Overview of LDC Accessions: Results and State of Play

Maika Oshikawa
Officer in Charge
Accessions Division
Overview

1. Achievements to date
   - 9 LDC accessions concluded in 2004 - 2016
   - Mandate and Policy Framework
   - Results: “Accession Acquis”

2. State of Play
   - Strategic priorities for 2017
   - State of play in other LDC accessions

3. Accession Challenges

4. TA and accession support
What has been done so far in WTO accession?

- 36 Governments have acceded since 1995 via Article XII negotiations
- 9 new Members joined as Least-developed countries (LDCs) (see *)
- Article XII Members account for over 20% of WTO membership (164 WTO Members)

- Afghanistan*
- Albania
- Armenia
- Bulgaria
- Cambodia*
- Cabo Verde* °°
- China
- Croatia
- Ecuador
- Estonia
- Georgia
- Jordan
- Kazakhstan
- Kyrgyz Republic
- Lao PDR*
- Latvia
- Liberia*
- Lithuania
- Former Yugoslav Republic of Macedonia
- Mongolia
- Montenegro
- Moldova
- Nepal*
- Oman
- Panama
- Russian Federation
- Samoa* °°
- Kingdom of Saudi Arabia
- Seychelles
- Chinese Taipei
- Tajikistan
- Tonga
- Ukraine
- Vanuatu*
- Viet Nam
- Yemen*

*°° Cabo Verde and Samoa acceded to the WTO as LDCs, but graduated from LDC status in December 2007 and January 2014 respectively.
### Length of WTO accession negotiations:
#### From application to membership, in years

<table>
<thead>
<tr>
<th>Country</th>
<th>Length</th>
</tr>
</thead>
<tbody>
<tr>
<td>Afghanistan*</td>
<td>11y.08m</td>
</tr>
<tr>
<td>Albania</td>
<td>7y.1m</td>
</tr>
<tr>
<td>Armenia</td>
<td>9y.03m</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>10y.03m</td>
</tr>
<tr>
<td>Cabo Verde*</td>
<td>8y.08m</td>
</tr>
<tr>
<td>Cambodia*</td>
<td>9y.1m</td>
</tr>
<tr>
<td>China</td>
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</tr>
<tr>
<td>Croatia</td>
<td>7y.02m</td>
</tr>
<tr>
<td>Ecuador</td>
<td>3y.04m</td>
</tr>
<tr>
<td>Estonia</td>
<td>5y.08m</td>
</tr>
<tr>
<td>Georgia</td>
<td>3y.11m</td>
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<tr>
<td>Jordan</td>
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<tr>
<td>Kazakhstan</td>
<td>19y.1m</td>
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<tr>
<td>Kyrgyz Republic</td>
<td>2y.1m</td>
</tr>
<tr>
<td>Lao PDR*</td>
<td>15y.07m</td>
</tr>
<tr>
<td>Latvia</td>
<td>5y.03m</td>
</tr>
<tr>
<td>Liberia*</td>
<td>9y.01m</td>
</tr>
<tr>
<td>Lithuania</td>
<td>7y.04m</td>
</tr>
<tr>
<td>Moldova, Republic of</td>
<td>7y.08m</td>
</tr>
<tr>
<td>Mongolia</td>
<td>5y.06m</td>
</tr>
<tr>
<td>Montenegro</td>
<td>7y.04m</td>
</tr>
<tr>
<td>Nepal*</td>
<td>14y.11m</td>
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<tr>
<td>Oman</td>
<td>4y.07m</td>
</tr>
<tr>
<td>Panama</td>
<td>6y.01m</td>
</tr>
<tr>
<td>Russian Federation</td>
<td>19y.02m</td>
</tr>
<tr>
<td>Samoa*</td>
<td>14y.06m</td>
</tr>
<tr>
<td>Saudi Arabia, Kingdom of</td>
<td>14y.01m</td>
</tr>
<tr>
<td>Seychelles</td>
<td>12y.06m</td>
</tr>
<tr>
<td>Chinese Taipei</td>
<td>19y.11m</td>
</tr>
<tr>
<td>Tajikistan</td>
<td>10y.m</td>
</tr>
<tr>
<td>The former Yugoslav Republic of</td>
<td>11y.1m</td>
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<tr>
<td>Macedonia</td>
<td>8y.04m</td>
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<td>Tonga</td>
<td>12y.01m</td>
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<td>Ukraine</td>
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<td>Vanuatu*</td>
<td>17y.01m</td>
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<tr>
<td>Viet Nam</td>
<td>12y.m</td>
</tr>
<tr>
<td>Yemen*</td>
<td>14y.02m</td>
</tr>
</tbody>
</table>

* Acceded as LDC. On average, 9 LDC accessions took **12 years and 9 months**
## LDC accessions concluded in 2004-2016

<table>
<thead>
<tr>
<th>Article XII Member</th>
<th>Application Date</th>
<th>Membership Date</th>
<th>Total Time of Accession Process</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>General Council Decision on Accession of LDCs, December 2002</strong></td>
<td></td>
<td></td>
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<tr>
<td>Nepal</td>
<td>05/1989</td>
<td>04/2004*</td>
<td>14 years 11 months</td>
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<tr>
<td>Cambodia</td>
<td>12/1994</td>
<td>10/2004*</td>
<td>9 years 10 months</td>
</tr>
<tr>
<td>Cape Verde</td>
<td>11/1999</td>
<td>07/2008</td>
<td>8 years 8 months</td>
</tr>
<tr>
<td>Samoa</td>
<td>04/1998</td>
<td>05/2012*</td>
<td>14 years 1 months</td>
</tr>
<tr>
<td>Vanuatu</td>
<td>07/1995</td>
<td>08/2012</td>
<td>17 years 1 months</td>
</tr>
<tr>
<td><strong>General Council Decision on Accession of LDCs, July 2012</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lao PDR</td>
<td>07/1997</td>
<td>02/2013</td>
<td>15 years 7 months</td>
</tr>
<tr>
<td>Yemen</td>
<td>04/2000</td>
<td>06/2014*</td>
<td>14 years 2 months</td>
</tr>
<tr>
<td>Liberia</td>
<td>06/2007</td>
<td>07/2016*</td>
<td>8 Years 1 month</td>
</tr>
<tr>
<td>Afghanistan</td>
<td>11/2004</td>
<td>07/2016*</td>
<td>10 years 8 months</td>
</tr>
</tbody>
</table>

* Adoption of Accession Protocol by WTO membership at Ministerial Conference.
New Members in 2016: Liberia and Afghanistan

Liberia became the 163rd Member on 14 July 2016

Afghanistan became the 164th Member on 29 July
REASONS FOR JOINING...

WTO = BRAND NAME

INT’L COOPERATION

POLICY PREDICTABILITY / TRANSPARENCY

STRENGTHENING THE RULE OF LAW

DOMESTIC REFORMS

PARTICIPATION IN MULTILATERAL NEGOTIATIONS + RULE-MAKING

INSURANCE AGAINST PROTECTIONISM
The Legal Framework

AGREEMENT ESTABLISHING THE WORLD TRADE ORGANIZATION

Article XII

Accession

1. Any State or separate customs territory possessing full autonomy in the conduct of its external commercial relations and of the other matters provided for in this Agreement and the Multilateral Trade Agreements may accede to this Agreement, on terms to be agreed between it and the WTO. Such accession shall apply to this Agreement and the Multilateral Trade Agreements annexed thereto.

2. Decisions on accession shall be taken by the Ministerial Conference. The Ministerial Conference shall approve the agreement on the terms of accession by a two-thirds majority of the Members of the WTO.

3. Accession to a Plurilateral Trade Agreement shall be governed by the provisions of that Agreement.

❖ On “terms to be agreed”…
LDC Accessions Mandate and Policy Framework

- Article XII of Marrakesh Agreement Establishing WTO
- 2001 Doha Mandate to “facilitate and accelerate negotiations with acceding LDCs” (para. 42 of Min. Dec.)
- 2002 Guidelines for LDCs’ Accessions (WT/L/508)
  - Market Access, WTO Rules, Process, Technical Assistance
- 2012 GC Decision to strengthen, streamline and operationalize the 2002 Guidelines (WT/L/508/Add.1)
  - Benchmarks on market access in Goods and Services;
  - Transparency in accession negotiations, including WP Chairperson’s “facilitation” role;
  - Special and Differential Treatments and Transition Periods;
  - Technical Assistance
## Accession Commitments by LDC Article XII Members

<table>
<thead>
<tr>
<th>Article XII LDC Members</th>
<th>Year of WTO Membership</th>
<th>Working Party Report</th>
<th>Market Access commitments on Goods</th>
<th>Market Access commitments on Services: Number of services subsectors</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Number of Commitment Paragraphs</td>
<td>Transition commitments</td>
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<tr>
<td>Nepal</td>
<td>2004</td>
<td>25</td>
<td>4</td>
<td>99.4</td>
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<tr>
<td>Cambodia</td>
<td>2004</td>
<td>29</td>
<td>8</td>
<td>100</td>
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<tr>
<td>Cabo Verde</td>
<td>2008</td>
<td>27</td>
<td>10</td>
<td>100</td>
</tr>
<tr>
<td>Samoa</td>
<td>2012</td>
<td>37</td>
<td>5</td>
<td>100</td>
</tr>
<tr>
<td>Vanuatu</td>
<td>2012</td>
<td>30</td>
<td>2</td>
<td>100</td>
</tr>
<tr>
<td>Lao PDR</td>
<td>2013</td>
<td>26</td>
<td>6</td>
<td>100</td>
</tr>
<tr>
<td>Yemen</td>
<td>2014</td>
<td>28</td>
<td>8</td>
<td>100</td>
</tr>
<tr>
<td>Liberia</td>
<td>2016</td>
<td>31</td>
<td>10</td>
<td>100</td>
</tr>
<tr>
<td>Afghanistan</td>
<td>2016</td>
<td>37</td>
<td>7</td>
<td>96.6</td>
</tr>
</tbody>
</table>
Number of Commitments by Chapter of WP Report

- 9 Article XII LDCs made commitments in 35 out of 38 sections of WP Reports.
Transitional periods

- 9 Article XII LDCs granted transitional periods in 23 out of 38 sections of WP Reports
Accessions Results: Goods

![Bar chart showing MFN applied rate, Final bound rate, and Binding coverage for Art XII, Original Members, LDCs Art XII, and LDCs Original Members. The chart displays averages in percentage for each category.]
Accessions Results: Services

- Article XII: 102
- Original Members: 49
- LDCs Art XII: 87
- LDCs Original Members: 20
WTO Accession – An Instrument for Domestic Reforms and Economic Growth

Members which acceded pursuant to Article XII have:

- Faster trade and GDP growth
- More diversified economy after accession
- Increased competitiveness & greater FDI attractiveness
- LDC graduation
  - Cabo Verde (December 2007)
  - Samoa (January 2014)
  - Vanuatu (recommended for 2018)
Merchandise trade: exports growth
Map of WTO Members and Observers

World Trade Organization
Accessions Map -
WTO Membership and Accession Status:
- Members
- Article XII Accessions

WTO Accession Time Bar
1995 - 2017
CURRENT STATE-OF-PLAY: WHAT REMAINS?

- 21 accession Working Parties in process
  - On average, 16.5 years since application
  - 8 LDCs

- Algeria
- Andorra
- Azerbaijan
- The Bahamas
- Belarus
- Bhutan*
- Bosnia & Herzegovina
- Comoros*
- Equatorial Guinea*
- Ethiopia*
- Islamic Republic of Iran
- Iraq
- Lebanese Republic
- Libya
- Sao Tomé & Principe*
- Serbia
- Somalia*
- Sudan*
- Syrian Arab Republic
- Timor-Leste*
- Uzbekistan

*LDCs
Membership

Multilateral Process

- Memorandum on the Foreign Trade Regime (MFTR)
- Factual Summary
- Elements of a DWPR
- Draft Working Party Report (DWPR)

Plurilateral Process

- Agriculture + Any other area of WTO rules, as necessary (e.g. SPS)
- Technical Verification of Draft Goods and Services Schedules / Small Group Consultation
- Agreed elements are reflected in draft Report (DWPR) & draft Schedules, as applicable

Bilateral Process

- Initial Goods Offer
- Initial Services Offer
- Bilateral Market Access Negotiations on Goods
- Bilateral Market Access Negotiations on Services
- Draft Goods Schedule
- Draft Services Schedule

Draft Accession Package adopted, *ad referendum*, by the Working Party

Formal action by General Council/Ministerial Conference

Acceptance by Acceding Government

Notification of acceptance

Membership
## On-going LDC Accessions: State of Play

<table>
<thead>
<tr>
<th>ACCEDING LDC</th>
<th>PROCESS</th>
<th>RULES</th>
<th>MARKET ACCESS</th>
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<tbody>
<tr>
<td></td>
<td>WP Establishment</td>
<td>MFTR</td>
<td>Goods Offer</td>
</tr>
<tr>
<td>Sudan</td>
<td>10/1994</td>
<td>01/1999</td>
<td>07/2004</td>
</tr>
<tr>
<td></td>
<td>WP Establishment</td>
<td>01/2016</td>
<td>11/2016</td>
</tr>
<tr>
<td></td>
<td>WPM – First &amp; latest</td>
<td>Factual Summary</td>
<td></td>
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<tr>
<td></td>
<td>07/2003</td>
<td>09/2004</td>
<td>06/2004</td>
</tr>
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<td></td>
<td>3</td>
<td></td>
<td></td>
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<td></td>
<td># of WPM</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bhutan</td>
<td>10/1999</td>
<td>02/2003</td>
<td>08/2005</td>
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<tr>
<td></td>
<td>01/2008</td>
<td>12/2007</td>
<td>08/2005</td>
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<tr>
<td></td>
<td>4</td>
<td></td>
<td>11/2007</td>
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<tr>
<td></td>
<td># of WPM</td>
<td></td>
<td></td>
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<tr>
<td>Ethiopia</td>
<td>02/2003</td>
<td>01/2007</td>
<td>02/2012</td>
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<td>05/2008</td>
<td>03/2012</td>
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<td>03/2012</td>
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<tr>
<td>Sao Tomé &amp; Principe</td>
<td>05/2005</td>
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<td>12/2016</td>
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<td></td>
<td>2016</td>
</tr>
<tr>
<td>Equatorial Guinea</td>
<td>02/2008</td>
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<tr>
<td>Somalia</td>
<td>12/2016</td>
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<tr>
<td>Timor-Leste</td>
<td>12/2016</td>
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</table>
2017 Strategic Focus - Comoros

- WP Establishment: 2007
- WP Chair: Amb. Luis Enrique CHÁVEZ BASAGOITIA (Peru)
- MFTR submitted in 2013, followed by technical work
- Circulation of 13 documents in October 2016
  - Including initial market access offers
- 1st WP meeting held in December 2016
  - Delegation led by Vice President
- Visit by WP Chair/Secretariat to Moroni
  - Meetings with President, Ministers, Speaker of Parliament, Private Sector
- Next steps:
  - Factual Summary & revised offers
  - 2nd Working Party scheduled for late April
2017 Strategic Focus – Sudan

- WP Establishment: 1994
- No-activity since 2\textsuperscript{nd} WP meeting in 2004 and re-activation started with a Minister’s visit to Geneva in July 2016
- Appointment of Mr. Kuwana (Japan) as new WP Chair in July
- Secretariat’s 2-week mission to Khartoum in Sept-Oct 2016
- Updated negotiating inputs circulated to WP in Oct-Nov 2016
- 3\textsuperscript{rd} WP meeting: 31 January 2017
  - Formal resumption after 13 years
- Next Steps:
  - Mission by WP Chair and Secretariat to Khartoum in early April
  - 4\textsuperscript{th} WP meeting in May
State of play in 4 other LDC accessions

Bhutan

☑ Bilateral: Market access offers on goods and services circulated in Nov. 2007.
☑ No activity at WP level since 2008.

Ethiopia

☑ WP Establishment: 2003; WP Meetings: 3. Last Meeting held in March 2012.
☑ Multilateral: Factual Summary of the Points Raised circulated in March 2012
☑ Bilateral: Initial market access offer on goods circulated in February 2012.
☑ No activity at WP level since 2012.

Equatorial Guinea

☑ WP Establishment: 2008; no WP Meetings yet as no submission of documentation
☑ Recent contacts with the WTO Trade Policy Reviews Division

Sao Tomé & Principe

☑ WP Establishment: 2005; no WP Meetings yet as no submission of documentation
New Acceding Governments - 2016

Somalia

- Application for WTO accession circulated in November 2016

Timor-Leste

- Application for WTO accession circulated in November 2016

Accession Working Parties established at the General Council in December 2016
Accessions: Challenges

- Lack of (i) documentary basis to initiate WTO accession process and/or (ii) negotiating inputs to move WTO accession negotiations forward.
- “Low-hanging fruits” have already been harvested.
- War and post-conflict situations.
- Vested interests and domestic politics.
- Recent statehood.
Accession experience of Liberia

- Overall length: 9 years and 1 month
- WP Establishment: December 2007
- Re-activation: May 2014
- 2015 Working Party process:
  - Finalisation in 10 months i.e. *post* fact-finding/MFTR stage
  - Five 2-week intensive Technical Working Sessions with the Secretariat on documents
  - 3 WP meetings - May, July and October
  - MC10 for formal action on Accession Protocol in December

- Ingredients for success
  - Strong political commitment of the acceding government
  - Readiness for prompt WTO-consistent legislative reforms
  - Strong negotiating team and good internal coordination
  - WP Chairperson’s leadership
  - Coordination with Members (“Friends of Liberia”)
  - Technical support from the Secretariat
Technical Assistance and Support

- WTO Technical Assistance and Training Plans
  - Accessions as one of the four priorities
  - China LDCs and Accessions Programme - “China Programme”

- Accession-specific support
  - Workshops & technical support for process and documentation
  - Outreach to key stakeholders – Inter-ministerial committee on accession, private sector, parliament, academia, media
  - Support from “Friends of Accession”
    - Liberia: Swedish National Board of Trade
    - Afghanistan: USAID
    - Sudan & Comoros: China Program, EIF & bilateral partners

- Post-Accession Support
Accessions Publications

WTO Accessions Newsletter

WTO Accessions and Trade Multilateralism
Case Studies and Lessons from the WTO at Twenty
Edited by Uri Dadush and Chiedu Osakwe

A Handbook on Accession to the WTO
Peter John Williams

Exchanging world trade and strengthening WTO rules
WTO Accessions

Cambridge
QUESTIONS?

❖ accessions@wto.org