to the people is important. Changes can affect ordinary citizens and surprises should be avoided. One role of the lead ministry and chief negotiator is to explain the importance and the likely impact of the WTO on the economy in the short and long-term. Open debate and discussion will help people understand the purpose of WTO accession and build knowledge about WTO.

8.2 Post-accession

117. The accession process is difficult enough, but post-accession is more so. A country needs to show that it can fulfil its obligations. A strong and comprehensive post-accession strategy, identified before the accession date, is essential. The strategy should reflect what the country expects from its WTO membership and what the Members expect from the newly acceded Member. This strategy should define the role of each entity and the expected results in order to ensure adequate follow-up. The strategy should spell out clear timelines for the implementation of WTO commitments, including for the implementation of those with transitional periods.

Donors meetings can support the post accession strategy

118. Most donors are quite open and forward-looking in supporting LDC accession processes, but once a country becomes a member, there is a risk that donors fall away. After preparing a post-accession implementation strategy, a roundtable discussion with national donors and international agencies can help to tie down necessary support from the donor community.

Post-Accession Capacity Building

119. Post-accession implementation may require knowledge and technical know-how. A coordinated technical assistance programme is required for various issues related to post-accession obligations and programmes. Countries can work with WTO Accessions Division (immediate pre-accession stage), the Institute for Training and Technical Cooperation of the WTO (after accession) and other donors in order to establish targeted capacity building programs.

Involve the negotiation team in post-accession

120. Many LDCs have difficulty in retaining the negotiation team after the accession process is over. A variety of reasons could account for this. Technical processes can become more political once the action is essentially domestic after negotiations with trading partners are over. Changes in government can result in the replacement of previous negotiators. Officials with new skills acquired in the negotiating process may be enticed away from their previous roles, including by other governments and international agencies. In the name of continuity and coherence, governments should do their best to ensure smooth transitions and transfer of knowledge and capacity.

Coordinating meetings: Ministerial level and technical level

121. Internal coordination is needed for the implementation of WTO commitments. This coordination should be at two levels – first meetings at Ministerial or deputy Minister level and chaired by the lead ministry should follow up on the implementation of commitments and WTO-related work. Second, technical level meetings are required, to be chaired by the Chief Negotiator and they should be attended by technical experts from the line ministries. These coordination meetings should take place with the necessary frequency to ensure overall coherence.

Representation in Geneva

122. Establishing an effective presence in Geneva helps the country to fully utilize the benefits of WTO accession. It helps a country to be part of the trade community and its committees, subcommittees, and councils, and to be involved in different multilateral negotiations. For LDCs, it may not be financially feasible to establish a separate mission in Geneva to the WTO, in which case representation can be organized through Missions to the UN in Geneva.

9 CONCLUDING OBSERVATIONS

123. Of the 46 LDCs, 35 are Members of the WTO. LDCs represent one-fifth of the total membership of the WTO, and most of them are in Asia and Africa. These are continents on the move. They will

account for increasing shares of global trade and investment in coming years. They are also continents rich in resources and with young populations.

124. The participation of LDCs in international governance that promotes trade and development, including in the WTO, needs to expand as these economies grow. This process began in the 1970s when the development needs of the poorest countries were explicitly recognized and accommodated. The process has continued to gather pace. Graduating out of least-developed country status should be seen as an important achievement and not as a threat or unrequited loss of special privileges. While the trade rules continue to accommodate the particular needs of LDCs, the WTO and LDCs will increasingly complement one another. Nine LDCs joined the WTO in 15 years and eight more are engaged in the accession process. This increased LDC involvement contributes to the growing universality of the WTO.

125. LDC participation brings the stated aims of the WTO closer to realization, including those of cutting living costs and raising living standards, helping countries to develop, giving the weaker a stronger voice, and contributing to peace and stability. For their part, LDC involvement in the WTO strengthens their economies, promotes government-business dialogue, and helps build their institutions, assisting them in reducing the fragility and conflict that afflicts a number of least-developed countries. The Trade for Peace initiative, and LDC involvement in that initiative, help to focus on these tasks.

126. Formidable challenges remain. Least developed countries, including present and future Article XII LDCs, are yet to fully reap the full benefit of the WTO system. This will take time and require continued support from the community of nations and international institutions, particularly with technical assistance and capacity building. But ultimately, the gains will be shared by all.

DRAFT

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ANNEX 1

Table 1: Top ten export destination countries for Article XII LDCs, 2019

	Afghanistan	Cabo Verde	Cambodia	Lao PDR	Liberia	Nepal	Samoa	Vanuatu	Yemen
1	India	Spain	United States	Thailand	China	India	American Samoa	Malaysia	Egypt
2	Pakistan	Portugal	Japan	China	France	US	New Zealand	Philippines	Turkey
3	China	Italy	Germany	Vietnam	Poland	Turkey	United States	New Zealand	Oman
4	Turkey	United States	China	Japan	Spain	Germany	Tokelau	Australia	Sudan
5	UAE	Germany	UK	India	Germany	UK	Australia	Fiji	Eritrea
6	Iran	Romania	Canada	Germany	Belgium	China	Japan	New Caledonia	Indonesia
7	Iraq	Guinea-Bissau	Belgium	Hong Kong, China	US	Italy	Fiji	Japan	China
8	Germany	Netherlands	Spain	Switzerland	Luxembourg	France	Thailand	PNG	Argentina
9	Saudi Arabia	Algeria	Thailand	United States	Cote D' Ivoire	Bangladesh	Singapore	US	Japan
10	Tajikistan	Gambia, The	Netherlands	Italy	Netherlands	Japan	Vanuatu	Solomon Islands	Korea, Rep.

Source: Observatory of Economic Complexity: <https://oec.world/en/profile/country>

ANNEX 2

Table 2: Share of Value-Added Data for the Article XII LDCs

Percentage Share of AGRICULTURE value-added in GDP (2010-2019)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Afghanistan	26.2	23.7	24.4	22.8	22.1	20.6	25.7	26.4	22.0	25.8
Cambodia	33.9	34.6	33.5	31.6	28.9	26.6	24.7	23.4	22.0	20.7
Cabo Verde	8.0	7.8	8.5	8.3	8.0	8.7	8.0	6.7	5.3	4.6
Lao PDR	22.6	20.8	18.6	17.9	17.9	17.6	17.2	16.2	15.7	15.2
Liberia	44.8	44.3	38.8	37.2	35.8	34.4	37.2	37.1	37.3	39.1
Nepal	33.2	30.7	30.1	28.6	27.5	26.5	25.5	23.7	22.3	21.6
Samoa	10.4	8.8	9.2	9.7	9.5	8.7	9.1	10.5	9.8	9.9
Vanuatu	21.7	23.5	26.2	26.4	26.6	26.9				
Yemen	8.2	8.5	8.4	7.9	7.8	7.1	7.0	6.0	5.0	

Source: www.theglobaleconomy.com

Percentage Share of INDUSTRY value-added in GDP (2010-2019)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Afghanistan	21.2	22.7	21.2	20.4	21.2	22.1	10.5	10.1	13.4	14.1
Cambodia	21.9	22.1	23.0	24.1	25.6	27.7	29.5	30.9	32.3	34.2
Cabo Verde	18.2	17.8	17.0	17.5	18.7	18.1	17.1	18.2	19.3	19.6
Lao PDR	30.5	30.8	32.4	30.4	28.8	27.7	28.8	30.9	31.5	30.1
Liberia	5.0	8.3	16.4	15.8	15.7	12.5	8.0	10.2	12.5	12.0
Nepal	14.2	14.1	14.1	14.2	13.8	13.7	13.1	13.2	13.4	13.3
Samoa	17.8	18.6	19.4	18.2	18.6	17.5	17.8	16.9	15.2	15.6
Vanuatu	12.3	9.7	7.5	7.9	8.1	11.1				
Yemen	43.8	46.5	46.5	43.9	44.04	36.4	46.7	42.2	35.6	40.6

Source: www.theglobaleconomy.com

Percentage Share of SERVICES in value-added in GDP (2010-2019)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Afghanistan	48.9	49.7	50.6	52.7	53.0	53.2	59.0	58.3	59.5	55.5
Cambodia	38.3	37.5	37.8	38.5	39.7	39.8	39.9	39.7	39.5	38.9
Cabo Verde	61.2	60.6	62.2	61.8	61.2	60.5	61.8	61.2	60.9	61.4
Lao PDR	43.6	41.8	40.2	42.5	44.2	44.2	42.5	41.5	41.6	42.7
Liberia	50.2	47.4	44.8	47.0	48.5	53.1	50.3	48.2	50.2	49.0
Nepal	46.4	45.3	46.9	47.6	48.7	49.5	50.0	51.0	51.0	50.6
Samoa	72.8	72.6	71.5	72.1	72.0	73.8	73.1	72.6	75.0	74.7
Vanuatu	Data not available.									
Yemen	27.4	29.0	29.0	27.2	27.3	23.4	23.0	19.2	16.8	18.1

Source: www.theglobaleconomy.com