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1 ARTICLE 20 OF THE AGREEMENT ON AGRICULTURE

1.1 Text of Article 20

Article 20

Continuation of the Reform Process

Recognizing that the long-term objective of substantial progressive reductions in support and protection resulting in fundamental reform is an ongoing process, Members agree that negotiations for continuing the process will be initiated one year before the end of the implementation period, taking into account:

- (a) the experience to that date from implementing the reduction commitments;
- (b) the effects of the reduction commitments on world trade in agriculture;
- (c) non-trade concerns, special and differential treatment to developing country Members, and the objective to establish a fair and market-oriented agricultural trading system, and the other objectives and concerns mentioned in the preamble to this Agreement; and
- (d) what further commitments are necessary to achieve the above mentioned long-term objectives.

1.2 Decision of the Singapore Ministerial Conference

1. The Singapore Ministerial Conference held in December 1996 decided as follows:

"Bearing in mind that an important aspect of WTO activities is a continuous overseeing of the implementation of various agreements, a periodic examination and updating of the WTO Work Programme is a key to enable the WTO to fulfil its objectives. In this context, we endorse the reports of the various WTO bodies. A major share of the Work Programme stems from the WTO Agreement and decisions adopted at Marrakesh. As part of these Agreements and decisions we agreed to a number of provisions calling for future negotiations on Agriculture, [...]. We agree to a process of analysis and exchange of information, where provided for in the conclusions and recommendations of the relevant WTO bodies, on the Built-in Agenda issues, to allow Members to better understand the issues involved and identify their interests before undertaking the agreed negotiations and reviews. We agree that: the time frames established in the Agreements will be respected in each case." 1

¹ <u>WT/MIN(96)/DEC</u>, para. 19.

1.3 Decision to launch negotiations on agriculture

2. At its meeting of 7 and 8 February 2000, the General Council decided to launch a new negotiating round on agriculture, stating as follows:

"[U]nder Article 20 of the Agreement on Agriculture, Members had agreed that negotiations for continuing the reform process would be initiated one year before the end of the implementation period, i.e. 1 January 2000. [...] However, a number of procedural matters remained to be settled before the work could start in practice. In this regard, and in the light of wide and intensive consultations with and among Members on the structure of the negotiations, [the Chairman] proposed that the negotiations be conducted in the Committee on Agriculture meeting in Special Sessions. Progress in the negotiations would be reported directly to the General Council on a regular basis."²

1.4 "What further commitments are necessary ..."

- 3. At the Fourth Ministerial Conference in Doha held in November 2001, Members agreed that the negotiations mandate contained in Article 20 of the Agreement on Agriculture would be further elaborated, stating as follows³:
 - "13. We recognize the work already undertaken in the negotiations initiated in early 2000 under Article 20 of the Agreement on Agriculture, including the large number of negotiating proposals submitted on behalf of a total of 121 Members. We recall the long-term objective referred to in the Agreement to establish a fair and market-oriented trading system through a programme of fundamental reform encompassing strengthened rules and specific commitments on support and protection in order to correct and prevent restrictions and distortions in world agricultural markets. We reconfirm our commitment to this programme. Building on the work carried out to date and without prejudging the outcome of the negotiations we commit ourselves to comprehensive negotiations aimed at: substantial improvements in market access; reductions of, with a view to phasing out, all forms of export subsidies; and substantial reductions in trade-distorting domestic support. We agree that special and differential treatment for developing countries shall be an integral part of all elements of the negotiations and shall be embodied in the Schedules of concessions and commitments and as appropriate in the rules and disciplines to be negotiated, so as to be operationally effective and to enable developing countries to effectively take account of their development needs, including food security and rural development. We take note of the non-trade concerns reflected in the negotiating proposals submitted by Members and confirm that non-trade concerns will be taken into account in the negotiations as provided for in the Agreement on Agriculture.
 - 14. Modalities for the further commitments, including provisions for special and differential treatment, shall be established no later than 31 March 2003. Participants shall submit their comprehensive draft Schedules based on these modalities no later than the date of the Fifth Session of the Ministerial Conference. The negotiations, including with respect to rules and disciplines and related legal texts, shall be concluded as part and at the date of conclusion of the negotiating agenda as a whole."
- 4. In accordance with the decision above, a first draft of modalities for further commitments was prepared and circulated by the Chairman of the Special Session of the Committee on Agriculture on his own responsibility. Based on the work carried out during a series of formal and informal Special Sessions of the Committee and related technical consultations, a second version was circulated on 18 March 2003. March 2003.
- 5. On 1 August 2004, the General Council adopted the Doha Work Programme⁶, specifying further, *inter alia*, the framework within which the agriculture negotiations would be conducted:

² WT/GC/M/53, para. 12.

³ See <u>WT/MIN(01)/DEC/1</u>, dated 20 November 2001.

⁴ See TN/AG/W/1 dated 17 February 2003.

⁵ TN/AG/W/1/Rev.1.

⁶ WT/L/579, Annex A refers.

- "1. The General Council reaffirms the Ministerial Declarations and Decisions adopted at Doha and the full commitment of all Members to give effect to them. The Council emphasizes Members' resolve to complete the Doha Work Programme fully and to conclude successfully the negotiations launched at Doha. Taking into account the Ministerial Statement adopted at Cancún on 14 September 2003, and the statements by the Council Chairman and the Director-General at the Council meeting of 15-16 December 2003, the Council takes note of the report by the Chairman of the Trade Negotiations Committee (TNC) and agrees to take action as follows:
 - **a. Agriculture**: the General Council adopts the framework set out in Annex A to this document.
 - **b. Cotton**: the General Council reaffirms the importance of the Sectoral Initiative on Cotton and takes note of the parameters set out in Annex A within which the trade-related aspects of this issue will be pursued in the agriculture negotiations. The General Council also attaches importance to the development aspects of the Cotton Initiative and wishes to stress the complementarity between the trade and development aspects. [...]."
- 6. In the Hong Kong Ministerial Declaration adopted on 18 December 2005⁷, Members reaffirmed the Declarations and Decisions adopted at Doha, as well as the Decision adopted by the General Council on 1 August 2004, and their full commitment to give effect to them. More specifically, Ministers agreed upon a certain number of elements, including agriculture negotiations⁸, cotton⁹ and the balance between agriculture and market access for non-agricultural products.¹⁰
- 7. Based on the work carried out in the Special Session of the Committee on Agriculture following the Hong Kong Ministerial Conference, the Chairman tabled, on his own responsibility, a number of papers and draft modalities texts reflecting progress achieved in the course of the negotiations.¹¹
- 8. The section on the Doha Development Agenda contained in the elements for political guidance of the Chair's concluding statement of the Eighth Ministerial Conference¹² stated, *inter alia*, that:

"In this context, Ministers commit to advance negotiations, where progress can be achieved, including focusing on the elements of the Doha Declaration that allow Members to reach provisional or definitive agreements based on consensus earlier than the full conclusion of the single undertaking."

1.5 Bali Ministerial Conference outcomes on agriculture

- 9. At the Ninth Ministerial Conference in Bali in December 2013, Ministers agreed on a package of issues. In agriculture, these included four decisions and one declaration.
- 10. Members agreed not to challenge breaches of domestic support commitments by developing country Members resulting from their **public stockholding programmes for food security purposes** that existed at the time and involved food purchases at administered prices provided certain conditions were met. ¹³ In November 2014, the General Council clarified that this protection against legal action under the Agreement on Agriculture would remain in force until a permanent solution is agreed. ¹⁴

⁷ WT/MIN(05)/DEC.

⁸ WT/MIN(05)/DEC, para. 4-10.

⁹ WT/MIN(05)/DEC, paras. 11 and 12.

¹⁰ WT/MIN(05)/DEC, para. 24.

¹¹ See TN/AG/W/3, dated 12 July 2006; TN/AG/W/4, dated 1 August 2007; TN/AG/W/4/Rev.1, dated 8 February 2008; TN/AG/W/4/Rev.2, dated 19 May 2008; TN/AG/W/4/Rev.3, dated 10 July 2008; TN/AG/W/4/Rev.4, dated 6 December 2008; TN/AG/W/5, dated 6 December 2008; TN/AG/W/6, dated 6 December 2008; and TN/AG/W/7, dated 6 December 2008.

^{12 &}lt;u>WT/MIN(11)/W/2</u>, dated 1 December 2011.

¹³ WT/MIN(13)/38 – WT/L/913, Ministerial Decision of 7 December 2013.

¹⁴ WT/L/939, General Council Decision of 28 November 2014.

- 11. Ministers agreed to expand the **Green Box list of "general services"** in Annex 2 of the Agreement on Agriculture to include spending related to land reform, water management, rural livelihood security, and other purposes related to development and reducing poverty.¹⁵
- The Bali Ministerial Decision on tariff (or tariff-rate) quota administration 16 added greater specificity to a number of provisions of the Agreement on Important Licensing Procedures in their application to tariff quota administration. The Decision called for countries to notify how actual imports compare with the sizes of the quotas (their "fill rates"). An underfill mechanism has also been established under the Decision to deal with cases where quota administration is believed to be contributing to lower fill rates or under-fill. The Committee on Agriculture is to monitor the implementation of the Decision including the recourse to the underfill mechanism. Paragraph 13 of the Decision mandates a review of the operation of the Decision no later than four years following the adoption of the Decision. The review discussions commenced in October 2017, and at the ninety-second meeting in October 2019, the Committee adopted the report¹⁷ of the review and the associated recommendations for transmission to the General Council for a decision. 18 The agreed recommendations stipulate that the Committee will conduct regular reviews of the operation of the Bali TRQ Decision every three years following the conclusion of the 2017-19 review. The first such triennial review was concluded in June 2023.19 On the mandated issue of the future operation of paragraph 4 of the underfill mechanism, Members did not reach an agreement during the 2017-19 review. The timeline for a decision on this issue was deferred to the end of 2021^{20} and later to 31 March 2022²¹. At the reconvened 100th regular meeting of the Committee on Agriculture on 29 March 2022, Members reached agreement on recommendations²² on the outstanding issue of paragraph 4. Based on the recommendations approved by the Committee on Agriculture, the General Council at its special meeting on 31 March 2022 adopted the decision²³ on the future operation of paragraph 4 of the underfill mechanism.
- 13. The Bali Ministerial Declaration on **Export Competition**²⁴ reaffirmed the Members' commitment to achieve, as an outcome of the negotiations, the parallel elimination of all forms of export subsidies and disciplines on all export measures with equivalent effect. Members also committed to exercise utmost restraint with regard to any recourse to such export subsidies and export measures with equivalent effect. Members also agreed to enhance transparency and improve monitoring by holding dedicated discussions on an annual basis in the Committee on Agriculture to examine developments in the field of export competition.
- 14. With respect to the Bali Ministerial Decision on **Cotton**, Members decided to strengthen their ability to keep themselves informed and to monitor what is happening to trade in cotton, in market access, domestic support, and export subsidies, particularly for least-developed country Members' exports. Ministers agreed to achieve this through twice-yearly discussions. Ministers also reaffirmed the importance of the development assistance aspects of cotton and committed to continued engagement in the Director-General's Consultative Framework Mechanism on Cotton to strengthen the cotton sector in least-developed country Members.

1.6 Nairobi Ministerial Conference outcomes on agriculture

- 15. The outcome of the Tenth Ministerial Conference in Nairobi in December 2015 included four Decisions on Agriculture.
- 16. Pursuant to the Ministerial Decision on **Export Competition**,²⁶ Members agreed to eliminate scheduled export subsidy entitlements according to different timelines. Developed country Members

¹⁵ WT/MIN(13)/37 – WT/L/912, Ministerial Decision of 7 December 2013.

¹⁶ WT/MIN(13)/39 – WT/L/914, Ministerial Decision of 7 December 2013.

¹⁷ G/AG/29.

¹⁸ The General Council took note of the Report and approved the recommendations contained in Annex 2 thereto at its meeting on 9-10 December 2019 (WT/GC/M/181 refers).

¹⁹ G/AG/36.

²⁰ Paragraph 1 of Annex 2 to <u>G/AG/29</u>.

²¹ WT/GC/M/195.

²² Attachment to <u>G/AG/32/Add.1</u>.

²³ WT/L/1132.

 $^{^{24}}$ $\frac{\text{WT/MIN}(13)/40}{\text{WT/MIN}(13)/40}$ – $\frac{\text{WT/L}/915}{\text{WT/MIN}(13)/40}$, Ministerial Declaration of 7 December 2013.

 $[\]frac{25}{\text{WT/MIN}(13)/41} - \frac{\text{WT/L/916}}{\text{WT/L/916}}$, Ministerial Decision of 7 December 2013.

 $[\]frac{26}{\text{WT/MIN}(15)/45} - \frac{\text{WT/L}/980}{\text{WT/min}(15)/45} - \frac{\text{WT/min}(15)/45}{\text{WT/min}(15)/45} - \frac{\text$

agreed to eliminate them immediately as a general rule, with delayed implementation under certain conditions for a limited number of products. Developing country Members had longer implementation periods, including the flexibility under Article 9.4 of the Agreement on Agriculture. The Decision also contained disciplines, in particular on maximum repayment terms, on export credits, export credit guarantees, and insurance programmes. Members also agreed to ensure that agricultural exporting state trading enterprises did not operate in a manner that would circumvent the other provisions of the decision. On food aid, the Decision included disciplines aimed at minimizing the risk of commercial displacement and more specifically ensuring that food aid did not negatively affect domestic producers and local or regional markets. Members also agreed, *inter alia*, to pursue the annual examination process in the field of export competition initiated by the Bali Ministerial Declaration.

- 17. Members initiated the first triennial review of the disciplines contained in the Decision at the eighty-sixth meeting of the Committee on Agriculture held on 20 February 2018. The Committee adopted the report on the review on 26 September 2018.²⁷ The second triennial review initiated in February concluded with the adoption of its report on 17 March 2022 on the occasion of the one-hundredth (100th) regular meeting of the Committee on Agriculture.²⁸
- 18. Ministers also decided that negotiations to establish a **special safeguard mechanism** a tool that would allow developing country Members to raise tariffs temporarily to deal with import surges or price falls would take place in dedicated sessions of the Committee on Agriculture in Special Session and progress in these negotiations would be regularly reviewed by the General Council.²⁹
- 19. The Ministerial Decision on **Public Stockholding for Food Security Purpose**³⁰ encouraged Members to make all concerted efforts to agree on a permanent solution and to continue holding negotiations in dedicated sessions of the Committee on Agriculture in Special Session in an accelerated time-frame.
- Finally, the Nairobi Ministerial Decision on Cotton³¹ contained disciplines covering both trade 20. and development aspects - including provisions on market access, domestic support, and export competition. On market access, developed country Members and developing country Members in a position to do so committed to grant, to the extent provided for in their respective preferential trade arrangements, duty-free and quota-free market access for exports by least-developed country Members of cotton and cotton-related agricultural products. Ministers also agreed that the disciplines and commitments contained in the Nairobi Decision on Export Competition would be implemented with regard to cotton in an accelerated timeframe. On domestic support, the Nairobi Ministerial Decision on Cotton acknowledged the efforts made by some Members to reform their domestic cotton policies, but emphasized that some more efforts remained to be made. Finally, Ministers also agreed in Nairobi to extend the transparency and monitoring process initiated at the Bali Ministerial Conference. Ministers reaffirmed the importance of the development assistance aspects of cotton and committed to continued engagement in the Director-General's Consultative Framework Mechanism on Cotton. They recognized in this regard that the WTO Aid for Trade initiative, including through the Enhanced Integrated Framework, should play a key role in strengthening the cotton sector in least-developed country Members.

1.7 Buenos Aires Ministerial Conference outcome on agriculture

21. The Chairperson of the Eleventh Ministerial Conference held in Buenos Aires in December 2017 noted in her concluding statement that:

"There are some remaining topics, which our representatives should continue negotiating and on which there will be periodic reports to the General Council. *Members agreed to*

²⁸ G/AG/33.

²⁷ G/AG/28.

 $[\]frac{29}{\text{WT/MIN}(15)/43} - \frac{\text{WT/L}/978}{\text{Ministerial Decision of 19 December 2015}}$

³⁰ WT/MIN(15)/44 – WT/L/979, Ministerial Decision of 19 December 2015.

³¹ WT/MIN(15)/46 – WT/L/981, Ministerial Decision of 19 December 2015.

advance negotiations on all remaining issues, including on the three pillars of agriculture, namely domestic support, market access and export competition".32

1.8 Geneva Ministerial Conference outcomes on agriculture

- Ministers adopted at the Twelfth Ministerial Conference held in Geneva in June 2022 a declaration on the emergency response to food insecurity, the first such declaration on this topic adopted by trade ministers at the WTO.33
- The Ministers committed to facilitate trade and improve the functioning and long-term resilience of global markets for food and agriculture, including agriculture production inputs, not to impose export prohibitions or restrictions in a manner inconsistent with relevant WTO provisions, and ensure that any emergency measures introduced to address food security concerns minimize trade distortions as far as possible, among other.
- The Ministers agreed to a work programme under the auspices of the Committee on Agriculture to examine how the Marrakesh Ministerial Decision on Measures Concerning the Possible Negative Effects of the Reform Programme on Least-Developed and Net Food-Importing Developing Countries could be made more effective and operational pursuant to Article 16 of the Agreement on Aariculture.
- The Declaration also reaffirms the importance of promptly sharing information to ensure markets function well and to mitigate against volatility, including by complying with WTO notification commitments and by actively participating in other relevant mechanisms for information exchange.
- Ministers also adopted at the Twelfth Ministerial Conference held in Geneva in June 2022 a decision on the exemption of World Food Programme's food purchases from export prohibitions and restrictions.34

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 $[\]frac{WT/MIN(17)/67}{MIN(17)/67}$, p. 2. See also $\frac{WT/MIN(17)/SR/6}{MIN(17)/SR/6}$, paras. 1.4 and 1.5. (emphasis original)

 $[\]frac{33}{WT/MIN(22)/28} - \frac{WT/L/1139}{WT/MIN(22)/29} - \frac{WT/L/1140}{WT/MIN(22)/29}$ Ministerial Decision of 17 June 2022.