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FIFTH CHINA ROUND TABLE ON WTO ACCESSIONS
SIEM REAP, CAMBODIA, 20 - 22 MARCH 2017

BEST PRACTICES ON THE ACCESSION OF LEAST DEVELOPED COUNTRIES

The Siem Reap Statement

22 March 2017

The following communication, dated 28 March 2017, addressed to the Director-General, is being circulated at the request of the Delegation of Cambodia.

Communication from H.E. Mr. PAN Sorasak, Minister of Commerce, Kingdom of Cambodia, addressed to Mr. Roberto Azevêdo, WTO Director-General, on 28 March 2017

I have the honour to inform you that the Fifth China Round Table on WTO Accessions "Best Practices on the Accession of the Least-Developed Countries" was successfully held on 20-22 March 2017 in Siem Reap, the Kingdom of Cambodia.

The discussion at the Round Table enabled participants to draw useful lessons with regard to WTO accession negotiation techniques, best practices and LDC accession results, post-accession implementation along with key opportunities and challenges, and reflection on the preparation of LDC priorities for the Eleventh Ministerial Conference in Buenos Aires, Argentina. The Round Table also focused its discussion on the integration of LDCs into the multilateral trading system.

Participants engaged in a rich, informative and interactive exchange of accession experience throughout the Round Table. Participants also welcomed a remarkable presentation on post-accession best practices. Development partners including China, IMF, ITC and the WTO, shared with Round Table participants their assistance programmes. In response to this experience sharing, participants of the 5th China Round Table reiterated the significance of technical assistance and capacity-building to LDCs during accession and post-accession.

Please find enclosed herewith the Siem Reap Statement "Best Practices on the Accession of Least-Developed Countries". At the request of the Round Table participants and on behalf of the LDC Group, I would be grateful if you could circulate this Statement as a document of the Sub-Committee on Least-Developed Countries, the General Council and the Eleventh WTO Ministerial Conference.

I commend your Secretariat Team for its excellent work in process and substance to ensure that the Siem Reap Round Table was successful.

1 INTRODUCTION

1. The Fifth China Round Table on WTO Accessions took place in Siem Reap, Cambodia, from 20 to 22 March 2017 (hereinafter: the Round Table). Sponsored by the Government of China, the Round Table was organized by the WTO Secretariat and hosted by the Government of Cambodia. The Round Table was opened jointly by H.E. Mr. Hun Sen, Prime Minister of Cambodia, H.E. Mr. Wang Shouwen, Vice Minister of Commerce of China and Mr. David Shark, WTO Deputy Director-General.

2. Opening statements acknowledged the important role of the WTO in economic growth and poverty alleviation.¹ At the current times of uncertainty and anti-globalisation, the international community would need to demonstrate solidarity and strong commitment to uphold the multilateral trading system. The accessions of nine least-developed countries (LDCs) to the WTO, including Afghanistan and Liberia which became the 163rd and 164th Members of the WTO, were welcomed.² However, more work remained as eight LDCs were still in the process of accession.³ While LDCs amounted to 12% of the world population, their share in the world GDP and exports remained very low. Joint efforts need to be made for the faster integration of LDCs into the global economy, including through WTO accessions. Efforts had to be sustained and intensified to achieve outcomes of the Eleventh WTO Ministerial Conference (MC11) in December 2017, in Buenos Aires, Argentina, and, bring tangible benefits to LDCs, including acceding governments.

3. The Round Table was the fifth in the China Accession Round Table process. The specific thematic focus of the Round Table was on: *"Best practices on the accession of Least-developed countries"*. Participants engaged in a dialogue on the state of play in ongoing WTO accessions of LDCs, best practices and LDC accessions results, accession negotiation strategies, post-accession implementation and associated LDC-specific questions and challenges. The Round Table served to improve understanding on the specifics of LDC accessions and provided a forum to mobilise accession and post-accession support to LDCs. It also reflected on the preparation for MC11, including LDC priorities for the Conference.

4. The Round Table was attended by representatives from seven LDC acceding governments, seven Article XII LDC Members, including at the ministerial level. Representatives of several other WTO Members and multilateral institutions also participated.⁴

2 INTEGRATION OF LEAST DEVELOPED COUNTRIES INTO THE MULTILATERAL TRADING SYSTEM: PREPARATION FOR THE 11TH WTO MINISTERIAL CONFERENCE AND LDC PRIORITIES

5. The Round Table focused its discussion on the integration of LDCs into the multilateral trading system, including their priorities for MC11, based on two presentations by Cambodia. Cambodia had taken over as Coordinator of the WTO LDC Group from Benin in February 2017. A presentation was also made by Argentina, the host of MC11, on the preparation for the Conference, both on the process and the substance. LDCs were a recognised category in the WTO, accounting for one-fifth of its membership. LDCs actively participate in the work of the WTO and, through the WTO LDC Group, coordinate positions to promote their common interests. Cambodia's coordinating role in the LDC Group for 2017 was welcomed by all participants. The importance of unity, cohesive and pragmatic approaches by the Group was stressed in achieving concrete results, including at MC11.

¹ Opening statements and presentations made during the Fifth China Round Table are posted on its dedicated webpage in the WTO at: https://www.wto.org/english/thewto_e/acc_e/chinaroundprog2017_e.htm

² In addition, Afghanistan and Liberia, they include: Nepal (2004), Cambodia (2004), Cabo Verde (2008), Samoa (2012), Vanuatu (2012), Lao PDR (2013) and Yemen (2014).

³ These include: Bhutan, Comoros, Equatorial Guinea, Ethiopia, Sao Tome and Principe, Somalia, Sudan and Timor-Leste.

⁴ Participating LDC acceding governments included: Bhutan, Comoros, Equatorial Guinea, Ethiopia, Somalia, Sudan and Timor-Leste; Article XII LDC Members: Afghanistan, Cambodia, Liberia, Lao PDR, Nepal, Samoa, Yemen; other WTO Members: Argentina, China, European Union, Japan, Kenya and Oman. The full list of participants is available at: https://www.wto.org/english/thewto_e/acc_e/chinaroundprog2017_e.htm

6. The discussion identified the priorities for the LDCs in the WTO, as the membership had started substantive discussions for MC11. Participants re-confirmed that for LDCs, which were economically vulnerable and faced multifaceted challenges, the multilateral trading system was fundamental. The Organization provided not only rules but also the framework to establish commercial policy and foster economic development. In this context, calls were made for strengthening special and differential provisions through multilateral negotiations and implementation of the decisions taken in favour of LDCs in Bali and Nairobi Ministerial Conferences, including on duty-free and quota-free market access, preferential rules of origin and the LDC Services Waiver. The recent entry into force of the WTO Trade Facilitation Agreement was welcomed, as it would assist LDCs, especially landlocked countries, in reducing trade costs.

7. The accession of eight remaining LDCs remained a priority for the Group in its efforts to promote further integration of LDCs into the multilateral trading system. The recent progress in the accessions of Comoros and Sudan was welcomed, and they were encouraged to accelerate their accessions towards MC11, while also emphasizing that each accession must proceed at its own pace. Other LDC acceding governments, which were at different stages of the accession negotiations, expressed their commitment to WTO accession, and expressed their readiness to engage accession negotiations with a view to making advancement. In this regard, they appreciated the opportunities provided by the successive China Round Tables which served as "an incubator for LDC accessions" and provided a unique platform for experience sharing and mobilising various types of support required for accession.

3 EMERGING BEST PRACTICES ON LDC ACCESSIONS – LESSONS LEARNED

8. Participants engaged in a rich, informative and interactive exchange of accession experience throughout the Round Table. A presentation was first made by the WTO Secretariat which provided an overview of LDC accessions, including *inter alia*, (i) "LDC accession acquis", i.e. the results achieved by the nine completed LDC accessions on rules and market access, based on a background document prepared for this meeting; and (ii) the state of play on the currently ongoing LDC accessions. This was followed by the presentations on the specific accession experiences of Afghanistan (2016), Liberia (2016), Lao PDR (2013), Samoa (2012) and, Cambodia (2004) by the accession negotiators who had directly engaged in the respective negotiations.

9. The IMF also made a presentation on accession-related structural reforms for economic growth. Main recommendations from the presentation included: (i) prioritize structural reforms in line with policy priorities and own capacity; (ii) focus on infrastructure (electricity, water, roads etc.), agriculture, fiscal reforms and the banking sector; (iii) watch revenue implications of any reform; and (iv) ensure inclusiveness in outcome from structural reforms. Commenting on the IMF presentation, the negotiators for the accessions of Comoros and Sudan stressed that their accession processes were driven by their ongoing economic reform agenda.

10. Other acceding governments, including Bhutan, Equatorial Guinea and Ethiopia, provided the state of play on their accessions, including recent developments and possible next steps. Somalia and Timor-Leste, whose respective Working Parties had been established by the General Council in December 2016, reported on the state of preparatory work, including challenges at the domestic front. Former and current Working Party Chairpersons for the accessions of Seychelles and Sudan also shared their perspectives on their role in the accession process.

11. After these presentations, discussions were enriched by a series of questions and comments by acceding LDCs, Article XII LDC Members and other WTO Members on various accession experiences, concluded and ongoing. In particular, valuable experiences were shared from the concluded accessions, including of non-LDCs, for the benefit of the LDC acceding governments. In these discussions, elements for concluding a successful accession on the part of the LDC acceding government were identified, although each accession was unique and differed from one another. Lessons learned and emerging practices in the accession of LDCs included:

a. Policy level

- Lock in priority WTO-consistent domestic reforms into WTO accession;
- Develop an accession reform strategy as an integral part of the structural reform agenda;
- Align the WTO accession process with regional integration process, if applicable;
- Conduct a study on its implications of WTO accession, including possible negative revenue implications from the alignment of tariffs, taxes, fees and charges with the obligations and WTO rules, as well as trade-creating aspects of tariff reductions.

b. Accession process*i. Domestic process*

- Secure political commitment at the level of the head of State, accompanied by an accession roadmap with timelines;
- Appoint an accession chief negotiator (possibly, at the cabinet level) who has good access to the head of state, other cabinet ministers and the parliament, and who has a mandate to raise resources;
- Establish a functional intra-governmental coordination structure, chaired by a high-level government official with decision-making power;
- Identify a technical negotiating team composed of competent professionals drawn from different ministries who can deliver specific components of the accession negotiations;
- Involve key stakeholders at an early stage of the accession process, in particular, parliament and the private sector, including their participation in the Working Party meetings; outreach to media, civil society and academia are also important;
- Use the website and other outreach tools to provide information in real time on developments in accession process.

ii. Working Party process

- Establish a network of "friends of accession" among WTO Members to build political support within the WTO, including with the support of the Chairperson of the Working Party;
- Engage with key negotiating partners in formal and informal settings;
- Once the Working Party process is kicked off, engage with Working Party Members, constructively and regularly, and avoid long intervals between meetings i.e. more than 12 months;
- If you are confronted by demands that you view to be excessive and cannot be met due to capacity constraint or redline for the domestic economy, the General Council Guidelines on LDC Accessions can be useful;⁵
- If confronted with conflicting demands from negotiating partners, encourage them to find and present a mutually satisfactory solution to you;

⁵ The Guidelines are available in document WT/L/508 and Add.1.

- Actively engage with your WP Chairperson. The WP Chairperson (i) serves and acts as a "mediator/facilitator" and "bridge-builder" between the acceding government and WP Members by applying pressure or defusing tensions where necessary; (ii) as a "friend" and "communicator," can pro-actively advocate and support the acceding government in Geneva, including to address political, technical and/or TA issues; and, (iii) can assist the acceding government in domestic consensus building, especially among key stakeholders including the private sector, by providing credibility to the accession process.

c. Substance in accession negotiations

- Define your major constraints before negotiations and build a strategy to avoid confronting them in negotiations;
- Identify clearly your capacity building needs and negotiate specific flexibilities in the implementation of accession commitments based on these needs.

i. Market access

- Identify specific tariff lines for sensitive products which require protection, ex-outs and/or longer transition;
- Structure services offers as a tool to attract FDI, and put in place necessary regulations before full liberalization/implementation;
- Review outcomes of recent LDC accessions;
- Refer to the benchmarks on market access in the LDC Guidelines and the LDC accession *acquis*, which reflect the most recent accession outcomes.

ii. Rules

- Study possible implications of accession commitments before agreeing to them;
- If certain accession commitments cannot be fully implemented immediately, consider requesting transition periods for implementation of such commitments after accession, with detailed action plans for implementation of difficult commitments with clear timelines.

4 POST-ACCESSION: MAXIMISING BENEFITS FROM WTO MEMBERSHIP AND BEST PRACTICES

12. The Round Table welcomed a presentation by the Secretariat on post-accession best practices, which was based on a Secretariat background paper.⁶ The presentation provided seven areas around which practices were structured, including: (i) policy framework for domestic implementation; (ii) institutional structural adjustment; (iii) legislative framework for domestic implementation; (iv) transparency mechanism for notification obligations; (v) technical assistance and capacity building; (vi) outreach; and, (vii) participation in the WTO. Presentations were made on the post-accession experiences of Samoa (2012) and Yemen (2014), which were followed by an exchange of comments and experiences by Round Table participants.

13. On the transition from accession negotiations to WTO membership, Round Table participants observed the existence of common challenges and practices, also with some differences. Political and economic stability was key for realizing the benefits of WTO membership. The identified common experiences provided useful pointers for future new Members. Based on the LDC accession experiences, some recommendations emerged and were as follows:

⁶ The Secretariat's note on "Best Practices on Post-Accession" is available in document WT/ACC/27.

a. Immediate pre-accession phase

- Be mindful of the deadline for the deposit of the instrument of acceptance of the Accession Protocol with the WTO Director-General. Before the formal approval of the Accession Protocol by Members, consult with the WTO Secretariat on setting up a deadline which would provide sufficient time to complete the domestic ratification/approval procedure;
- Ensure that all necessary implementing legislative and regulatory acts be adopted simultaneously with the ratification of the Accession Protocol;
- Develop and adopt a Post-Accession Implementation Strategy, as part of the overall development strategy, which takes account of specific conditions of each LDC, including post-conflict. Identify clearly your interests and priorities and the list of all measures/actions which need to be introduced for the implementation of accession commitments. Legal authorization may be issued to ensure effective implementation;
- Re-focus the mandate of the accession negotiation team to WTO membership. If necessary, restructure the existing inter-ministry bodies for coordination of WTO affairs;
- Identify training needs and, conduct training on WTO membership and capacity building activities involving government officials, the private sector, parliamentarians, academia and civil society;
- Set up necessary transparency mechanisms;
- Prepare initial notifications to the WTO committees which will need to be promptly submitted to the WTO Secretariat upon accession.

b. From Day 1 of membership

- Implementation of accession commitments is key for realizing the benefits of WTO membership. Implement commitments in accordance with the Strategy and monitor implementation;
- Transform ministerial and private sector coordination mechanisms used during accession negotiations into a policy development and coordination body after WTO membership with a new mandate;
- Continue to implement a WTO-consistent reform plan which shall be an integral part of a structural reform agenda for your country;
- Mobilize and channel resources to targeted areas of trade policy;
- Prioritize the implementation of specific WTO-consistent measures which can produce quick wins, especially for the private sector whose support would be essential for the implementation of the accession commitments;
- Enhance and sustain public awareness of the benefits from WTO membership and access to specific WTO instruments;
- Realization of the benefits of WTO membership may require investments and assistance in hard infrastructure, in addition to software support;
- Enhance your representation to the WTO in Geneva;
- Pro-actively participate in the work of the WTO and join relevant groupings to pursue areas of specific interest to the country - learn by doing.

5 TECHNICAL ASSISTANCE AND CAPACITY BUILDING

14. Development partners (China, IMF and ITC and the WTO) shared with Round Table participants their assistance programmes. Round Table participants reiterated the importance of technical assistance and capacity-building to LDCs during accession and post-accession. The following lessons were drawn from the discussions:

- Technical assistance and capacity building must be demand-driven, while TA providers could provide flexibilities for implementation;
- Cooperation, coherence and coordination among TA providers on the ground is key, but such coordination must be led and owned by the beneficiary;
- Technical assistance and other forms of support available to LDCs from development partners should be actively used;
- In general, while technical assistance for accession is sufficiently available, assistance should be tailor-made to address identified specific needs;
- Engagement in accession negotiations is the best form of training. Do not hesitate to ask questions and request technical assistance from your negotiating partners.

6 CONCLUSIONS

15. The Siem Reap China Round Table was the fifth in the process of the China Accession Round Table dialogue which had started in 2012. The successive China Round Tables – first held in Beijing, China in May 2012, then in Luang Prabang, Lao PDR in October 2013, Dushanbe, Tajikistan in May 2015, and Nairobi, Kenya in December 2015 – have contributed to better understanding of the accession process and have injected positive impetus to specific accessions. Since the First China Round Table, six more LDCs have joined the WTO family.

16. The Round Table expressed its appreciation to H.E. Mr. Hun Sen, Prime Minister of Cambodia, and the Government of Cambodia for hosting the Round Table, and in particular, for the excellent arrangements and generous hospitality.

17. The Round Table welcomed the fifth extension of the China LDCs' and Accessions Programme ("The China Programme") and expressed appreciation to the Government of China for continuing its support for the programme aimed at strengthening LDCs' participation in the WTO and assisting acceding governments in joining the Organization. The annual China Round Table was one of the most visible pillars of the China Programme. Moreover, special appreciation was expressed for the allocation to support the post-accessions of Afghanistan and Liberia, as well as the accessions of Comoros and Sudan under the China Programme, in order to meet specific needs of these LDCs.

18. The Round Table expressed its overall satisfaction to the WTO Secretariat for its organization of the China Round Table process. Round Table participants noted that the China Round Table had emerged as a unique instrument for technical assistance, capacity-building and policy exchange of high value for LDCs in support of the rules-based multilateral trading system.

19. The Round Table welcomed the progress made on WTO accessions with the new membership of Liberia and Afghanistan in 2016. The Round Table called on the Working Parties on the accessions of Comoros and Sudan to accelerate the pace of negotiations towards the 11th WTO Ministerial Conference as potential deliverables, while recognising that each accession must proceed at its own pace.

20. To continue dialogue on LDCs' accession and promote regional integration, the Round Table welcomed Kenya's initiative to host a Regional Dialogue on accessions for the Greater Horn of Africa in July 2017. Participating acceding governments to this Regional Dialogue will include: Comoros, Ethiopia, Somalia and Sudan.

21. The Round Table commended WTO Director-General Roberto Azevêdo for his leadership of the Organization and encouraged him in his efforts with Members and the Government of Argentina to work for a successful Eleventh WTO Ministerial Conference.

22. Round Table participants requested that this "Siem Reap Statement" be circulated as a document of the Committee on Trade and Development, the Sub-Committee on Least Developed Countries, the General Council and the Eleventh WTO Ministerial Conference.
