SUGGESTED PROCEDURES FOR NEGOTIATION BETWEEN
LESS-DEVELOPED COUNTRIES

Note by the Secretariat

In paragraphs 30-34 of its report L/2614 the Committee on Trade and Development has set forth its views on the negotiation of concessions, on a most-favoured-nation or preferential basis, among less-developed countries for the purpose of promoting the expansion of their mutual trade. The report was approved by the CONTRACTING PARTIES at their twenty-third session. The Committee has requested the secretariat to provide the necessary technical assistance by way of suggesting procedures for the conduct of the negotiations and supplying statistical data. The following suggested procedures have been drawn up by the secretariat on the basis of procedures adopted for, and experience gained in, negotiations held in the past under the aegis of GATT.

1. It is understood that each less-developed contracting party will be free to decide whether it wishes to participate in negotiations aimed at the exchange of concessions with other less-developed contracting parties.

2. Negotiations will be carried out on a selective, product-by-product basis. Participating countries shall, however, not be debarred from making offers on some other basis, e.g. linear reduction of tariffs on one or more sectors of imports.

3. Negotiations will be carried out on a mutually advantageous and reciprocal basis. Due account will be taken in the negotiations of the circumstances of individual less-developed countries.
4. The negotiations should normally cover the exchange of concessions on tariffs but could be extended without prejudice to the provisions of the General Agreement to non-tariff barriers, such as quantitative restrictions, State-trading devices, government procurement practices, internal fiscal charges, etc.

5. A less-developed country wishing to negotiate for the exchange of concessions with other less-developed countries shall notify the GATT secretariat of its intention in this regard by 1 July 1966. Exploratory talks shall be held between countries having submitted such a notification with a view to the tabling by each participating country, on 15 July 1966, of a list of requests to each country with which it wishes to negotiate. The requests shall give an indication of the specific products on which a concession is requested, the precise nature of the concession, and whether it is sought on the basis that it will be applied in accordance with the provisions of paragraph 1 of Article I or only to other less-developed countries.

6. Copies of each such request shall be sent to the GATT secretariat for distribution to all less-developed countries intending to participate in the negotiations.

7. Each less-developed country making requests shall also transmit to the secretariat two copies of the latest edition of its Customs Tariff and of its trade statistics for two recent years. It shall also furnish this material on request to any government participating in the negotiations.

8. Each participating less-developed country shall, taking into account the requests it has received, submit on 1 September 1966 a consolidated list of concessions it is prepared to offer. This list of offers shall be drawn up on the assumption that the country's requests would be fully met. The list shall be in two parts, the first setting out the concessions offered on a most-favoured nation basis, the second setting out those offered on a preferential basis. The offers

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1 Where any concession is offered on a most-favoured-nation basis, it will be open to the less-developed country making the offer to include it in any list of offers it is making to a developed country also interested in the item.
shall specify, in respect of each product, or group of products, the precise nature of the concession the country concerned was prepared to make, and shall be accompanied by such explanatory material in regard to the tariff and non-tariff regulations applying to the product on which the concession is offered as would permit an evaluation thereof. Copies of each such list of offers shall be sent to the secretariat for distribution to other less-developed countries which have submitted their offer list.

9. A Committee on Negotiations among Less-Developed Countries, composed of all less-developed countries which have submitted a consolidated list of offers, shall be established with a view to facilitating the negotiations. This Committee may review the requests and offers as and when appropriate.

10. In accordance with the principles set out in paragraph 3, a less-developed country offering concessions in response to requests received from other less-developed countries shall be free to expand, restrict or withdraw any, or all, offers made by it in the light of the reciprocity offered by its negotiating partners. Modifications in initial offers would be circulated in the same way as the consolidated list itself. The negotiations in respect of offers made may take place between two or more countries having an interest in the item in question and may be extended to any developed country having an interest in the item.

11. On the conclusion of the negotiations each participating country shall prepare for distribution through the secretariat a consolidated list of the concessions which it has agreed to grant.

12. The concessions resulting from the negotiations which are to be applied on a most-favoured-nation basis shall be incorporated in the General Agreement by means of the Protocol to be drawn up to embody the results of the current Trade Negotiations or, in the event that the negotiations among less-developed countries are not concluded in time for the results to be so included, by means
of a separate protocol to which will be annexed the schedules of these concessions. Where such concessions are intended to apply only to imports from other less-developed countries, the secretariat shall circulate the details of these concessions and suggest appropriate procedures for their examination by the CONTRACTING PARTIES. Such concessions shall come into force only after appropriate procedures for examination by the CONTRACTING PARTIES have been followed and in accordance with recommendations resulting from such examination.