

G-20¹ Proposal on a Framework for Establishing Modalities in Agriculture

Market Access

In the Doha Ministerial Declaration Members agreed to “substantial improvements in market access”. Members agreed further that special and differential treatment for developing Members shall be an integral part of all elements of the negotiations so as to be operationally effective and to enable developing Members to effectively take account of their development needs, including food security and rural development. To achieve this, commitments shall be based on the elements set out below.

1. Members agree that a formula approach to reduction on bound tariffs is an essential element for achieving this mandate. For that purpose:
 - A. Product coverage shall be comprehensive without *a priori* exclusions. The formula shall ensure progressivity in tariff reductions through deeper cuts in higher tariffs.
 - B. The formula shall guarantee flexibility to take into account the sensitive nature of some products. Such flexibility shall be compatible with the Doha mandate and Members seeking such flexibility shall ensure improved market access through a combination of tariff reduction and TRQ commitments for such products. These commitments in respect of developing Members shall be subject to their rural development, food security and/or livelihood security needs.
 - C. The formula shall guarantee neutrality in respect of tariff structures and proportionality of tariff reductions based on the principle of less than full reciprocity between developed and developing Members so as to ensure a fair and equitable outcome.
2. Furthermore:
 - A. For the purpose of applying differentiated tariff cuts, any differentiation among tariff lines shall be based on objective criteria to be agreed.
 - B. Tariffs that are already bound duty free shall not be counted towards the assessment of the tariff reduction commitments.
 - C. Tariffs shall be capped, with possible exceptions for a very limited number of products on conditions to be agreed.
 - D. For the formula to be effective, tariffs shall be simplified including through conversion of *non ad valorem* tariffs to *ad valorem* equivalents through an agreed methodology.
 - E. Tariff escalation shall be addressed on the basis of a formula to be agreed.
3. With a view to ensuring substantial improvements in market access, additional commitments by developed Members shall include:
 - A. Expansion of TRQs on an MFN basis by a formula to be agreed.
 - B. Improvements in TRQs administration rules.
 - C. Elimination of in-quota tariffs.

¹ Argentina, Bolivia, Brazil, Chile, China, Cuba, Egypt, India, Indonesia, Mexico, Nigeria, Pakistan, Paraguay, Philippines, South Africa, Thailand, Tanzania, Venezuela, Zimbabwe

4. SSG for developed Members shall be eliminated immediately.

Special and Differential treatment for developing Members

5. Having regard to their rural development, food security and/or livelihood security needs, the following elements shall be an integral part of the formula approach for tariff reduction and other commitments in respect of developing Members, including least-developed members:
 - A. In accordance with paragraph 1.C, developing Members shall apply lower rates of tariff reductions over a longer timeframe in relation to developed Members. The criteria for applying differentiated tariff cuts and for any differentiation among tariff lines shall also take into account tariff structures and conditions of developing Members.
 - B. Special and differential treatment for developing Members shall be an integral part of all other market access commitments.
 - C. Developing Members shall have the flexibility to designate, under conditions, as necessary, to be agreed in the negotiations, a percentage of tariff lines as Special Products (SP).
 - D. A Special Safeguard Mechanism (SSM) shall be established for use by developing Members.
 - E. Developed Members shall provide duty-free and quota-free access and bind it on an MFN basis at least for a percentage to be agreed of imports from developing Members and/or an agreed percentage increase over an agreed base period, whichever is higher. This commitment shall apply in particular to all tropical and other products referred to in the preamble of the Agreement on Agriculture.

Least-Developed Members

6. In addition:
 - A. Least-developed Members shall be exempted from tariff reduction commitments.
 - B. Developed Members shall provide duty-free and quota-free market access for all products from least-developed Members.
 - C. Supply constraints of least-developed Members shall be addressed through capacity building.

Preference Erosion

7. Preference erosion shall be addressed, under conditions to be determined and using as a reference paragraph 16 of the revised First Draft of Modalities for the Further Commitments (TN/AG/W/1/Rev.1 refers).

Recently Acceded Members

8. The particular concerns of recently acceded Members shall be effectively addressed through provisions of exemption from further reduction of certain sensitive products, longer time frames, grace period and lower tariff reduction commitments.