
**Committee on Agriculture
Special Session**

**SPECIAL SESSION OF THE COMMITTEE ON AGRICULTURE
REVIEW OF SPECIAL AND DIFFERENTIAL TREATMENT PROVISIONS**

Report by the Chairman of the Special Session of the Committee on Agriculture to the General Council

I. PROPOSALS ON SPECIAL AND DIFFERENTIAL TREATMENT

1. As part of his mandate to undertake consultations on special and differential treatment provisions, the Chairman of the General Council wrote to the Chairman of the Special Session of the Committee on Agriculture requesting that proposals relating to the agriculture negotiations be considered by the Special Session (Attachment 1 refers).

2. The proposals referred to the Special Session of the Committee on Agriculture were included in a document submitted by the African Group to the Committee on Trade and Development in Special Session (paragraphs 48 to 51 of TN/CTD/W/3/Rev.2 refer). The Chairman of the General Council asked, *inter alia*, that the Special Session consider the proposals and that a report be made to the last meeting of the General Council before the Cancún Ministerial Conference on their status and on progress made in the discussions.

3. On 1 and 18 July the formal meetings of the Special Session considered the proposals which had been referred to it by the Chairman of the General Council. Detailed reports of the discussions will be included in the Secretariat summary reports of these meetings (TN/AG/R/9 and TN/AG/R/10). The present report is intended to reflect key points that were made by Members in the course of the Committee's work on this matter. In accordance with the directions from the Chairman of the General Council, this report is submitted by the Chairman on his own responsibility.

II. ISSUES ADDRESSED

A. ARTICLE 6.2 OF THE AGREEMENT ON AGRICULTURE

4. It was noted that Article 6.2 of the Agreement on Agriculture itself does not limit the amount of subsidies provided by developing countries with respect to the type of domestic support covered by such provisions. It was further noted that several proposals to extend the scope of measures under Article 6.2 were under consideration in the on-going negotiations and that the revised First Draft of Modalities also contained possible amendments to Article 6.2 with a view to improving its scope and effectiveness (paragraph 43 and Attachment 10 of TN/AG/W/1/Rev.1 refer).

B. ARTICLE 14 OF THE AGREEMENT ON AGRICULTURE

5. Several Members noted the importance of this proposal in view of the fact that many developing countries continued to face difficulties in overcoming SPS barriers. However, a number of Members also noted that the SPS Committee has primary responsibility concerning SPS issues. Therefore they suggested that the proposal of the African Group with respect to Article 14 should be further pursued in this forum. This point was not shared by some other participants which expressed doubts as to whether the SPS Committee could operationalize an article of the Agreement on

Agriculture. It was also recalled that the SPS Agreement provides that measures necessary to protect human, animal or plant life or health are subject to the requirement that they are not applied in a manner which would constitute a means of arbitrary or unjustifiable discrimination between Members where the same conditions prevail, or a disguised restriction on trade.

6. As regards the proposed reporting procedure, it was recalled that the current SPS notification formats require Members to explicitly identify countries or regions that are likely to be affected by the proposed SPS measures. It was further noted that the SPS Committee was considering specific proposals by Members with a view to improve this aspect of the notification procedures and better address the information needs of developing and least-developed countries. In this regard, reference was also made to a pilot programme under development by one Member to include in its SPS notifications the developing countries affected by its new SPS measures.

C. ARTICLE 15.1 OF THE AGREEMENT ON AGRICULTURE

7. With respect to the first sentence of the African Group proposal, it was noted that various proposals had been submitted by Members in the framework of the agriculture negotiations that sought to address this issue and were currently under consideration. Possible modalities were also reflected in the revised First Draft. Furthermore, it was pointed out that many special and differential treatment provisions concerned possible changes of specific provisions of the Agreement on Agriculture and that any such changes would not be reflected in Members' Schedules.

8. As regards the second sentence of the African Group proposal, it was clear from the discussions that the treatment of preferential schemes was one of the subjects for negotiation under the heading of market access and that related concerns would receive further consideration in this context. In the course of the debate, reference was made to the Enabling Clause which provides that such preferences shall not, *inter alia*, constitute an impediment to the reduction or elimination of tariffs and other restrictions to trade on a most-favoured-nation basis.

D. ARTICLE 15.2 OF THE AGREEMENT ON AGRICULTURE

9. It was noted that many proposals, as well as the revised First Draft of Modalities, envisaged longer implementation periods for developing and least-developing countries, and contained a variety of suggestions as to how concerns relating to food security and rural poverty alleviation might be addressed. No doubt these issues will continue to be discussed in the negotiations.

Attachment 1¹



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Mr. Stuart Harbinson
Chairman, Committee on Agriculture,
Special Session

Reference:

20 May 2003

Dear Mr. Harbinson,

As you are aware, I had received a mandate from the General Council to undertake consultations, in coordination with the Chairman of the Committee on Trade and Development in Special Session, on how to take forward the very important matter of the review of all special and differential treatment provisions, with a view to strengthening them and making them more precise, effective and operational.

In pursuance of that mandate, I undertook consultations on a possible approach to the work on special and differential treatment, and subsequently on 7 April 2003 I circulated a document {JOB(03)68} in which I outlined my proposed approach for addressing the Agreement-specific proposals on special and differential treatment provisions.

As indicated in that document {JOB(03)68} an important element of the approach that I put forward was an informal grouping of the 88 Agreement-specific proposals into three categories. On 5 May 2003 I circulated a list of the proposals divided into three categories, as JOB 3404. Category II of this list comprises proposals which have been made in areas that are currently under negotiation as part of the Doha Development Agenda, or are being otherwise considered in other WTO bodies, and which, in my judgement, are likely to get a better response within the framework of the negotiations or at the technical level.

In accordance with my statement to Members at the General Council meeting of 15 May 2003, the four proposals listed in the attachment hereto are being referred to the Committee on Agriculture in Special Session, with the following understanding and directions:

- (i) All the proposals listed in category II of the document circulated on 5 May 2003 will be considered as soon as possible by the relevant bodies as part of the ongoing work, and on the basis of a specifically drawn up time schedule of work;
- (ii) All the WTO bodies to which proposals are being referred shall report to the last meeting of the General Council before the Cancún Ministerial Conference, on the status of the proposals and the progress made in this regard;

¹ Letter in English only.

- (iii) Where Members are in a position to make recommendations, this shall be done without prejudice to the date of completion of the negotiations, and these recommendations can be subject to an early harvest;
- (iv) In view of the difficulties expressed by the smaller delegations in keeping a track of this work in the different WTO bodies to which the proposals are being referred, and in order to facilitate the attendance of these delegations at the relevant meetings, the Chairpersons of these bodies would inform Members in advance when the relevant Agreement-specific proposals are going to be taken up in their bodies.

I look forward to your support and cooperation in taking this important matter of special and differential treatment forward.

Yours sincerely,

Carlos Pérez del Castillo
Chairman, General Council

cc: Mr. P. Shanahan
Secretary of the Committee on Agriculture Special Session

**SPECIAL AND DIFFERENTIAL TREATMENT PROVISIONS UNDER CONSIDERATION
BY THE GENERAL COUNCIL (RELEVANT SECTIONS OF TN/CTD/W/3/REV.2)**

Agreement on Agriculture

Article 6.2

Proposal by the African Group (TN/CTD/W/3/Rev.2)

48. It is understood that the permitted subsidies under Article 6.2 shall, be without limitation as to amount, and include any programmes in developing and least-developed country Members for, *inter alia*, promoting food security and rural development, and assisting resource poor or low-income farmers.

Article 14

Proposal by the African Group (TN/CTD/W/3/Rev.2)

49. It is understood that measures covered by the Agreement on the Application of Sanitary and Phytosanitary Measures shall not be used as disguised restrictions against the trade of developing and least-developed country Members. Members shall biannually report to the Committee on Agriculture any measures taken under the Agreement on the Application of Sanitary and Phytosanitary Measures that affect any products from developing and least-developed country Members.

Article 15.1

Proposal by the African Group (TN/CTD/W/3/Rev.2)

50. It is understood that where developed country Members are to take measures of a special and differential treatment nature, they shall embody in their schedules of commitments or concessions specific special and differential treatment commitments in favour of developing and least-developed country Members, which shall be binding commitments. It is further understood that this Decision shall be without prejudice to the *acquis* under any preferential regime governing the exports of developing and least-developed country Members by developed country Members

Article 15.2

Proposal by the African Group (TN/CTD/W/3/Rev.2)

51. It is understood that:

- (a) transition periods under the Agreement shall be extended for developing and country Members that face adjustment difficulties; and
- (b) developing and least-developed country Members shall have the right to modify their commitments if this is found necessary to protect the public interest in ensuring food security and alleviating rural poverty.
