

Committee on Agriculture

**PROPOSAL ON SPECIAL AND DIFFERENTIAL TREATMENT REFERRED TO THE
COMMITTEE BY THE CHAIRMAN OF THE GENERAL COUNCIL**

Report to the General Council by the Chairman

The present report to the General Council on the Committee's consideration of a proposal on Special and Differential Treatment that has been referred to the Committee by the Chairman of the General Council is submitted on the responsibility of the Chairman, Dr. Magdi Farahat, as agreed by the Committee at its meeting on 30 June 2003.

1. The following proposal by the African Group has been referred to the Committee on Agriculture by the Chairman of the General Council, on the understanding that the Committee shall report to the last meeting of the General Council before the Cancún Ministerial Conference, on the status of the proposal and the progress made in this regard:

"It is understood, in the context of the Decision on Measures Concerning the Possible Negative Effects of the Reform Programme on Least-Developed and Net Food-Importing Developing Countries and of the Ministerial Decision on Implementation Issues and Related Concerns, that developed country Members shall embody in their schedules of commitments undertakings on, contributions to a revolving fund for normal levels of food imports, providing food aid in fully grant form, and maintaining food aid levels consistently with recommendations and rules under the Food Aid Convention." (TN/CTD/W/3/Rev.2, paragraph 52)

2. In the Committee's discussion at the June meeting with respect to the proposal for the establishment of a revolving fund, it was noted by Kenya that the idea behind the African Group proposal was to operationalize the NFIDC Decision in accordance with paragraph 44 of the Doha Declaration which referred to existing S&D, rather than S&D provisions that may be negotiated in the future. As Members had not so far established a facility to address the financing difficulties that may be faced by NFIDCs as a result of the Uruguay Round, there was a need to operationalize the NFIDC Decision to ensure that it fulfilled its objectives. Japan stated that the feasibility and financial sustainability of any possible proposal in this context needed to be fully examined. Argentina argued that the consideration of the proposed revolving fund had effectively been overtaken by the relevant recommendations in the Committee's report to the General Council on implementation matters (G/AG/16, paragraph 19). Kenya expressed disagreement with this assessment.

3. With respect to the food aid-related element of the proposal, it was noted by the EC that, although it was in favour of providing food aid in fully grant form, there were appropriate mechanisms in place to address food aid issues, including in the context of the agriculture negotiations and the Food Aid Convention. Japan expressed the view that food aid in grant form, as well as non-grant food aid, were important to secure sufficient amounts of food aid. With regard to

the review of food aid levels, Japan noted that this issue should be discussed in the context of the FAO/World Food Programme rather than in terms of WTO commitments.

4. The June meeting of the Committee being the first opportunity to consider the proposal by the African Group, the Committee was unable, at that stage, to make progress on this issue. There will be further opportunities to discuss the proposal in the context of the Committee's ongoing work on possible means of improving the effectiveness of the implementation of the Marrakesh NFIDC Decision.
