

**Economic growth, poverty  
reduction and structural  
transformation in the least  
developed countries:  
The puzzle of the impact of  
category membership**

## Appendix A1.1. Additional analysis

TABLE A1.1.1

**Parametric impact of LDC status on economic growth: Traditional method with difference and harmonized assignment variables, 1971–90 (two-stage least squares)**

Variable	Dependent variable: Per capita GDP growth				
	(1)	(2)	(3)	(4)	(5)
LDC	-1.4620 (0.31)	0.8112 (0.04)	1.8231 (0.10)	-2.7455 (0.11)	-5.1816 (0.25)
GDP per capita dif.		-0.0043 (0.40)	-0.0020 (0.17)		
Manufacture share dif.		0.0318 (0.10)	0.0738 (0.16)		
Literacy rate dif.		0.0582 (0.29)	0.0758 (0.36)		
GDP per capita dif. squared		-0.0000 (0.10)	-0.0000 (0.25)		
Manufacture share dif. squared		-0.0157** (2.30)	-0.0175 (1.46)		
Literacy rate dif. squared		-0.0001 (0.06)	-0.0004 (0.18)		
LDCxGDP capita dif.			-0.0039 (0.27)		
LDCxManufacture share dif.			-0.1569 (0.26)		
LDCxLiteracy rate dif.			0.1610 (0.67)		
GDP per capita harmonized				-6.8016 (0.37)	-8.0155 (0.37)
Manufacture share harmonized				-0.6863 (0.06)	-3.5784 (0.21)
Literacy rate harmonized				2.1448 (0.09)	-1.2828 (0.05)
GDP per capita harmonized squared				-2.8942 (0.34)	-1.7641 (0.20)
Manufacture share harmonized squared				-11.7122** (2.47)	-8.5674 (0.56)
Literacy rate harmonized squared				0.6027 (0.04)	3.9918 (0.18)
LDC × GDP per capita harmonized					-3.6548 (0.14)
LDC × Manufacture share harmonized					-9.6218 (0.55)
LDC × Literacy rate harmonized					20.7508 (0.90)
Constant	-0.6579 (0.24)	-3.1101 (0.21)	-3.7670 (0.28)	-0.1643 (0.01)	1.8067 (0.11)
Number of observations	800	800	800	800	800
Number of countries	51	51	51	51	51
R <sup>2</sup>	0.0545	0.0867	0.0715	0.0996	0.0906

\*  $p < 0.10$ , \*\*  $p < 0.05$ , \*\*\*  $p < 0.001$ .

Note: Numbers in parentheses are  $t$  statistics.

Source: Authors' analysis based on data from UN national accounts data and Capital Development Fund Least Developed Country reports.

TABLE A1.1.2

### Parametric impact of LDC status on economic growth with aggregated harmonized assignment variables, 1971–90 (two-stage least squares)

Variable	Dependent variable: GDP per capita growth		
	(1)	(2)	(3)
LDC	-1.464 (0.31)	-2.129 (0.61)	2.131 (0.38)
Aggregated assignment variable		1.802 (0.59)	-8.696 (0.99)
Aggregated assignment variable squared			-7.784 (1.59)
Constant	1.286 (0.71)	1.758 (0.89)	-1.246 (0.37)
Number of observation	800	800	800
Number of countries	51	51	51
R <sup>2</sup>	0.054	0.064	0.042

Source: Authors' analysis based on data from UN national accounts data and Capital Development Fund Least Developed Country reports.

TABLE A1.1.3

### Nonparametric impact of LDC status on economic growth with aggregated assignment variables 1971–1990

Variable	Dependent variable: GDP per capita growth			
	(1)	(2)	(3)	(4)
<b>LDC RD estimate</b>	<b>-1.215</b>	<b>3.752</b>	<b>827.7</b>	<b>114.6</b>
Observations	795	40	68	95
Robust 95% CI	[-4.98; 4.12]	[-2.71; 12.91]	[-2.35; 14.94]	[-3.51; 15.57]
Kernel type	Triangular	Triangular	Triangular	Triangular
BW type	Manual	CCT	CCT	CCT
Conventional std. err.	1.611	3.451	4.013	4.456
Conventional <i>p</i> -value	0.806	0.277	0.208	0.182
Robust <i>p</i> -value	0.854	0.200	0.154	0.215
Order loc. poly. ( <i>p</i> )	1	1	2	3
Order bias ( <i>q</i> )	2	2	3	4
BW loc. poly. ( <i>h</i> )	1	0.034	0.053	0.074
BW bias ( <i>b</i> )	1	0.060	0.082	0.095

Source: Authors' analysis based on data from UN national accounts data and Capital Development Fund Least Developed Country reports.

TABLE A1.1.4

### Alternative nonparametric impact of LDC status on economic growth with aggregated assignment variables 1971–1990

Variable	(1) GDP per capita growth
LDC RD Estimate	-3.919 (-0.713)
Number of observations	800
Bandwidth	0.234

Source: Authors' analysis based on data from UN national accounts data and Capital Development Fund Least Developed Country reports.

TABLE A1.1.5

### Parametric impact of LDC status on economic growth. Traditional method with difference and harmonized assignment variables 1991–2015 (2SLS)

Variable	Dependent variable: Per capita GDP growth			
	(1)	(2)	(3)	(4)
LDC	-28.238 (1.03)	-6.198 (0.48)	-19.097 (0.85)	1.127 (0.12)
GDP per capita dif.	-0.003 (1.06)	-0.001 (0.83)		
EVI dif.	-0.400 (1.13)	-0.169 (0.86)		
HAI dif.	-0.150 (0.65)	-0.016 (0.13)		
Population dif.	-0.000 (0.83)	-0.000 (0.11)		
GDP per capita dif. squared	0.000 (1.18)	0.000 (1.02)		
EVI dif. squared	-0.003 (0.91)	-0.003 (1.21)		
HAI dif. squared	-0.001 (0.33)	0.002 (1.26)		
Population dif. squared	0.000 (0.90)	0.000 (0.31)		
LDC × GDP per capita dif.		-0.002 (0.50)		
LDC × HAI dif.		0.204 (1.59)		
LDC × EVI dif.		0.087 (0.42)		
LDC × Population dif.		-0.000 (0.45)		
GDP per capita harmonized			-1.160 (0.29)	-0.213 (0.07)
EVI harmonized			-20.781 (1.03)	-5.056 (0.53)
HAI harmonized			-5.211 (0.38)	4.083 (0.59)

(continued)

TABLE A1.1.5 (continued)

**Parametric impact of LDC status on economic growth. Traditional method with difference and harmonized assignment variables 1991–2015 (2SLS)**

Variable	Dependent variable: Per capita GDP growth			
	(1)	(2)	(3)	(4)
Population harmonized			-27.510 (0.51)	21.061 (0.91)
GDP per capita harmonized Squared			3.474 (0.65)	4.380 (0.85)
EVI harmonized Squared			-32.381* (1.68)	-19.968** (2.18)
HAI harmonized Squared			2.155 (0.31)	16.532* (1.76)
Population harmonized Squared			38.867 (0.63)	-15.291 (0.58)
LDC × GDP per capita harmonized				1.557 (0.25)
LDC × HAI harmonized				14.774* (1.92)
LDC × EVI harmonized				-0.493 (0.06)
LDC × Population harmonized				-32.063 (0.71)
Constant	17.360 (1.15)	5.066 (0.76)	12.013 (1.09)	1.539 (0.34)
Observations	513	513	513	513
Countries	70.000	70.000	70.000	70.000
R <sup>2</sup>	0.187	0.285	0.218	0.299

\*  $p < 0.10$ , \*\*  $p < 0.05$ , \*\*\*  $p < 0.001$ .

Note: Numbers in parentheses are  $t$  statistics.

Source: Authors' analysis based on data from UN national accounts data and Capital Development Fund Least Developed Country reports.

TABLE A1.1.6

**Parametric impact of LDC status on economic growth. Traditional method with difference and harmonized assignment variables 1991–2015 (2SLS)**

Variable	Dependent variable: GDP per capita growth				
	(1)	(2)	(3)	(4)	(5)
LDC	6.709 (0.06)	-8.319 (0.27)	-6.964 (0.15)	-4.034 (0.12)	12.247 (0.16)
GDP per capita dif.		-0.001 (0.17)	-0.004 (0.66)		
EVI dif.		-0.005 (0.01)	-0.026 (0.05)		
HAI dif.		-0.065 (0.11)	-0.095 (0.14)		
Population dif.		-0.000 (0.10)	-0.000 (0.04)		

(continued)

TABLE A1.1.6 (continued)

**Parametric impact of LDC status on economic growth. Traditional method with difference and harmonized assignment variables 1991–2015 (2SLS)**

Variable	Dependent variable: GDP per capita growth				
	(1)	(2)	(3)	(4)	(5)
GDP per capita dif. squared		0.000 (0.94)	0.000 (1.10)		
EVI dif. squared		-0.001 (0.06)	-0.001 (0.07)		
HAI dif. squared		-0.003 (0.34)	-0.003 (0.29)		
Population dif. squared		0.000 (0.81)	0.000 (0.72)		
LDC × GDP per capita dif.			0.004 (0.50)		
LDC × HAI dif.			0.118 (0.81)		
LDC × EVI dif.			0.014 (0.06)		
LDC × Population dif.			-0.000 (0.84)		
GDP per capita harmonized				-3.265 (0.17)	-57.447*** (2.72)
EVI harmonized				-10.079 (0.26)	1.583 (0.09)
HAI harmonized				3.285 (0.06)	-0.648 (0.04)
Population harmonized				8.985 (0.06)	95.313 (0.48)
GDP per capita harmonized squared				0.788 (0.03)	-45.985 (1.62)
EVI harmonized squared				-27.362 (0.38)	-17.234 (0.67)
HAI harmonized squared				-1.412 (0.02)	16.102 (0.62)
Population harmonized squared				346.706 (0.35)	891.268 (0.39)
LDC × GDP per capita harmonized					15.701 (1.13)
LDC × HAI harmonized					13.247 (1.37)
LDC × EVI harmonized					-6.609 (0.46)
LDC × Population harmonized					-63.614 (0.96)
Constant	-5.416 (0.06)	4.176 (0.33)	1.343 (0.06)	3.212 (0.46)	-16.075 (0.30)
Number of observations	308	308	308	308	308
number of countries	55.000	55.000	55.000	55.000	55.000
R <sup>2</sup>	0.345	0.373	0.386	0.348	0.376

Source: Authors' analysis based on data from UN national accounts data and Capital Development Fund Least Developed Country reports.

TABLE A1.1.7

### Parametric impact of LDC status on economic growth with aggregated harmonized assignment variables 1991–2015 (2SLS)

Variable	Dependent variable: GDP per capita growth		
	(1)	(2)	(3)
LDC	-22.962 (0.09)	-178.823 (0.31)	-4.264 (0.01)
Aggregated assignment variable		7.093 (0.66)	-8.268 (0.83)
Aggregated assignment variable squared			-23.869* (1.80)
Constant	18.222 (0.10)	133.262 (0.32)	4.987 (0.02)
Number of observation	513	513	513
Number of countries	70	70	70
R <sup>2</sup>	0.239	0.023	0.298

Source: Authors' analysis based on data from UN national accounts data and Capital Development Fund Least Developed Country reports.

TABLE A1.1.8

### Nonparametric impact of LDC status on economic growth with aggregated assignment variables 1991–2015 (rdrobust command)

Variable	Dependent variable: GDP per capita growth					
	(1)	(2)	(3)	(4)	(5)	(6)
<b>LDC RD estimate</b>	<b>-9.684</b>	<b>-2.124</b>	<b>-10.87</b>	<b>-6.851</b>	<b>-10.48</b>	<b>7.500</b>
Robust 95% CI	[-10.27; 7.93]	[-10.17; 7.05]	[-10.13; 8.99]	[-10.99; 11.25]	[-13.32; 12.12]	[-16.12; 12.2]
Kernel Type	Triangular	Triangular	Triangular	Triangular	Triangular	Triangular
BW Type	CCT	CV	IK	CCT	CCT	CCT
Conventional std. err.	3.802	3.025	3.506	4.944	5.925	6.986
Conventional p-value	0.778	0.953	0.764	0.893	0.982	0.883
Robust p-value	0.801	0.723	0.907	0.982	0.927	0.786
Order loc. poly. (p)	1	1	1	2	3	4
Order bias (q)	2	2	2	3	4	5
BW loc. poly. (h)	0.041	0.065	0.047	0.053	0.058	0.063
BW bias (b)	0.062	0.065	0.053	0.068	0.075	0.977
Number of observations	127	315	160	218	267	308

Source: Authors' analysis based on data from UN national accounts data and Capital Development Fund Least Developed Country reports.

TABLE A1.1.9

**Alternative nonparametric impact of LDC status on economic growth with aggregated in assignment variables, 1991–2015**

Variable	(1) Growth
LDC RD estimate	-12.37 (-0.322)
Number of observations	513
Bandwidth	0.0488

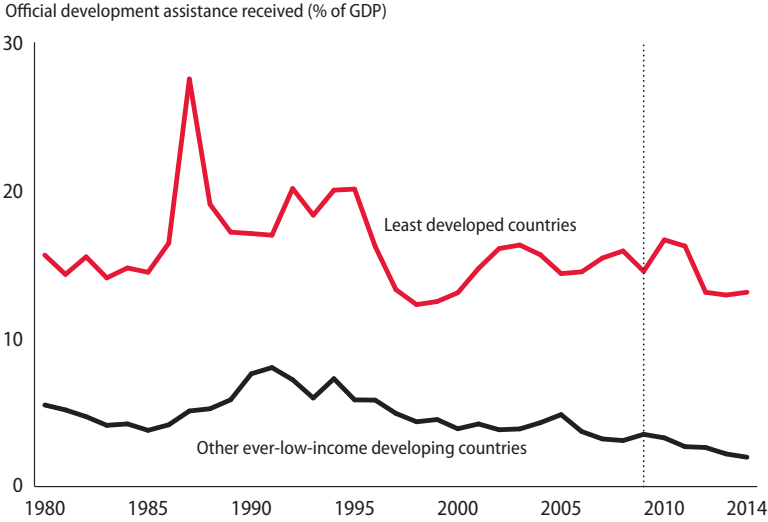
Source: Authors' analysis based on data from UN national accounts data and Capital Development Fund Least Developed Country reports.



### Appendix A1.2. Additional graphic analysis

FIGURE A1.2.1

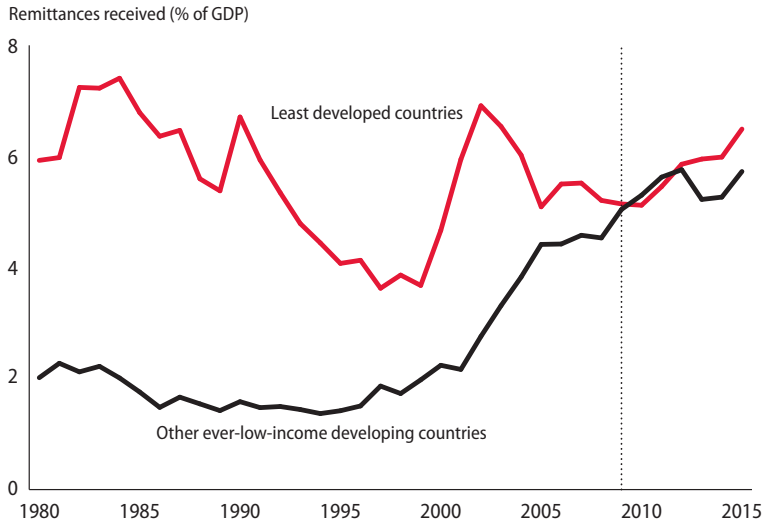
#### Evolution of average net official development assistance as percentage of GDP in LDCs and other ever-low-income developing countries, 1980–2015



Source: Authors' analysis based on data from OECD online data (<https://stats.oecd.org/Index.aspx?QueryId=42231&lang=en>)

FIGURE A1.2.2

#### Evolution of average remittances in LDCs and other ever-low-income developing countries, 1980–2015

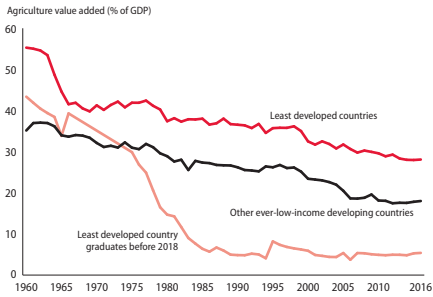


Source: Authors' analysis based on data from World Bank (2017).

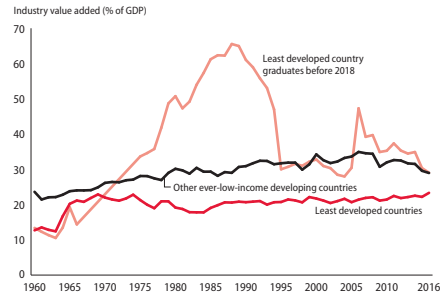
FIGURE A1.2.3

**The evolution of value added in major sectors for LDCs, other ever-low-income developing countries, and LDC graduates, 1960–2014**

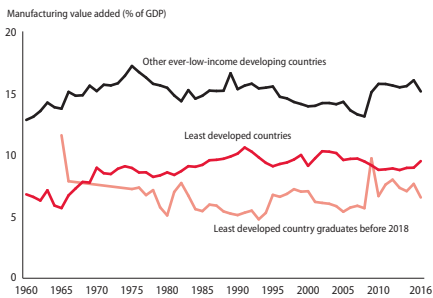
**Agriculture**



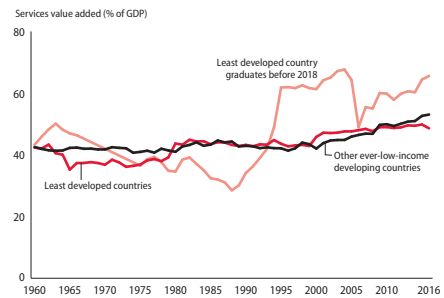
**Industry**



**Manufacturing**



**Services**

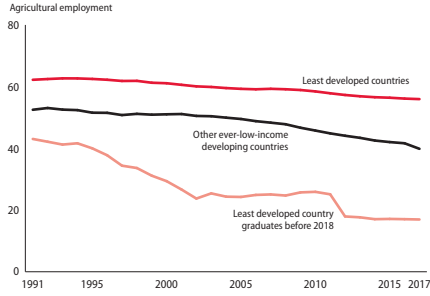


Source: Authors' analysis based on data from World Bank (2017).

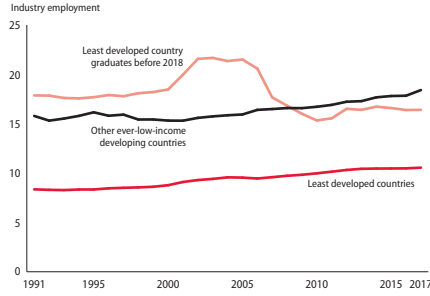
FIGURE A1.2.4

**The evolution of employment in major sectors for LDCs, other ever-low-income developing countries, and LDC graduates, 1991–2017**

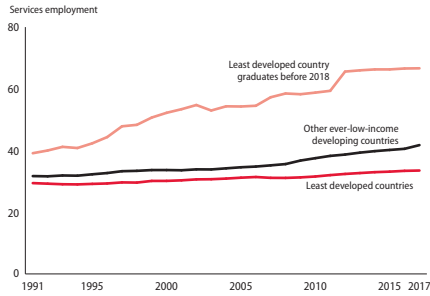
**Agriculture**



**Industry**



**Services**

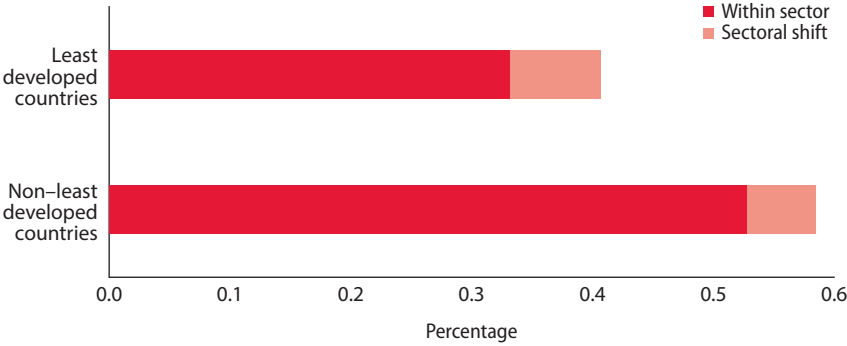


Source: Authors' analysis based on data from World Bank (2017).

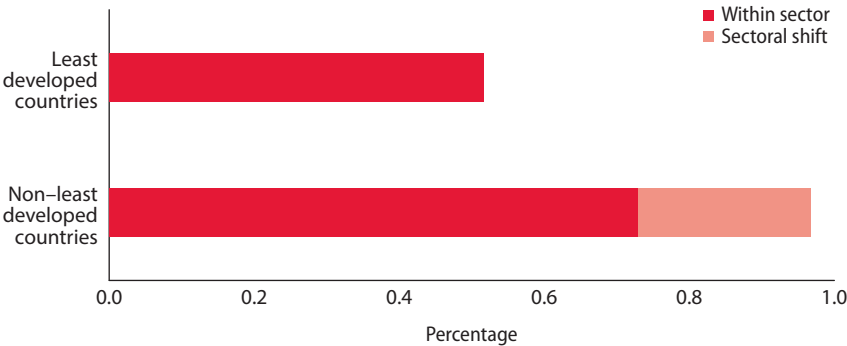
FIGURE A1.2.5

**Decomposition of the productivity into within- and between-sector changes**

1996-2006



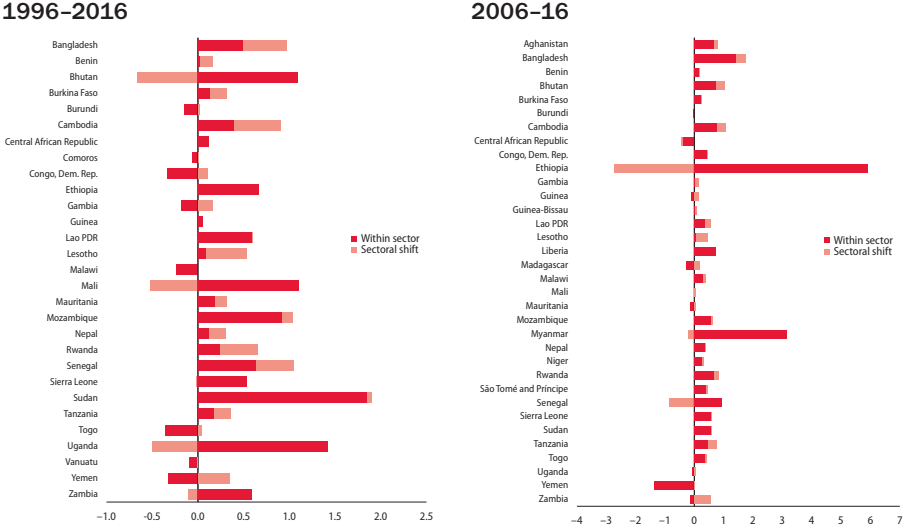
2006-16



Source: Authors' analysis based on data from World Bank (2017).

FIGURE A1.2.6

**Evolution of within-sector change and sectoral shift in productivity in the least developed countries, 1996–2006 and 2006–16**



Source: Authors' analysis based on data from World Bank (2017).

### Appendix A1.3. The regression discontinuity design methodology applied to the least developed country category

Two types of regression discontinuity design (RDD) are available according to the eligibility and inclusion characteristics of the programme: the sharp RDD and the fuzzy-RDD. Sharp RDD takes place when all individuals in the sample that meet the eligibility conditions are “treated” and no individuals who do not satisfy the conditions are treated. Fuzzy RDD takes place when some individuals satisfying the eligibility conditions are not treated, or when the programme treats individuals that do not satisfy the eligibility conditions. Fuzzy RDD is the relevant design in the case of least developed country (LDC) status, since three countries deemed eligible refused LDC status: Ghana, Papua New Guinea, and Zimbabwe. Moreover, because of the asymmetry between inclusion and graduation criteria, many LDCs that no longer satisfy the inclusion condition cannot exit the category because they do not meet the graduation conditions.

A discontinuous change in economic growth in the vicinity of the eligibility cutoff is attributed to LDC status. The probability of treatment is less than one when a country just fulfills the inclusion conditions and greater than zero when a country ceases to meet the inclusion criteria. Therefore, changes in GDP per capita growth in the vicinity of the cutoff point are not to be interpreted as average treatment effects. Rather, the average treatment effect is the ratio of the jump in the outcome to the probability of treatment, where one takes the limit as the forcing variable as it tends towards the cutoff from the left and from the right (Lee and Lemieux 2010).

Parametric and nonparametric methods are used in the literature for implementation of fuzzy RDD. Based on the total sample, parametric approaches produce more precise estimates of the treatment effect. However, the functional form is likely to be misspecified when observations far from the cutoff are included. The nonparametric approach, using a relatively narrow interval near the cutoff and thus a smaller sample size, provides less precise estimates but a more appropriate functional form. Both approaches are implemented in chapter 1.

In the parametric approach, the fuzzy RDD estimates the average treatment effect by two-stage-least squares using theoretical treatment status as the excluded instrument for actual treatment status (Hahn et al. 2001, Palmer et al. 2015). To test the functional form under the parametric approach, polynomials on the assignment variables and their interaction with the potential treatment group indicator are included as controls. The specification is given by:

$$LDC_{it} = \alpha_0 + \alpha_1 T_{it} + \alpha_{kj} \sum_k \sum_j \Delta assign_{kit}^j + \alpha_k \sum_k (\Delta assign_{kit} * T_{it}) + \alpha_b \sum_b X_{bit} + \epsilon_{it} \quad (1)$$

$$y_{it} = \beta_0 + \beta_1 LDC_{it} + \beta_{kj} \sum_k \sum_j \Delta assign_{kit}^j + \beta_k \sum_k (\Delta assign_{kit} * T_{it}) + \beta_b \sum_b X_{bit} + \epsilon'_{it} \quad (2)$$

where  $LDC$  is a dummy variable representing LDC status,  $T$  is a dummy variable equal to 1 if the country fulfills the inclusion conditions and 0 otherwise,  $\Delta assign_{kit}^j$  is the

assignment variable  $k$  to the power of  $j$ . The operator  $\Delta$  denotes the difference between the value of the forcing variable and its threshold value.  $\mathbf{X}$  is a vector of covariates,  $\varepsilon$  and  $\varepsilon'$  are unobservables, and  $y_{it}$  is the annual rate of economic growth. The coefficient  $\beta_1$  can be interpreted as the local average treatment effect of LDC status on economic growth.

The difference between each forcing variable and its corresponding threshold is divided by the sample range. The normalized variables lie between  $-1$  and  $1$ . Negative values indicate that the country satisfies the inclusion condition in the given dimension. In formal terms, this is computed as:

$$\text{Normalized } X = \frac{X - \text{threshold } X}{\text{Maximum } X - \text{Minimum } X}$$

For each country and each review, minus the maximum of the four normalized forcing variables yields the synthetic forcing variable. Countries for which this forcing variable is positive fulfill the inclusion conditions along all dimensions. The synthetic single assignment variable is therefore given by:

$$\text{assignment}_{it} = \text{Maximum}(\text{Normalized GNI}, \text{Normalized EVI}, \\ \text{Normalized HAI}, \text{Normalized POP})$$





## Trade-related measures for the LDCs: what has been done?

### Appendix A5.1. Articles referring to the least developed countries

#### *1. Agreement Establishing the World Trade Organization*

##### *Article IV—Structure of the WTO*

7. The Ministerial Conference shall establish a Committee on Trade and Development, a Committee on Balance-of-Payments Restrictions and a Committee on Budget, Finance and Administration, which shall carry out the functions assigned to them by this Agreement and by the Multilateral Trade Agreements, and any additional functions assigned to them by the General Council, and may establish such additional Committees with such functions as it may deem appropriate. As part of its functions, the Committee on Trade and Development shall periodically review the special provisions in the Multilateral Trade Agreements in favour of the least-developed country Members and report to the General Council for appropriate action. Membership in these Committees shall be open to representatives of all Members.

##### *Article XI—Original Membership*

2. The least-developed countries recognized as such by the United Nations will only be required to undertake commitments and concessions to the extent consistent with their individual development, financial and trade needs or their administrative and institutional capabilities

## ***2. Understanding on the balance-of-payments provisions of the GATT 1994***

### *Article 8—Procedures for Balance-of-Payments Consultations*

Consultations may be held under the simplified procedures approved on 19 December 1972 (BISD 20S/47–49, referred to in this Understanding as “simplified consultation procedures”) in the case of least-developed country Members or in the case of developing country Members which are pursuing liberalization efforts in conformity with the schedule presented to the Committee in previous consultations. Simplified consultation procedures may also be used when the Trade Policy Review of a developing country Member is scheduled for the same calendar year as the date fixed for the consultations. In such cases the decision as to whether full consultation procedures should be used will be made on the basis of the factors enumerated in paragraph 8 of the 1979 Declaration. Except in the case of least-developed country Members, no more than two successive consultations may be held under simplified consultation procedures.

## ***3. Agreement on Agriculture***

### *Article 15—Special and Differential Treatment*

2. Developing country Members shall have the flexibility to implement reduction commitments over a period of up to 10 years. Least-developed country Members shall not be required to undertake reduction commitments.

### *Article 16—Least-Developed and Net Food-Importing Developing Countries*

1. Developed country Members shall take such action as is provided for within the framework of the Decision on Measures Concerning the Possible Negative Effects of the Reform Programme on Least-Developed and Net Food-Importing Developing Countries.

2. The Committee on Agriculture shall monitor, as appropriate, the follow-up to this Decision.

## ***4. Agreement on the Application of Sanitary and Phytosanitary Measures (2 measures)***

### *Article 10—Special and Differential Treatment*

1. In the preparation and application of sanitary or phytosanitary measures, Members shall take account of the special needs of developing country Members, and in particular of the least-developed country Members.

*Article 14—Final Provisions*

The least-developed country Members may delay application of the provisions of this Agreement for a period of five years following the date of entry into force of the WTO Agreement with respect to their sanitary or phytosanitary measures affecting importation or imported products. Other developing country Members may delay application of the provisions of this Agreement, other than paragraph 8 of Article 5 and Article 7, for two years following the date of entry into force of the WTO Agreement with respect to their existing sanitary or phytosanitary measures affecting importation or imported products, where such application is prevented by a lack of technical expertise, technical infrastructure or resources.

*5. Agreement on Technical Barriers to Trade**Article 11—Technical Assistance to Other Members*

11.8 In providing advice and technical assistance to other Members in terms of paragraphs 1 to 7, Members shall give priority to the needs of the least-developed country Members.

*Article 12—Special and Differential Treatment of Developing Country Members*

12.7 Members shall, in accordance with the provisions of Article 11, provide technical assistance to developing country Members to ensure that the preparation and application of technical regulations, standards and conformity assessment procedures do not create unnecessary obstacles to the expansion and diversification of exports from developing country Members. In determining the terms and conditions of the technical assistance, account shall be taken of the stage of development of the requesting Members and in particular of the least-developed country Members.

12.8 [...]Accordingly, with a view to ensuring that developing country Members are able to comply with this Agreement, the Committee on Technical Barriers to Trade provided for in Article 13 (referred to in this Agreement as the “Committee”) is enabled to grant, upon request, specified, time-limited exceptions in whole or in part from obligations under this Agreement. When considering such requests the Committee shall take into account the special problems, in the field of preparation and application of technical regulations, standards and conformity assessment procedures, and the special development and trade needs of the developing country Member, as well as its stage of technological development, which may hinder its ability to discharge fully its obligations under this Agreement. The Committee shall, in particular, take into account the special problems of the least-developed country Members.

## **6. Agreement on Trade Related Investment measures (TRIMs)**

### *Article 5—Notification and Transitional Arrangements*

2. Each Member shall eliminate all TRIMs which are notified under paragraph 1 within two years of the date of entry into force of the WTO Agreement in the case of a developed country Member, within five years in the case of a developing country Member, and within seven years in the case of a least-developed country Member.

## **7. Agreement on Import Licensing Procedures**

### *Article 3—Non-Automatic Import Licensing*

5 (j) in allocating licenses, the Member should consider the import performance of the applicant. In this regard, consideration should be given as to whether licenses issued to applicants in the past have been fully utilized during a recent representative period. In cases where licenses have not been fully utilized, the Member shall examine the reasons for this and take these reasons into consideration when allocating new licenses. Consideration shall also be given to ensuring a reasonable distribution of licenses to new importers, taking into account the desirability of issuing licenses for products in economic quantities. In this regard, special consideration should be given to those importers importing products originating in developing country Members and, in particular, the least-developed country Members;

## **8. Agreement on Subsidies and Countervailing Measures**

### *Part VIII: Developing Country Members*

### *Article 27—Special and Differential Treatment of Developing Country Members*

27.2 The prohibition of paragraph 1(a) of Article 3 [export subsidies] shall not apply to:

(a) developing country Members referred to in Annex VII.

(b) other developing country Members for a period of eight years from the date of entry into force of the WTO Agreement, subject to compliance with the provisions in paragraph 4.

27.3 The prohibition of paragraph 1(b) of Article 3 [domestic inputs] shall not apply to developing country Members for a period of five years, and shall not apply to least developed country Members for a period of eight years, from the date of entry into force of the WTO Agreement.

## ***9. Agreement on Trade in Services (GATS)***

### *Article IV—Increasing Participation of Developing Countries*

3. Special priority shall be given to the least-developed country Members in the implementation of paragraphs 1 and 2. Particular account shall be taken of the serious difficulty of the least-developed countries in accepting negotiated specific commitments in view of their special economic situation and their development, trade and financial needs.

### *Article XIX—Negotiation of Specific Commitments*

3. For each round, negotiating guidelines and procedures shall be established. For the purposes of establishing such guidelines, the Council for Trade in Services shall carry out an assessment of trade in services in overall terms and on a sectoral basis with reference to the objectives of this Agreement, including those set out in paragraph 1 of Article IV. Negotiating guidelines shall establish modalities for the treatment of liberalization undertaken autonomously by Members since previous negotiations, as well as for the special treatment for least-developed country Members under the provisions of paragraph 3 of Article IV.

### *Annex on Telecommunications*

#### **6. Technical Co-operation**

(d) Members shall give special consideration to opportunities for the least-developed countries to encourage foreign suppliers of telecommunications services to assist in the transfer of technology, training and other activities that support the development of their telecommunications infrastructure and expansion of their telecommunications services trade.

## ***10. Agreement on Trade Related Intellectual Property Rights (TRIPS)***

### *Preamble:*

*Recognizing* also the special needs of the least-developed country Members in respect of maximum flexibility in the domestic implementation of laws and regulations in order to enable them to create a sound and viable technological base;

### *Part VI - Transitional Arrangements*

#### *Article 66—Least-Developed Country Members*

1. In view of the special needs and requirements of least-developed country Members, their economic, financial and administrative constraints, and their need for flexibility

to create a viable technological base, such Members shall not be required to apply the provisions of this Agreement, other than Articles 3, 4 and 5, for a period of 10 years from the date of application as defined under paragraph 1 of Article 65. The Council for TRIPS shall, upon duly motivated request by a least-developed country Member, accord extensions of this period.

2. Developed country Members shall provide incentives to enterprises and institutions in their territories for the purpose of promoting and encouraging technology transfer to least developed country Members in order to enable them to create a sound and viable technological base.

#### *Article 67—Technical Cooperation*

In order to facilitate the implementation of this Agreement, developed country Members shall provide, on request and on mutually agreed terms and conditions, technical and financial cooperation in favour of developing and least-developed country Members. Such cooperation shall include assistance in the preparation of laws and regulations on the protection and enforcement of intellectual property rights as well as on the prevention of their abuse, and shall include support regarding the establishment or reinforcement of domestic offices and agencies relevant to these matters, including the training of personnel.

### ***11. Understanding on Rules and Procedures Governing the Settlement of Disputes***

#### *Article 24—Special Procedures Involving Least-Developed Country Members*

1. At all stages of the determination of the causes of a dispute and of dispute settlement procedures involving a least-developed country Member, particular consideration shall be given to the special situation of least-developed country Members. In this regard, Members shall exercise due restraint in raising matters under these procedures involving a least-developed country Member. If nullification or impairment is found to result from a measure taken by a least-developed country Member, complaining parties shall exercise due restraint in asking for compensation or seeking authorization to suspend the application of concessions or other obligations pursuant to these procedures.

2. In dispute settlement cases involving a least developed country Member, where a satisfactory solution has not been found in the course of consultations the Director-General or the Chairman of the DSB shall, upon request by a least-developed country Member offer their good offices, conciliation and mediation with a view to assisting the parties to settle the dispute, before a request for a panel is made. The Director General or the Chairman of the DSB, in providing the above assistance, may consult any source which either deems appropriate.

## *12. Trade Policy Review Mechanism (TPRM)*

### *C. Procedures for review*

(ii) The trade policies and practices of all Members shall be subject to periodic review. The impact of individual Members on the functioning of the multilateral trading system, defined in terms of their share of world trade in a recent representative period, will be the determining factor in deciding on the frequency of reviews. The first four trading entities so identified (counting the European Communities as one) shall be subject to review every two years. The next 16 shall be reviewed every four years. Other Members shall be reviewed every six years, except that a longer period may be fixed for least-developed country Members .[...]

### *D. Reporting*

[...] Particular account shall be taken of difficulties presented to least-developed country Members in compiling their reports. The Secretariat shall make available technical assistance on request to developing country Members, and in particular to the least-developed country Members. Information contained in reports should to the greatest extent possible be coordinated with notifications made under provisions of the Multilateral Trade Agreements and, where applicable, the Plurilateral Trade Agreements.

## *13. Plurilateral Trade Agreements*

### *Agreement on Government Procurement*

#### *Article V: Special and Differential Treatment for Developing Countries*

##### Objectives

1. Parties shall, in the implementation and administration of this Agreement, through the provisions set out in this Article, duly take into account the development, financial and trade needs of developing countries, in particular least-developed countries, in their need to:

(a) safeguard their balance-of-payments position and ensure a level of reserves adequate for the implementation of programmes of economic development;

(b) promote the establishment or development of domestic industries including the development of small-scale and cottage industries in rural or backward areas; and economic development of other sectors of the economy;

(c) support industrial units so long as they are wholly or substantially dependent on government procurement; and

(d) encourage their economic development through regional or global arrangements among developing countries presented to the Ministerial Conference of the World Trade Organization (hereinafter referred to as the “WTO”) and not disapproved by it.

2. Consistently with the provisions of this Agreement, each Party shall, in the preparation and application of laws, regulations and procedures affecting government procurement, facilitate increased imports from developing countries, bearing in mind the special problems of least-developed countries and of those countries at low stages of economic development.

*Special Treatment for Least-Developed Countries*

12. Having regard to paragraph 6 of the Decision of the CONTRACTING PARTIES to GATT 1947 of 28 November 1979 on Differential and More Favourable Treatment, Reciprocity and Fuller Participation of Developing Countries (BISD 26S/203–205), special treatment shall be granted to least-developed country Parties and to the suppliers in those Parties with respect to products or services originating in those Parties, in the context of any general or specific measures in favour of developing country Parties. A Party may also grant the benefits of this Agreement to suppliers in least-developed countries which are not Parties, with respect to products or services originating in those countries.

13. Each developed country Party shall, upon request, provide assistance which it may deem appropriate to potential tenderers in least-developed countries in submitting their tenders and selecting the products or services which are likely to be of interest to its entities as well as to suppliers in least-developed countries, and likewise assist them to comply with technical regulations and standards relating to products or services which are the subject of the intended procurement.



TABLE A5.1.1

**Least Developed Countries: Binding coverage, bound and applied with tariff rates (percentage)**

Country	Simple average final bound			Year	Simple average MFN applied			Binding coverage	
	Total	Ag	Non-Ag		Total	Ag	Non-Ag	Total	Non-Ag
Angola	59.2	52.8	60.1	2014	11.4	23.2	9.5	100.0	100.0
Bangladesh	169.3	192.4	39.7	2013	13.9	16.8	13.4	15.5	2.7
Benin	28.3	61.8	11.3	2014	11.9	14.6	11.5	39.1	29.9
Burkina Faso	42.1	98.1	13.8	2014	11.9	14.6	11.5	39.1	30.0
Burundi	67.1	94.4	26.5	2014	12.8	20.2	11.5	22.0	10.2
Cambodia	19.1	28.2	17.8	2014	11.2	14.9	10.6	100.0	100.0
Central African Rep.	36.1	30.0	37.7	2013	18.0	21.8	17.4	62.0	56.2
Chad	79.9	80.0	76.3	2013	18.0	21.8	17.4	13.4	0.4
Congo, Dem. Rep. of	96.1	98.1	95.8	2014	10.9	10.9	10.9	100.0	100.0
Djibouti	41.3	50.4	39.9	2014	20.9	14.3	21.8	100.0	100.0
Gambia	102.8	104.6	60.5	2013	14.1	16.9	13.7	13.7	0.7
Guinea	20.1	39.7	10.1	2007	11.8	14.2	11.5	38.7	29.5
Guinea-Bissau	48.7	40.1	50.0	2014	11.9	14.6	11.5	97.7	97.4
Haiti	18.7	21.4	18.2	2014	4.8	8.2	4.2	89.0	87.4
Lao PDR	18.7	19.2	18.7	2014	10.0	20.1	8.3	100.0	100.0
Lesotho	78.3	199.0	60.1	2014	7.6	8.5	7.4	100.0	100.0
Madagascar	27.3	30.0	25.2	2014	11.7	14.6	11.3	30.0	19.5
Malawi	74.7	121.2	42.2	2014	12.6	18.8	11.5	31.9	21.6
Mali	28.5	59.2	13.4	2014	11.9	14.6	11.5	39.9	30.9
Mauritania	19.8	38.1	10.6	2014	12.0	11.1	12.2	39.3	30.1
Mozambique	97.4	100.0	22.8	2014	10.1	13.8	9.5	13.6	0.5
Myanmar	84.1	106.2	21.2	2013	5.6	8.6	5.1	17.8	5.3
Nepal	26.0	41.5	23.6	2014	12.3	14.1	12.0	99.4	99.3
Niger	44.7	85.7	38.2	2014	11.9	14.6	11.5	96.7	96.2
Rwanda	89.4	74.0	91.7	2014	12.7	20.0	11.5	100.0	100.0
Senegal	30.0	29.8	30.0	2014	11.9	14.6	11.5	100.0	100.0
Sierra Leone	47.4	40.4	48.5	2006	13.6	16.4	13.1	100.0	100.0
Solomon Islands	78.3	71.4	79.4	2013	9.5	12.2	9.1	100.0	100.0
Tanzania	120.0	120.0	120.0	2014	12.8	20.3	11.5	13.3	0.3
Togo	80.0	80.0	80.0	2014	11.9	14.6	11.5	13.9	0.9
Uganda	73.1	77.5	51.0	2014	12.7	20.2	11.5	15.7	3.0
Vanuatu	39.7	43.6	39.1					100.0	100.0
Yemen	21.2	25.0	20.6	2013	7.5	10.4	7.0	100.0	100.0
Zambia	106.0	123.3	44.0	2014	13.5	18.9	12.6	16.8	4.2