

WORLD TRADE ORGANIZATION

TN/AG/6
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Committee on Agriculture
Special Session

NEGOTIATIONS ON AGRICULTURE

OVERVIEW

[...]

ANNEX

Green Box¹⁵

Working Hypotheses		Variations/Additions
<p>General disciplines (paragraph 1)</p>	<p>Maintain the basic criteria as per paragraph 1 of Annex 2.</p>	<p>(i) The basic criterion in paragraph 1(b) of Annex 2 to be modified to provide that the support in question shall not have the effect of providing production support or price support to producers.</p>
<p>Measures exempted from reduction commitments</p>	<p>0 cm/Im2 Doqi</p>	<p>60 cm/Im2 Doqi / 150 cm/Im2 Doqi / 11 cm/Im2 Doqi</p>

Green Box

Green Box

Green Box

Working Hypotheses

Variations/Additions

Green Box

	Working Hypotheses	Variations/Additions
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Payments to maintain domestic production capacity of staple crops for food security purposes

(i) (a) Eligibility for such payments shall be determined by reference to

Green Box

	Working Hypotheses	Variations/Additions
<p>Other disciplines</p> <p><i>Limits to Green Box expenditures</i></p>		<p>(i) Maintain the status quo (i.e. no capping or any other limitation on Green Box expenditures).</p> <p>(ii) Measures meeting the criteria of the subsequent paragraphs to be [subject to reduction commitments jointly or severally] [eliminated]: Paragraph 5, 6, 7 and 11 of Annex 2.</p> <p>(iii) A cap to be established in respect of: Variant 1: Total Green Box expenditures [for developed countries]. Variant 2: Direct payments in Annex 2. Variant 3: Payments under paragraphs 5, 6 and 7 of Annex 2 for developed countries. Variant 4: Domestic support of all types, including Amber support, Blue Box support and Green Box direct payments to producers, but excluding measures meeting criteria for paragraphs 2, 3, and 4 of Annex 2. Variant 5: Domestic support of all types, including Amber Box support, Blue Box support and Green Box support, at 10 per cent of the value of total agricultural production.</p>
<p><i>Non-actionability of Green Box measures</i></p>		<p>(i) Measures meeting Annex 2 criteria to be non-actionable for the purpose of countervailing duties.</p>
<p>Transparency/ Notification requirements</p>		<p>(i) Transparency, notification and review mechanisms to be strengthened to ensure programmes meet the criteria in Annex 2.</p>

Green Box

Working Hypotheses

Variations/Additions

S&D

Payments (made either directly or by way of government financial participation in crop insurance schemes) for relief from natural disasters (paragraph 8)

- (i) Modify the existing subparagraph (a) and add new paragraph 8 *bis* as follows:
 - (a) Eligibility for such payments shall arise only following a formal recognition by government authorities that a natural disaster or like disaster (including disease outbreaks, pest infestations, nuclear accidents, and war on territory of the Member concerned) has occurred or is occurring; and, ***in a developed country Member***, shall be determined by a production loss which exceeds 30 percent of the average of production in the preceding three-year period or a three-year average based on the preceding five-year period, excluding the highest and the lowest entry. ***A developing country Member may provide a disaster relief to producers when the estimated production loss exceeds 10 percent of the preceding year.***

8 bis Payments for rehabilitation of production capacity after natural disasters

Such payments may be provided to agricultural producers in developing countries to facilitate the recovery of the production capacity which has been damaged by an officially recognized natural or like disaster.
- (ii) Eligibility for payments made by any developing country Member under paragraph 8(a) of Annex 2 of the Agreement on Agriculture shall be determined by a production loss of a proportion of the average of production in the preceding three-year period, to be determined in national legislation.
- (iii) The threshold levels of production or income loss set out for payments made for relief from natural disasters under paragraph 8 of Annex 2

Green Box

	Working Hypotheses	Variations/Additions
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Public stockholding for food security purposes (paragraph 3) (cont'd)

(ii) Modify the existing footnote 5 to paragraph 3 of Annex 2 as follows:

Green Box

Working Hypotheses

Variations/Additions

Article 6.2

	Working Hypotheses	Variations/Additions
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Article 6.2

	Working Hypotheses	Variations/Additions
Scope and criteria (cont'd)		<ul style="list-style-type: none"><li data-bbox="1178 233 2042 288">(vii) The possible expansion of Article 6.2 provisions should target LDCs and low-income countries, irrespective of their status as developing countries.<li data-bbox="1178 309 2042 336">(viii) Special rights and privileges and flexibilities in the fulfilment of obligations

Blue Box

	Working Hypotheses	Variations/Additions
Concept/ Other disciplines		<ul style="list-style-type: none">(i) The exemption contained in Article 6.5 to be eliminated.(ii) Blue Box payments to be reduced from the average level notified over 1995-2001 to zero over five years for developed countries. [Developed countries to commit to] a reduction of 50 per cent in the first year of implementation to be followed by equal cuts over the following years to reach zero.

Amber Box

Working Hypotheses		Variations/Additions
<p>Base levels</p>	<p>The base level for reductions shall be the final bound commitment levels as per Part IV Section I of Members' Schedules.</p>	<p>(i) The starting-point for new non-product-specific and product-specific commitments to be the final bound Total AMS level. Product commitments would be defined by the specificity in Members' Current AMS notifications. There would also be a non-product-specific category where that currently appears in Members' notifications.</p> <p>Base levels for product-specific reduction commitments would be linked to the (currently aggregated) final bound AMS commitment. Each subsidised product would be allocated a share of the total final bound AMS commitment level based on the actual product share in, for example, 2000-2001. Where a Member has Blue Box support, it shall be taken into account in the allocation of the share of the final bound AMS between products. Developing countries could be permitted to undertake reduction commitments on groups of products, or be allowed to allocate a share of the final bound AMS level that could be used for new products.</p> <p>(ii) The base level for the staging of further commitments shall be the average actual support level for the years 1995-2000 or the bound level for the year 2000, whichever is lower.</p> <p>(iii) An average of support levels over a representative three-year period to be used, provided that the period is not chosen to maximise support levels.</p>

Amber Box

	Working Hypotheses	Variations/Additions
<p><i>Product-/non-product-specific support</i></p>		<p>(i) Non-product-specific support to be defined by requiring that crop specificity be established and that such measures in any given year not be related to or based on the type of volume of production, prices (domestic or international) and factors of production.</p> <p>(ii) Disciplines to be strengthened to avoid product-specific support from being improperly classified as non-product-specific support.</p>
<p><i>Inflation adjustment</i></p>		<p>(i) Maintain the provisions of Article 18.4 of the Agreement.</p> <p>(ii) Countries with excessive rates of inflation to be given flexibility to apply different methods of calculation. A uniform stable currency or a basket of currencies to be used to notify domestic support.</p> <p>(iii) Inflation and currency depreciation [in developing countries] should be taken into account.</p> <p>(iv) Monetary domestic support commitments should be subject to annual inflation adjustments.</p> <p>(v) Inflation adjustments of domestic support commitments should not be allowed.</p>
<p>Specificity of further commitments/ reduction method/target for further commitments/ implementation period/staging</p>		<p>(i) The Uruguay Round formula to be used [to reduce the Total AMS by {X} per cent from the final bound commitment level]. The Total AMS commitment to be maintained at the aggregate level.</p> <p>(ii) The final bound AMS commitment currently in Members' Schedules to be reduced to zero [on a product-specific disaggregated basis] over five years for developed countries. [Developed countries to commit to] a reduction of 50 per cent in the first year of implementation to be followed by equal cuts over the following years to reach zero.</p> <p>(iii) Members shall simplify domestic support disciplines into two categories:</p> <ul style="list-style-type: none"> - exempt support, as defined by criteria-based measures that have no, or at most minimal, trade-distorting effects or effects on production; and - non-exempt support, as defined by the Aggregate Measurement of Support (AMS) and production-limiting support as defined in Article 6.5 of the Agreement on Agriculture.

Amber Box

	Working Hypotheses	Variations/Additions
<p>Specificity of further commitments/ reduction method/target for further commitments/ implementation period/staging (cont'd)</p>		<p>Non-exempt support shall be subject to annual reduction commitments specified in Members' schedules. The allowed level of non-exempt support shall be reduced from the Member's final bound AMS ceiling to 5 per cent of the Member's average value of total agricultural production in the base period of 1996-1998 through equal annual reduction commitments over a five-year period. Members whose final bound AMS is less than 5 per cent shall maintain their ceiling for non-exempt support at the final bound AMS level. In the calculation of non-exempt support, a Member shall not include domestic support that is consistent with the provisions of Article 6.4 of the Agreement on Agriculture.</p>

Amber Box

	Working Hypotheses	Variations/Additions
<p>Specificity of further commitments/ reduction method/target for further commitments/ implementation period/staging (cont'd)</p>		<p>(viii) Reductions of trade-distorting domestic support to be made on a disaggregated basis, including a substantial down-payment in the first year of implementation, with the remaining trade-distorting domestic support to be reduced on the basis of two different schedules. For products benefiting from trade-distorting domestic support that were exported (i.e., defined as products from countries whose share of the international market in those particular products is greater than 3 per cent) support to be phased out in three equal annual reductions leading to elimination. Reductions of trade-distorting domestic support on products not exported or whose share of international market is not greater than 3 per cent, to be subject to a longer implementation period.</p> <p>(ix) Disciplines concerning domestic support measures that are variable in relation to market prices, e.g. deficiency payments, should be strengthened. Such aids for products of which a substantial proportion is exported should be subject to the same reduction commitments as export subsidies.</p> <p>(x) Export-enhancing domestic support such as price pooling and compensatory payments, including deficiency payments, applied to commodities destined for export should be subject to additional disciplines similar to those applied to export subsidies.</p> <p>(xi) There should be only two categories of support: Green and Amber Boxes. All trade distorting domestic support should be substantially reduced on an aggregate and product specific basis. An initial substantial reduction of the Total AMS between 50-70 per cent should be made, followed by annual reductions. With respect to product-specific commitments, reductions should be at least 40-50 per cent of the average values of the last three years of the Uruguay Round implementation. Reductions should be implemented over three years for developed countries.</p> <p>(xii) Further reduction commitments for recently-acceded Members should be undertaken from the bound levels of the AMS and the following flexibilities for reduction commitments should be granted: i) the level of the AMS reduction should be lower than for developed countries; ii) there should be longer implementation periods for the new commitments; and, iii) implementation of the new commitments should be delayed (i.e. there should be some pause between the end of implementation of accession commitments and the beginning of implementation of new reduction commitments).</p>

Amber Box

	Working Hypotheses	Variations/Additions
Specificity of further commitments/ reduction method/target for further commitments/ implementation period/staging (cont'd)		The specific drafting proposal for modalities in the area of the Amber Box is as follows: Taking into account the provisions of paragraph 9 of the Doha Ministerial

Amber Box

Working Hypotheses		Variations/Additions
<p>S&D</p> <p><i>Base levels</i></p>		<p>(i) The base level for the staging of further commitments shall be the average actual support level for the years 1995-2000 or the bound level for the year 2000, whichever is lower. Developing country Members shall stage further reduction commitments from the final bound levels established as a result of the Uruguay Round.</p>
<p><i>Specificity of further commitments/reduction method/target for further commitments/implementation period/staging</i></p>	<p>(i) Least-developed country Members should not be required to make further commitments.</p> <p>(ii) Developing country Members should be provided flexibility in terms of longer implementation periods and lower reduction rates.</p> <p>(iii) ...</p>	<p>(i) Developing countries should be allowed to make further commitments on an aggregated basis.</p> <p>(ii) The final bound AMS commitment currently in Members' Schedules to be reduced to zero [on a product-specific disaggregated basis] over five years for developed countries and nine years for developing countries. [Developed countries to commit to] a reduction of 50 per cent in the first year of implementation to be followed by equal cuts over the following years to reach zero.</p> <p>(iii) Developing countries to be exempt from making a down-payment in the first year of implementation.</p> <p>(iv) The Total AMS shall be reduced on a product-specific basis to zero over a six-year period commencing in the year 2005, in equal annual instalments. Developed country Members shall commit to a 50 per cent down-payment of the total reduction target over the first year of the implementation period. Developing country Members shall have the flexibility to maintain commitments at the aggregate level inclusive of support under the <i>de minimis</i> level, to implement reduction commitments over a ten-year period commencing in the year 2008, and to apply lower reduction commitments provided that the reduction is no less than half of that specified for developed countries.</p> <p>(v) There should be only two categories of support: Green and Amber Boxes. All trade distorting domestic support should be substantially reduced on an aggregate and product specific basis. An initial substantial reduction of the Total AMS between 50-70 per cent should be made, followed by annual reductions. With respect to product-specific commitments, reductions should be at least 40-50 per cent of the average values of the last three years of the Uruguay Round implementation. Reductions should be implemented over six years for developing countries.</p> <p>(vi) Any new commitments for developing countries should be no more than half of the commitments of developed countries.</p>

Amber Box

	Working Hypotheses	Variations/Additions
		<p>(vii) Lesser commitments shall apply to developing countries, economies in transition and recently acceded countries.</p> <p>(viii) [Greater reductions] [Substantial reduction of domestic support] to be made on products of export interest to [LDCs] [developing countries].</p>

Other Domestic Support Issues

	Working Hypotheses	Variations/Additions
Peace Clause		<ul style="list-style-type: none"> <li data-bbox="1182 236 2040 292">(i) The provisions of Article 13(a) and (b) shall cease to apply as per Article 1(f) of the Agreement on Agriculture. <li data-bbox="1182 308 2040 443">(ii) The provisions of GATT 1994 and of other Multilateral Trade Agreements in Annex 1A to the WTO Agreement shall not apply to subsidies consistent with the provisions of the WTO Agreement on Agriculture and the commitments made as a result of the Reform Process of trade in agriculture.

S&D