



Trade Facilitation Agreement

Special and Differential Treatment Provisions for Least Developed Countries (LDC)

The New WTO Trade Facilitation Agreement

In December 2013 WTO Members concluded negotiations on a new Trade Facilitation Agreement (WT/MIN (13)/36) aimed at expediting the movement, release and clearance of goods, including goods in transit, and at improving customs cooperation. The Agreement contains unique special and differential treatment (SDT) measures that link the requirement to implement with the capacity of developing and least developed countries (LDC) to do so. The Agreement provides even greater flexibility in implementation for LDCs than for developing countries. It also recognizes the need for donor Members to enhance assistance and support for capacity building.

Implementation of the Agreement

The Agreement will enter into force when it has been ratified by two thirds of the WTO Membership. However, the SDT provisions allow each LDC to determine when they will implement each of the individual provisions as well as those provisions for which they will need technical assistance and support for capacity building.

To take advantage of these SDT flexibilities a Member must place each provision of the Agreement into one of three categories (A, B or C) as defined below. They must notify WTO Members of these categorizations in accordance with specific timelines outlined in the Agreement. They must also provide indicative, and later definitive, dates for implementation for the provisions they have designated in categories B and C. (See *Figure 1*)

- **Category A:** provisions that an LDC Member designates for implementation within one year of the Agreement entering into force
- **Category B:** provisions that an LDC Member designates for implementation after a transitional period of time after entry into force of the Agreement
- **Category C:** provisions that an LDC Member designates for implementation after a transitional period of time and the provision of assistance and support for capacity building

Additional Flexibilities for LDCs:

The Agreement also provides additional protections for LDC Members such as:

- **Early Warning Mechanism:** whereby a Member can request an extension from the WTO Trade Facilitation Committee if it experiences difficulties in implementing a provision in Category B or C by the date it had notified. The extension will be automatic if the additional time requested does not exceed 3 years.
- **Expert Group:** where a requested extension has not been granted and a Member lacks capacity to implement, The TF committee will establish an Expert Group to examine the issue and to make a recommendation.
- **Shifting between Categories:** Members may shift provisions between Categories B and C.

- **Grace Period:** following entry into force of the Agreement, LDCs will not be subject to the Dispute Settlement Understanding for a period of 6 years for Category A provisions and for 8 years for Categories B and C.

If having trouble finding donors:

Transparency provisions:

Donors must provide to the WTO Trade Facilitation Committee:

- annual information on their assistance programs
- contact points for their agencies responsible for providing assistance
- information on the process and mechanisms for requesting assistance and support

Developing and LDC Members must provide to the Trade Facilitation Committee:

- information on contact points of the office(s) responsible for coordinating and prioritizing assistance and support

To Learn More:

www.wto.org (Trade Topics/Trade Facilitation)

Figure 1: LDCs Notification for all categories of provisions

