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## **1 ARTICLE 10 OF THE AGREEMENT ON AGRICULTURE**

### **1.1 Text of Article 10**

#### ***Article 10***

##### *Prevention of Circumvention of Export Subsidy Commitments*

1. Export subsidies not listed in paragraph 1 of Article 9 shall not be applied in a manner which results in, or which threatens to lead to, circumvention of export subsidy commitments; nor shall non-commercial transactions be used to circumvent such commitments.
2. Members undertake to work toward the development of internationally agreed disciplines to govern the provision of export credits, export credit guarantees or insurance programmes and, after agreement on such disciplines, to provide export credits, export credit guarantees or insurance programmes only in conformity therewith.
3. Any Member which claims that any quantity exported in excess of a reduction commitment level is not subsidized must establish that no export subsidy, whether listed in Article 9 or not, has been granted in respect of the quantity of exports in question.
4. Members donors of international food aid shall ensure:
  - (a) that the provision of international food aid is not tied directly or indirectly to commercial exports of agricultural products to recipient countries;
  - (b) that international food aid transactions, including bilateral food aid which is monetized, shall be carried out in accordance with the FAO "Principles of Surplus Disposal and Consultative Obligations", including, where appropriate, the system of Usual Marketing Requirements (UMRs); and
  - (c) that such aid shall be provided to the extent possible in fully grant form or on terms no less concessional than those provided for in Article IV of the Food Aid Convention 1986.

### **1.2 Article 10.2: Export credits, export credit guarantees and insurance programmes**

1. At its meeting of 18 October 2000, the General Council agreed to instruct the Committee on Agriculture to include an item on the implementation of Article 10.2 of the Agreement on Agriculture in the agenda for the Committee's regular meetings.<sup>1</sup>
2. In paragraph 4 of the Marrakesh Ministerial Decision on Measures Concerning the Possible Negative Effects of the Reform Programme on Least-Developed and Net Food-Importing Developing Members (NFIDC Decision)<sup>2</sup>, Ministers agreed "to ensure that any agreement relating to agricultural export credits makes appropriate provision for differential treatment in favour of least-developed and net food-importing developing countries." The Singapore Ministerial Declaration provided that paragraph 4 would "be taken fully into account in the agreement to be negotiated on agricultural

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<sup>1</sup> [WT/GC/M/59](#), para. 20.

<sup>2</sup> The NFIDC Decision is reproduced in the document on Article 16 of the Agreement on Agriculture (Practice). See also para. 7 below.

export credits".<sup>3</sup> The General Council further endorsed this objective in relation to work on export credits under Article 10.2 of the Agreement on Agriculture, at its meeting on 18 October 2000.<sup>4</sup>

3. At the Doha Ministerial Meeting, Members approved the following recommendations, which had been submitted to the Committee on Agriculture for its consideration:

"a) That the focus of the work in the regular Committee meetings would be on the implementation of Article 10.2 and the disciplines foreseen therein, whereas the Special Session negotiations would focus on the proposals tabled or to be tabled on export credit practices;

b) that, without prejudice to further work to be undertaken in the regular meetings of the Committee as provided for in subparagraph (I) above, in the event that a Sector Understanding on agricultural export credits is concluded at the OECD, the Committee would, as envisaged in the report of the Committee on Agriculture to the Singapore WTO Ministerial ([G/L/131](#), paragraph 11), consider how any such understanding could be multilateralized within the framework of the Agreement on Agriculture and how the provisions of paragraph 4 of the Marrakesh NFIDC Decision have been taken into account; and

c) that the Committee on Agriculture should submit a report to the General Council on this subject following its regular September 2002 meeting.<sup>5</sup>"

4. The Committee on Agriculture has pursued its work on the implementation of Article 10.2 of the Agreement on Agriculture and of the related provisions of the Marrakesh NFIDC Decision on the basis of the foregoing recommendation. The Committee's work is reflected in its reports to the General Council contained in [G/AG/16](#) (2003) and [G/AG/16/Add.1](#) (2006).

5. Members have also been discussing possible new disciplines on export credits, export credit guarantees or insurance programmes for exports of agricultural products in the context of the negotiations on agriculture.<sup>6</sup> At the 10<sup>th</sup> Ministerial Conference in Nairobi in December 2015, Members agreed on new disciplines on maximum repayment terms and self-financing for export credits, export credit guarantees, or insurance programmes for exports of agricultural products.<sup>7</sup>

### **1.3 Article 10.4: International food aid**

6. The Committee on Agriculture has considered the issue of international food aid and its availability during the annual monitoring of the follow-up of the NFIDC Decision<sup>8</sup> as well as in the context of the discussions on implementation-related issues<sup>9</sup> to examine the effectiveness of the implementation of the NFIDC Decision.

7. As a part of the discussions on the follow-up to the NFIDC Decision, WTO Members have followed the discussions taking place within the framework of the food aid conventions to assess, *inter alia*, the availability of global food aid and the financial terms of its provision.<sup>10</sup>

8. Members have been discussing possible new disciplines on international food aid in the context of the negotiations on agriculture.<sup>11</sup> At the 10<sup>th</sup> Ministerial Conference in Nairobi in December 2015, Members agreed on new disciplines on international food aid to meet the objective of preventing or minimizing commercial displacement.<sup>12</sup> These disciplines affirm, *inter alia*, the need to take into account local market conditions and contain provisions on the monetization of international food aid.

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<sup>3</sup> [G/L/125](#).

<sup>4</sup> [WT/GC/M/59](#), para. 21.

<sup>5</sup> [WT/MIN\(01\)/17](#), para. 2.3. The text of the recommendations is contained in document [G/AG/11](#), paras. 1-4.

<sup>6</sup> See the document on Article 20 of the Agreement on Agriculture (Practice).

<sup>7</sup> [WT/MIN\(15\)/45](#), paras. 13-17.

<sup>8</sup> See the document on Article 16 of the Agreement on Agriculture (Practice).

<sup>9</sup> See [WT/L/384](#), [WT/MIN\(01\)/17](#) and [G/AG/16/Add.1](#).

<sup>10</sup> See the document on Article 16 of the Agreement on Agriculture (Practice).

<sup>11</sup> See the document on Article 20 of the Agreement on Agriculture (Practice).

<sup>12</sup> [WT/MIN\(15\)/45](#), paras. 22-32.