

**THIRD WORKSHOP FOR THE NATIONAL FOCAL POINTS FOR THE PROGRAMME  
OF ACTION FOR THE LEAST DEVELOPED COUNTRIES  
18 AND 19 JULY 2006**

**Speaking points for the intervention by WTO – 19 July, 2006**

*LDCs trade Issues in the WTO*

**Introduction**

- 32 LDCs are Members of the WTO, and a further 10 are currently in the process of accession. The LDCs as a Group account for more than a fifth of the WTO Membership.
- The LDCs, through their work in the WTO LDCs' Consultative Group, have taken concrete steps to play an active role in the DDA negotiations.
- The WTO LDCs Consultative Group is one of the active informal Groups in the WTO. Based on their work in this Group, the LDCs articulate their positions in the meetings of various WTO bodies and negotiating groups.
- LDCs as a Group, as well as individually have put forward formal and informal submissions in several of the key areas of interest to them. The proposals and regular inputs from LDCs point to their increased participation in multilateral trade negotiations.

**Hong Kong Ministerial Conference Decisions**

- At Hong Kong, WTO Members emphasized the central importance of the development dimension in every aspect of the Doha Development Agenda (DDA). Concrete decisions have been taken to advance the DDA including a number of decisions that directly relate to LDCs or address LDC concerns.
- A number of decisions have been taken in favour of LDCs, which reflect the priority given to them in the current negotiations.

**Agriculture and NAMA**

- LDCs are exempt from any reduction commitments. In the negotiations on Agriculture, the Hong Kong Ministerial Conference secured an end date for the elimination of all forms of export subsidies by 2013

**Special and Differential Treatment**

- The Hong Kong Ministerial Conference marked an important step in achieving the objective of duty-free and quota-free (DFQF) market access for products originating from the LDCs. The demand for DFQF has been the single most important agenda that the LDC Group has been pursuing in various negotiating bodies (NAMA, Agriculture and S&D) since the launch of the Doha Round.
- Ministers also agreed that requests for waivers by LDCs shall be given positive consideration and a decision taken within 60 days. Moreover, a decision needs to be taken within 60 days upon requests for waivers by other Members exclusively in favour of LDCs;

- LDCs have been given a new transition period of seven years to maintain existing measures that deviate from their obligations under the Agreement on Trade-Related Investment Measures (TRIMs). Furthermore, LDCs are allowed to introduce new measures that deviate from their obligations under the TRIMs Agreement for a duration of five years;
- Ministers reaffirmed that least-developed country Members will only be required to undertake commitments and concessions to the extent consistent with their individual development, financial or trade needs, or their administrative and institutional capacities.

### **Cotton**

- A vital issue for 4 West African LDCs At Hong Kong, Members reaffirmed their commitment to ensure having an explicit decision on cotton within the agriculture negotiations and through the Sub-Committee on Cotton ambitiously, expeditiously and specifically addressing the issue. Developed Members agreed to provide duty and quota free access for cotton exports from LDCs from the commencement of the implementation period of the round. They also agreed to eliminate all forms of export subsidies for cotton in 2006.

### **Services**

- In Services, the Hong Kong Ministerial Declaration reaffirms the modalities for the special treatment for Least-Developed Country Members in the negotiations on Trade in Services adopted in September 2003, and recognized that LDCs are not expected to undertake new commitments. Members, *inter alia*, agreed to develop methods for the full and effective implementation of the LDC modalities, including developing appropriate mechanisms for according special priority to sectors and modes of supply of export interest to LDCs.

### **Integrated Framework**

- At the Hong Kong Ministerial, Members agreed that the IF Task Force, in line with the mandate given to it by the IF management bodies and based on the three elements agreed to, shall provide recommendations, by April 2006, on how the implementation of the IF can be improved, *inter alia*, by considering ways to: (a) provide increased, predictable, and additional funding on a multi-year basis; (b) strengthen the IF in-country including through mainstreaming trade into national development plans and poverty reduction strategies; more effective follow-up to DTISs and implementation of action matrices; and, achieving greater and more effective co-ordination amongst donors and IF stakeholders, including beneficiaries; (c) improve the IF decision-making and management structure to ensure an effective and timely delivery of the increased financial resources and programmes. At Hong Kong, Ministers also agreed that the enhanced IF will enter into force no later than December 2006. Accordingly, the Task Force on an enhanced IF circulated its recommendations on the three elements in the spring of this year and on 5 July 2006, the IF Working Group and IF Steering Committee adopted the IF Task Force's recommendations. This has paved the way to implement the enhanced IF, which will be done by a Transition Team which is in the process of being established and will be constituted of LDCs, donors and IF Agencies. The recommendations plus the report by the Chair of the Task Force on an enhanced IF are in WTO document WT/IFSC/W/15. This document can also be found on the IF website: [www.integratedframework.org](http://www.integratedframework.org). The work of the Task Force on an enhanced IF is separate and distinct from the Task Force and work on Aid for Trade.

## **Aid for Trade**

- One of the noteworthy achievements of the Hong Kong Ministerial Conference was Members' invitation to the Director-General to create a Task Force that will provide recommendations on how to operationalize Aid for Trade. The objective of the AFT initiative is to help developing countries, particularly LDCs, to build the supply-side capacity and trade-related infrastructure needed to assist them to implement and benefit from WTO Agreements and more broadly to expand their trade. The Chair of the Task Force on Aid for Trade will present the Task Force's recommendations to the meeting of the General Council of WTO members on 27 July, 2006.

## **WTO Work Programme for LDCs**

- At Hong Kong, Ministers agreed to continue to implement the WTO Work Programme for LDCs. This Work Programme is the main platform through which the specific issues of interest to LDCs are being considered by Members at the WTO Sub-Committee on LDCs.
- It focuses on market access for LDCs; trade-related technical assistance and capacity building initiatives for LDCs; providing, as appropriate, support to agencies assisting with the diversification of LDCs' production and export base; mainstreaming, as appropriate, into the WTO's work, the trade-related elements of the LDC-III Programme of Action; participation of LDCs in the Multilateral Trading System; accession of LDCs to the WTO; and follow-up to WTO Ministerial Declarations and Decisions.
- Market access is no doubt the most discussed element of the work programme. In addition to the discussion on the various market access initiatives in favour of LDCs, the Secretariat annually reviews market access for LDCs.
- At the request of Members, the Secretariat also prepares notes on market access issues. In 2005, Members focussed their attention on a paper by the Secretariat entitled "Options for LDCs to Improve their Competitiveness in the Textiles and Clothing Business". The paper was prepared following the request from LDCs in view of the termination of the Agreement on Textiles and Clothing (ATC).
- This was an important contribution in responding to the concerns of LDCs in the multilateral trading system in the post-ATC period. At the last meeting of the Sub-Committee (12 June), Members had a first discussion on a Secretariat paper on "Non-Tariff Measures on Products of Export Interest to the LDCs".
- Mainstreaming, as appropriate, into the WTO's work, the trade related elements of the Brussels Programme of Action – *you may wish to highlight the fact that several trade related elements of Brussels are an integral part of the WTO Work Programme for LDCs (market access, accession, TRTA)*. This item was recently discussed in the Sub Committee where Benin introduced the Cotonou Ministerial Declaration