



Sub-Committee on Least Developed Countries

**FOLLOW-UP TO MINISTERIAL DECLARATIONS AND DECISIONS TAKEN IN FAVOUR OF
LEAST DEVELOPED COUNTRIES**

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Contents

1 INTRODUCTION	1
2 HIGH-LEVEL MEETING ON INTEGRATED INITIATIVES FOR LEAST DEVELOPED COUNTRIES' TRADE DEVELOPMENT	2
3 UNITED NATIONS CONFERENCES FOR THE LEAST DEVELOPED COUNTRIES	2
4 MAJOR DECLARATIONS AND DECISIONS RELATING TO NEGOTIATIONS	3
5 MAJOR DECLARATIONS AND DECISIONS RELATING TO REGULAR WORK	7

1 INTRODUCTION

1.1. The WTO Work Programme for the LDCs (hereafter the "Work Programme"), initially adopted in 2002, and subsequently revised in 2013 (WT/COMTD/LDC/11/Rev.1), identifies the follow-up to WTO Ministerial Decisions/Declarations as one of the issues to be taken up in the Sub-Committee on Least Developed Countries (hereafter the "Sub-Committee"). In particular, the Sub-Committee has been asked to establish an agenda item entitled: "Follow-up to Ministerial Decisions/Declarations" where Members would be invited to report on measures taken in fulfilment of these Decisions and Declarations. In this respect, the Work Programme specifically refers to measures taken at the 1997 High-Level Meeting on Integrated Initiatives for Least Developed Countries' Trade Development, the two UN Conferences on the LDCs, i.e. the Brussels Conference in 2001 and the Istanbul Conference in 2011, as well as WTO Ministerial Declarations and Decisions.

1.2. At the Seventy-Sixth Session of the Sub-Committee held on 12 October 2015, Members asked the Secretariat to prepare a factual note pursuant to this item of the Work Programme. This Note responds to that request. It mainly tracks the major declarations and decisions taken in favour of the LDCs as well as related follow-up actions at the WTO. The Note does not purport to be exhaustive; nor does it attempt to make an assessment of the progress made in the implementation of commitments undertaken by WTO Members in favour of the LDCs.

1.3. This Note is structured around four sections. Following the Introduction, Section 2 touches on the High-Level Meeting held in 1997 and related follow-up activities. Section 3 highlights the developments in relation to the trade-related elements of the two Programmes of Action for the LDCs adopted at the UN Conferences in Brussels (2001) and Istanbul (2011) – as far as they relate to the work and mandate of the WTO. Furthermore, it mentions relevant LDC issues included in the UN 2030 Agenda for Sustainable Development.

1.4. Sections 4 and 5 provide a chronological account - by theme - of major WTO declarations and decisions, taken in the context of the Doha negotiations and the ongoing regular WTO work,

¹ This document has been prepared under the Secretariat's own responsibility and is without prejudice to the positions of Members or to their rights and obligations under the WTO.

respectively. They also refer to follow-up work and actions taken by Members as well as relevant WTO bodies.

2 HIGH-LEVEL MEETING ON INTEGRATED INITIATIVES FOR LEAST DEVELOPED COUNTRIES' TRADE DEVELOPMENT

2.1. At the WTO Singapore Ministerial Conference in 1996, Members agreed to organize a meeting along with other international agencies to foster an integrated approach for assisting LDCs in enhancing their trading opportunities. Accordingly, the High-Level Meeting on Integrated Initiatives for Least Developed Countries' Trade Development was organized jointly by the WTO and other international organizations on 27-28 October 1997. One of the key outcomes of this meeting was the launching of the Integrated Framework (IF) as a collaborative programme to address the specific needs of LDCs. Since then, the IF has evolved into a flagship capacity-building, multi-donor programme supporting LDCs to use trade as a vehicle for economic growth and poverty reduction.

2.2. The IF transformed into the Enhanced Integrated Framework (EIF) in 2009 – with additional financial resources, stronger national and global governance structures and greater coordination among all EIF partners. Following the first phase, Phase Two of the EIF began on 1 January 2016 and will last for seven years until 2022. The progress in this programme over the past 18 years is illustrative of the efforts made by the WTO, as well as other stakeholders in the EIF, to help LDCs mainstream trade into their national development strategies as well as to build trade capacity through leveraging donor support. Though the EIF has its own governing bodies, the Executive Secretariat of the EIF regularly updates the Sub-Committee on all aspects of developments of the EIF.

2.3. At the High-Level Meeting in 1997, in addition to endorsing the establishment of the IF, a large number of WTO Members reported on preferential market access initiatives that they either provided or were contemplating to provide to imports from LDCs. These reports by Members, which can be consulted in document WT/LDC/HL/M/1, were in response to the Comprehensive and Integrated WTO Plan of Action for the Least Developed Countries adopted at the Singapore Ministerial Conference (WT/MIN(96)/14). The Plan of Action, *inter alia*, suggested that developed and developing country Members, on an autonomous basis, would explore possibilities of granting preferential duty-free access for LDC exports. It may be noted that the spirit and the momentum on providing preferential market access to LDCs, generated during the 1996 Singapore Ministerial Conference and the 1997 High-Level Meeting, were firmly embedded in the WTO agenda leading to enhanced market access opportunities for LDC products (see Section 4).

3 UNITED NATIONS CONFERENCES FOR THE LEAST DEVELOPED COUNTRIES

3.1. Since 1981, the UN has been convening Conferences on LDCs, once a decade, to garner international support for LDCs to overcome the challenges faced by them in being able to beneficially integrate into the world economy. Since the adoption of the Work Programme, two such Conferences have been held. The Third UN Conference on Least Developed Countries (LDC-III), held in Brussels in 2001, adopted the Brussels Programme of Action (BPoA) for the LDCs for the decade 2001-2010. The Fourth UN Conference on Least Developed Countries (LDC-IV), held in Istanbul in 2011, adopted the Istanbul Programme of Action (IPoA) for the LDCs for the decade 2011-2020. These Programmes of Action articulate policies and measures to be taken by LDCs, as well as their development partners, for the sustainable development of the LDCs. Apart from UN members, a broad range of institutions and organizations are expected to contribute to achieving the goals and objectives set out through these programmes of actions.

3.2. The WTO shares the common goal of beneficially integrating the LDCs into the multilateral trading system (MTS). In both the BPoA and IPoA, trade has been identified as one of the priority areas of action for accelerating economic growth and development in LDCs. Most of the trade-related elements of these two Programmes of Action have been an integral part of the Work Programme for the LDCs. Many issues of the trade agenda that the LDCs follow in the WTO such as enhanced market access for goods and services, flexibility in the implementation of WTO Agreements, streamlining of the accession process of LDCs as well as the development of human and institutional capacity have also been identified as priorities in both the BPoA and the IPoA. The WTO provided two substantive reports on the state of implementation on commitments made in

the BPoA by the international community, in particular, those falling within the work and mandate of the WTO (WT/COMTD/LDC/13 and WT/COMTD/LDC/17).

3.3. The IPoA is the most recent reference for international support in favour of LDCs. The IPoA identified trade as one of eight priority areas for action for ensuring LDCs' sustainable economic development. It contains a number of elements that are priorities in the WTO such as making progress towards providing duty-free and quota-free (DFQF) market access for LDC products, including preferential rules of origin, facilitating and accelerating LDC accessions, implementing effective trade-related technical assistance, including through the strengthening of capacity in goods and services trade, and addressing non-tariff measures. There has been incremental progress in all these areas for the benefit of LDCs and they remain under continuous focus in the work of the WTO. The WTO continues to report on measures taken in favour of LDCs supporting the implementation of IPoA.

3.4. In September 2015, the international community adopted the UN 2030 Agenda for Sustainable Development, which recognizes trade as an engine for inclusive economic growth and poverty reduction, and its contribution to the promotion of sustainable development. As a means of implementation, trade plays a key role in achieving the Sustainable Development Goals (SDGs), with Goal 17 specifically calling for a universal, rules-based, open, non-discriminatory and equitable MTS under the WTO. Regarding LDCs, the SDGs call for increasing Aid for Trade for LDCs, doubling the LDCs' share of global exports by 2020, implementing DFQF market access for all LDCs and ensuring transparent and simple preferential rules of origin. Once again, these issues are being pursued actively in the WTO.

4 MAJOR DECLARATIONS AND DECISIONS RELATING TO NEGOTIATIONS

4.1. The Work Programme for the LDCs was adopted shortly after the Doha Round of negotiations had been launched, which, *inter alia*, committed to address the marginalization of LDCs in international trade and to build effectively on the commitments made by the international community, including at the Brussels Conference in 2001. Despite the Doha Round not having been concluded, a number of key decisions have been taken in favour of LDCs over the span of the past 15 years. This section provides a brief chronological account - by theme - of the major declarations and decisions taken in favour of LDCs in the context of negotiations.

4.1 Duty-free and Quota-free Market Access

4.2. The pursuit of DFQF market access for LDC products has been a shared goal of the WTO and UN membership. In the 2001 Doha Ministerial Declaration, Ministers committed themselves to the objective of providing DFQF market access to LDC products, as well as to consider taking additional measures for the progressive improvement in market access for LDCs. A concrete decision on DFQF was adopted at the Hong Kong Ministerial Conference in 2005, which sets out substantive provisions as well as a notification procedure for the implementation of the schemes adopted in this regard (Annex F, WT/MIN(05)/DEC). At the Bali Ministerial Conference in 2013, Members adopted a decision that provided further impetus to provide DFQF market access for LDC products (WT/L/919).

4.3. Pursuant to these decisions, significant progress has been made in providing DFQF market access to LDC products. Both developed and developing country Members have either introduced or enhanced their DFQF schemes for LDCs and, in most cases, have also notified these initiatives to the WTO.

4.4. Since the Hong Kong DFQF Decision, the review of steps taken by Members to provide DFQF market access has been a standing item on the agenda of the Committee on Trade and Development (CTD). An annual review also takes place during the last calendar meeting of the CTD every year. The Bali DFQF Decision asks Members to continue with this review and mandates the Secretariat to aid this review with a report on Members' DFQF market access for LDCs at the tariff line level based on their notifications. So far, two such Secretariat reports have been prepared, which show that continuous efforts are being made to advance DFQF market access for LDC products (WT/COMTD/W/206 and WT/COMTD/W/214).

4.5. Progress in preferential market access for LDCs, including DFQF market access, is also registered in a periodic Secretariat Note, which is prepared to facilitate the Sub-Committee's annual review of market access for products originating from LDCs. The 2015 version of this Note is contained in document WT/COMTD/LDC/W/60.

4.6. It may also be noted that in 2009, the General Council extended a waiver (first adopted in 1999) allowing developing country Members to provide preferential tariff treatment to products of LDCs until 30 June 2019 (WT/L/759). This waiver provides the legal basis for the developing country Members to offer preferential market access to the LDCs. The DFQF market access schemes undertaken by developing country Members are notified as per the transparency mechanism for Preferential Trade Arrangements (PTAs).

4.2 Preferential Rules of Origin

4.7. Alongside DFQF market access, during the last decade, concrete progress has been made with regard to preferential rules of origin associated with non-reciprocal schemes of Members. As part of the DFQF Decision contained in Annex F of the 2005 Hong Kong Ministerial Declaration, Members agreed to ensure that preferential rules of origin applicable to imports from LDCs are transparent and simple, and contribute to facilitating market access. This was followed up in the WTO, which subsequently led to the adoption of the first ever multilateral guidelines on preferential rules of origin at the Bali Ministerial Conference in 2013 (WT/L/917), with a view to helping LDCs better utilize the preferences accorded to them. The decision also has provisions for enhanced transparency, and asks the Committee on Rules of Origin (CRO) to annually review developments in preferential rules of origin.

4.8. WTO Members have taken another step forward in helping LDCs comply with preferential rules of origin, by adopting another set of guidelines on preferential rules of origin at the Nairobi Ministerial Conference, which builds on the Bali Decision (WT/L/917/Add.1). It has more detailed suggestions for Members as they consider improvement of preferential rules of origin applicable to imports from LDCs.

4.9. The Bali and Nairobi Decisions are being followed-up in the CRO. As per these decisions, regular exchanges are taking place in this Committee. Annual reviews have also been undertaken. A report of the 2015 annual review to the General Council is contained in document G/RO/77.

4.10. The most recent Nairobi Decision on preferential rules of origin asks each developed preference-granting Member, as well as each developing preference-granting Member in line with the flexibility provided in the Decision, to inform the CRO by 31 December 2016 of the measures being taken to implement the provisions of the Decision. It also envisages to develop a template for the notification of preferential rules of origin, to enhance transparency and promote a better understanding of the rules of origin applicable to imports from LDCs. Developments in the CRO will continue to be reported to the General Council.

4.3 Services

4.11. Alongside developments to help LDCs improve their merchandise trade, the last decade has also witnessed important steps forward in the MTS to improve the participation of LDCs in services trade. In order to ensure flexibility for the LDCs in the Doha Round negotiations, and for achieving effective market access of LDCs' services and service suppliers, modalities for the special treatment for the LDCs were adopted in 2003 (TN/S/13). The modalities, *inter alia*, asked Members to develop appropriate mechanisms with a view to achieving the full implementation of Article IV:3 of the General Agreement on Trade in Services (GATS) and facilitating effective access of LDCs' services and service suppliers to foreign markets.

4.12. In the 2005 Hong Kong Ministerial Declaration, Members, *inter alia*, agreed to the full and effective implementation of these modalities, including by developing appropriate mechanisms for according special priority to LDCs as well as assisting LDCs with targeted technical assistance (Annex C: Services, WT/MIN(05)/DEC). The Ministerial Declaration also acknowledged that the LDCs are not expected to undertake new commitments in the services negotiations.

4.13. Pursuant to the 2003 modalities and the Hong Kong Ministerial Declaration, Members adopted a decision on the preferential treatment of services and services suppliers of LDCs at the 2011 Geneva Ministerial Conference (WT/L/847). The decision, often referred to as the LDC Services Waiver, allows Members to provide preferential treatment to services and service suppliers from LDCs. For the first time, this decision has allowed Members to deviate from their most-favoured nation (MFN) obligation under the General Agreement on Trade and Services (GATS). The 2011 Decision provided for a 15 year waiver period until December 2026.

4.14. At the 2013 Bali Ministerial Conference, Members adopted a decision concerning the operationalization of the LDC Services Waiver (WT/L/918). Pursuant to this decision, a high-level meeting of the Council for Trade in Services (CTS) took place on 5 February 2015 where a large number of Members indicated specific sectors and modes in which they would notify preferences to the benefit of LDC services and service suppliers. Members also agreed that they would endeavour to notify preferences by 31 July 2015. A report of the high-level meeting can be consulted in document S/C/M/121.

4.15. It is noteworthy to mention that the high-level meeting created further momentum to boost LDCs' services trade, and several notifications were submitted by Members during 2015. By the end of February 2016, 23 Members have notified preferences for LDCs to the CTS (JOB/GC/90). Actions by Members pursuant to the LDC Services Waiver are followed-up in the CTS, where the operationalization of the LDC Services Waiver is a standing item on the agenda of the CTS.

4.16. At the Nairobi Ministerial Conference in 2015, a Ministerial Decision was adopted for the implementation of preferential treatment in favour of services and service suppliers of LDCs. The decision, among others, urges Members which have not yet notified preferences to the CTS to promptly do so and sets up a review to monitor the operation of the notified preferences (WT/L/982). With a view to increasing LDC participation in services trade, the decision also encourages Members to undertake specific technical assistance and capacity building to help LDC services suppliers utilize preferences granted. Moreover, the decision extended the life span of the LDC Services Waiver for an additional four years until 31 December 2030.

4.4 Cotton

4.17. The issue of cotton received prominence in the course of the Doha Round negotiations in view of its vital importance to developing countries and particularly the least developed among them. Cotton assumed a special place through the 2004 July package, where the General Council agreed that the issue of cotton would be addressed ambitiously, expeditiously and specifically within the agriculture negotiations (paragraph 4, Annex A, WT/L/579). A Sub-Committee on Cotton was established in November 2004 to deal with all trade-distorting policies affecting the sector.

4.18. In the 2004 July package, Members also highlighted the complementarity of the trade- and development-related aspects of cotton. As a result, the Director-General initiated a Consultative Framework Mechanism on Cotton (DGCFMC) in 2004 for the mobilization of resources towards the development of cotton-dependent economies. In November 2005, the Evolving Table on Cotton (ET) was established to monitor both the specific assistance and infrastructure-related assistance to the cotton sector. The ET is periodically updated and the latest version is contained in document WT/CFMC/6/Rev.19. DGCFMC rounds are held on a biannual basis. By the end of February 2016, 24 DGCFMC rounds have been held. A compilation of documentation references relating to the DGCFMC and dates of past rounds can be consulted in document WT/CFMC/W/24/Rev.19, which is revised on a periodic basis.

4.19. Two specific cotton decisions have been adopted by Members at the last two Ministerial Conferences. In the cotton decision of the 2013 Bali Ministerial Conference, Members committed to continued engagement in DGCFMC to strengthen the cotton sector in LDCs and also to make progress in trade-related negotiations on cotton (WT/L/916). With a view to enhancing transparency and monitoring, bi-annual dedicated discussions have been taking place in the context of the Committee on Agriculture in Special Session, to examine relevant trade-related developments on market access, domestic support and export subsidies for cotton, particularly for LDCs' exports. The dedicated discussions are based on factual information and data compiled by the WTO Secretariat from Members' notifications with, as appropriate, additional relevant

information provided by Members. In November 2015, the fourth dedicated discussion was held (TN/AG/SCC/5).

4.20. At the Nairobi Ministerial Conference in 2015, Members adopted a decision covering provisions with respect to the trade component as well as the development component of cotton (WT/L/981). The decision, *inter alia*, contains provisions relating to DFQF market access, to the furthering of efforts to reform domestic cotton policies as well as commitments to engage in the DGCFMC. The trade and development components will continue to be followed-up in bi-annual dedicated discussions and the DGCFMC, respectively.

4.5 Agriculture

4.21. During the course of the Doha Round negotiations, LDCs also received special attention in the agriculture negotiations. The framework for establishing negotiating modalities in agriculture adopted as part of the July Package in 2004 accorded flexibilities to LDCs in relation to the three negotiating pillars: domestic support, export competition and market access. For instance, it was stipulated that LDCs would not be required to undertake reduction commitments (paragraph 45, Annex A, WT/L/579). The framework modalities for agriculture were intended to develop detailed modalities for agricultural negotiations under the Doha Round.

4.22. At the Nairobi Ministerial Conference in 2015, Members adopted a decision on export competition, which includes several specific provisions in favour of LDCs in the field of export subsidies, export finance and international food aid (WT/L/980). In particular, paragraph 8 provides LDCs and Net Food-Importing Developing Countries (NFIDCs) with a transition period until the end of 2030, as compared to 2023 for other developing country Members, regarding subsidies for marketing exports of agricultural products and for internal transport and freight charges on export shipments under the provision of Article 9.4 of the Agreement on Agriculture. Regarding export finance, paragraph 17 allows LDCs and NFIDCs to benefit from export credits with longer repayment terms for the acquisition of basic foodstuffs during the four year phase-in period of the decision. On international food aid, paragraph 27 allows Members to monetize international food aid for LDCs and NFIDCs under more flexible conditions than for other Members.

4.23. Members agreed that the Committee on Agriculture shall monitor the implementation of this decision. In particular, Members agreed that consistent with the Bali Ministerial Decision on Export Competition (WT/L/915), Members shall continue to provide information on export subsidies, export credit, export credit guarantees or insurance programmes, international food aid and agricultural exporting state trading enterprises, within the context of an annual examination process based on the structure contained in the Annex to the Nairobi Decision.

4.6 Non-agricultural Market Access

4.24. Likewise, LDCs received special treatment in the framework modalities for non-agricultural market access (WT/L/579) which were adopted as part of the July Package of 2004. The decision, *inter alia*, stipulates that LDCs are neither required to apply the tariff reduction formula nor participate in the sectorial approach, but are expected to substantially increase their level of binding commitments (paragraph 9, Annex B, WT/L/579). The decision also calls upon developed country participants and other participants who so decide, to grant on an autonomous basis, DFQF market access for non-agricultural products originating from LDCs - which has subsequently been addressed through separate DFQF Decisions (see Section 4.1). Like the framework modalities for agriculture, the provisions of Annex B were intended to develop detailed modalities for NAMA negotiations under the Doha Round.

4.7 Special and Differential Treatment

4.25. While there has been limited progress on the overall work programme on special and differential treatment (S&D), a number of Agreement-specific proposals have been adopted for LDCs, including at the Hong Kong Ministerial Conference. In this regard, the five decisions that formed part of Annex F of the Hong Kong Ministerial Declaration represented one of the major outcomes of the S&D negotiations. These five decisions relate to three WTO legal instruments/Agreement: (i) Understanding in Respect of Waivers of Obligations under the GATT 1994; (ii) the Agreement on Trade Related Investment Measures; and (iii) the Decision on

Measures in Favour of LDCs. The most significant decision among those has been the one on DFQF market access for LDCs where further results have been achieved in subsequent Ministerial Conferences.

4.26. It may be noted that the Decision on Measures in Favour of LDCs adopted in 1993 during the Uruguay Round has served as an important reference point for reinforcing special treatment for LDCs with respect to market access, flexibilities in the implementation of WTO rules and obligations as well as technical assistance.

4.27. The Monitoring Mechanism on Special and Differential Treatment (MM) adopted at the Bali Ministerial Conference (WT/L/920) allows Members, including LDCs, an opportunity to bring in matters that involve any aspect of implementation of S&D provisions. The MM marked an important step in the MTS's responsiveness to the concerns of developing country Members. The efficacy of the Mechanism hinges on the extent to which it is used by these Members.

4.8 Trade Facilitation

4.28. The Trade Facilitation Agreement (TFA), adopted by Members at the Bali Ministerial Conference in 2013, recognizes the particular needs of LDCs and provides greater flexibility to LDCs in the implementation of the Agreement as compared to other developing country Members (WT/L/931). This high degree of flexibility for LDCs was also in line with the modalities for negotiations on trade facilitation adopted by the General Council in 2004 (Annex D, WT/L/579), where Members agreed that LDCs would only be required to undertake commitments to the extent consistent with their individual development, financial and trade needs or their administrative and institutional capabilities.

4.29. The TFA also recognizes the special needs of LDCs to implement their commitments and the need for targeted assistance and support. The requirement for support and assistance to implement the commitments resulting from negotiations was also duly recognized in the modalities for negotiations on trade facilitation. While a host of organizations offer assistance to developing countries and LDCs in the area of trade facilitation, in order to support developing and least developed country Members with the implementation of the TFA, the WTO launched the TFA Facility (TFAF) in July 2014. The functions of the TFAF include supporting developing and least developed country Members to identify their technical assistance needs, providing information on technical assistance possibilities and helping them find donors, and, in certain circumstances, providing grants for project preparation or project implementation.

5 MAJOR DECLARATIONS AND DECISIONS RELATING TO REGULAR WORK

5.1. Ever since the establishment of the WTO, Members have been responsive to the specific difficulties of LDCs and have taken decisions to help LDCs integrate into the MTS in a manner conducive to their situation. For instance, Members have granted LDCs extensions of transition periods to implement the TRIPS Agreement following motivated requests from the LDCs. Special guidelines have been adopted to facilitate the accession of LDCs to the WTO. Special priority has also been accorded to LDCs to build their human and institutional capacity for effective negotiations and informed participation in the MTS. This section seeks to enumerate the major decisions and declarations taken by Members in the regular work of the WTO, in particular in certain areas such as TRIPS and Accessions. Developments with regard to technical assistance and capacity-building support to LDCs are also briefly mentioned.

5.1 Trade-related Aspects of Intellectual Property Rights (TRIPS)

5.2. The Doha Ministerial Declaration on the TRIPS Agreement and Public Health, adopted in November 2001, *inter alia*, exempted LDCs from providing patent protection (under Sections 5 and 7 of Part II of the TRIPS Agreement) for pharmaceutical products until 1 January 2016 (WT/MIN(01)/DEC/2). This was given legal effect through a decision of the TRIPS Council in 2002 (IP/C/25), and a complementary decision of the General Council, waiving the exclusive marketing rights provisions of Article 70.9 with respect to pharmaceutical products (WT/L/478). In November 2015, the TRIPS Council extended this transition period for pharmaceutical products until 1 January 2033 (IP/C/73). A complementary decision of the General Council waived the

obligations to provide for the possibility of filing mailbox applications under Article 70.8 and to grant exclusive marketing rights under Article 70.9 (WT/L/971).

5.3. The Doha Ministerial Declaration on the TRIPS Agreement and Public Health also instructed the TRIPS Council to find a solution to the problem of countries, including LDCs, with insufficient or no manufacturing capacities in the pharmaceutical sector in making effective use of compulsory licensing. In 2003, a decision by the General Council established a system, which, *inter alia*, allows LDCs and countries with insufficient manufacturing capacities to import medicines produced under compulsory licensing in another country (WT/L/540). The TRIPS Council annually reviews the functioning of this decision. In December 2005, WTO Members agreed to amend the TRIPS Agreement to make the 2003 decision permanent (WT/L/641). The amendment will come into force once two thirds of Members have notified their acceptance.

5.4. In 2001, the Doha Ministerial Decision on Implementation-Related Issues and Concerns instructed the TRIPS Council to put in place a mechanism for ensuring the monitoring and full implementation of Article 66.2 of the TRIPS Agreement, which calls upon developed country Members to provide incentives for technology transfer to LDCs (WT/MIN(01)/17). In February 2003, the TRIPS Council adopted a decision on "Implementation of Article 66.2 of the TRIPS Agreement", which requires developed country Members to submit annual reports on actions taken or planned in pursuance of their commitments under Article 66.2 (IP/C/28). Since the adoption of the Decision, the TRIPS Council has been conducting regular annual reviews, based on reports from developed country Members.

5.5. Article 66.1 of the TRIPS Agreement originally provided LDCs with an 11-year transition period, allowing them to delay the implementation of the provisions of the TRIPS Agreement other than those containing the core non-discrimination principles (Articles 3, 4 and 5). In 2005, the TRIPS Council extended this general transition period until 1 July 2013 (IP/C/40). As mandated by the decision, the TRIPS Council received submissions from LDCs on their individual priority needs for technical and financial cooperation. In 2013, the TRIPS Council adopted a second extension of this general transition period until 1 July 2021 (IP/C/64).

5.2 Accessions

5.6. WTO Members have also attached special attention to facilitate and accelerate the accession of LDCs to the WTO. Accession of LDCs has been recognized as one of the systemic issues under the Work Programme for the LDCs. The Sub-Committee regularly monitors the accession of LDCs and also serves as a forum where acceding LDCs and Members exchange views and share experiences. It may be noted that the WTO Director-General annually reports on LDC accessions to the WTO Membership. The 2015 annual report by the Director-General on WTO accessions is contained in document WT/ACC/25.

5.7. Special measures have been taken to ease the accession of LDCs. Members adopted a set of Guidelines on LDC Accession in December 2002 (WT/L/508). The Guidelines seek to simplify and streamline accession procedures with a view to concluding the negotiations as quickly as possible, and sets out provisions with respect to: (i) market access; (ii) WTO rules; (iii) the process; and (iv) TRTA and capacity building.

5.8. At the Geneva Ministerial Conference in 2011, Members instructed the Sub-Committee to further strengthen, streamline and operationalize the 2002 guidelines (WT/L/846). To this effect, work was carried out in the Sub-Committee resulting in a set of new guidelines (WT/L/508/Add.1), which introduced specific flexibilities for acceding LDCs, including by establishing benchmarks on market access negotiations on goods and services, and by including provisions relating to transparency in accession, S&D and transition periods, and technical assistance. The implementation of the LDC accession guidelines has been periodically reviewed in the Sub-Committee.

5.9. Since the establishment of the WTO, nine LDCs have successfully completed the accession process under Article XII of the WTO Agreement, including Nepal (2004), Cambodia (2004), Vanuatu (2012), Lao PDR (2013) and Yemen (2014). Cabo Verde (2008) and Samoa (2012) concluded their accession negotiations as LDCs and graduated from LDC status in 2007 and 2014,

respectively. Afghanistan and Liberia are expected to become WTO Members during the course of 2016 following their respective domestic ratification processes.

5.10. There are currently six LDCs in the process of acceding to the WTO: Bhutan, Comoros, Equatorial Guinea, Ethiopia, Sao Tome and Principe, and Sudan. In addition, Somalia and Timor-Leste have expressed their interest in application for WTO membership in April and December 2015, respectively; their applications will be circulated to Members once documentary requirements are met.

5.3 Trade-related Technical Assistance and Capacity Building

5.11. In light of specific challenges faced by LDCs, WTO Ministerial Conferences have repeatedly underlined the importance of technical assistance and capacity building to support and facilitate their integration into the MTS. At the first WTO Ministerial Conference in Singapore in 1996, Ministers agreed on a Plan of Action for LDCs which envisaged closer cooperation between WTO and other institutions to help LDCs improve their trade capacity. The Doha Ministerial Declaration reaffirmed the need for targeted technical assistance and capacity-building programmes for LDCs. In the Hong Kong Ministerial Declaration, Members reaffirmed their commitment to enhance effective trade-related technical assistance and capacity building to LDCs on a priority basis. Similar reiteration was made in the Nairobi Ministerial Declaration so as to help LDCs implement WTO Agreements as well as benefit from opportunities resulting from the MTS. All such emphasis by Members has been duly reflected in WTO's Technical Assistance and Training Plans. LDCs are accorded special priority in the delivery of WTO's TRTA activities. Every year, on average, LDCs are associated with more than 40% of TRTA provided by the WTO. Special activities have been designed for the LDCs. The latest TA Plan can be consulted in document WT/COMTD/W/211.

5.12. At the Hong Kong Ministerial Conference in 2005, Members also launched the Aid-for-Trade Initiative with the aim of helping developing countries, particularly LDCs, to build trade-related infrastructure and supply-side capacity so that they can implement and benefit from WTO Agreements and more broadly expand their trade. The Nairobi Ministerial Declaration recognized the continuous need for this Initiative and asked Members to accord priority to LDCs' needs. Apart from regular Aid-for-Trade sessions in the WTO, biennial Global Reviews of Aid for Trade have been organized, which provide a platform for the trade and development communities to dialogue on Aid for Trade, to monitor its progress and to evaluate its impact on the ground. The LDCs have been a primary focus of these discussions. An overview of recent Aid-for-Trade flows to LDCs can be found in the OECD/WTO publication "Aid for Trade at a Glance 2015". The WTO has also been collaborating with other institutions and initiatives to help LDCs build trade capacity. While the EIF is considered as an Aid-for-Trade partnership in action for the LDCs, facilities such as the Standards and Trade Development Facility (STDF) and the TFAF also attach special priority to the LDCs.
