



## THE DOHA ROUND AND AGRICULTURE

The Doha Round is the latest round of WTO trade negotiations. Launched in 2001, it marked the beginning of new agricultural negotiations: WTO members committed themselves to securing substantial improvements in market access and to the gradual withdrawal of all forms of export subsidies in trade-distorting domestic support, with due account being taken of the need for developing countries to be granted special and differential treatment.

### LEGAL BASIS

Articles 207(3) and 218 TFEU.

The framework for the current agricultural negotiations was set by Article 20 of the Marrakesh Agreement on Agriculture (AA). Under the terms of that article, World Trade Organisation (WTO) members confirmed that reducing agricultural support and protection was an ongoing and gradual process. Article 20(d) specifies that the negotiations should take account of non-trade concerns (such as environmental protection, food safety, rural development, animal welfare, etc.) and special and tailored treatment for developing countries.

### THE DOHA ROUND: FROM CANCÚN TO BUENOS AIRES

The Fourth WTO Ministerial Conference, held in Doha (Qatar) in November 2001, marked the beginning of the Doha Round (also called the Doha Development Agenda (DDA)).

#### A. From Cancún to Buenos Aires

Since then, few of the agreed deadlines have been met. The Cancún Ministerial Conference in 2003 ended in failure. This was due to several factors, in particular the lack of political will to reconcile members' positions and the controversy surrounding the 'Singapore issues', namely trade and investment, competition policy, transparency in government procurement and trade facilitation. While agricultural issues were a major stumbling block, however, the refusal on the part of the developing countries to discuss the 'Singapore issues' undoubtedly contributed to the failure of the conference.

The resumption of the process in early 2004 resulted in a General Council Framework Agreement, which set out the key principles for the negotiation 'modalities'. This decision also removed three of the 'Singapore issues' from the Doha Development Agenda (DDA). The Hong Kong Ministerial Conference of December 2005 went some way towards smoothing out the disagreements between members. Finally, revised sets



of draft modalities were tabled in 2008, providing an outline for the final agreement to be reached in Geneva. The 'July 2008 package' (TN/AG/W/4/Rev.3) dealt with the following matters:

**a. Domestic support**

- 'Trade-distorting domestic support' (amber box + blue box + de minimis provision) (3.2.7.) would be reduced by 75-85% for the European Union, by 66-73% for the United States and Japan and by 50-60% for other members (over a period of five years for developed countries and eight years for developing countries). An immediate reduction of 33% would be applied in the case of the United States, the EU and Japan, and 25% for other countries.
- The 'amber box' (or AMS) (3.2.7) would be reduced by 70% overall for the EU, 60% for the United States and Japan, and 45% for other countries. Prices and support for individual products would be capped at a figure equivalent to the average amber box support recorded for the 1995-2000 period.
- The 'blue box' (3.2.7) would be restricted, to 2.5% of production for developed countries and 5% for developing countries, with caps set for each product (NB: these limits no longer apply).
- The 'de minimis provision' (3.2.7) would remain capped at 2.5% of production for developed countries (this limit is now 5%) and 6.7% (now 10%) for developing countries (but there would be no cuts for support provided mainly to subsistence or resource-poor farmers).
- The 'green box' conditions (3.2.7) would be tightened up.

**b. Market access**

- Custom tariffs would be cut on the basis of a formula stipulating steeper cuts on higher tariffs. For developed countries, the cuts would range from 50% for tariffs under 20% to 70% for tariffs higher than 75%, meaning an average minimum cut of 54% for developed countries and one of between 33.3% and 44-48% for developing countries. The least-developed countries (LDCs) would be exempt from any cut.
- 'Sensitive products' (for all countries) and 'special products' (for developing countries) would be subject to smaller cuts. However, the reductions for sensitive products could be offset by preferential tariff quotas and special products could be exempt from all cuts.
- The 'special safeguard clause' (3.2.7) would gradually be abolished in developed countries. Developing countries would benefit from a new special safeguard mechanism (SSM) applicable to 2.5% of tariff lines, which would allow them to increase customs tariffs temporarily to help them cope when import volumes rose or prices fell.



**c. Export competition**

- Export subsidies (3.2.7) would be abolished, including subsidies disguised as export credits, for example in the context of the activities of state trading export enterprises and non-emergency food aid.

On 6 December 2008, the chair of the Negotiating Group on Agriculture distributed his latest revised draft modalities. In keeping with this approach, the Ninth Ministerial Conference of December 2013 in Bali selected a number of farming issues with a view to achieving partial agreements. Finally, the Tenth Ministerial Conference, which took place in Nairobi in December 2015, resulted in an agreement.

**B. The Nairobi Package (2015)**

The Ministerial Conference in Nairobi adopted four new decisions on agriculture concerning:

- Export competition. This decision grouped export subsidies together with other kinds of measures which might distort competition. Developed countries are committed to the immediate removal of export subsidies (with the exception of some processed product subsidies, the removal of which has been postponed to 2020). Developing countries must also remove all export subsidies by the end of 2023. The agreement will speed up the removal of cotton subsidies.
- ‘public stockholding for food security purposes’ in developing countries. Under pressure from the G33 (see below), at the Ministerial Conference in Bali the WTO members agreed that they would not mount a legal challenge to these food security programmes. The new text prolongs this situation until a permanent solution can be found;
- cotton. The new agreement stipulates that developed countries must grant duty-free and quota-free market access to cotton exports from least-developed countries starting from 1 January 2016. Similar commitments will subsequently be made by developing countries, in particular China;
- ‘special safeguard mechanism for developing countries’. Exporters of agricultural products such as Australia, Brazil and the US have always opposed any increase — even temporary — in customs duties by developing countries in response to sudden surges in imports or price reductions. The new decision states that these countries will be entitled to a special safeguard mechanism based on trigger thresholds determined by the quantities imported and prices.

In addition, the preferential rules of origin for less-developed countries were simplified in the Nairobi Package and the current derogation for services in these countries was extended to 31 December 2030.

The Nairobi Conference represented a new approach in trade negotiations, favouring as it does partial agreements. In addition, the ministerial declaration acknowledged that WTO members do not share the same opinion on the question of whether to pursue the trade negotiations under the Doha structure.



### C. Buenos Aires (2017)

Although the 11th Ministerial Conference in Buenos Aires (10-13 December 2017) was supposed to make substantial progress on the Doha agenda, it ended up with very limited results. These consisted of a mere commitment to continue work on a number of issues including agriculture (without establishing precise work programmes) and various declarations by groups of countries on topics of common interest

### WTO ACTORS' POSITIONS: STATE OF PLAY

- The European Union has always sought a more market-oriented multilateral trading system, but one which takes due account of social, economic and environmental sustainability, on the basis of the efforts made in the areas of domestic support [CAP reforms (3.2.3.)] and market access ['Everything But Arms' initiative (5.2.3.)]. The EU has repeatedly reaffirmed its commitment to a balanced approach to the ongoing reform of the agricultural trading system, involving special treatment for developing countries, specific undertakings in respect of sensitive products and proper consideration of non-trade concerns. The most recent EU initiative was a joint EU-Brazil proposal to reach an agreement on revisions to agricultural domestic support disciplines and to resolve the public stockholding issue, which was tabled ahead of the 11th Ministerial Conference held in Buenos Aires in December 2017. With the conference failing to reach an agreement to limit domestic support, Trade Commissioner Malmström has publicly expressed her regret regarding the lack of a multilateral outcome and has called for action to be taken at the next ministerial conference – the Twelfth Ministerial Conference (MC 12), to be held in Kazakhstan in June 2020.
- The United States is adopting a very critical approach to multilateral issues, and has turned its back on world governance processes since the Trump administration took office (first and foremost, the WTO and the COP 21 climate agreement concluded in Paris in December 2016). The lack of progress at the latest Ministerial Conference in Buenos Aires is said to be due to the US refusal to consider the possibility of a permanent solution to the public stockholding issue, which made other members of the WTO block decisions on all other issues.
- China, India and Russia: China and India are calling for the elimination of AMS allowances as a precondition for further talks, as they favour a level playing field for all WTO members. China and India argue that the EU, US and Canada have been consistently providing trade-distorting subsidies to their farmers at levels much higher than the ceiling applicable to developing countries, and therefore they see the elimination of AMS allowances as the starting point of negotiations, as opposed to the EU which aims to reduce them. Ahead of the 11th Ministerial Conference in Buenos Aires, Russia put forward (1) a new proposal calling for a phase-out and eventual elimination of special safeguards (SSGs) permitted under the Agreement on Agriculture, and (2) a draft decision to find a 'permanent solution' on the issue of public stockholding for food security purposes.
- The Cairns Group, which brings together 17 exporting countries with a common interest in reducing obstacles to trade that are harmful to agriculture, is very critical



of the developed countries which maintain a high level of subsidies. Ahead of the 11th Ministerial Conference in Buenos Aires, the Group proposed that (1) production and domestic support must be subject to greater scrutiny with a view to further advancing the reform process, (2) disciplines on production and trade-distorting domestic support must have a constraining impact, and (3) product specific concentration of support must be addressed.

- G-10 countries (a group of net food-importing developed countries including Japan, Norway and Switzerland) favour a new framework based on the value of agricultural production. They are reluctant to discuss product-specific support and are not ready to accept steep cuts in their trade-distorting subsidies.
- The developing countries, which make up three-quarters of the WTO's members, seek to safeguard their own crops and highlight non-trade concerns (food security, means of subsistence, poverty, rural employment, etc.). They are also calling for special and differential treatment tailored to their specific situation. Ahead of the Buenos Aires conference, developing countries put forward a number of proposals to limit trade-distorting support and product-specific AMS. The C-4 countries (Benin, Burkina Faso, Chad and Mali) called in particular for cuts in developed countries' trade-distorting support to cotton.

## **ROLE OF THE EUROPEAN PARLIAMENT**

While scrutinising the Commission to ensure that it abides by the negotiating mandate issued to it, Parliament has always supported the efforts of European representatives to further progress in the Doha round and achieve a balanced agreement [resolutions of 4 April 2006 (OJ C 293 E, 2.12.2006), 9 August 2008 (OJ C 9 E, 15.1.2010), 16 December 2009 (OJ C 286 E, 22.10.2010), 14 September 2011 (OJ C 286 E, 22.2.2011), 21 November 2013 ([T7-0511/2013](#)), 26 November 2015 (OJ C 366, 27.10.2017) and 15 November 2017 ([P8\\_TA\(2017\)0439](#))].

An EP Delegation attended the last WTO Parliamentary conference which took place on the sidelines of the 11th Ministerial Conference in Buenos Aires in December 2017.

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02/2020

