

PREPARATIONS FOR THE 1999 MINISTERIAL CONFERENCE

Agriculture

Communication from Norway

The following communication, dated 6 July 1999, has been received from the Permanent Mission of Norway.

Proposal

1. Based on Article 20 and its provisions regarding the continuation of the reform process, negotiations should aim at refining and elaborating the rules and disciplines of the Agreement on Agriculture in order to promote the objective of a fair and market oriented agricultural trading system, taking into account the need for sufficient and adequate food supplies, the interests of the developing countries, and least developed in particular, and the need to meet important emerging challenges, such as safeguarding and promoting the non-trade concerns of a multifunctional agriculture.
2. The negotiations should be finished in a relatively short period of time. All aspects of the agricultural negotiations should take place in a specific agricultural negotiations committee.

Background

3. The 1994 Uruguay Round Agreement on Agriculture represented a milestone in the evolution of the multilateral trading system. It brought agricultural trade policies and associated domestic policies within the scope of a comprehensive framework of multilateral trade disciplines, and constituted an important element in the process of agricultural policy reform.
4. Since the implementation began in 1995 substantial progress has been made in reforming agricultural policy and market-orienting the agricultural sector. Domestic and international policy reform efforts have resulted in a more predictable and stable trade and policy environment with specific disciplines in the areas of market access, domestic support and export competition and have contributed to reduced trade distortions, to gains in economic efficiency and to a closer relationship between developments in domestic and world markets.
5. It was recognized that policy reform needed to be an on-going process and all WTO Members are committed to initiating negotiations for continuing the agricultural reform process on the basis of Article 20 of the Agreement on Agriculture. The initial negotiating phase should be devoted to extensive analyses and deliberations in order to specify the contents of the negotiations.

6. In the continuation of the reform process, and as reflected in the Preamble of the Agreement, the interests of developing countries, in particular the least-developed and net-food importing, should be properly addressed. Many developing countries have not yet been able to take advantage of the opportunities that the Uruguay Round has offered.

7. Therefore, special and differential treatment as well as technical and financial assistance to the poorest developing countries are required in order to enable developing countries to mitigate possible negative effects resulting from the reform process and to take advantage of opportunities that are offered by more open markets.

8. Furthermore, increased attention is being paid to the societal role of agriculture, and the multifunctional character of agriculture, as reflected, *inter alia*, by the focus on non-trade concerns, is emerging as an important element in future policy design. Beyond its primary function of producing food and fibre and ensuring food security, agriculture contributes to the viability of rural areas, the maintenance of agricultural landscapes and the cultural heritage, the preservation of agri-biological diversity and the maintenance of a good plant, animal and public health. These various non-food dimensions as well as the safeguarding of food security, have public goods characteristics, which may justify government intervention. The limitations of market approaches to ensure food security and the lack of functioning markets in case of important non-food agricultural functions are basic characteristics of the agricultural sector that imply that agriculture, also in the future, will have to be treated separately within the multilateral trading system.

9. Bearing in mind that the Preamble of the Agreement also emphasizes the need to take into account the equitable sharing of commitments among all Members under the reform programme, it is clear that a delicate balance must be struck between the interests of net-food importing and exporting countries. This symmetry of interests should form an overall framework for the reform process in general and for the upcoming negotiations in particular.

10. The references in Article 20 to the need to take into account the experience and effects of the reduction commitments during the implementation period, demonstrate its dynamic character. The policy reform requires further efforts, including meeting new challenges that are emerging. The major challenge is to meet the growing demand for sufficient and adequate supplies of food in efficient and sustainable ways. At the same time, the multifunctional character of agriculture should be safeguarded and promoted beyond its primary function of supplying food and fibre. These concerns need to be fully reflected in the continuation of the reform process.
