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**Commission on Trade in Goods
and Services, and Commodities**

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Agenda item 3

**MAJOR AGRICULTURAL CONCERNS OF DEVELOPING COUNTRIES: IMPACT
OF THE REFORM PROCESS IN AGRICULTURE ON LDCS AND NET FOOD
IMPORTING DEVELOPING COUNTRIES AND WAYS TO ADDRESS
THEIR CONCERNS IN MULTILATERAL TRADE NEGOTIATIONS**

Draft agreed recommendations

1. The Commission recognizes that the outcome was drawn up specifically with a view to reflecting the technical views of experts which could be useful in supporting LDCs and NFIDCs in formulating their negotiating proposals before the end of the first phase of the WTO negotiations on agriculture. At the current stage of these negotiations, many of the elements listed in the outcome have been reflected in negotiating proposals, and have been extensively discussed at the WTO. With concern that the interests of LDCs and NFIDCs would be fully reflected in these negotiations, the Commission recommended the following areas of analytical and technical support from UNCTAD and the other members of the international community.

Recommendations to Governments

2. With regard to enhancing the implementation of the Marrakesh Decision, LDCs and NFIDCs should identify specific areas where technical cooperation is required from development partners, in particular as regards ways to enhance agricultural productivity, infrastructure building, market information dissemination and export market development. UNCTAD and the international community should assist their efforts.

Recommendations to the international community

3. Multilateral financial institutions are encouraged to ensure coherence between their programmes and WTO reform commitments in LDCs and NFIDCs, taking into account the capacity of adjustment of those countries.

4. Multilateral financial institutions and bilateral donors are invited to examine the establishment of a special fund for technical and financial assistance under the framework of the Marrakesh Decision. The fund should be able to trigger financial assistance in accordance with future price increases above a certain threshold.

5. International organizations including WTO, the World Bank, IMF, FAO and UNCTAD, are invited to examine the long-term impact of food aid upon domestic production and trading opportunities of agricultural products in LDCs and NFIDCs.

6. Continued priority should be given to the provision of financial and technical assistance to developing countries, especially for meeting the costs of compliance with sanitary and phytosanitary measures and technical standards.

Recommendations to UNCTAD

7. Within the mandate given in the UNCTAD X Bangkok Plan of Action, in particular its paragraphs 132 and 133, the Commission recommends that UNCTAD provide analysis and technical assistance to developing countries with a view to facilitating their effective

participation in the WTO negotiations on agriculture. In this regard attention should be given to the special concerns of LDCs and NFIDCs.

- (a) Technical assistance from UNCTAD and other international organizations is required in analyzing information on agricultural trade policies of other countries to support developing countries, particularly LDCs and NFIDCs, in the current WTO negotiations on agriculture and in negotiations on accession to the WTO.
- (b) Based on the available documentation and quantification of domestic and export support measures and market access conditions, UNCTAD, working with FAO and other international organizations, should provide the statistical and analytical background needed to support developing countries in the negotiations, and should assess the impact of support measures and market access restrictions on the competitiveness of exports of interests to developing countries, particularly to LDCs and NFIDCs, at the commodity and country levels.
- (c) UNCTAD should analyse the impact of the Agreement on Agriculture on LDCs, NFIDCs and small island developing countries in agricultural trade and should develop a specific action plan.
- (d) UNCTAD should analyse the impact of the erosion of preferences and the process of adjustment from dependence on preferential market access in the light of MFN tariff liberalization.
- (e) UNCTAD should identify, in accordance with Article 20 of the Agreement on Agriculture, concrete measures to be included under the concept of special and differential (S&D) treatment, which could be a comprehensive way to help developing countries to meet their development objectives using, among others, trade policy measures.

- (f) UNCTAD is requested to provide technical assistance to enhance the negotiating capacity of developing countries, with a particular view to improving: analytical capacity to evaluate the likely implications of existing proposals on their economies; and effective coordination between the private sector stakeholders and the trade negotiators.
- (g) UNCTAD should analyse the impact of the provision of tariff-free and quota-free market access to agricultural exports from LDCs and its impact in international trade flows.

8. With a view to supporting developing countries, in particular LDCs and NFIDCs, in identifying policy options in the WTO negotiations on agriculture, the Commission recommends that UNCTAD, in close coordination with other international organizations, should undertake the following:

- (a) Analyze the possible impact of new developments in world agricultural trade, such as new production technology, world agricultural supply chains, consumer preferences and concerns over food safety in developed country markets;
- (b) Analyse the impact of the reform process on key staples of developing countries, with particular attention to policy measures that are required to enhance agricultural productivity, food security, and rural poverty alleviation; and
- (c) Analyse ways to reduce the cost disadvantages in agricultural trade (due particularly to the transport cost) faced by the land-locked developing countries and small island developing States.

9. In light of the ongoing examination at the WTO of possible means of improving the effectiveness of the implementation of the Marrakesh Decision (WT/L/384), Governments will provide substantive inputs to facilitate this examination. UNCTAD is requested to provide technical and analytical material to developing country Governments to assist them in their participation in this exercise.