

**Committee on Agriculture
Special Session**

**ACP PROPOSAL ON MARKET ACCESS IN AGRICULTURE
SS CoA - OCTOBER 2005**

Contribution by the ACP

Revision

1. The ACP is willing to contribute to the reform process in a manner that is compatible with its financial and development needs, and policy objectives. The group will not accept an outcome in market access that disproportionately places the burden of reform on developing countries.
2. The contribution that the ACP is willing to make is conditioned to the full and satisfactory operationalisation of the Doha mandate on Special and Differential Treatment (SDT) for developing countries in all the pillars of the negotiations, including through provisions on SP and SSM; long-standing preferences; addressing the concerns of NFIDCs and LDCs as reflected in the Marrakech Decision; flexibilities in the formula for tariff reductions, etc.
3. The ACP equally insists on the need for adequate progress to be made in the areas of domestic support and export competition to the satisfaction of developing countries and in a manner that delivers on the Doha mandate.
4. At this critical moment of the negotiations, the ACP stresses the importance of a transparent and inclusive process. Only a bottom-up approach with the effective participation of all negotiating groupings and Members will be conducive to a legitimate outcome that can be endorsed by all WTO members and a successful Ministerial Conference. The ACP is not willing to accept a *fait accompli* in the negotiations. The group expects to be closely involved in all the consultations, especially those related to the formula for tariff reductions and other aspects of the market access pillar.
5. The present submission outlines the ACP position on some of the most critical elements under the market access pillar. The group will make contributions on other aspects of the negotiations as it deems necessary.

Formula for tariff reductions

6. SDT must be an integral part of all elements of the negotiations. Harmonising or progressive formulae within the bands as well as a single set of thresholds for developed and developing countries are simply not acceptable to the ACP.
7. The proposals below constitute the contribution by the ACP on concrete means for operationalising SDT under the tiered approach and the basis for a fair and equitable outcome.
 - i) Proportionality will be achieved by guaranteeing that the overall outcome of tariff reduction commitments by developing countries is lower than that required from developed countries. The average reduction of tariffs by developing countries will be adjusted downwards to guarantee the satisfactory implementation of the proportionality principle.
 - ii) A linear uniform cut within the bands with flexibility to allow certain tariff lines within the bands to be cut by less.

- iii) Developing countries will reduce their tariffs on the basis of the cuts proposed in the table below. The ACP will soon provide specific numbers regarding the level of cuts to be undertaken by developed countries.
- iv) The ACP considers the concept of tariff capping as prejudicial to its development concerns.

	Developed countries ¹		Developing countries ¹	
	Thresholds	Linear cut (%)	Thresholds	Linear cut (%)
	> 80	42	> 150	30
	> 50 ≤ 80	35	> 100 ≤ 150	25
	> 20 ≤ 50	30	> 50 ≤ 100	20
	0 ≤ 20	23	0 ≤ 50	15
Capping:	None		None	
Overall Average	Average 36%		Maximum 24%	

- v) The overall average reduction of tariffs by developing countries shall not exceed 24%.

8. The condition of developing country Members with tariff ceilings and homogeneous low bindings must be taken into account through specific modalities, which include the following options:

- i) These Members will be subject to the overall average reduction only, keeping in mind the need for a fair and equitable outcome and their capacity to contribute to the reform process.
- ii) They will distribute their tariff lines across the lower tiers of the formula on the basis of their own assessment of sensitivities.
- iii) Irrespective of the thresholds for the tiers to be agreed, they will not be expected to undertake the level of cuts required in the highest tiers.

Special Products (SPs)

9. The ACP reiterates the great importance it attaches to provisions on SPs. Provisions on SPs must be embodied in the modalities for agriculture negotiations as these are critical for operationalising the SDT mandate of the Doha Declaration and the Framework Agreement, based on the concepts of food security, livelihood security and rural development needs.

10. Both the designation and the treatment of SPs are fundamental components of the flexibilities to be granted to developing countries in the market access pillar.

11. The ACP endorses the technical work undertaken by the G33 regarding indicators on SPs. Reflecting the diversity in the agricultural systems and policy across developing countries, the indicators will allow every individual developing country Member to identify its own SPs on the basis of the stated criteria and contribute to transparency. The primary purpose of the indicators is to contextualise the criteria of food and livelihood security and rural development needs to the particular circumstances of individual developing country Members. Thus, the group would like to emphasise that the illustrative list of indicators on SPs being developed by the G33 is neither exhaustive nor prescriptive in nature.

¹ These figures are indicative and are without prejudice to the right of individual Members to submit further proposals.

12. Recognising the fundamental importance of SPs for developing countries, these products shall be exempt from tariff reductions and commitments on TRQs, as well as have automatic access to the SSM.

Special Safeguard Mechanism (SSM)

13. The SSM is a fundamental component of the SDT provisions under the market access pillar. As such it must respond to the needs and particular circumstances of developing countries, be easy to implement and effective to address import surges and price depressions in developing countries.

14. The ACP fully endorses the submissions made by the G33 on the SSM and calls on other Members to engage in serious consultations on those proposals. The SSM is an integral part of any consensus modalities for agriculture to be established by WTO Members.

15. The ACP reiterates its position on the SSM:

- i) All agricultural products will be eligible to use the mechanism.
- ii) The mechanism will include both volume and price triggers.
- iii) Remedy measures will be designed to provide meaningful and effective relief from import surges and price depressions to the developing country Member concerned. Thus the remedy measure will be related to the nature and seriousness of the problem it intends to address.

Sensitive Products

16. Products relating to long-standing preferences shall be designated as sensitive products. It is important for addressing the problem of preference erosion. Any TRQs expansion on an MFN basis should not be at the detriment of existing ACP quotas.

17. It is of utmost importance that the ACP be involved in the discussions on the designation and treatment of sensitive products to guarantee that its particular concerns are duly taken into account.

Long-standing preferences

18. The issue of preferences is vital for the ACP. The group will not be able to join the consensus on a modalities text that does not address its concerns with preference erosion in a meaningful and effective manner. Failing to do so would impose a disproportionate share of the costs of reform on some of the poorest and more vulnerable Members of the WTO. The ACP is working on a comprehensive proposal on preferences which will elaborate among others, on the elements outlined below:

- i) Products related to long-standing preferences shall be designated as sensitive products by preference-providing countries. The treatment of sensitive products related to long-standing preferences will be moderated in light of its impact on preference erosion.
- ii) Paragraph 16 of TN/AG/W/Rev.1 will be used as a reference for further consideration of the issues of preference erosion as established in paragraph 44 of the Framework Agreement.

Least-developing countries

19. The Least-developed countries (LDCs) shall have full access to all the SDT provisions and be exempt from reduction commitments.

20. Developed country and developing country Members in a position to do so, shall provide bound quota and duty free market access for products originating in LDCs.

Cotton initiative

21. Specific modalities on cotton shall be established by the latest, in the Hong Kong Ministerial Conference. Modalities on cotton should include the elimination of domestic support measures and all forms of export subsidies on cotton; as well as specific commitments for improved market access for cotton and by products, especially those originating in LDCs cotton producers and exporters.
