



**IMPLEMENTATION OF NAIROBI MINISTERIAL DECISION ON
PREFERENTIAL RULES OF ORIGIN FOR LEAST DEVELOPED COUNTRIES
(WT/L/917/ADD.1)**

Submission of Benin on behalf of the LDC Group

Background

Paragraph 31 of 10th WTO Ministerial Declaration states "Work on all the Ministerial Decisions adopted in Part II of this Declaration will remain an important element of our future agenda." In this context, Least Developed Country Members of the WTO are of the view that implementation of the Decision on Preferential Rules of Origin for Least Developed Countries is one of the major works of the Committee of Rules of Origin.

Paragraph 4 of the said Ministerial Decision (WT/L/917/Add.1) requires specific actions to be taken by Preference-granting Members and at the Committee on Rules of Origin as subsidiary body on this issue and therefore, its implementation issues should be kept as standing Agenda of CRO meetings. These actions include:

1. Notification of measures being taken by the preference granting members to implement the decision (paragraph 4.2);
2. Notification of Preferential rules of origin (Paragraph 4.3);
3. Submission of Import data to the Secretariat (Paragraph 4.3);
4. Modalities for calculation on utilization rate to be developed by CRO (Paragraph 4.3); and
5. Developing template for notification of preferential rules of origin (Paragraph 4.3)

This short note aims at raising some issues to discuss way forward to carry out these functions and implement the overall content of the Ministerial Decision on Preferential Rules of Origin for LDCs adopted at the Nairobi WTO Ministerial (WT/L/917/Add.1).

**Elements for a discussion on how to implement the Ministerial Decisions on
Preferential Rules of Origin adopted at the Nairobi WTO Ministerial
(WT/L/917/Add.1)**

Paragraph 4.2 of the Decision on preferential rules of origin for LDCs adopted at Nairobi (hereinafter the Decision) provides for a deadline of 31 December 2016 for Developed Preference Granting countries to implement the provisions contained in the Decision and provides flexibilities for developing countries in implementing such Decision.

1. **How do developed preference granting members intend to comply with the deadline of 31 December 2016 to implement the commitments undertaken in the Decision?**
2. **How do developing preference granting members intend to comply with the 31 December 2016 deadline or how do they intend to gradually comply with the commitment to implement the Decision?**

Paragraph 4.3 of the Decision provides for a commitment "Preferential rules of origin shall be notified as per the established procedures. In this context, it is important to have the information on the present status of notification on preferential rules of origin and how the preference granting members are going to abide by this commitment.

- 3. How have preferential rules of origin been notified to the WTO?**
- 4. Are the Members that are yet to notify their preferential rules of origin going to do so before the next meeting of the CRO?**

Paragraph 4.3 of the Decision provides for a commitment to "*annually provide import data to the Secretariat as referred to Annex 1 of the PTA Transparency Mechanism, on the basis of which the Secretariat can calculate utilization rates, in accordance with modalities to be agreed upon by the CRO*".

It has emerged from discussions with the Secretariat that some members have provided such import data, other members have provided incomplete data, and some members have yet to notify such data. It is also necessary to ensure that the data is made available to other organizations such as UNCTAD who may assist LDCs in monitoring utilization rates.

- 5. How do preference-granting members intend to comply with the commitment to "*annually provide import data to the Secretariat as referred to Annex 1 of the PTA Transparency Mechanism*"?**
- 6. What measures are they undertaking to notify such data well before the next Committee on rules of origin meeting so that the LDCs could analyse the utilization rates under the different preferential arrangements?**
- 7. Could the secretariat provide a report at the CRO meeting of 22 April of the current notification and their accuracy?**
- 8. How will the CRO undertake work on developing modalities for calculation of utilization rate?**

Paragraph 4.3 mandates the CRO 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*". The LDC group is currently studying an appropriate format for such notification that will be presented at the next CRO meeting. Meanwhile it would be interesting to hear from Members their views on such possible format as well as from the experience of the secretariat with current notifications and ways and means to improve their transparency.

- 9. What are the views of the preference granting countries on the best format to adopt for notifying the preferential rules of origin according to paragraph 4.3 of the Decision?**
 - 10. What are the experiences and lessons learned that the WTO Secretariat may draw from the current notifications of preferential rules of origin in favour to LDCs made to the Secretariat so far?**
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