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**Committee on Agriculture**

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**ANNUAL MONITORING EXERCISE IN RESPECT OF THE FOLLOW-UP TO  
THE MINISTERIAL DECISION ON MEASURES CONCERNING THE POSSIBLE  
NEGATIVE EFFECTS OF THE REFORM PROGRAMME ON LEAST-DEVELOPED  
AND NET FOOD-IMPORTING DEVELOPING COUNTRIES**

Attached are copies of statements\* made by the representatives of the Food and Agriculture Organization (FAO), the International Monetary Fund (IMF), the OECD, and the World Bank at the meeting of the Committee on Agriculture on 17 November 1999 (agenda Item Part II.A refers).

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**Comité de l'agriculture**

**EXERCICE ANNUEL DE SURVEILLANCE DE LA SUITE DONNÉE À LA DÉCISION  
MINISTÉRIELLE SUR LES MESURES CONCERNANT LES EFFETS NÉGATIFS POSSIBLES  
DU PROGRAMME DE RÉFORME SUR LES PAYS LES MOINS  
AVANCÉS ET LES PAYS EN DÉVELOPPEMENT IMPORTATEURS  
NETS DE PRODUITS ALIMENTAIRES**

On trouvera ci-joint la copie des déclarations\* faites par les représentants de l'Organisation des Nations Unies pour l'alimentation et l'agriculture (FAO), du Fonds monétaire international (FMI), de l'OCDE, et de la Banque mondiale à la réunion du Comité de l'agriculture du 17 novembre 1999 (point A de la deuxième partie de l'ordre du jour).

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**Comité de Agricultura**

**EJERCICIO ANUAL DE VIGILANCIA DEL SEGUIMIENTO DE LA DECISIÓN  
MINISTERIAL SOBRE MEDIDAS RELATIVAS A LOS POSIBLES  
EFECTOS NEGATIVOS DEL PROGRAMA DE REFORMA EN  
LOS PAÍSES MENOS ADELANTADOS Y EN LOS PAÍSES  
EN DESARROLLO IMPORTADORES NETOS  
DE PRODUCTOS ALIMENTICIOS**

A continuación se adjuntan copias de las declaraciones\* formuladas por los representantes de la Organización de las Naciones Unidas para la Agricultura y la Alimentación (FAO), el Fondo Monetario Internacional (FMI), la OCDE, y el Banco Mundial en la reunión del Comité de Agricultura celebrada el día 17 de noviembre de 1999 (véase el punto A de la Parte II del orden del día).

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\* English only/En anglais seulement/En inglés solamente.

## STATEMENT BY THE REPRESENTATIVE OF THE FOOD AND AGRICULTURE ORGANIZATION (FAO)

I would like to report briefly on developments in the global cereal supply/demand balance and recent trends in import bills of the LDCs and the NFIDCs. In addition, I would like to report on some activities by the FAO on follow up to the Uruguay Round.

### The world supply/demand situation for the 1999/2000 season

With the bulk of the 1999 cereal crops already harvested, world cereal **output** in 1999 would be slightly below the anticipated **utilization** in 1999/2000. As a result, some draw down in **stocks** is expected. Nevertheless, the ratio between expected global cereal carryovers in 2000 and trend utilization would remain within the 17 to 18 per cent range that the FAO Secretariat considers as the minimum necessary to safeguard world food security. It should also be noted that while global cereal stocks are forecast to decrease, those held by the major exporting countries, which are the main buffer against any major production shortfall, are forecast to change relatively little from their opening level, which now stands at over 150 million tonnes and are more than double the level four years ago when the last cereal price surge occurred.

World **trade** in cereals is forecast to increase by about 4 per cent in 1999/2000, with the expansion shared among a few developed countries and several of the developing countries, particularly those in the Low-Income Food Deficit category. The bulk of the increase would be in wheat and coarse grains, while rice imports are forecast to remain virtually unchanged.

International export **prices** of nearly all major cereals remain generally weaker than a year ago. With large stocks held by major exporters and in the face of only a modest growth in world import demand, any major recovery in prices in the coming months is unlikely. However, the longer-term prospect would depend on next year's planting as well as the extent of the recovery in cereal utilization.

Cereal **food aid** shipments in 1998/99 reached 9.5 million tonnes, up more than 50 per cent from 1997/98 and the highest since 1993/94. The bulk of the increase went to the Russian Federation but several other countries also received more, including Bangladesh, Indonesia, and several countries in Central America and Africa. It is important to note that food emergencies persist in many countries throughout the world and absorb an increasing share of food aid resources. The latest information from FAO points to as many as 35 countries currently facing food shortages of varying intensity. As a result of the urgency of responding to these emergencies, the use of food aid in meeting structural deficits has declined considerably.<sup>1</sup>

### Cereal import bills of LDCs and the NFIDCs

During the past marketing season (1998/99) the combined cereal import bill of the countries comprising the **LDCs** and the **NFIDCs** came to some \$6.6 billion, down 15 per cent from the previous year. This decline reflects a small reduction in the volume of imports but, more substantially, much lower

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<sup>1</sup> In June 1999 major donors approved the **new Food Aid Convention (FAC)** and confirmed their intention to implement it for an initial period of three years starting in July 1999. The new convention calls for a more flexible approach to food aid, by expanding the list of eligible commodities and the method of contributions. Overall, the food aid volume commitment under the new Convention would be roughly equivalent to the level under the 1995 Convention.

average prices paid for imports. The per unit import cost in 1998/99 was about US\$148/tonne compared to US\$171/tonne in 1997/98. Compared to 1995/96, the year of the most recent price spike, the import bill of these countries in 1998/99 was about one-fourth less. However, since the price spike, the average cereal import bill of these countries has remained higher than in earlier years. It was about 30 per cent higher in both 1996/97 and 1997/98 and 11 per cent higher in 1998/99 compared to the average for 1993/94-94/95. Only part of this increase is due to an increase in the volume imported. The remainder is due to increase in the per unit import cost due to price increases, and a reduction in food aid and subsidized imports.

Although food aid increased during 1998/99, it would account for only 8 per cent of the cereal imports of the **LDCs** and the **NFIDCs** compared to 15 per cent in 1993/94-94/95. In addition, subsidized imports of cereals under the US Export Enhancement Programme which peaked at US\$ 980 million in 1993/94 (of which US\$ 454 to these countries) are virtually absent after 1995/96.<sup>2</sup>

### **Capacity building in developing countries**

Finally, I would like to inform briefly the Committee about FAO's capacity-building activities related to the Agreements on Agriculture, SPS/TBT, and TRIPs. The focus of these activities has now shifted to preparing countries for the continuation of the reform process in agriculture and providing support to them during the forthcoming multilateral trade negotiations, as may be required.

A few examples of such activities that took place recently include the following:

- several national and regional capacity-building activities in Africa, Asia, Latin America, the Near East and the countries in transition. These activities are part of a training umbrella programme, being implemented since June 1999, which includes 14 sub-regional training courses. The goal of this programme is to train between 4-6 officials from each country – in total 700-800 officials – in order to create a critical mass of national experts to support trade negotiations
- a Symposium here in Geneva (23-24 September 1999) on Agriculture, Trade and Food Security which highlighted developing countries' concerns, in particular the interrelationship between agricultural trade, economic development and food security
- a Conference in Melbourne (11-15 October 1999) in collaboration with WHO and WTO, on food quality and safety issues.

More details on these and other capacity-building activities in agriculture, forestry and fisheries focussing on developing countries and countries in transition can be found in FAO's website [www.FAO.org/ur](http://www.FAO.org/ur). In the months and years ahead, FAO, within the range of its expertise and resources, will be able to provide technical support to its member countries, in the analysis of proposals during the negotiations from the perspectives of agricultural development and food security.

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<sup>2</sup> In the case of wheat, which received the bulk of the cereal export bonuses, the subsidy ranged from US\$36 to US\$47 per tonne during 1990/91-93/94.

## Cereal Imports of LDCs and NFIDCs (1993/94 to 1999/00) - Information as of November 15, 1999

	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00
<b><u>Import bill (\$ million)</u></b>							
LDCs	1375	2195	2272	1871	2357	1996	na
NFIDCs	3775	4559	6265	5857	5397	4617	na
<b>LDCs+NFIDCs</b>	<b>5150</b>	<b>6754</b>	<b>8537</b>	<b>7728</b>	<b>7754</b>	<b>6613</b>	na
% change over 1993/94-94/95	-13.5	13.5	43.4	29.8	30.3	11.1	na
<b><u>Total volume imported (1000 tons)</u></b>							
LDCs	11167	13310	12273	10753	14390	15380	13108
NFIDCs	25516	25995	26093	28038	30974	29370	31542
<b>LDCs+NFIDCs</b>	<b>36683</b>	<b>39305</b>	<b>38366</b>	<b>38791</b>	<b>45364</b>	<b>44750</b>	<b>44650</b>
% change over 1993/94-94/95	-3.4	3.4	1.0	2.1	19.4	17.8	17.5
<b><u>Food aid (1000 tons)</u></b>							
LDCs	3932	4326	3305	2553	2669	3157	na
% of total imports	35.2	32.5	26.9	23.7	18.5	20.5	na
NFIDCs	1857	1325	641	495	622	616	na
% of total imports	7.3	5.1	2.5	1.8	2.0	2.1	na
<b>LDCs+NFIDCs</b>	<b>5789</b>	<b>5651</b>	<b>3946</b>	<b>3048</b>	<b>3291</b>	<b>3773</b>	na
% of total imports	15.8	14.4	10.3	7.9	7.3	8.4	na
<b><u>Benefit from US EEP (\$ million)</u></b>							
LDCs	99	35	1	0	0	0	na
NFIDCs	355	88	21	0	0	0	na
<b>LDCs+NFIDCs</b>	<b>454</b>	<b>123</b>	<b>22</b>	<b>0</b>	<b>0</b>	<b>0</b>	na
% change over 1993/94-94/95	57.4	-57.4	-92.4	-100.0	-100.0	-100.0	na
<b><u>Per unit import cost (\$/ton)</u></b>							
LDCs	123.1	164.9	185.1	174.0	163.8	129.8	na
NFIDCs	147.9	175.4	240.1	208.9	174.2	157.2	na
<b>LDCs+NFIDCs</b>	<b>140.4</b>	<b>171.8</b>	<b>222.5</b>	<b>199.2</b>	<b>170.9</b>	<b>147.8</b>	na
% change over 1993/94-94/95	-10.4	9.7	42.0	27.2	9.1	-5.7	na
<b><u>Wheat export price</u></b>							
US no 2 hard winter (\$/ton)	143	157	216	181	142	120	110
% change over 1993/94-94/95	-4.7	4.7	44.0	20.7	-5.3	-20.0	-26.7
	<b>1993/94-94/95</b>		<b>1995/96-96/97</b>		<b>1997/98-98/99</b>		
<b><u>Averages (LDCs+NFIDCs)</u></b>							
Import bill (\$ million)	5952.0		8132.5		7183.5		
Total volume imported (1000 tons)	37993.9		38578.5		45057.0		
Food aid (1000 tons)	5719.8		3496.8		3532.0		
Benefit from US EEP (\$ million)	288.5		11.0		0.0		
Per unit import cost (\$/ton)	156.7		210.8		159.4		
Wheat export price (\$/ton)	150.0		198.5		131.0		
<b><u>% change over 1993/94-94/95</u></b>							
Import bill	0.0		36.6		20.7		
Total volume imported	0.0		1.5		18.6		
Food aid	0.0		-38.9		-38.2		
Benefit from US EEP	0.0		-96.2		-100.0		
Per unit import cost	0.0		34.6		1.8		
Wheat export price	0.0		32.3		-12.7		

Source: FAO. Figures for 1998/99 are provisional and for 1999/00 are estimates

**STATEMENT BY THE REPRESENTATIVE OF THE  
INTERNATIONAL MONETARY FUND (IMF)**

I am grateful to the Chairman for this opportunity to speak to the Committee. In previous years we have made substantial statements and I certainly do not wish to cover ground with which the Committee is already familiar. I would, however, like to mention briefly the recent trends in world food prices since last year, as well as new Fund resources to meet the needs of members.

Food prices have continued to weaken considerably since the meeting of the Committee last year. The IMF's index of food prices, measured in terms of U.S. dollars for October 1999, was more than 14 per cent below the level of one year ago. The decline reflects the abundant supplies of cereals and oilseeds. Weather conditions in the major producing regions for these commodities have been generally favorable for three consecutive years. Demand growth, particularly for use as livestock feed until very recently, has been weaker than usual in a number of important markets. As a result, in recent months the U.S. dollar prices of wheat, rice, maize, soybean meal and soybean oil are at their lowest in 12 to 14 years, and the price of palm oil at its lowest in 6 years. Favorable supply conditions have also led to abundant supplies of sugar and the price of sugar (outside the controlled markets of the European Community and the United States) has fallen to its lowest level in 12 years. By contrast, there has been some turnaround in 1999 in meat prices from the low levels recorded in 1998. But overall, the import bill for food items incurred by net food importing countries is likely to be particularly low this year. However, for those net food importers that are also substantial net oil importers, conditions are likely to be less favorable than in 1998 because of the large increases in oil prices. In addition, the prices of many of the nonfuel primary commodities exported by these countries either have decreased further or increased by only small amounts.

Since our last statement, the Fund's potential ability to help its members has been improved. Following extensive discussions on financing of the Heavily Indebted Poor Country Initiative (HIPC) and Enhanced Structural Adjustment Facility (ESAF) initiatives, agreement has been reached on the main elements of a financing package that will enable the IMF to make its contribution to the HIPC Initiative and to continue concessional lending for sustainable growth and poverty reduction in its low income member countries under a new facility to replace the ESAF, called the Poverty Reduction and Growth Facility.

The main elements of the financing package of the HIPC-ESAF initiatives—amounting to SDR 3.9 billion on an “as needed” basis (US\$3.5 billion in end-1998 net present value terms)—comprise contributions by member countries and by the IMF itself. The financing of the cost of the HIPC Initiative to the IMF is projected to account for about two-thirds of the IMF's total financing requirement. We believe that these initiatives expand the scope of support the IMF can offer its members. So we can reiterate what we have said in previous years, that the Fund considers it has sufficient liquidity to meet any additional need that may arise from higher food prices.

Naturally, Mr. Chairman we are acutely aware of the problems faced by net food importers (not necessarily related to the price of food imports). At the present time, 21 net food importing and LDCs are receiving financial support from the Fund to support their adjustment programs or to deal with emergency situations. If requested, and if there is a balance of payments need, the Fund continues to stand ready to help. It is a relief to note developments in food prices over the last year (as I have just described), but allow me to reassure the Committee that the Fund has the resources under existing facilities and has shown its willingness to use these resources in the past, to meet the balance of payments needs of net food importers.

## **STATEMENT BY THE REPRESENTATIVE OF THE OECD**

The OECD is not currently engaged in any work specifically on the Least Developed Countries and the Net Food Importing countries. However, three activities currently underway are relevant: (i) Negotiations on an export credit understanding covering agricultural products; (ii) OECD Member countries trade related programme of work 1999-2000; and (iii) Non-OECD Member countries trade related programme of work 1999-2000.

### **1. Negotiations on an export credit understanding covering agricultural products**

In accordance with a commitment made in the context of the Uruguay Round, the Participants to the Export Credit Arrangement (the Arrangement) began negotiations in 1997 on complementary guidelines to cover officially supported export credits for agricultural products (currently excluded from the Export Credit Arrangement).

Negotiations have proved slow, although an agreement on market-based repayment terms (180 days maximum credit) and risk-based premium fees are supported by all but one Participant. The United States, whilst in favour of an Understanding, has different views on repayment terms (wanting longer than others for certain products and markets) and constraining legislation on premium fees. However, it has recently signalled flexibility in this regard, and has made proposals which represent a significant step in the direction of the other Participants.

In the Communiqué from the OECD Council Meeting at Ministerial Level held on 26 and 27 May 1999 (PAC/COM/NEWS(99)52), OECD Ministers:

*".....regretted that the Participants to the Export Credit Arrangement had not yet reached agreement on an Understanding covering agriculture as mandated in the Uruguay Round. They urged, once more, the Participants to intensify their efforts to conclude this Understanding promptly, if possible by the Seattle Conference, and to report back at the next Ministerial Council Meeting."*

Against this background, efforts have been redoubled to try to reach an agreement, and the Participants have met twice since the Ministerial, including once in Special Session. The Participants consider that these negotiations represent a commitment made in the Uruguay Round; therefore, there is the strong desire to resolve this issue in the forum of the Participants rather than for the issue to be deferred to the Millenium Round.

With this in mind, the Participants are now considering a Chairman's Proposal on the major issues of repayment terms, premium fees and implementation, with a deadline for responses of the end of the year. There will be another Special Session in early 2000 dedicated to the Agriculture issue and a plenary Meeting in April with a view to concluding (if possible) the negotiations before the OECD Ministerial in May.

### **2. OECD Member countries trade related programme of work 1999-2000**

Among the shared goals adopted by OECD Agriculture Ministers in March 1998 is the further integration of the agro-food sector into the multilateral trading system. In pursuit of this goal, Ministers mandated the OECD to address ongoing and emerging agricultural trade policy issues and to provide

analytical support to the process of agricultural trade liberalisation. In response, the Committee for Agriculture programme incorporates specific agricultural trade policy issues that are of major interest to Member countries of the OECD, but which may also concern non-OECD countries.

More specifically, the agricultural trade policy work programme consists of two core elements. The first element deals with the evaluation and strengthening trade liberalisation and the second one considers issues arising at the interface of trade and domestic policy.

The first element aims to assist policy makers and negotiators as they enter the "Millennium Round" by:

- assessing in-depth the effects of the URAA on trade and protection levels. The objective is to provide a stocktaking of the three pillars of the Uruguay Round Agreement on Agriculture (URAA), -market access, export subsidies and domestic support. Both primary and processed products will be covered. A preliminary report on market access was discussed at the join session of the Working Party on Agricultural Policies and Markets of the Committee for Agriculture (APM) and the Joint Working Party of the Committee for Agriculture and the Trade Committee (JWP) in June 1999. The paper deals with market access aspects of the implementation of the Agreement with particular emphasis on the evaluation of tariff quotas and their administrative methods. It also presents a preliminary analysis of the tariff structure in the post-Uruguay Round era. First drafts of the analysis on domestic support and export subsidies will be presented to the APM/JWP meeting to be held on 13-16 March 2000.
- identifying possible impacts on trade and markets of different scenarios for further trade liberalisation. The OECD's commodity projection model, Aglink, will be modified and used to evaluate in a forward looking manner various options for further trade liberalisation regarding the market access and export subsidy pillars of the URAA. The development of a database supporting the work on market access is in the final phase and should be operational by early 2000. First analytical results will become available in March (export subsidies) and September (market access) 2000.
- analysing the effect of trade policy instruments such as export credits or export taxes and restrictions. The work on export credits aims at evaluating the effects of export credits on agricultural commodity markets by using survey responses and interest rate data to compute the effects of export credits on the present value importers pay. This will give insight in the degree to which export credits might serve as an alternative to export subsidies. The basic information needed to do the analysis is extracted through questionnaires asking details of export credit programmes by OECD Member countries. A first draft of the analysis will be discussed by the APM/JWP meeting in March 2000.

Under the second major element of the OECD Member countries agricultural trade policy work programme the trade implications of different agricultural support measures, including agri-environmental policies, will be evaluated. The implications of trade liberalisation for food security in OECD and selected non-OECD countries will also be examined. Work on multifunctionality will explore relationships between policies to ensure an adequate supply of agriculture's non-food outputs and international trade commitments. Moreover trade repercussions of domestic policies in the area of food safety and quality (biotechnology and animal welfare), and competition policy (geographical labels and state trading) will be explored. The particular focus is on clarifying the characteristics of policies that are minimally or non-trade distorting as required under the URAA. Reports multifunctionality, state trading, food safety and geographical labels will be presented to the March 2000 APM/JWP meeting.

### **3. Non-OECD Member countries trade related programme of work 1999-2000**

A process of analysis and discussion on a range of agricultural trade policy issues of importance to Emerging and Transition Economies has begun through the OECD Forum on Agricultural Policies in Non-Member Countries. The objective is to consider the policy lessons that can be learned from implementation of the URAA and thus to identify key interests in the traditional areas of market access, export competition and domestic support that may arise in the forthcoming Millennium Round. During the first year of work, the Secretariat's analytical work and policy dialogue will focus on those issues that can be considered under the "three pillars" of the URAA. Other trade issues, such as the rules governing sanitary and phyto-sanitary regulations, are deferred for consideration next year, when the topics to be discussed in the new round should be clearer. The Secretariat's analytical work is being informed *inter alia* by responses to questionnaires which have been sent to a group of about a dozen emerging and transition economies with a heterogeneous trade profile.



## **STATEMENT BY THE REPRESENTATIVE OF THE WORLD BANK**

### World Bank Support for the Least Developed and Net Food Importing Countries

The World Bank is very active in helping the least developed and net food importing countries in at least three ways that are relevant to the deliberations of the Committee. A first is through improvements in agricultural production technology. A second is through its lending in support of agricultural supply response and policy reform in developing countries. A third is through analytical support for developing countries gearing up to participate in the negotiations on agriculture scheduled under the built-in agenda for the Seattle Ministerial.

#### **Agricultural production technology**

The World Bank is a key supporter of the Consultative Group on International Agricultural Research (CGIAR), which works through a network of 16 international agricultural research centers to mobilize the best agricultural science on behalf of the world's poor and hungry. Fifty-eight developing and developed countries, private foundations, and regional and international organizations, including the Bank, collectively support the CGIAR. In 1998 CGIAR contributions totaled \$340 million, up from the previous year's \$320 million. The CGIAR leverages the Bank's support - \$50.1 million in 1998 - almost eightfold. The CGIAR's research is critical to the Bank's commitment to environmentally and socially sustainable development and its renewed focus on rural development. Some 300 CGIAR research projects are increasing agricultural productivity, strengthening national agricultural research systems, protecting the environment, improving policies, and preserving biodiversity. The third independent System Review, completed in 1998, concluded that investment in the CGIAR has been the most effective use of official development assistance.

The World Bank also assists least developed and net food importing countries to improve their agricultural technology through its projects and technical assistance work. This work is typically a component of a broader project designed to help the country improve its agricultural supply response.

#### **Agricultural Supply Response and Production Technology**

The emphasis placed on rural sector lending has increased in recent years, in large part because of recognition that approximately 75 per cent of poor people in developing countries live in rural areas. Therefore, the Bank's objective of poverty reduction cannot be met unless widely shared growth, food security, and sustainable natural resources management are achieved in these areas. The Bank's rural sector work is undertaken within a broad framework to ensure consistency with overall development goals, but includes projects in a wide range of areas, ranging from sustainable land and crop management, livestock, agricultural research and extension, irrigation, river basin management, natural resources management, and rural finance to cross-cutting areas of food security, gender in development, and community-based rural development. In addition, some projects provide important infrastructure support, such as upgrading of rural roads.

A summary outline of 45 World Bank lending projects designed to support the agricultural sectors of 26 Least Developed Countries is given in Appendix Table 1. These projects had a total value of almost \$2.2 billion, of which \$1.4 billion was lent from the World Bank itself. As is evident from the summary, these projects covered a wide range of rural development problems—from improving rural

transport infrastructure in Bangladesh, through strengthening research and extension systems in Nepal, to institutional strengthening in Zambia.

A similar summary outline for the Net Food Importing Countries is given in Appendix Table 2. The 28 projects supporting the rural sectors of these countries span 10 countries. The total value of these projects is \$3.3 billion, of which \$1.7 billion was provided by the World Bank. As in the case of the least developed countries, the projects span a wide range of objectives, including land management and infrastructure; research and extension; and the development of irrigation infrastructure.

### **Analytical Support for the WTO Negotiations**

Because of their capacity constraints, the least developed and net food importing countries have a particularly acute need for support to help them determine their positions in the forthcoming WTO negotiations on agriculture. A major project to support developing countries in these negotiations has been launched under the title "Agriculture and the WTO 2000 Negotiations: Economic Analyses of Issues and Options for Developing Countries". In addition, an important conference focussing on the Latin America region was held in late 1998 under joint FAO/World Bank sponsorship. A World Bank paper will also be presented to the UNCTAD X meeting in Bangkok.

#### Agriculture and the WTO 2000 Negotiations

This project aims to advance the process and implementation of international trade and agricultural policy reforms affecting agriculture in developing countries and strengthen the capacity of these countries to participate in the next WTO round of multilateral trade negotiations. It seeks to achieve these objectives through an integrated program of research, policy analyses/advice, and capacity building in developing countries. The project provides a more detailed perspective on agricultural issues than the related WTO 2000 project covering the entire agenda for the negotiations.

The first phase of the project involves research and policy analyses required in the lead-up to the next WTO negotiations in agriculture. In this phase, research focused on issues of critical importance to developing countries has been carried out. The 30 papers commissioned in this phase have evaluated the current status of trade and agricultural policies, estimated remaining trade barriers/distortions, identified specific policy options in the context of the next round, and evaluated the costs and benefits of policy options. The overview research results were presented to a global policy audience during a conference at WTO in Geneva in October, and selected thematic papers will be presented in regional seminars in developing countries around early-2000.

The second phase of the project involves the preparation of regional and country-specific papers by experts from developing countries. These papers will evaluate current policies, analyze specific negotiating objectives/options, and assess their costs and benefits at the region and/or country level. The outputs from this phase will be used to directly assist policy makers in developing countries to develop their negotiating objectives through a series of policy workshops and training activities targeting senior policy makers in developing countries during the year 2000.

The third phase of the project involves capacity building activities through a series of regional workshops for senior policy makers from developing countries, complemented by training activities sponsored by the Bank (EDI) and donor partners. This phase will commence once the negotiations have begun in earnest. These activities will draw on the thematic research outputs and results generated from the regional and country-specific analyses. A practical handbook including sets of databases on agricultural protection and simple analytical and software tools for negotiators will be prepared. The

results will also be used in the Bank's rural sector policy and strategy work in developing countries, and in country programs of the Bank and donor partners.

FAO/World Bank Seminar for Latin America and Caribbean Countries

From 23-26 November 1998 a workshop on Furthering Multilateral Agricultural Negotiations was held in Santiago under the auspices of the WB, and FAO, and in collaboration with IICA. The purpose was to stimulate wide ranging discussions on agricultural trade matters concerning the Region in the context of the forthcoming WTO negotiations. The seminar was attended by nearly 40 representatives from 20 countries, plus about another 20 representatives from various international organizations, universities, and sponsoring agencies.

**Table 1. Listing of World Bank agricultural projects in least developed countries, 1997-1999**

Proj. Name *	Country	FY	Proj. Cost \$m	Loan \$m	Text of Comments
2ND RURAL RDS & MRKT	BANGLADESH	1997	192.4	133	Project will improve feeder roads, rural markets, river jetties and construct rural structures (bridges & culverts) needed to complete rural roads built under the food-for-work programs. Important project elements are: providing low-cost rural transport,
SILK DEV PILOT PROJ.	BANGLADESH	1998	15	11.4	Likely to include (i) facilities and equipment for silkworm breeding and distribution; (ii) sericulture training facilities; (iii) expansion of ngo extension and credit programs for sericulturists; (iv) improved sericulture research; (v) pilot development
ROAD REH. MAINT. III	BANGLADESH	1999	528.5	273	A long-term strategy and program for improvement and maintenance of feeder roads type "a" will be prepared and the first phase of this program will be implemented under the project; construction of nalka-bonpara road; widening and rehabilitation of dhaka-
RIVER BANK PROT SUP	BANGLADESH	1999	45	45	The project will cover: a. Rehabilitation of flood control, drainage, irrigation and erosion facilities at some 40 sites all over the country; b. Remedial measures for protection works at sirajganj site which were damaged during 1998 flood; c. Shortfall due to depreciation of US dollar against SDR since credit approval, and d. Preparation of a longer-term plan for river bank protection and designing a up project.
ROAD REHAB MAIN II S	BANGLADESH	1999	100.9	80	Facilitate rehabilitation of the road network which has been damaged by the devastating 1998 flood.
RURAL ROADS MKT II S	BANGLADESH	1999	25.6	20	To finance the cost of repair and reconstruction of physical facilities and replacement of equipment damaged by the 1998 floods.
COASTAL EMBANKMENT S	BANGLADESH	1999	16.5	16.5	Supplemental credit to the coastal embankment project
BORGOU PILOT RSP	BENIN	1998	5	4	Borgou pilot rural support program (lil)

Proj. Name *	Country	FY	Proj. Cost \$m	Loan \$m	Text of Comments
AG SERVICES II	BURKINA FASO	1998	50	41.3	Follow up to ag. Services i and ag. Research. Will also include pilot programs (promotion of rural institutions and small rural institutions and restructuring of the ministry of agriculture and animal resources. Note: that the project was signed on 12/15/97.
PRIVATE IRRIGATION	BURKINA FASO	1999	5.2	5.2	The project would support the government's national program for irrigation development by promoting the development of privately built funded and managed small-and medium scale irrigation schemes and complementary small-scale commercial activities.
AGRI.PRODUCT IMP.	CAMBODIA	1997	35.1	27	Capacity building program with ministry of agriculture, with development components for farmer training, agricultural field trials and demonstration ,seed production, integrated pest management, animal health and production, fisheries management, small-scale
AG SERVICES PILOT	COMOROS	1997	2.8	1.6	To assist govt in implementing agr strategy through (a) development of nat. Research and ext. Programs; (b) support to private sector development in agriculture; and (c) strengthening government's capacity for sector planning, monitoring and coordination.
AG. RESEARC & TRAIN	ETHIOPIA	1998	90.6	60	Project would consolidate, strengthen, and expand the Ethiopian agri- cultural research system with a focus on regional research stations, enhanced human resource capacity and participatory approach in research planning and prioritization.
PVRTY ALL.&MUNIC.DEV	GAMBIA	1999	10	10	The project is a follow-up to the public works and capacity building which will close in June, 1998 and concerns essentially two sectors: (i) the urban sector, in its municipal management aspect; and (ii) the labor sector more narrowly, its civil and public
VILLAGE SUPPORT PROG	GUINEA	1999	20	15	Poverty alleviation at the community level, decentralization at the crd level; support in basic rural infrastructure and maintenance.
VILLAGE COMUNTY SPRT	GUINEA	1999	22	22	Poverty alleviation at the community level, decentralization at the crd level; support in basic rural infrastructure and maintenance.

Proj. Name *	Country	FY	Proj. Cost \$m	Loan \$m	Text of Comments
FOREST & PARKS TA	HAITI	1997	27.5	21.5	To stem environmental degradation in three national reserves, by improving living standards of rural population living in park buffer areas, by providing agroforestry technology services, institutional development and a pilot buffer zone productive activities
LA-PROVIN. INFRAST.	LAO, P.D.R.	1999	27.8	27.8	The project aims to improve the core rural transport network of Laos as a means to alleviate rural poverty through the provision of greater access to markets and other key social infrastructure.
LA DIST UPLAND DEV	LAO, P.D.R.	1999	2.2	2	Develop local government's capacity to implement poverty reduction programs in the context of bio-diversity conservation.
LA DIST UPLAND DEV	LAO, P.D.R.	1999	2.2	2	Develop local government's capacity to implement poverty reduction programs in the context of bio-diversity conservation.
AG POL & CAP BLDG	LESOTHO	1998	14.3	6.8	1) support strategic reforms in policy reforms in the sector; (2) support capacity building through MOA inst. Restructuring, delivery of core services.
RURAL WATER SEC.PILO	MADAGASCAR	1998	22.3	17.3	The project would improve local capacity to expand and maintain rural water supply facilities through: (i) providing a policy & legal frame-work for the sector, (ii) reorganizing the sector and building institutional capacity, (iii) carrying out benefic
IRRIG PROMOTION	MALI	1997	4.7	4.2	Provision of technical and institutional support to private investment in irrigated agriculture.
RURAL INFRASTRUCTURE	MALI	1999	45	45	Project will support (a) construction/rehabilitation of rural roads; (b) a rural water supply program; (c) development of bottom lands; and (d) development of collective infrastructure for the processing and marketing of agricultural products. Joint task
RAINFED NAT RES MGT	MAURITANIA	1997	23.5	18	The project would aim at the management of their resource base by rural communities by (a) financing protective and productive village- level investments, (b) institutional capacities building through staffing and equipment of technical services and (c) c
INTEG DEV PROG FOR I	MAURITANIA	1999	78	18	Development of private irrigation plus selected rehabilitation of publicly-constructed irrigation schemes. Project preparation has started as part of completion of the Senegal river right bank water master plan.

Proj. Name *	Country	FY	Proj. Cost \$m	Loan \$m	Text of Comments
AGRIC SECTOR PEP	MOZAMBIQUE	1999	202	30	Support to the national agricultural investment program. The program will focus on (i) agriculture research and extension (ii) pilot land demarcation, adjudication and cadastre &(iii)institutional reform and modernization of the min. Of agric. & fisheries and the development of its human resources and management system. Program would also include priority reforms in the sector policy environment.
IRRIG SECTOR DEVT	NEPAL	1998	103	79.8	Finance construct. & rehab.of small/medium-surface & new groundwater schemes to be managed by farmer irrig.assns., & rehab of existing farmer-managed schemes; and institutional devt. Support for dept of irrigation, dept. Of agriculture, dept. Of hydrology
AGRI RES & EXTENSION	NEPAL	1998	45	24.3	Institutional development -- improve the management and capacity of agric. research & extens. Service institutions to (a) develop location-specific agric. Technology on the basis of close consultation with farmers;(b)improve technology delivery system by (
RURAL INFRA LIL	NEPAL	1999	5.8	5	The project will aim at strengthening the institutional capacity of local government entities in planning and managing district roads to improve district roads in selected districts using a cost-effective and sustainable technology.
LIL AGRICULTURE	RWANDA	1999	5	5	This lil will test different approaches of promoting local rural marketing systems and encouraging increased participation by the private sector, including farmer cooperatives.
NAT EXT PROJ PH.II	TANZANIA	1997	34.4	31.1	Support reorganization and strengthening of agricultural extension with enhanced role for farmers and users, improving linkage between research and extension and establishing a monitoring and evaluation system.
RIVER BASIN MGM.SMAL	TANZANIA	1997	30.8	26.3	Project will focus on water management problems in river basins and improvement of small holder irrigation.
LAKE VICTORIA ENV.	TANZANIA	1997	10.1	10.1	Establish a regional program for rehabilitation and maintenance of the lake Victoria ecosystem (the lake and its catchment), including fisheries management, fisheries research and extension, water hyacinth control, water pollution control and monitoring, an

Proj. Name *	Country	FY	Proj. Cost \$m	Loan \$m	Text of Comments
AGRIC RESEARCH	TANZANIA	1998	46.1	21.8	Research program; strengthen zonal research; emphasize client orientation; develop human resources and training and strengthen monitoring and evaluation.
NAT.AGRICULTURE SERV	TOGO	1998	52	26.2	Rehabilitation of major agricultural support services and sectoral management capacity of ministry of rural development, including agricultural research and pilot rural credit
LAKE VICTORIA ENV.	UGANDA	1997	12.1	12.1	Establish a regional program for rehabilitation and maintenance of the lake Victoria ecosystem (the lake and its catchment), including fisheries management, fisheries research and extension, water hyacinth control, water pollution control and monitoring, and
ROAD SECT/INST.SUPP	UGANDA	1998	33	30	Credit for institutional and engineering support to the road sector. Institutional and capacity building of the road sub-sector. Feasibility studies (economic, engineering, environment) for selected roads.
ICB-PAMSU	UGANDA	1999	14.4	12.4	Assistance to government to develop institutional capacity to conserve and manage protected areas and their bio-diversity and to develop environmental sustainable tourism with benefits to local and national economies.
AGRIC.RES & TRNG. II	UGANDA	1999	40	40	(a) institutional strengthening Naro's capacity to manage the national agricultural research program, improve participation of stakeholders, & coordination of donors financing agricultural research; and research & graduate training capacity of the agriculture
AGRIC.RES & TRNG. II	UGANDA	1999	26	26	(a) institutional strengthening Naro's capacity to manage the national agricultural research program, improve participation of stakeholders, & coordination of donors financing agricultural research; and research & graduate training capacity of the agriculture faculties of Makerere university;(b)technology development and adoption; and (c) Naro's technical backstopping and in-service training for the decentralized extension service.
FLOOD EMERGENCY	YEMEN	1997	35	30	Rehabilitation of flood damage in the agricultural and roads & bridges sectors, in addition to provision of equipment for the water supply sector.



Proj. Name *	Country	FY	Proj. Cost \$m	Loan \$m	Text of Comments
S.GOV AGRI PRIVATIZA	YEMEN	1998	45.8	24.7	Project will raise income in poor rural areas of Yemen; southern governorates through land and water development, agricultural services and support to non-farm rural enterprises.
SEEDS & AG. SERVICES	YEMEN	1998	14.3	12.5	Improvement of seed and plant materials and input supply, institutional support through improved regulatory framework, private sector development, training and technical assistance.
ENVIRONMENT	ZAMBIA	1997	20.8	12.8	The program will assist in coordination of donor project funding, provide investment capital and tech. asst. in env. and nat. resource use problems in Zambia. Primary focus consists of institutional strengthening.

\* In English only.

**Table 2. Listing of World Bank agricultural projects in net food importing developing countries, 1997-1999**

<b>Project Name *</b>	<b>Country</b>	<b>FY</b>	<b>Proj. Cost \$m</b>	<b>Loan \$m</b>	<b>Text of Comments</b>
RURAL LAND (PNGTER)	COTE D'IVOIRE	1997	60.8	41	On the basis of land use and land feature maps and a community-based planning process, the project would support community organization land management and rural infrastructure development
AGRIC. SVCS. II	COTE D'IVOIRE	1999	50	50	(1) follow-up to agric. Services i; (2) support for restructuring of ag. Research support; and (3) support rural communitarian radio implementation.
EAST DELTA AG.SERV.	EGYPT	1998	91.4	15	Project provides agricultural support services, on-farm infra structure, drinking water, financial services & project management to facilitate settlement and increased agriculture production on 130,000 feddans of recently reclaimed land in the east delta.
SOHAG RURAL DEV.	EGYPT	1999	50	25	Rural development and poverty reduction.
P. S. REHAB. III	EGYPT	1999	253	120	Rehabilitation and repair of about 77 pumping stations, provision of spare parts and o & m equipment, upgrading of management information system, and institutional support.
PRVT SECT.& AG. DEV.	EGYPT	1999	600	300	Financial support to the private sector in the form of a credit line to finance agricultural infrastructure, on- farm technology improvements, agro-industry development, land improvement and development and institution development.
RURAL LAND MGMT	HONDURAS	1997	41.8	34	Institutional strengthening to complement ag sac reforms in following areas: (i) land administration; (ii) natural resources management, (iii) research and extension services and (iv) bio-diversity conservation.
NARP II	KENYA	1997	60	39.7	The project would strengthen ag. research and extension capability in Kenya through support to key nat. crop, livestock & production factor research centers and programs. Incl. assistance for network of regional research ctrs to strengthen res/ext linkages. Id

Project Name *	Country	FY	Proj. Cost \$m	Loan \$m	Text of Comments
LAKE VICTORIA ENV.	KENYA	1997	12.8	12.8	Establish a regional program for rehabilitation and maintenance of the lake Victoria ecosystem(the lake and its catchment), including fisheries management, fisheries research and extension, water Hyacinthe control, water pollution control and monitoring a
WATER RESOURCE MGMT.	MOROCCO	1998	25	20	Through policy reforms, capacity building and investment actions, the project would lay the foundation for an integrated and sustainable management of water resources in morocco.
RURAL W.S.& SANITATN	MOROCCO	1998	57	10	So provide for reliable potable water supply for the rural poor and sanitation facilities where needed.
LAKHDAR WATERSHED MG	MOROCCO	1999	5.8	4	Pilot participatory natural resource management project providing infrastructure, agricultural services, and institution building.
PILOT FISHERIES DEV.	MOROCCO	1999	23	5	Objectives are to enhance sector value added and promote export competitiveness through pilot activities to improve fish handling & marketing, strengthen quality management, improve information system, support sector planning, and promote profession
PILOT FISHERIES DEV.	MOROCCO	1999	16	5	Objectives are to enhance sector value added and promote export competitiveness through pilot activities to improve fish handling & marketing, strengthen quality management, improve information system, support sector planning, and promote professional associations.
PVT SECTOR GROUND WA	PAKISTAN	1997	104.8	56	Increase agricultural production through improved and timely availability of supplementary irrigation; control the groundwater levels and soil salinity; replace inefficient scarp tube wells with more efficient private tube wells; and avoid environmental hazards
NATIONAL DRAINAGE PR	PAKISTAN	1998	785	285	Project objectives: restore sustainability of environmentally-sound irrigated agriculture through: (a) minimization of drainable surplus; and (b) facilitating evacuation of drainable surplus. Project components: (a) drainage research and sector planning;

Project Name *	Country	FY	Proj. Cost \$m	Loan \$m	Text of Comments
AG. SECTOR INV. CRED	PAKISTAN	1999	201.8	110	As a follow up to the agriculture sector study recommendations, the objectives are to (a) improve the efficiency of pricing, marketing and distribution of major crops and inputs; (b) examine and rationalize the role of the public sector.
ON FARM WTR MGMT IV	PAKISTAN	1999	185	125	The proposed project would be a program type operation concentrating on rehabilitating & improving the irrig infras & transferring the irrig mgmt to the farmers' org at the distributary minor level. The components would consist of a social mobilization program
IRRIG. REHAB	PERU	1997	160	85	Rehabilitate irrigation schemes, establish effective cost recovery mechanisms and maintenance; and introduce privatization of operation.
SIERRA NATURAL RES.	PERU	1997	93.2	51	Small scale rural investment for poor people in the sierra.
SUST.PART.ENGY.MGMT.	SENEGAL	1997	19.3	5.2	The project will (i) improve the management of forest-based energy resources; (ii) improve the end-use of household fuels; and (iii) reduce the loss of carbon sequestration capacity
AGR SEC ADJ CREDIT	SENEGAL	1997	1.8	1.8	This is a supplemental credit for ida reflows to credit 2738 approved on a non-objection basis on 11/14/96.
AG.EXPORT PROMOTION	SENEGAL	1998	8	8	The project's main objectives are to help expand and diversify the ag. export base of Senegal through provision of export promotion and diversification support; strenghtening of producers' and exporters' organizations; support to project management; and upg
AGR.SRCVES&PROD.ORGs	SENEGAL	1999	47.1	27.4	Support national research, extension services, producers' organizations and restructuring of the ministries of agriculture and livestock.
MAHAWELI RESTRUCTURI	SRI LANKA	1998	74.2	57	Institutional restructuring and rehabilitation and improvement of irrigation and drainage facilities in mahaweli system h.
NATURAL RESOURCE MGM	TUNISIA	1997	51.3	26.5	To promote sustainable land resource management and planning and sector-wide investments. Components would be: (i)nat rsc mgmt operats in three agro-ecological zones thru' participatory development plans with community and subsectoral investment in soils/wa

<b>Project Name *</b>	<b>Country</b>	<b>FY</b>	<b>Proj. Cost \$m</b>	<b>Loan \$m</b>	<b>Text of Comments</b>
ASIL 2	TUNISIA	1998	69.3	42	The project will support line items in the moa's 1998 and 1999 budget in support of water resources management, and agricultural extension, research and training.
WATER SECTOR LOAN	TUNISIA	1999	160	100	The project would comprise an integrated investment and rehabilitation program with the objective to enable further mobilization of water resources to fill the demand, without harming the environment and by encouraging to the extent possible full cost recovery.

\* In English only.

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