



Differentiation between Developing Countries in the WTO


**JORDBRUKS
VERKET**

Swedish Board
of Agriculture

Report 2004:14 E

Differentiation between Developing Countries in the WTO

Swedish Board of Agriculture
International Affairs Division
June 2004

Authors:
Jonas Kasteng
Arne Karlsson
Carina Lindberg

Contents

- PROLOGUE..... 3**
- EXECUTIVE SUMMARY 5**
- 1 INTRODUCTION 9**
 - 1.1 Purpose of the study 9
 - 1.2 Limitations of the study 9
 - 1.3 Background to the discussion on differentiation 10
 - 1.4 Present differentiation between developing countries in the WTO 12
 - 1.5 Relevance of present differentiation between developing countries in the WTO 13
 - 1.6 Outline of the new differentiation initiative 14
- 2 DIFFERENTIATION BETWEEN COUNTRIES IN THEORY AND PRACTICE..... 15**
- 3 FOUR APPROACHES TO COUNTRY CLASSIFICATION – DIFFERENTIATION BASED ON OBJECTIVE CRITERIA..... 21**
 - 3.1 Differentiation based on food security 21
 - 3.2 Graduation of advanced developing countries 24
 - 3.3 Differentiation based on significant export of agricultural products 25
 - 3.4 Differentiation based on special need for rural development 27
 - 3.5 Approach to new differentiation between the developing countries in the WTO 29
- 4 DIFFERENTIATION BETWEEN DEVELOPING COUNTRIES IN RELATION TO SDT 31**
 - 4.1 Present SDT provisions in the Agreement on Agriculture 31
 - 4.2 Negotiating proposals on new SDT provisions 35
 - 4.3 Impact of the new SDT on the South-South trade 38
- 5 ADVANTAGES OF A NEW DIFFERENTIATION IN THE WTO TRADE NEGOTIATIONS ON AGRICULTURE..... 39**
- 6 CONCLUDING REMARKS 41**
- BIBLIOGRAPHY 43**
- ANNEXES 45**
 - Annex 1 – Negotiating proposals on SDT by different developing country groups 45
 - Annex 2 – Relevant SDT provisions with regard to the approach to a new differentiation between the developing countries in the WTO 49
 - Annex 3 – Country classifications in the WTO and other relevant developing country categories 53

Prologue

The Swedish Board of Agriculture is an independent governmental agency and the Swedish expert authority in the field of agriculture and food policy. The Swedish Board of Agriculture, which has the Swedish Ministry of Agriculture as its principal, provides the Swedish Government with analyses and recommendations on agriculture and food policy.

The Swedish Board of Agriculture has been assigned, by the Swedish Ministry of Agriculture, to analyze the possibilities for a differentiation between the developing countries in the WTO. The main issue to be analyzed in the study is to find out if there is a more appropriate way to differentiate between the developing countries in the WTO, with regard to agriculture and food security, than the current system. An important aspect of the assignment is to identify and develop different relevant and objective criteria as a basis for a differentiation between the developing countries in the WTO.

This analytical study presents an explorative approach to a new differentiation between the developing countries in the WTO, together with new and more appropriate provisions on Special and Differential Treatment (SDT), in the field of agriculture. The study is mainly based on empirical data, as well as on certain relevant studies on the subject. The purpose of this study has mainly been explorative, and the document is, accordingly, not intended to serve as a basis for future negotiating positions.

This analytical study represents the ideas and opinions of the authors and is not meant to represent the official position or opinions of neither the Swedish Board of Agriculture nor the Swedish Government on this issue. Any errors are the sole responsibility of the authors.

Executive summary

The Swedish Board of Agriculture has been assigned, by the Swedish Ministry of Agriculture, to analyze the possibilities for a differentiation between the developing countries in the WTO. The main issue to be analyzed in this study is to find out if there is a more appropriate way to differentiate between the developing countries in the WTO, with regard to agriculture and food security, than the current system. An important aspect of the assignment is to identify and develop different relevant and objective criteria as a basis for a differentiation between the developing countries in the WTO.

The Doha Development Round offers a unique opportunity to identify and develop various relevant and objective criteria as a basis for a new differentiation between the developing countries, as well as between the developed and the developing countries, in the WTO. In the field of agriculture, many developing countries have suggested extended and increased Special and Differential Treatment (SDT) in order to protect their agriculture, combat poverty and create new export opportunities.

The countries classified as developing countries in the WTO today constitute a very heterogeneous group of countries. In this large group of developing countries, there are some more advanced countries, but also a large number of poor countries that suffer from a difficult food security situation. In addition, certain efficient agricultural producing countries with significant export of various products and product groups belong to the category of developing countries in the WTO.

In the following, we present a new approach to differentiation between the developing countries in the WTO as regards the Agreement on Agriculture. Certain relevant and objective criteria have served as the basis for this differentiation exercise. In total, we present five different groups of developing countries:

- Least Developed Countries (LDCs) (50),
- Food insecure countries, with the exception of the LDCs (34)
- Developing countries with special need for rural development (44)
- Significant net agricultural-exporting developing countries (4)
- Advanced developing countries (14)

The issue of differentiation between the developing countries in the WTO is closely related to the discussion on SDT and the ongoing multilateral trade negotiations on agriculture in the Doha Development Round. This approach to a new differentiation between the developing countries in the WTO is, accordingly, presented with tentative suggestions on related new SDT provisions in the Agreement on Agriculture with regard to the five country groups that are identified. In this analysis, all WTO member and observer countries are included – around 180 countries in total.

In the assignment, five major research questions were put forward. These questions are answered as follows:

1. Is it relevant to differentiate between the developing countries in the WTO beyond the existing categories of developing countries?

– The WTO does not apply any established definition of developing countries. In practice, each WTO member decides whether it will be treated as a developed or a developing country.

This procedure has resulted in a very heterogeneous grouping of developing countries in the WTO. Accordingly, since the present SDT provisions apply equally to all the self-designated developing countries, a new differentiation between the developing countries in the WTO is a politically very sensitive issue for the larger and more advanced developing countries.

Apart from the general classification of developing countries in the WTO, the Agreement on Agriculture differentiates today between two subgroups of developing countries; these are the **Least Developed Countries (LDCs)** and the **Net Food-Importing Developing Countries (NFIDCs)**. Of these two subgroups of developing countries, only the category of NFIDCs is defined on basis of a specific criterion with regard to an indicator of food availability in the countries. However, it does not seem to be a convincing correlation between the fact that a country is a net food-importer and its food security status. The net trade position does not tell us anything about the cost of obtaining the food or how vulnerable the countries could be to price changes or other measures that affect the availability of food. The category of NFIDCs is, in addition, a very heterogeneous group where the countries have different characteristics and have reached different levels of development.

From what is stated above follows that the two current WTO subgroups of developing countries are not the most appropriate and seem to fail to take into account the interests of the developing countries with regard to the food security criterion. It is also apparent that the general WTO classification of developing countries is too heterogeneous to achieve a more appropriate and operational SDT for the developing countries in the Agreement on Agriculture.

In addition, there is an apparent contradiction between the principle of non-discrimination and equal treatment in the WTO on the one hand, and the rather arbitrary differentiation between the countries in different bilateral and regional trade arrangements, on the other hand. The major interest for new SDT today makes it even more difficult to take stock of and understand the specific provisions of different countries. A differentiation between the developing countries based on different relevant and objective criteria could, accordingly, be highly justified.

2. According to what objective criteria could a differentiation between the developing countries in the WTO be accomplished most successfully?

– Given that the simple systems of country classification are unable to reflect the different conditions, interests, objectives and needs of the developing countries in the multilateral trade negotiations in an appropriate way, it is crucial to develop and make use of more advanced country classification systems, that are based on different relevant indicators, in order to be able to group the developing countries more appropriately with regard to the criteria we wish to analyze.

In accordance with this discussion, we have in our analysis of relevant criteria for a more appropriate differentiation between developing countries in the WTO decided to take the criterion of **food security** as our starting-point. Our ambition by using this criterion is to identify the most vulnerable of the developing countries and those countries that in the short run could be most heavily affected by further trade liberalization in agriculture, as well as to suggest SDT that is more far-reaching and specifically tailored for this category of countries.

In this analysis we assume that there is a clear correlation between the income level of a particular country and its specific development interests. Several studies give proof of the fact that Low-Income Countries put emphasis on issues related to food security, while Middle-Income Countries put emphasis on the importance to develop their agricultural sector, followed by measures to promote their production of processed food products. We have,

accordingly, also selected a broader category of developing countries based on different indicators of rural and agricultural development. These developing countries have in general reached a higher level of development and food security status than the previous category. They are, however, in need of different measures in order to improve their **rural development**. With this differentiation criterion, certain **advanced developing countries** will not qualify. It could, accordingly, be relevant for these countries to consider changing their status as developing countries with regard to the SDT provisions on agriculture.

Finally, we make an attempt to define **significant net exporters** of agricultural commodities, as a way to differentiate between the larger and more export oriented developing countries. This proposal is based on the world market share of twelve product groups (defined by the WTO) that together constitute around 50 percent of world trade in agricultural commodities. These product groups are representative by the fact that they include those commodities in which developing countries are already highly competitive and successfully compete with the developed countries. Accordingly, this criterion seems to be a relevant starting-point for a discussion on how to diminish developing country-specific SDT on certain product groups where they have already reached a certain share (in our approach: 5 percent) of the world trade for the product in question.

In an analysis of this kind, it is important to be aware of the fact that the road from theory to practice can be very long. If seen from the perspective of multilateral trade negotiations, the criteria for a differentiation must be objective, relevant and highly justified. Also the selection of quantitative indicators and threshold values will be highly important and subject to further negotiations. Since a differentiation between developing countries should be dynamic over time with regard to the development process of the countries, it is also important that discussions on graduation are held. This will probably give rise to a transition period where the flexibility of the countries concerned with regard to SDT will be reduced gradually when they have advanced beyond the defined thresholds.

3. What connections exist between a differentiation among the developing countries in the WTO and new Special and Differential Treatment (SDT)?

– If the SDT provisions are differentiated between different relevant categories of developing countries in the WTO, it is reasonable to expect that other member countries will accept extended and more appropriate SDT commitments in the multilateral trade negotiations on agriculture. The criteria that establish the new differentiation between the developing countries in the WTO will have a major impact on the decision on the new SDT provisions. In addition, many important questions regarding a new differentiation still remain to be solved. Should the multilateral trade negotiations start by defining new SDT provisions and later decide which countries should benefit from this special treatment, or should it rather be the other way around with a classification of countries according to relevant and objective criteria to be subject to appropriate SDT provisions?

The negotiating positions are currently blocked on many important issues. For example: with reference to the risk of preference erosion, many weak and vulnerable developing countries oppose the tariff reduction process; the consequences of the trade liberalization process could affect the food security situation in many developing countries adversely; the developing countries propose various different SDT provisions – among other things, many developing countries request a new Special Safeguard Mechanism (SSM) in order to counteract the effects of subsidized exports or sharp price fluctuations; and main actors among the developed countries, such as the EU and the US, are not prepared to extend and strengthen the SDT provisions to all developing countries – among other things, they wish to graduate significant net agricultural exporting countries from the general SDT provisions.

The developing countries that put emphasis on the risk of preference erosion, i.e. mainly the LDCs and the food insecure countries, could, with the support of a new differentiation, be compensated through: duty free market access for the LDCs; expanded tariff rate quotas to the developing countries most in need; new SDT commitments by significant net agricultural-exporters and more advanced developing countries on export from other developing countries; provisions for export credits that are differentiated with regard to the food insecure countries; and a strengthening of the resources for technical assistance and financial aid.

The developing countries that request an extended Special Safeguard Mechanism (SSM) for the import of sensitive products, could be offered the possibility to identify certain Special Products (SPs) and, accordingly, exempt the most sensitive agricultural products from the highest tariff cuts. By offering lower tariff cuts for the most sensitive food security products, the conditions could be more favorable for more far-reaching general tariff reductions in the WTO. This development would be of particular interest to the main net exporting countries. An initiative like this would probably more than compensate these countries for a reduction of their SDT and additional commitments towards more vulnerable developing countries.

4. Could a new differentiation between the developing countries in the WTO affect the South-South trade adversely?

– A new differentiation between the developing countries in the WTO will probably lead to a new set of SDT provisions and commitments. Given this situation, many WTO members are concerned that any measures that increase the trade barriers to developing country markets could impede the dynamic potential of the South-South trade. According to current proposals, the establishment of a Special Safeguard Mechanism (SSM) for the developing countries could have a major distortionary impact on the South-South trade, unless it is designed to ensure that it will be used only in exceptional and well-defined circumstances.

In addition, most proposals suggest that increased market access flexibility should focus on food security crops. Assuming that the definition of Special Products (SPs) will focus on the predominant staple food of the developing countries, it will generally refer to cereals. In general, these products account for a small share of total agricultural exports in all developing country regions. Accordingly, it could be expected that this kind of import restrictions will only have a limited impact on the South-South trade.

5. How could a new differentiation between the developing countries contribute to the WTO negotiations?

– The multilateral trade negotiations on agriculture have for a long time been characterized by different negotiating positions and difficulties in finding solutions to conflicting interests. The locked positions are limiting the possibilities to reach an agreement on general tariff reductions and reductions in trade distorting support. A new differentiation between the developing countries in the WTO could accordingly, together with new SDT provisions, offer possibilities for the negotiators to bridge their differences and interests in particular areas.

In addition, if a new differentiation between the developing countries in the WTO could lead to a new agreement in the field of agriculture, it is possible that this initiative would also generate positive results in other areas of the WTO negotiations. The process could in this case benefit a large number of developing countries with export interests in other areas than agriculture. As a conclusion, it is important to state that a new differentiation between the developing countries in the WTO, together with new SDT provisions that fully correspond to the particular conditions, interests and needs of the developing countries, could be a key issue in the progress of the multilateral trade negotiations on agriculture.

1 Introduction

1.1 Purpose of the study

The Swedish Board of Agriculture has been assigned, by the Swedish Ministry of Agriculture, to analyze the possibilities for a differentiation between the developing countries in the WTO. The main issue to be analyzed in this study is to find out if there is a more appropriate way to differentiate between the developing countries in the WTO, with regard to agriculture and food security, than the current system. The following research questions were put forward:

- Is it relevant to differentiate between the developing countries in the WTO beyond the existing categories of developing countries?
- According to what objective criteria could a differentiation between the developing countries in the WTO be accomplished most successfully?
- What connections exist between a differentiation among the developing countries in the WTO and new Special and Differential Treatment (SDT)?
- Could a new differentiation between the developing countries in the WTO affect the South-South trade adversely?
- How could a new differentiation between the developing countries contribute to the WTO negotiations?

This approach to a new differentiation between the developing countries in the WTO is presented with tentative suggestions on related new SDT provisions in the Agreement on Agriculture. In this analysis, all WTO member and observer countries are included – around 180 countries in total.

1.2 Limitations of the study

This presentation of new and objective criteria for a more relevant and appropriate differentiation between the developing countries in the WTO, as well as the suggestions on new SDT for these country categories, is limited to the areas of food and agriculture.

The starting point for this analysis is the current WTO Agreement on Agriculture and the areas under its regulation. Where it is of relevance, reference is made to other WTO agreements with regard to food and agriculture, but we do not discuss the issues in relation to the Agreement on Sanitary and Phytosanitary Measures (SPS). Whether or not it would be useful with other criteria and SDT provisions in other WTO agreements, and in other sectors, is, accordingly, not discussed in this document.

As part of the assignment, we discuss and comment on how the debate on SDT could be influenced by a new differentiation between the developing countries in the WTO. However, in this document we do not discuss whether SDT is beneficial or not for the developing countries. Neither do we discuss the future concessions and commitments of the developed countries, but we agree that these should be considerable, as well.

Finally, this analysis of different objective criteria for a possible differentiation between the developing countries takes place on a multilateral basis and, accordingly, it does not consider specific domestic circumstances, such as the distribution of income, in the countries concerned. It is, however, important to be aware of these limitations in the design of the new SDT provisions in the WTO.

1.3 Background to the discussion on differentiation

The issue of differentiation is closely related to the discussion on SDT and the multilateral trade negotiations on agriculture in the Doha Development Round. In accordance with paragraph 13 (Agriculture) in the Doha Ministerial Declaration, all WTO members confirm that "special and differential treatment for developing countries shall be an integral part of all elements of the negotiations on agriculture and shall be embodied in the schedules of concessions and commitments and as appropriate in the rules and disciplines to be negotiated, so as to be operationally effective and to enable developing countries to effectively take account of their development needs, including food security and rural development." Paragraph 44 (SDT) states further that "all SDT provisions shall be reviewed with a view to strengthening them and making them more precise, effective and operational."

During the multilateral trade negotiations on agriculture, the developing countries have identified a set of imbalances as regards the commitments in and the implementation of the Agreement on Agriculture. Since the EU and the US were the main negotiating parties in the Uruguay Round, the rules in the field of agriculture principally came to reflect the interests of the developed countries, and only to a lesser extent the needs of the relatively few developing countries that participated in the negotiations. Since the establishment of the WTO in 1995, around sixty developing countries have become WTO members, and the developing countries today constitute more than two thirds of the member countries.

The developing countries have many times pointed out that the positive effects expected from the Agreement on Agriculture have not been obtained. The main reason for this is that the developed countries have been allowed to continue their support to agriculture, particularly because of the generous provisions for domestic support. In addition, the liberalization of the developing country tariff structures has tended to lead to an immediate and high increase in imports, whereas exports have not benefited from corresponding tariff reductions in export markets (FAO, 2003). Accordingly, the higher import competition has led to a steep decline in income and even to the elimination of local production in many developing countries.

Against this background it is natural that many developing countries propose new and more far-reaching SDT provisions in the Doha Development Round, and that these are explicitly emphasized in the Doha Ministerial Declaration.

Complications in the WTO

Since the developing countries in the WTO, in many respects, constitute a heterogeneous category of countries, the issue of SDT is complex. If the SDT provisions are too general and widespread, they risk being counterproductive since they could weaken the SDT instrument and, in certain cases, counteract the development. For example, new safeguard mechanisms on imports could affect other developing countries harshly and, accordingly, reduce regional trade among developing countries significantly.

Even with the WTO differentiation of today and the three established country categories – the developed countries, the developing countries, and as a subgroup of the latter, the Least Developed Countries (LDCs) – certain developing countries have to "pay" for the different SDT provisions inherent in the differentiation. The countries that "lose" are the weak and vulnerable developing countries that are not classified as LDCs. These countries are not allowed to benefit from any of the SDT provisions of the LDCs, and at the same time they have similar commitments and obligations as the more advanced developing countries.

Since non-discrimination is the main principle in the WTO, and the principle on which the rules of the multilateral trading system are founded, also the multilateral trading system has to

”pay” when exceptions are made that go beyond these rules. All WTO member countries have accepted exceptions in the form of general SDT provisions for developing countries and the LDCs. When specific trade arrangements go beyond these general WTO rules they have to use the provisions established in the Enabling Clause¹. In this context, the EU, the US and other main actors among the developed countries have been granted waivers in the WTO that make their systems of preferences to certain pre-selected developing countries possible. The developing countries that are not included in these trade arrangements (mostly Asian and certain Latin American countries), constitute other country groups that “lose” by this kind of discrimination.

Differentiation of SDT provisions between the developing countries

Many developing country groups have proposed that they in particular should be granted new SDT provisions (see also Annex 1). However, concrete negotiating proposals on a new differentiation between the developing countries have not been presented in the WTO. Every time the issue of differentiation has been mentioned in the multilateral trade negotiations on agriculture, it has been apparent that this is a politically very sensitive issue. However, in recent times, various stakeholders have begun to show a greater interest in the emerging issue of differentiation². However, their reasons for doing so are not homogeneous. Some stakeholders emphasize that an improved food security situation for the developing countries could require a new differentiation; other stakeholders agree that a new differentiation could facilitate the multilateral trade negotiations on agriculture by excluding significant net agricultural-exporters, as well as more advanced developing countries, from the SDT provisions for developing countries.

A new and more flexible SDT for developing countries will probably make it more significant than it is today to be classified as a developing country in the WTO. This situation will probably require certain relevant and objective criteria to decide whether member countries should make commitments that correspond to developed countries or developing countries. On the whole, recent developments in the multilateral trade negotiations on agriculture give

¹ The Enabling Clause is officially known as the “Decision on Differential and More Favourable Treatment, Reciprocity and Fuller Participation of Developing Countries” and was adopted under GATT in 1979. It is the legal basis for the Generalized System of Preferences (GSP) and other preferential trade arrangements, under which developed countries offer unilateral, non-reciprocal preferences to products originating in developing countries, and for regional arrangements and trade concessions among developing countries.

² **G20** was created by about twenty developing countries in the context of the Doha Ministerial Conference as an alternative to the EU/US common position and proposal on differentiation between the developing countries in the WTO. This coalition, that was initiated by Brazil, is mainly composed by members of the Cairns Group, but has been extended to include even some giants among the developing countries, like China and India. Today, the G20 includes more than half of the world’s population and more than 65 percent of its farmers. For obvious reasons, this coalition of developing countries is very heterogeneous to its character since its members have many different interests as regards agricultural policies. Initially, Brazil made certain concessions regarding its demands on market access to China and India in order to be able to create this coalition of developing countries. In spite of all this, the G20 has demonstrated that developing countries, despite different domestic conditions and interests, have the capacity to build alliances, to cooperate, and to constitute an effective counterbalance to the interests of the developed countries. The current G20 members are: Argentina, Bolivia, Brazil, Chile, Cuba, Egypt, the Philippines, India, Indonesia, China, Mexico, Nigeria, Pakistan, Paraguay, South Africa, Tanzania, Thailand, Venezuela and Zimbabwe (ICTSD, 2004). Colombia, Costa Rica, Ecuador, El Salvador, Guatemala and Peru are countries that have already left the coalition; at the same time new countries have joined the group. **G90**, a tripartite alliance of the ACP countries, the LDCs, and the African Union, has surged as a counterbalance to the G20 as a coalition of the poorest countries in the world, in order to protect its preference agreements and to insist on compensation for lost preference margins in the process of trade liberalization.

the impression of an increasing interest in the issue of a new differentiation and that this initiative could be seen as a possibility to satisfy different interests and negotiating positions³.

In the WTO, there is currently no established definition for the designation of developing countries. In practice, each member country decides itself if it should be considered a developed country or a developing country in the WTO⁴. This means that there is a wide range of countries with different characteristics that are considered developing countries in the WTO today. In the current Agreement on Agriculture, also relatively advanced countries, have obtained developing country status, and are, accordingly, entitled to the SDT provisions. The countries that opted for being considered as developing countries are entitled to make less extensive commitments in the Agreement on Agriculture, most significantly by not having to make as high reductions in tariffs and domestic support, and by being granted a longer period of time to make these reductions. Only the LDCs are exempted from these reduction requirements. Since the current SDT provisions comprise all self-designated developing countries in the WTO, the issue of differentiation is politically very sensitive for larger and more advanced developing countries.

In this analysis, we take as our starting point the fact that there is no "typical" developing country. The liberalization of world trade gives rise to advantages and disadvantages both between and within the developing countries. Given this situation, the interests of the developing countries are far from homogeneous in the multilateral trade negotiations on agriculture. These interests depend not only on the development level of the countries concerned, but also on their trade structure and food security situation.

A successful differentiation between the developing countries in the WTO has the objective of identifying common and/or deviating interests among and between different prototypes of developing countries in the international trade liberalization process. Accordingly, it could also serve as an important instrument in predicting coalitions and negotiating positions at the multilateral trade negotiations on agriculture.

1.4 Present differentiation between developing countries in the WTO

Apart from the general classification of developing countries in the WTO, the Agreement on Agriculture differentiates today between two subgroups of developing countries; these are the **Least Developed Countries (LDCs)** and the **Net Food-Importing Developing Countries (NFIDCs)**. As regards the LDCs and the NFIDCs, developed countries have made certain commitments regarding food aid, technical assistance and export credits.

³ However, in this context, it is important to state that a new differentiation between the developing countries in the WTO is not a panacea to resolve all diverging issues among developed and developing countries. In order to improve the conditions of the developing countries and to facilitate their integration into the world market, it is most important that the developed countries make significant reductions in their trade distorting domestic support and in their export subsidies. This aspect should be kept in mind, even though this study only focuses on the SDT provisions for the developing countries and the progress that could be made with the contribution of a new differentiation between the developing countries in the WTO.

⁴ During the negotiations, the acceding countries establish, in their schedules of commitments, which commitments they are prepared to accept – schedules for developed or for developing countries. If their proposal is accepted by the other members, the countries will, accordingly, receive the corresponding treatment. In the field of agriculture, China is the only country that has not received full acceptance of its request for status as developing country.

The Preamble of the Agreement on Agriculture states that the multilateral trade negotiations should take into account "the possible negative effects of the implementation of the reform programme on least-developed and net food-importing developing countries". This reasoning is also repeated in Article 16 that states that "[d]eveloped country Members shall take such action as is provided for within the framework of the Decision on Measures Concerning the Possible Negative Effects of the Reform Programme on Least-Developed and Net Food-Importing Developing Countries."⁵ Also Article 20 of the Agreement on Agriculture emphasizes that the new trade negotiations should consider "non-trade concerns".

Accordingly, an issue of transcendental importance in the current multilateral trade negotiations on agriculture is the relevance of the current WTO differentiation between developing countries with respect to their food security status, and how further trade liberalization in agriculture would affect the food security status of the developing countries in the WTO.

1.5 Relevance of present differentiation between developing countries in the WTO

Considering the two subgroups of developing countries referred to in the Marrakesh Decision, the LDCs are defined by the United Nations according to different criteria⁶ – but without particular regard to the food security situation in the countries – while countries that are categorized as NFIDCs are granted their status by the WTO Committee on Agriculture according to certain criteria and procedures⁷.

Accordingly, we find that only the category of NFIDCs is defined on the basis of a specific indicator with regard to food availability in the countries concerned. However, being a net food-importer does not seem to have a convincing correlation with the food security situation in the countries concerned (OECD, 2002b). The net trade position does not tell us anything about the cost of obtaining the food or how vulnerable the countries could be to price changes or other measures on the availability of food⁸.

⁵ "The Decision on Measures Concerning the Possible Negative Effects of the Reform Programme on Least-Developed and Net Food-Importing Developing Countries" (in the future referred to as the "Marrakesh Decision") provides for action through the following four response mechanisms: (1) food aid; (2) short-term financing of normal levels of commercial imports; (3) favorable terms for agricultural export credits; and (4) technical and financial assistance to improve agricultural productivity and infrastructures (FAO, 2002d).

⁶ The Least Developed Countries (LDCs) are defined on the basis of three criteria: (1) a low-income criterion, based on a three-year GDP per capita between US\$ 900-1 035; (2) a human resource weakness criterion, based on the indicators of: (a) nutrition; (b) health; (c) education; and (d) adult literacy; (3) an economic vulnerability criterion, based on indicators of: (a) the instability of agricultural production; (b) the instability of exports of goods and services; (c) share of manufacturing and modern services in GDP; (d) merchandise export concentration; and (e) the handicap of economic smallness. In addition, ever since 2000 a country does not qualify to be added to the list if it has a population greater than 75 million (OHRLLS web site).

⁷ To be a member of the NFIDCs, a country must: (i) be a developing country; (ii) have been a net importer of basic foodstuffs in any 3 years of the most recent 5-year period for which data are available; and (iii) notify the WTO Committee on Agriculture of its wish to be so classified (Stevens, 2003).

⁸ Some countries may be net food-exporters but still have a larger percentage of their total exports allocated to buy food, or vice-versa; for example, a LDC like Mali is a net food-exporter but its food bill is about 15 percent of total exports, while a NFIDC like Venezuela spends about 5 percent of total exports on imported food. In addition, some countries may be net food importers just because of a dominant tourist industry, like Barbados, or because of comparative advantages of their production structure, for example oil-exporting countries like Venezuela and Trinidad & Tobago (OECD, 2002b).

If we turn to the country groups concerned, we find that there are currently 50 LDCs, of which 32 are full WTO members and 10 have observer status. The LDCs have a population of approximately 605 million people and a per capita-income (1997) of US\$ 270. There are currently 23 NFIDCs with a population of approximately 380 million people with a per capita-income (1997) of US\$ 1 127 (Valdés & McCalla, 1999). This second category is, accordingly, a quite diverse country group with eight members classified (by the World Bank) as Upper-Middle-Income Countries, eleven as Lower-Middle-Income Countries and three as Low-Income Countries. One of the members of this current WTO category is actually a High-Income Country⁹.

From what is stated above follows that the two current subgroups of developing countries in the WTO are not the most appropriate, as they seem to fail to take into account the interests of the developing countries with regard to the food security criterion.

1.6 Outline of the new differentiation initiative

In accordance with the discussion above, we have in our analysis of relevant criteria for a more appropriate differentiation of developing countries in the WTO decided to start from the criterion of **food security**. Our ambition by using this criterion is to identify the most vulnerable of the developing countries and those countries that, in the short run, could be affected most heavily by further trade liberalization in agriculture, as well as to suggest different directly adjusted and more far-reaching SDT for this category of countries.

We have also selected a broader category of developing countries based on different indicators of rural and agricultural development. These developing countries have in general reached a higher level of development and food security than the previous category. They are, however, in need of different measures in order to improve their **rural development**. With this differentiation criterion, certain **advanced developing countries** will not qualify. It could, accordingly, be relevant for these countries to consider changing their status as developing countries with regard to the SDT provisions on agriculture.

Finally, we make an attempt to define **significant net exporters** of agricultural commodities, as a way to differentiate between the larger and more export-oriented developing countries. This proposal is based on the world market share of twelve product groups (defined by the WTO) that together constitute around 50 percent of the world trade with agricultural commodities (WTO, 2003)¹⁰. These product groups are representative, since they include those commodities in which the developing countries are already highly competitive and successfully compete with developed countries. Accordingly, this criterion seems to be a relevant starting point for a discussion on how to diminish developing country specific SDT on certain product groups where they have already reached a certain share (in our approach: 5 percent) of world trade for the product in question.

⁹ It is possible that the perception of inadequacy of the WTO category of NFIDCs – the current differentiation excludes many food insecure developing countries, but includes developing countries that are better off – might have contributed to the underutilization of the measures advocated in the Marrakesh Decision. It is, accordingly, of utmost importance to be working to identify a more appropriate classification of food insecurity at the national level during the WTO negotiations on agriculture.

¹⁰ Article 18.5 of the Agreement on Agriculture provides that "Members agree to consult annually in the Committee on Agriculture with respect to their participation in the normal growth of world trade in agricultural products within the framework of the commitments on export subsidies under this Agreement." The following products/product groups are covered: (i) wheat/wheat flour; (ii) coarse grains; (iii) rice; (iv) sugar; (v) skim milk powder; (vi) butter and butter oil; (vii) cheese; (viii) whole milk powder; (ix) bovine meat; (x) pig meat; (xi) poultry meat; (xii) oilseeds and; (xiii) fruit and vegetables (WTO, 2003).

2 Differentiation between countries in theory and practice

There are many different ways to classify developing countries in different groups, from very simple methods to the more advanced and sophisticated ones. The simple methods are built on one or two criteria, and are most frequently used by different international organizations. Several studies demonstrate that these methods only result in a very broad and one-dimensional classification of the countries concerned, which is not always relevant. More advanced methods could therefore be more relevant and appropriate.

This section presents some of the most common and frequently used country classifications that are based on only a few criteria. Below follows a short listing of some of the most common country classifications according to these principles:

- **Classification on the basis of GDP per capita:** This classification system is used by the World Bank, UNCTAD and OECD. The World Bank uses the following categories: Low-Income Countries (LICs), Lower-Middle-Income Countries (LMICs), Upper-Middle-Income Countries (UMICs) or High-Income Countries (HICs) (see also Box 1).
- **Classification on the basis of net trade position:** According to the FAO trade statistics, the developing countries can be classified in the following categories: Net Agricultural-Exporters (NAEX), Net Agricultural-Importers (NAIM), Net Food-Exporters (NFEX) or Net Food-Importers (NFIM).
- **Classification on the basis of common characteristics:** The United Nations System defines several categories of developing countries according to common characteristics: Least Developed Countries (LDCs), Land-Locked Developing Countries (LLDCs), Small Island Developing States (SIDS), Transition Markets (TRANS) and Low-Income Food Deficit Countries (LIFDCs).
- **Classification on the basis of human development:** UNDP uses the Human Development Index to classify the countries into the following groups: Low Human Development, Medium Human Development or High Human Development¹¹.
- **Classification on the basis of geographic location:** The United Nations also group the countries according to their geographic location in different regions: Latin America and the Caribbean, Sub-Saharan Africa, East Asia and the Pacific, Europe and Central Asia, Middle East and North Africa, and South Asia¹².

The above-mentioned country classifications all have their advantages and limitations, but they are not fully corresponding to the objectives of this study. Most of these classifications group the developing countries according to only one criterion. In addition, according to these

¹¹ The Human Development Index (HDI) is a composite index measuring average achievement in three basic dimensions of human development: (1) a long and healthy life; (2) knowledge; and (3) a decent standard of living. In order to include these dimensions, the HDI covers life expectancy, education, literacy and income; in addition, poverty and equality are taken into account.

¹² There is no established convention for the designation of "developed" and "developing" countries or areas in the United Nations system. In common practice, Japan in Asia and the United States in northern America, Australia and New Zealand in Oceania, and Europe are considered "developed" regions or areas (United Nations Statistics Division).

classification systems the countries concerned would belong to different groups at the same time¹³.

Box 1: Country classifications based on GDP per capita

The most frequently used criterion in the simple classifications is GDP per capita. This method is used by many international organizations in different statistical contexts. The most well-known are the following:

UNCTAD classifies the developing countries into three groups:

1. Low-Income Countries – GDP (1995) per capita < US\$ 800
2. Middle-Income Countries – GDP (1995) per capita US\$ 800-4 000
3. High-Income Countries – GDP (1995) per capita > US\$ 4 000

In addition, some countries belonging to the Low and Middle Income-categories are also considered LDCs.

OECD classifies the developing countries into five groups:

1. LDCs
2. Other Low-Income Countries –GNI (2001) per capita < US\$ 745
3. Lower-Middle-Income Countries –GNI (2001) per capita US\$ 746-2 975
4. Upper-Middle-Income Countries – GNI (2001) per capita US\$ 2 976-9 205
5. High-Income Countries – GNI (2001) per capita > US\$ 9 206

In addition, according to the OECD DAC-list, other countries belong to the categories of Central and Eastern European Countries/New Independent States of the former Soviet Union and More Advanced Developing Countries and Territories, i.e. countries and territories in transition.

The World Bank classifies the developing countries into four groups:

1. Low-Income Countries – GNI (2002) per capita < US\$ 735
2. Lower-Middle-Income Countries – GNI (2002) per capita US\$ 736-2 935
3. Upper-Middle-Income Countries – GNI (2002) per capita US\$ 2 936-9 075
4. High-Income Countries – GNI (2002) per capita > US\$ 9 076

In general discussions, the term "developing countries" has been used by the World Bank to denote the Low and Middle-Income Countries. The World Bank per capita-income thresholds indicate a stable relationship between a summary measure of well-being on the one hand and economic variables on the other. These thresholds are updated every year to incorporate the effects of international inflation, which is now measured by the average inflation of the G-5 ("SDR-deflator"). Thus, the thresholds remain constant in real terms over time.

Source: UNCTAD, OECD and the World Bank

The country classifications above could for analytical purposes be summarized according to the following table.

¹³ A concrete example of a simple classification based on two criteria instead of only one is the FAO category of Low-Income Food-Deficit Countries (LIFDCs). The criteria are a low income per capita (below US\$ 1 435 for 2001) and a net food trade deficit position of a country averaged over the preceding three years, i.e. trade volumes for a broad basket of basic foodstuffs (cereals, roots and tubers, pulses, oilseeds and oils, meat and dairy products). A self-exclusion criterion is applied when countries that meet the above two criteria specifically request to be excluded from the LIFDC category. The reason behind this category was to create, for analytical purposes, a subgroup of developing countries that are both Low-Income Countries and vulnerable to exogenous shocks; accordingly, it can be seen as an indicator of food insecurity. In order to avoid countries changing their status too frequently – typically reflecting short-term, exogenous shocks – an additional factor was taken into consideration from the year 2001. This consideration, called "persistence of position", would postpone the "exit" of a LIFDC from the list until the change in its status is verified for three consecutive years (FAOSTAT). The category of LIFDCs – not to be mixed up with the WTO category of NFIDCs – is not subject to any special treatment or legal consideration under the WTO.

Table 1. Number of developing countries in the different categories

	UNCTAD	OECD	World Bank
Low-Income Countries (<US\$ 735-800)	66	72	64
Middle-Income Countries (US\$ 735-4 000)	72	77	88
High-Income Countries (>US\$ 4 000-9 076)	48	37	-
Total	186	186	142

Source: Derived from UNCTAD, OECD and the World Bank

Table 2 below indicates how different country groups are classified with regard to their GDP per capita, according to the World Bank definition. It should be noted, however, that the different categories in the column to the left are overlapping.

Table 2. Developing country income taxonomy (1999)

	Low-Income Countries (≤US\$ 785 per capita) (63)	Lower-Middle-Income Countries (≤US\$ 3 125 per capita) (52)	Upper-Middle-Income Countries (≤US\$ 9 655 per capita) (33)
Low-Income Food-Deficit Countries (LIFDCs) (58)	58	0	0
Transition Markets (TRANS) (26)	6	13	7
Small Island Developing States (SIDS) (29)	5	15	9
Net Food-Importing Countries (NFIM) (105)	48	35	22
Net Food-Exporting Countries (NFEX) (43)	15	17	11
Net Agricultural-Importing Countries (NAIM) (85)	30	32	23
Net Agricultural-Exporting Countries (NAEX) (63)	33	20	10

Source: Valdés & McCalla (1999)

It is possible to make several interesting observations from the table above. As suggested by the table, the majority of the developing countries are net importers of food and agricultural products, and about half of these are Low-Income Countries. But this is not the whole truth; as many as two-fifths of the developing countries are net agricultural-exporters, and more than half of these are classified as Low-Income Countries.

The share of net food-exporting countries is lower, but in any case as high as one-third of the countries. Among these countries, the spread across different income groups is even more pronounced. Accordingly, the perception that all developing countries are net importers of food and agricultural products is not always true.

Another interesting observation from the table is that almost all the LIFDCs belong to the category of Low-Income Countries.

Table 3 below is a cross-reference of several of the above-mentioned categories, in order to study how different existing country categories and classification systems overlap.

Table 3. Developing country taxonomy matrix (1999)

LDC	LIFDC	TRANS	SIDS	NFIM	NFEX	NAIM	NAEX	
46	38	0	8	45	1	30	16	LDC
	58	5	5	47	11	33	25	LIFDC
		26	0	18	8	16	10	TRANS
			29	20	9	20	9	SIDS
				105	0	83	22	NFIM
					43	2	41	NFEX
						85	0	NAIM
							63	NAEX

Source: Valdés & McCalla (1999)

From the table above we find that almost all the LDCs and two-thirds of the LIFDCs are net food-importers. Of the studied LIFDCs, more than three-quarters are net food-importers. This means, accordingly, that almost one-quarter of the countries are net food-exporters. We also find that 22 net food-importers and 25 LIFDCs are net agricultural-exporters. It is of particular interest to observe that as many as 63 of the studied developing countries (about 43 percent) are net agricultural-exporters.

Table 4 below classifies the countries according to their geographical location with regard to their status as net exporters or net importers of food and agricultural products.

Table 4. Net agricultural and food importers and exporters in developing countries by region (1999)

	NAIM and NFIM	NAEX and NFIM	NAIM and NFEX	NAEX and NFEX
East Asia and the Pacific	9	3	0	8
South Asia	6	1	0	1
Latin America and the Caribbean	13	4	1	14
Europe and Central Asia	15	3	1	8
Middle East and North Africa	13	1	0	0
Sub-Saharan Africa	27	10	0	10
Total	83	22	2	41

Source: Valdés & McCalla (1999)

From this table we can make several interesting observations of relevance for our study:

- A majority of the countries in East Asia and the Pacific are net agricultural-exporters (11/20) while 9 countries are net importers of food and agricultural products.
- As many as 75 percent of the developing countries in South Asia are net importers of food and agricultural products.
- In Latin America and the Caribbean, we find that 13 countries are net importers of both food and agricultural products and 17 countries are only net food-importers. On closer inspection, we find that 10 of the 13 countries belong to the SIDS category.
- In Europe and Central Asia, we find as many net exporting as net importing developing countries. As regards the Middle East and North Africa, all countries but one (13/14) are net importers of both food and agricultural products.
- In Sub-Saharan Africa about 60 percent of the developing countries are net importers and some 40 percent are net exporters.

As suggested by the table, all regions of the world have net exporting as well as net importing countries. Latin America and the Caribbean is the only region where there are more net exporters than net importers even though this majority is very slim. Most of the net importing countries in that region are small islands, but this still contradicts the common perception that all of Latin America and the Caribbean is an exporting region.

Also in the regions Europe/Central Asia and East Asia/Pacific, a considerable amount of net exporters are to be found. The same is true to a certain extent for Sub-Saharan Africa. Finally, we can conclude that all regions, with the only exception for the Middle East and North Africa, have mixed interests with regard to their role as net importers or net exporters.

3 Four approaches to country classification – differentiation based on objective criteria

Given that the simple systems of country classification are unable to reflect the different conditions, interests, objectives and needs of the developing countries in the multilateral trade negotiations in an appropriate way, it is crucial to develop and make use of more advanced country classification systems, based on various relevant indicators, in order to be able to group the developing countries more appropriately with regard to the criteria we wish to analyze. These systems of classification should intend to capture various interests of the developing countries concerned, and they should be based on indicators that are mutually excluding so that a country cannot fall into more than one category.

In this analysis we assume that there is a clear correlation between the income level of a particular country and its specific development interests. Several studies indicate that Low-Income Countries put emphasis on issues related to **food security**, while Middle-Income-Countries put emphasis on the importance of developing their agricultural sector, followed by measures to promote their production of processed food products. In these countries we put emphasis on SDT provisions for **rural development**. In this context, we have also studied certain specific indicators in order to graduate some **advanced developing countries** and **significant net exporters** of particular products/product groups. We will return to this discussion in our analysis of relevant future SDT provisions.

In an analysis of this kind, it is important to remember that the road from theory to practice can be very long. If seen from the perspective of multilateral trade negotiations, the criteria for differentiation must be objective, relevant and highly justified. Also the selection of quantitative indicators and threshold values will be highly important and subject to further negotiations. Since a differentiation between developing countries should be dynamic over time with regard to the development process of the countries, it is also important that discussions on graduation are held. This will probably give rise to a transition period where the flexibility of the countries concerned with regard to SDT gradually will be reduced when they have advanced beyond the defined thresholds.

3.1 Differentiation based on food security

According to the FAO, "food security exists when all people, at all times, have physical and economic access to sufficient, safe and nutritious food to meet their dietary needs and food preferences for an active and healthy life" (FAO, 1996). Even though food security takes a more concrete form at the household or individual level, in this analysis we take a national perspective on the criterion of food security. This perspective is justified by the fact that the multilateral trade negotiations within the WTO are conducted at the national level and the SDT provisions granted to categories of countries.

An advanced system of differentiation with regard to food security at a national level has been developed by Díaz-Bonilla *et al* (2000). The developing countries are classified into different clusters with similar characteristics based on the following indicators of food security: (1) food production per capita; (2) food import capacity; (3) calories and proteins (in grams) per

capita per day; and (4) non-agricultural population¹⁴. All these indicators refer to food security at a national level according to what is discussed above.

- **Food production per capita** is an indicator of the ability of countries to feed themselves. It is calculated by the FAO as the total food production (according to the definition of FAOSTAT) per year multiplied by the world market price (in US\$) during 1989-1991, divided by the total population of the same year.
- **Food import capacity** is an indicator of the ability of countries to finance their food imports out of their total export revenues, including goods and services. Since the analysis puts emphasis on the relation between food security and international trade, this indicator does not take into account the debt burdens of the countries or other financial flows in the balance of payment. Many analysts claim that this indicator is more relevant and appropriate for food security analysis than the net food trade position that is used by the WTO today. This indicator also includes the broader contribution of trade to achieve food security; i.e. not only the availability of food in world markets, but also the generation of export income to finance those imports.
- **Calories per capita per day and protein per capita per day (in grams)** are used as indicators of the average consumption at a national level. It is, however, important to recall that national averages are of limited value in estimating the food security at household and individual levels.
- **Non-agricultural population (or degree of urbanization)** gives an idea of the extent to which countries can be affected by changes in agricultural and trade policies. Protectionism in trade in food products is equal to a tax on food consumption, while liberalization would result in a tax reduction for the consumers. From this discussion follows that protectionist measures or trade liberalization will lead to different consequences in the developing countries, depending on whether the urban or the rural population is affected most heavily.

On the basis of the clusters identified in the above analysis, the countries are placed in one of the following three categories: (1) food insecure; (2) food neutral; or (3) food secure¹⁵. Accordingly, the countries within one category have similar food security status and general characteristics. Table 5 below differentiates between the WTO members and observers with regard to the food security criterion of the previous discussion¹⁶. The table also indicates the distribution of the present WTO country categories of developed countries, developing countries, LDCs and NFIDCs, if this new criterion of food security at national level is used.

¹⁴ There are also investigations that, alternatively, favor less advanced country classification schemes with established thresholds on the different indicators on food security (Ruffer *et al*, 2002). The main difficulty with this approach is that only very few countries are classified as food insecure with regard to all indicators (where data is available) and that many countries qualify as food insecure with regard to different indicators.

¹⁵ The threshold values are used in the Díaz-Bonilla *et al* (2000) study: **(1) food insecure**: food production/capita: US\$ 81.8; food import capacity: 20.4%; calories/capita/day: 1982.9; protein/capita/day (in grams): 48.6; non-agricultural population: 23%; **(2) food neutral**: food production/capita: US\$ 210.4; food import capacity: 8.8% calories/capita/day: 2602.3; protein/capita/day (in grams): 66.5; non-agricultural population: 75%; **(3) food secure**: food production/capita: US\$ 254.2; food import capacity: 5.4% calories/capita/day: 3231.3; protein/capita/day(in grams): 100.1; non-agricultural population: 8.8%.

¹⁶ Explanations to the table: Countries in bold: **LDC** category. Countries in italics: *NFIDC* category. Countries underlined: WTO developed countries category. WTO members not included due to lack of data: Bahrain, Cyprus, Liechtenstein, Macao, Oman, Qatar, Singapore, Taiwan. WTO observers not included due to lack of data: Andorra, Bahamas, **Bhutan**, Bosnia & Herzegovina, **Equatorial Guinea**, Holy See (Vatican), Iraq, **Samoa**, **Sao Tome and Principe**, Serbia & Montenegro, Tonga.

As is apparent from the table, this new classification of food insecure countries would cover almost all the LDCs, with the only exceptions of Cape Verde, Maldives and Myanmar. In addition, this system of differentiation would include the many food insecure countries that are currently not covered by the Marrakesh Decision, since this SDT initiative only applies to the LDCs and the NFIDCs.

Table 5. WTO members and observers with regard to food security and economic development

Food security status	Economic status Low-Income Countries	Lower-Middle-Income Countries	Upper-Middle-Income Countries	High-Income Countries
Food insecure	Angola, Azerbaijan, Bangladesh, Benin, Burkina Faso, Burundi, Cambodia, Cameroon, Central African Republic, Chad, Congo (Brazzaville), Congo (Kinshasa), Cote d'Ivoire, Ethiopia, Gambia, Georgia, Ghana, Guinea, Guinea Bissau, Haiti, India, Kenya, Laos, Lesotho, Madagascar, Malawi, Mali, Mauritania, Mongolia, Mozambique, Nepal, Nicaragua, Niger, Pakistan, Papua New Guinea, Rwanda, Solomon Islands, Senegal, Sierra Leone, Sudan, Tajikistan, Tanzania, Togo, Uganda, Vietnam, Zambia, Zimbabwe	Albania, Armenia, Bolivia, Cuba, Djibouti, Dominican Republic, El Salvador, Guatemala, Honduras, Namibia, Peru, Philippines, Sri Lanka, St. Vincent & the Grenadines, Vanuatu	Botswana, Grenada, Seychelles, St. Kitts & Nevis, St. Lucia	
Food neutral	Indonesia, Kyrgyzstan, Moldavia, Myanmar, Nigeria, Uzbekistan	Algeria, Brazil, Bulgaria, Cape Verde, China, Colombia, Ecuador, Egypt, Fiji, Guyana, Jamaica, Jordan, Macedonia (FYR), Maldives, Morocco, Paraguay, Russia, Suriname, Swaziland, South Africa, Thailand, Tunisia	Belize, Chile, Costa Rica, Croatia, Dominica, Estonia, Gabon, Latvia, Lebanon, Malaysia, Mauritius, Mexico, Panama, Saudi Arabia, Slovak Republic, Trinidad & Tobago, Venezuela	Antigua & Barbuda, Barbados, Brunei, Kuwait, South Korea
Food secure		Belarus, Kazakhstan, Romania, Turkey, Ukraine	Argentina, Czech Republic, Hungary, Lithuania, Poland, Uruguay	Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Hong Kong, Iceland, Ireland, Israel, Italia, Japan, Luxembourg, Malta, Netherlands, New Zealand, Norway, Portugal, Slovenia, Spain, Sweden, Switzerland, United Arab Emirates, United Kingdom, USA,

Source: Derived from WTO, World Bank, Diaz-Bonilla (2000)

This differentiation exercise is also relevant with regard to the future negotiation positions of the developing countries in the WTO. This observation is particularly true for the food insecure countries that have the best conditions to adhere to a common negotiation strategy. There is less homogeneity among the food neutral countries and the majority could have multiple allegiances across clusters. It is also apparent that not even a higher degree of food security entails common interests in the field of negotiations on agriculture. Accordingly, our analysis on differentiation between the developing countries will have to try to identify additional relevant criteria.

3.2 Graduation of advanced developing countries

Among the countries that are defined as developing countries in the Agreement on Agriculture, certain advanced developing countries are identified on the basis of different objective indicators. These countries are in other contexts considered as High-Income Countries, and it could, accordingly, be reasonable to study whether they really need their status as developing countries in the Agreement on Agriculture. In the following table we have identified 14 advanced developing countries.

Table 6. Developing countries in the WTO with high GNI per capita¹⁷.

High-Income Countries (2002 GNI/capita > US\$ 9076)	Agricultural population (share of total population 2000)	Rural population (share of total population 2000)	Agricultural share of GDP (1998 ¹⁸)
Antigua & Barbuda	24	63	4
Bahamas	4	12	N/A
Bahrain	1	8	1
Barbados	4	50	6
Brunei	1	28	3
Hong Kong	N/A	N/A	<1
Israel	N/A	N/A	N/A
Kuwait	1	2	<1
Macao	N/A	N/A	N/A
Oman	36	16	3
Singapore	0	0	0
South Korea	9	14	5
Taiwan	N/A	N/A	N/A
United Arab Emirates	5	14	2

Source: Derived from World Bank, FAO

In addition to a high per capita-income, these countries are characterized by the fact that the agricultural sector contributes only marginally to their GDP and that their agricultural and rural populations are remarkably low in comparison with other developing countries in the WTO. It is also important to take into account that none of these countries are significant agricultural producers; on the contrary, they rather base a significant share of their food consumption on imports.

¹⁷ Cyprus and Malta have not been included due to the enlargement of the European Union.

¹⁸ For Bahrain, Kuwait and United Arab Emirates the numbers refer to the year of 1995.

In line with this analysis on differentiation, the indicated countries could consider the advantages of changing their status from their current classification as developing countries in the Agreement on Agriculture and, accordingly, be given the same conditions as the developed countries in the field of agriculture.

3.3 Differentiation based on significant export of agricultural products

In the EU/US proposal that was presented at the Cancún Ministerial, it was suggested, without further specifications, that "significant net food exporting countries" should be exempted from general SDT. It is not evident from their proposal how this country group should be defined, nor did it mention the agreement-specific conditions. In the same document it is suggested that a differentiation between the developing countries must be accomplished and that substantial improvements in market access should be given to the developing countries "most in need".

One approach to identify which developing countries that could be considered significant net agricultural-exporting countries is to study FAO data on net agricultural trade position. The table below indicates the outcome for the time period of 1999-2002 at arbitrarily drawn limits. The purpose of the table is only to give an idea of which countries that could be concerned.

Table 7. Significant net agricultural-exporters among the developing countries (1999-2002)

Average net trade position (billion US\$)	Number of countries	Country
> 10 billion	1	Brazil
5-10 billion	1	Argentina
4-5 billion	1	Thailand
2-4 billion	1	Pakistan
1-2 billion	6	Chile, India, Cote d'Ivoire, Colombia, Ecuador, Turkey
0,5-1 billion	15	Vietnam, Costa Rica, Indonesia, Uruguay, Guatemala, Zimbabwe, Bolivia, Paraguay, Guyana, Kenya, Malawi, Sri Lanka, Cameroon, Myanmar, Swaziland

Source: Derived from FAOSTAT

In many of the above-mentioned countries, exports to a large extent consist of one particular commodity. The export from the bigger countries is, however, more diversified. In addition, the differences in volume and value are considerable when comparing the biggest and the smallest of the net exporting countries. The average yearly export from Brazil is more than 100 times bigger (11 billion) than average yearly export from Swaziland or Myanmar (0,1 billion).

In order to define the group of net agricultural-exporting countries, the share of total world export is a more relevant criterion than the net trade position. The WTO Committee on Agriculture is defining a country group called "significant exporters". These countries represent more than five percent of the total global export of a certain product or product

group¹⁹. These countries are instructed to notify, on a yearly basis, their export of certain pre-defined products (WTO, 2003).

Table 8 presents a possible differentiation with regard to net agricultural-exporting countries. The sample has been based on notifications from the WTO Secretariat on "significant exporters". The last notification covers nine developing countries with partly different characteristics. They range from large developing countries, like China, India and Pakistan, and Cairns Group members²⁰ with significant exports of various product groups, to comparatively smaller developing countries, like Cuba and Vietnam.

Table 8. Developing countries with more that 5 percent of total global export, average 1999-2002

Country	Product group	Share of total global export, average 1999-2002 (%)
Argentina	Wheat/wheat flour	9.3
	Coarse grains	10.3
	Oilseeds	8.3
Brazil	Sugar	24.8
	Bovine meat	7.6
	Poultry meat	13.5
	Oilseeds	18.7
Hong Kong	Poultry meat	10.4
India	Rice	10.2
China	Rice	11.2
	Coarse grains	9.0
Cuba	Sugar	7.9
Pakistan	Rice	8.2
Thailand	Rice	27.2
	Sugar	8.8
	Poultry meat	5.6
Vietnam	Rice	15.5

Source: Derived from WTO (2003)

¹⁹ This approach to product-specific differentiation is, from our point of view, only meant to serve as a starting point for a discussion on graduation of significant net exporters on basis of competitive products or product groups. In analyses at a more detailed product level, it is possible that other significant commodity exports could emerge. In a similar way, the selection of relevant reference periods could also be a sensitive issue in the multilateral trade negotiations on agriculture.

²⁰ The **Cairns Group** is a coalition of 17 agricultural exporting countries (Argentina, Australia, Bolivia, Brazil, Canada, Chile, Colombia, Costa Rica, Guatemala, Indonesia, Malaysia, New Zealand, Paraguay, the Philippines, South Africa, Thailand and Uruguay) who account for one-third of the world's agricultural exports. It is interesting to note that as many as 13 of these countries belong to the WTO category of developing countries. This coalition was formed during the Uruguay Round in 1986 in order to put agriculture on the multilateral trade agenda. It was largely a result of the Cairns Group's efforts that a framework for reform in agricultural trade was established in the Uruguay Round and agriculture was for the first time subject to trade liberalizing rules in the WTO Agreement on Agriculture. By acting collectively it has had more influence and impact on the agriculture negotiations than any individual members could have had on their own.

It is interesting to note that four of the nine countries listed above are considered food insecure according to our previous definition. In addition, they are classified as either Low-Income Countries (India, Pakistan, Vietnam) or Lower-Middle-Income Countries (Cuba). Accordingly, we have decided not to include these four countries in the differentiation of net agricultural-exporting countries. Hong Kong should also be exempted from this group, mainly due to the fact that it is a significant net agricultural-importer. During the time period 1999-2002 the net trade position of the country was approximately minus US\$ 4.3 billion per year and the export value corresponded only to about 50 percent of the value of the imports.

Given the above, we suggest that only the following four countries remain to be classified as net agricultural-exporters: Argentina, Brazil, China and Thailand. Countries that are classified as net agricultural-exporters should be exempted from the product-specific SDT that could influence their competitiveness within the sectors where they already have reached comparative advantages.

3.4 Differentiation based on special need for rural development

Trade liberalization does not automatically lead to food security, poverty reduction and higher welfare in developing countries. The agricultural sector in developing countries is often characterized by many supply-side constraints that impede the development of production and trade, these include: (i) economic issues such as prices, incentives, interest rates, currency convertibility, coupled with weak regulatory environment; (ii) infrastructure problems; (iii) difficulties in achieving economies of scale; (iv) skills and other structural factors; (v) institutional issues; and (vi) the regulatory environment.

According to recent FAO estimates, rural poverty in developing countries is double the size of urban poverty. The agricultural sector is also a significant contributor to the generation of employment opportunities and GDP growth in developing countries. Agricultural production growth is, accordingly, considered to have a higher impact on poverty reduction in the developing countries than growth in other sectors of the economy. Furthermore, it has been established that rural development initiatives reduce poverty in both rural and urban areas (FAO, 2002b).

Among the countries of this study, there are 44 developing countries that do not belong to the categories of food insecure or more advanced developing countries. These countries are mostly classified as food neutral, or, alternatively, as food secure, and mostly belong in the category of Middle-Income Countries.

Although the specific conditions can differ between and within these countries, they are mainly characterized by a high level of rural and agricultural population. In addition, the agricultural sector generates a significant share of their GDP. In general, these countries do not have the same explicit need to protect their domestic production as the food insecure countries. Accordingly, there are reasons to consider less far-reaching SDT on market access for these countries compared to the food insecure category of countries. Hence, a differentiation between these two groups is mainly motivated with regard to their different situation of food security.

Development strategies with regard to rural development, poverty reduction and agricultural productivity are many times similar for these two country groups. Accordingly, we do not suggest any differentiation with regard to domestic subsidies and export competition/export restrictions.

Table 9. Developing countries with special need for rural development²¹

Country	Rural population (share of total population 2000)	Agricultural population (share of total population 2000)	Agricultural sector (share of GDP (%) 2000)	Agricultural imports (share of GDP (%) 2000)	Agriculture (share of total exports (%) 2000)
Algeria	40	N/A	8.6	4.6	0.005
Argentina	11	11	4.8	1.3	2.21
Belize	54	31	21.4	6.4	0.02
Bosnia	57	6	N/A	N/A	N/A
Brazil	19	17	7.4	0.9	2.82
Chile	15	16	10.5	2.0	0.51
China	65	67	15.9	1.2	2.29
Colombia	25	21	13.8	1.6	0.52
Costa Rica	48	21	9.4	2.7	0.30
Dominica	30	24	17.4	10.0	0.01
Ecuador	38	28	10	1.5	0.24
Egypt	59	11	16.6	4.0	0.09
Fiji	58	40	17.8	6.6	0.03
Gabon	45	38	6.4	2.8	0.001
Guyana	62	18	35.1	7.7	0.05
Indonesia	60	44	16.9	2.3	0.89
Jamaica	44	21	6.5	6.5	0.05
Jordan	26	12	2.2	0.9	0.05
Kazakhstan	43	N/A	9.2	1.8	0.02
Kyrgyzstan	60	26	39.4	5.5	0.04
Lebanon	12	2	N/A	0.6	0.001
Macedonia	38	N/A	11.8	11.0	0.08
Malaysia	43	18	11.1	5.0	0.78
Mauritius	59	12	6	7.4	0.05
Mexico	26	24	4.4	1.5	1.36
Moldavia	58	N/A	28	6.5	0.05
Morocco	45	37	13.5	4.5	0.12
Nigeria	56	33	29.5	2.9	0.12
Panama	42	23	6.8	4.2	0.08
Paraguay	44	41	20.6	7.1	0.15
Qatar	8	N/A	N/A	1.3	0.02
Romania	42	16	12.8	2.6	3.5
Saudi Arabia	14	N/A	9.8	2.8	0.08
Serbia	N/A	N/A	N/A	N/A	N/A
Suriname	48	19	9.8	12.5	0.01
Swaziland	64	34	16.8	17.8	0.08
Thailand	78	49	10.5	2.1	1.76
Tonga	69	N/A	N/A	15.4	0.001
Trinidad	26	9	1.6	5.5	0.03
Tunisia	34	25	12.3	3.6	0.08
Turkey	25	31	16.2	1.8	0.65
Uruguay	9	11	6	3.4	0.18
Uzbekistan	63	N/A	N/A	5.6	0.19
Venezuela	13	10	5	1.4	0.07

Source: Derived from World Bank, FAO, Ruffer (2003)

²¹ Russia, Ukraine and Belarus are not expected to obtain developing country status with regard to agriculture in their accession negotiations to the WTO and have, accordingly, been omitted from the table on that basis.

3.5 Approach to new differentiation between the developing countries in the WTO

In the table below, all the WTO member and observer countries are classified with regard to various relevant criteria in this approach to a new and more appropriate differentiation between the developing countries in the WTO. In this table we have also included the present developed country members, as well as current observers that are expected to obtain the status of developed countries upon their accession to the WTO.

Table 10. Differentiation between developing countries according to the new criteria

	Low-Income Countries	Middle-Income Countries	High-Income Countries
Food insecure countries, including LDCs	Angola, Azerbaijan, Bangladesh, Benin, Bhutan, Burkina Faso, Burundi, Cambodia, Cameroon, Central African Republic, Chad, Congo (Brazzaville), Congo (Kinshasa), Cote d'Ivoire, Equatorial Guinea, Ethiopia, Gambia, Georgia, Ghana, Guinea, Guinea Bissau, Haiti, India, Kenya, Laos, Lesotho, Madagascar, Malawi, Mali, Mauritania, Mongolia, Mozambique, Myanmar, Nepal, Nicaragua, Niger, Pakistan, Papua New Guinea, Rwanda, Samoa, Sao Tome & Principe, Senegal, Sierra Leone, Solomon Islands, Sudan, Tajikistan, Tanzania, Togo, Uganda, Vietnam, Yemen, Zambia, Zimbabwe	Albania, Armenia, Bolivia, Botswana, Cape Verde, Cuba, Djibouti, Dominican Republic, El Salvador, Grenada, Guatemala, Honduras, Iraq, Maldives, Namibia, Peru, Philippines, Seychelles, Sri Lanka, St. Kitts & Nevis, St. Lucia, St. Vincent & the Grenadines, Vanuatu	
Developing countries with special need for rural development	Indonesia, Kyrgyzstan, Moldavia, Nigeria, Uzbekistan	Algeria, Belize, Bosnia & Herzegovina, Chile, Colombia, Costa Rica, Dominica, Ecuador, Egypt, Fiji, Gabon, Guyana, Jamaica, Jordan, Kazakhstan, Lebanon, Macedonia (FYR), Malaysia, Morocco, Mauritius, Mexico, Panama, Paraguay, Qatar, Romania, Saudi Arabia, Serbia & Montenegro, Suriname, Swaziland, Tonga, Trinidad & Tobago, Tunisia, Turkey, Uruguay, Venezuela	
Significant net-agricultural exporting countries		Argentina, Brazil, China, Thailand	
Advanced developing countries			Antigua & Barbuda, Bahamas, Bahrain, Barbados, Brunei, Hong Kong, Israel, Kuwait, Macao, Oman, Singapore, South Korea, Taiwan, United Arab Emirates
Developed countries, including observer countries		Belarus, Bulgaria, Croatia, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Russia, Slovak Republic, South Africa, Ukraine	Andorra, Australia, Austria, Belgium, Canada, Cyprus, Denmark, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Japan, Liechtenstein, Luxembourg, Malta, Netherlands, New Zealand, Norway, Portugal, Slovenia, Spain, Sweden, Switzerland, United Kingdom, USA.

Source: Elaboration based on the above-mentioned criteria

4 Differentiation between developing countries in relation to SDT

Considering the present WTO trade negotiations on agriculture, it is most relevant to relate the discussion on differentiation between the developing countries in the WTO to the discussion on which SDT provisions that could be most appropriate for the different country categories²². This section describes the most important SDT provisions in the current Agreement on Agriculture. In addition, it mentions how they have been used, as well as the most important proposals for new SDT from the developing countries. Finally, in Annex 2, we discuss relevant future SDT provisions in the Agreement on Agriculture in relation to our approach to differentiation between the developing countries in the WTO.

4.1 Present SDT provisions in the Agreement on Agriculture

The developing countries in the WTO are, according to the Agreement on Agriculture, entitled to Special and Differential Treatment (SDT). The SDT provisions entitle the developing countries to specific exemptions from the general commitments in the Agreement on Agriculture; in addition, the developed countries have made certain commitments with regard to the developing countries²³. The general SDT provisions of today cover only two categories of WTO members: (1) the self-designated developing countries, and (2) the Least Developed Countries (LDCs). Other forms of SDT, in principle decisions on financial aid and technical assistance, were accepted in a way that is not enforceable within the WTO. In these decisions, other more specific subgroups of developing countries can exist, such as the NFIDCs in the Marrakesh Decision. Before turning to a discussion of the relevance of a new and extended differentiation between the developing countries with regard to SDT, it is important to analyze the Agreement on Agriculture as of today.

According to Article 15 in the Agreement on Agriculture, the developing countries are entitled to SDT provisions with regard to their commitments within the three pillars: (1)

²² The current discussion on SDT in the multilateral trade negotiations on agriculture is sensitive due to the fact that some groups of developing countries, such as the G20, are of the opinion that the SDT provisions should be the same and equally applicable for all the developing countries in the WTO. Other WTO members, most specifically developed countries like the EU and the US, claim that the SDT provisions should be adjusted to the development levels of the particular countries/country groups concerned and, accordingly, be subject to regular evaluations. An expanded SDT, based on differentiation, would in this case be subject to a process of graduation where the SDT provisions for individual countries will expire when they are no longer in need of them, on an objective basis. According to this reasoning, the EU and the US claim that the value and extension of the SDT provisions will have to be limited if all developing countries outside the LDC category should remain subject to the same SDT.

²³ It should be noted that many economists have advised against a situation where the developing countries are being exempted from the general WTO regulations. These critics question if the current SDT provisions really benefit the interests and needs of developing countries. Certain critics even claim that these exceptions from the WTO rules, in reality, are counterproductive and have had negative effects on trade and development in the developing countries. Some studies have also put forward that developing countries, in many cases, have failed to take advantage of the possibility to obtain significant tariff reductions on important export products by not fully participating in the mutual exchange of concessions. They also claim that an international regulatory framework that put limits on flexibility and insecurity would rather benefit the investment climate in the developing countries in general.

market access; (2) domestic support; and (3) export subsidies. The main principle is that their reduction commitments must correspond to at least two-thirds of the reduction commitments of developed country members, and that they shall have the flexibility to implement reduction commitments over a period of up to 10 years, instead of 6 years. In most SDT provisions, the developing countries are following the same road as the developed countries, but at a slower pace. The LDCs are not required to undertake reduction commitments at all. It should also be noted that the existing and binding SDT provisions cease to give special and differential treatment at the end of the implementation period. The agricultural SDT provisions fall under the following headings:

1. **Provisions aimed at increasing trade opportunities for developing countries.** The Preamble to the Agreement on Agriculture contains the provision that developed country members would provide for greater improvement in market access for agricultural products of particular interest to developing countries.
2. **Transition time periods.** This provision allows developing country members the flexibility to implement reduction commitments over a period of up to 10 years.
3. **Flexibility of commitments, of action and use of policy instruments.** Nine provisions are listed under this heading (see also Table 11).
4. Provisions related to **measures to safeguard the interests of LDCs and NFIDCs.** The principal instrument here is the “Decision on Measures Concerning the Possible Negative Effects of the Reform Programme on Least-Developed and Net Food-Importing Developing Countries” and its commitments.

Table 11. Flexibility provisions for developing country members in the Agreement on Agriculture

Article 6.2	Investment subsidies, which are generally available to agriculture, agricultural input subsidies generally available to low-income or resource-poor producers, and support to encourage diversification from growing illicit narcotic crops, are exempt from domestic support reduction commitments.
Article 6.4(b)	Higher <i>de minimis</i> percentage for AMS commitments under this paragraph of 10% (as against 5% for other members).
Article 9.2(b)	Lower rate of reduction for export subsidy commitments on budgetary expenditure and quantities benefiting from such subsidies.
Article 9.4	Certain export subsidies are excluded from reduction commitments: subsidies to reduce the cost of marketing exports of agricultural products, and providing internal transport charges on export shipments more favorable than those for domestic support.
Article 12.2	Exemption for developing country net food-importers from the requirement to give due consideration to the effects of export prohibitions and restrictions on other importing members’ food security and to give notice and to consult with other importing members on such measures.
Article 15.1	General requirement that SDT should be reflected in the commitments undertaken under the Agreement on Agriculture. This was implemented with respect to the market access, export subsidy and domestic support commitments by mandating reduction commitments two-thirds of those required of developed country members.
Article 15.2	Developing countries to have the flexibility to implement reduction commitments over a period of up to 10 years. Least Developed Countries (LDCs) not required to undertake reduction commitments.
Annex 2	Governmental stockholding programs for food security purposes whose operation is transparent and in accordance with officially published criteria, as well as domestic food aid and subsidy programs, are deemed to be Green Box measures.
Annex 5	Exemption from tariffication for predominant staples if certain minimum access opportunities are provided.

Source: OECD (2003)

It follows from this discussion that a starting point in considering modified and/or expanded SDT provisions in the Agreement on Agriculture, in relation to different country categories, is to analyze the value of the existing provisions and what use has been made of them (see also

Table 12). It is also important to consider to what extent existing or prospective SDT provisions in the Agreement on Agriculture will constrain policy-making in developing countries in the future.

Table 12. Implementation of SDT under the Agreement on Agriculture

Provision	Usage
Superior market access for developing countries (Preamble)	Greater liberalization on tropical products and some other of interest to developing countries.
Transition periods (Article 15.2)	Included in schedules.
Domestic support for agricultural and rural development (Article 6.2)	Included in schedules.
Higher <i>de minimis</i> for domestic subsidies (Article 6.4(b))	Included in schedules.
Lower reductions for export subsidies (Article 9.2(b)(iv))	All ten developing countries with export subsidy reduction commitments have used this provision.
Export subsidies exempt from reduction (Article 9.4)	Included in schedules, and some developing countries have used the provision.
Exemption from reduction commitments on diversification of export prohibitions and restrictions (Article 12.2)	No developing countries have notified the use of such measures.
Exemption from reduction commitments in respect of public stockholding for food security (Annex 2, paragraph 3, footnote 5)	Included in schedules, and several developing countries have used the provision.
Exemption from reduction commitments for food subsidies to the poor (Annex 2, paragraph 4, footnote 5 and 6)	Included in schedules, and several developing countries have used the provision.
Exemption from reduction commitments for staple foods (Annex 5, Section B)	Schedules of South Korea and the Philippines reflect recourse to this provision.
Developing country support for net food-importing developing countries and least developed countries (Article 16.1 & 16.2)	Monitoring has been included in most meeting of the Committee on Agriculture.

Source: FAO (2002b)

Most analysts agree that the current Agreement on Agriculture only in exceptional cases has been a constraint to policy-making in developing countries²⁴. However, there are certainly some specific areas where the WTO rules could impose constraints that should be considered in the negotiations.

Many critics have argued that the current SDT provisions in agriculture mainly constitute "best effort" commitments, as well as offers of technical and other forms of assistance, none of which are binding (Michalopoulos, 2002). When it comes to the provisions that offer more extended transition periods or greater flexibility, the thresholds and time periods chosen are only the product of a bargaining process in which the actual interests and needs of the developing countries were not considered. The critics also argue that the provisions are only introduced as exceptions or special treatment and not as legitimate rights for the developing countries as a group, or a subset of them, in their development efforts.

²⁴ The common constraints to agricultural policy making in the developing countries are: (1) conditionalities relating to economic policy agreements with international financial institutions, particularly the IMF and the World Bank; (2) financial constraints; and (3) bilateral and regional trade agreements (Ruffer *et al*, 2002).

Box 2: Proposed SDT measures in the Agreement on Agriculture

General provisions

- Maintain Article 15

Market access

Tariff reduction commitments

- Lower tariff reduction commitments for food security products
- Exempt food security products with a low tariff binding from further reductions

SDT safeguard measure

- Limited to food security products
- Make available on a permanent basis, at least to defined groups of developing countries if not all
- Review the current Special Safeguards (SSG) with respect to triggers, duration and the level of additional duties allowed

Domestic support

- Maintain Article 6.2 and possibly broaden
- Maintain Article 6.4(b) (higher *de minimis* percentages)
- Strengthen Article 18.4 to make sure that the real value of AMS commitments is not eroded by exchange rate depreciation or high levels of inflation
- Permit countries to offset any negative product-specific support against their non-product-specific *de minimis* support
- Make the use by developing countries of Green Box, *de minimis* and Article 6.2 subsidies non-actionable also after Peace Clause lapses

Export measures

- Maintain Article 9.4
- Allow for short-term stockpiling of commodities by developing countries

Source: Derived from Ruffer et al (2002) and OECD (2003)

As a result of this discussion, eleven developing countries proposed the creation of a so-called Development Box to the WTO Committee on Agriculture, in June 2000 (WTO, 2000). This group of developing countries claimed that the interests and rights of developing countries should be explicitly recognized and placed in a permanent Development Box, in which the specific conditions of developing countries are taken into account²⁵. An alternative proposal from India, in January 2001, proposed a Food Security Box, covering much of the same issues (WTO, 2001a). These proposals have thereafter been elaborated in various different contexts²⁶. In Box 2, we put emphasis on some of the most relevant proposals for new SDT in the Agreement on Agriculture. It is, in this context, important that the SDT provisions are evaluated with regard to relevant criteria in order to make them more precise, effective and operational.

²⁵ The original eleven developing countries behind the proposal on the Development Box were: Cuba, the Dominican Republic, El Salvador, Haiti, Honduras, Kenya, Nicaragua, Pakistan, Sri Lanka, Uganda and Zimbabwe.

²⁶ What terminology to be used for these new SDT provisions could be of particular significance. For example, some proponents claim that a Food Security Box could be interpreted to also include developed country concerns. Accordingly, they propose the concept of a Development Box as a way of ensuring a focus on the world's poorest countries. Diaz-Bonilla *et al* (OECD, 2002), on the other hand, favor the concept of a Food Security Box since they argue that measures in a Development Box would come under the Enabling Clause which requires that measures favoring developing countries be applied equally to all developing countries, with only the possibility of additional flexibility for LDCs. If defined as a Food Security Box, however, this would allow particular measures to be defined for food insecure countries according to certain quantitative indicators, which in turn would allow for particular groups of developing countries.

4.2 Negotiating proposals on new SDT provisions

Food security and rural development are considered as the most important "non trade concerns" of the developing countries in multilateral trade negotiations on agriculture. The Agreement on Agriculture is in many ways, directly as well as indirectly, influencing the conditions of the developing countries; accordingly, many negotiating proposals have been presented on how the rules should be improved to better reflect the priorities of the developing countries. Common characteristics of the proposals are that they aim at improving the conditions of production, to create better market access conditions for developing country exports and to create special safeguard mechanisms against unfair competition and price fluctuations.

In the current multilateral trade negotiations on agriculture, the developing countries request a better balance of the schedules of commitment of developed and developing countries. They demand that the Agreement on Agriculture should consider their particular economic and social conditions and, accordingly, be rebalanced to their advantage²⁷. Revised SDT provisions should therefore aim to:

- protect and strengthen the domestic food production in the developing countries, particularly with regard to staple products;
- maintain and improve the conditions for employment, food security and rural development.

If the SDT provisions are differentiated between certain relevant developing country categories, it is more likely that other member countries agree on more extensive and far-reaching SDT provisions in the negotiations. The criteria on which the new differentiation between the developing countries in the WTO is established will, accordingly, have a major impact on the decision of the new SDT provisions. However, many important questions regarding a new differentiation are still to be solved. Should the multilateral trade negotiations start by defining new SDT provisions and later decide which countries should benefit from this special treatment, or should it rather be the other way around with a classification of countries according to relevant and objective criteria to be subject to appropriate SDT provisions?

Special safeguards on imports

Since the majority of the developing countries hardly could afford to increase their financial support to the agricultural sector, the new SDT provisions for the developing countries will principally have to focus on amended market access conditions, i.e. tariff reductions, tariff

²⁷ One way of evaluating new SDT proposals is to see if they address real problems that cannot be resolved in some other way. Such new proposals on measures in the Agreement on Agriculture should also be evaluated with regard to their realism, negotiation cost and value. It is important to identify the SDT provisions that can make a difference and prioritize among them. It is also important to take into consideration that many developing countries consider that they have already paid for the different SDT provisions during the Uruguay Round, in commitments on goods, services and intellectual property rights, only to discover that many of them were of no commercial value (OECD, 2003). According to this discussion, the following criteria are useful at the evaluation of the proposals of new SDT provisions: (1) **Efficiency**: Will these new SDT provisions really contribute to an improvement in the food security, reduce the poverty and promote sustainable growth of the agricultural sector in the developing countries? (2) **Usefulness**: Will the additional political flexibility of the new SDT provisions really be used by the developing countries? (3) **Realism**: What price will the developing countries have to pay in order to obtain and gain acceptance for these new SDT provisions? (4) **Consequences**: Will these new SDT provisions affect other developing countries and the South-South trade adversely?

rate quotas and special safeguard mechanisms²⁸. In the draft proposal on modalities in agriculture that was presented at the Cancún Ministerial, there is a proposal on higher flexibility on tariff reduction for certain Special Products (SPs) in the developing countries. This category of products should include commodities that are vital to food security, rural development and poverty reduction strategies in the countries concerned. On these SPs, the tariff reductions should be lower than on other products; in addition, it was suggested that the SPs should be exempted from the commitments on increased tariff rate quotas and that a Special Safeguard Mechanism (SSM) would not be applied against these products.

The proposal on SPs has in general been received in a positive way in the multilateral trade negotiations on agriculture. However, the Cairns Group and the US have expressed concerns that this instrument will only exempt the developing countries from the trade liberalization process. The EU has claimed that a linear tariff reduction method, according to their proposal, would give the developing countries equal flexibility as the proposal on SPs.

The discussions in the Committee on Agriculture have also addressed the following questions:

- How should the category of SPs be defined?
- What particular provisions should be granted to the category of SPs?
- Which countries should be given the right to identify SPs, and should the provisions be differentiated between different groups of developing countries, according to different relevant and objective criteria?

Justifications for the proposal on Special Products (SPs)

It is important to consider if the proposal on SPs really would contribute to food security, rural development and poverty reduction in the developing countries. Many developing countries have a considerable potential to develop their agricultural production. The agricultural sector in the developing countries is most frequently underdeveloped and the production technology that is used is many times out of date. At the same time, higher productivity and diversification of the production are often cited as priorities in agricultural policy making in developing countries. However, investments in the agricultural sector are many times held back as a result of the overproduction of developed countries, low world market prices and significant trade barriers. Subsidized developed country exports and significant price fluctuations contribute to putting developing country production at risk.

At the same time, world trade in agricultural products is becoming more important for the food security situation of the developing countries. International trade contributes to even out fluctuations in domestic production, and the import of food has been growing in significance for many developing countries in the last decades. A higher protectionism could, accordingly, be detrimental to the poorest people in the developing countries, since about half their income is used to buy food. In addition, higher tariffs and a postponed liberalization could affect a regional trade development among the developing countries in a detrimental way.

The starting point for a discussion on SPs is, accordingly, that there are certain legitimate reasons to accept a more gradual trade liberalization on certain sensitive products in the developing countries. One of the principal reasons is that low-income and resource-poor farmers in developing countries are among the most heavily affected by price fluctuations in the world market. Since the concept of SPs would allow for a more far-reaching tariff

²⁸ G33 is an alliance of developing countries, led by Indonesia, that advocate Special Products (SP) and a Special Safeguard Mechanism (SSM) in order to protect vulnerable farmers developing countries; the group is, accordingly, also known as the Alliance for Special Products and a Special Safeguard Mechanism.

reduction method than in the Uruguay Round, negotiating tactics, as well, speak for this proposal. By exempting certain sensitive products from high tariff reductions, a more extensive and far-reaching liberalization would be facilitated.

Selection criteria for Special Products

A number of indicators are considered appropriate to serve as the basis for the selection of the SPs, for example: products that are mainly being cultivated by low-income and resource-poor farmers; basic foodstuffs; or the number of people employed in the cultivation of these products. However, in most cases, there are no available data on which these indicators could be based. Also the idea of country-wise negotiations in the WTO, as an alternative to decide on country-specific access to the concept of SPs, is dismissed in some studies, since this negotiating method would be very cumbersome and time consuming (Ruffer, 2003). Given these difficulties, it is necessary to identify some alternative selection criteria.

It is necessary to identify certain relevant and objective criteria in order to decide whether a country should be entitled to this particular SDT. In the WTO, there is already a general consensus that the LDCs should remain exempted from the reduction commitments in the Agreement on Agriculture. The main issue is, accordingly, how the SDT provisions could be differentiated between the developing countries that remain. The option proposed in this study is to allow the new differentiation between developing countries to serve as the basis for the selection of the SPs. This would be particularly relevant with regard to the identified categories of food insecure countries and countries with special need for rural development.

This general selection system could be combined with the option to allow particular countries to decide the number of SPs on the basis of certain SP-specific criteria. Accordingly, a larger country with a more diversified production could be in need of more SPs than a smaller country with a more limited production. In the same way, a weak and vulnerable developing country could be in need of more SPs than a more advanced developing country. Ruffer (2003) is focusing on this alternative by selecting the indicators of population and GDP per capita. By combining these indicators, the following table is created:

Table 13. Number of SPs nominated, defined at the 4-digit level in the HS Nomenclature

GDP per capita (US\$)	Population (million)					
	0-5	5-20	20-50	50-100	100-500	500+
5000+	1	2	3	3	4	4
4000-5000	1	2	4	4	5	6
3000-4000	2	3	5	5	6	8
2000-3000	2	4	6	7	8	10
1000-2000	3	5	7	8	10	12
0-1000	3	5	8	10	12	15

Source: Ruffer (2003)

In the original compromise proposal by Harbinson, it was suggested that countries would be given the possibility to define certain SPs at either 4 or 6-digit level in the Harmonized System (HS) Nomenclature. Ruffer (2003) is arguing against this method by indicating that a selection based on the HS Nomenclature would generate different results in different countries. For example, a small country whose import is being dominated by a limited number of products at 6-digit level would be able to classify all these products as SPs. As an alternative, Ruffer suggests that the number of SPs, instead, should be based, to a certain extent, on the agricultural imports of the countries. In line with this reasoning, the above table is modified according to the following:

Table 14. Approach to limiting the share of imports nominated as SPs

GDP per capita (US\$)	Share of agricultural imports accounted for by SPs
5000+	5
4000-5000	10
3000-4000	16
2000-3000	23
1000-2000	31
0-1000	40

Source: Ruffer (2003)

Accordingly, it is suggested that the total number of SPs should be decided on the basis of a certain share (X%) of total agricultural imports. This would limit the low tariff reduction commitments to a specified proportion of total agricultural imports, and, in accordance, limit the extent of trade distortion. With this system, the countries concerned would be able to select a small number of products of a high value or a large number of less important products. An additional criterion would be that no SP is allowed to count for more than 5 percent of total world exports.

4.3 Impact of the new SDT on the South-South trade

In the future, developing countries are expected to constitute the predominant source of growth in the consumption and trade of agricultural products. During the time period 1990-1998, agricultural exports of developing countries expanded more rapidly than those of developed countries. This demonstrates clearly that the importance of the South-South trade in agriculture is increasing. Developing countries today provide markets for about 43 percent of developing countries' exports, which is more than North America and Europe combined.

It is interesting to observe that the main part of the South-South trade is taking place regionally. The countries in Asia and the Middle East are particularly dependent on other developing countries as markets for their exports. Asia is the most dependent on intra-regional trade, with almost half of its agricultural exports going to other developing countries and as much as 80 percent to other countries in Asia. African countries, on the other hand, are more dependant on the markets of the developed countries, particularly in Western Europe.

Given this situation, many WTO members are concerned that any measures that increase the trade barriers to developing country markets could impede the dynamic potential of the South-South trade. The Cairns Group questions that many developing countries, as a consequence of the new SDT, will be able to compete with traditionally competitive exporters on international markets while maintaining or increasing current levels of protection to domestic markets. According to current proposals, the establishment of a SSM for the developing countries could have a major distortionary impact on the South-South trade if it is not designed to ensure that it will be used only in exceptional and well-defined circumstances.

In addition, most proposals suggest that increased market access flexibilities should focus on food security crops. Assuming that the definition of SPs will focus on the predominant staple food of the developing countries, it will generally refer to cereals. Today, cereals account for less than 10 percent of total agricultural exports in all developing country regions. Accordingly, it could be expected that this kind of import restrictions will only have a limited impact on the South-South trade (Ruffer *et al*, 2002).

5 Advantages of a new differentiation in the WTO trade negotiations on agriculture

The multilateral trade negotiations on agriculture have for a long time been characterized by different negotiating positions and difficulties in finding solutions to conflicting interests. The negotiating positions are currently blocked on the following important issues: (i) with reference to the risk of preference erosion, many weak and vulnerable developing countries oppose the tariff reduction process; (ii) the consequences of the trade liberalization process could affect many food insecure developing countries adversely; (iii) the developing countries request various different SDT provisions; (iv) main actors among the developed countries, such as the EU and the US, are not prepared to extend and strengthen the SDT provisions to all developing countries – among other things, they wish to graduate significant net agricultural-exporting countries from the general SDT provisions.

The locked positions are limiting the possibilities to reach an agreement on general tariff reductions and reductions in trade distorting support. A new differentiation between developing countries in the WTO could, accordingly, combined with new SDT provisions, offer possibilities for the negotiators to bridge their different positions and interests in particular areas. As we have found in our study, the process of classification and design of sectoral SDT provisions should proceed simultaneously and iteratively.

The developing countries that put emphasis on the risk of preference erosion, i.e. mainly the LDCs and the food insecure countries, could, with the support of a new differentiation, be compensated through: (i) duty free market access for the LDCs; (ii) expanded tariff rate quotas to the developing countries most in need; (iii) new SDT commitments by significant net agricultural-exporters and more advanced developing countries on export from other developing countries; (iv) provisions for export credits that are differentiated, according to the Marrakesh Decision, with regard to the category of food insecure countries; and (v) a strengthening of the resources for technical assistance and financial aid.

The developing countries which request that an extended Special Safeguard Mechanism (SSM) apply to the import of sensitive products, could be offered the possibility to identify certain Special Products (SPs) and, accordingly, exempt the most sensitive agricultural products from the highest tariff cuts. By offering lower tariff cuts for the most sensitive food security products, the conditions could be more favorable for more far-reaching general tariff reductions in the WTO. This development would be of a particular interest to the members of the Cairns Group and other significant net exporting countries. An initiative like this would probably more than compensate these countries for a reduction of their SDT provisions and additional commitments towards more vulnerable developing countries.

In addition, if a new differentiation between the developing countries in the WTO could lead to a new agreement in the field of agriculture, it is possible that this initiative would also generate positive results in other areas of the WTO negotiations. The process could in this case benefit a large number of developing countries with export interests in other areas than agriculture.

As a conclusion, it is important to state that a new differentiation between the developing countries in the WTO, together with new SDT provisions that fully correspond to the particular conditions, interests and needs of the developing countries, could be a key issue in the progress of the multilateral trade negotiations on agriculture.

6 Concluding remarks

The multilateral trade system that has been developed in the WTO is based on the principle that all countries are to benefit from a rule-based system that treats all countries equally. When all countries are treated equally, the prerequisites for transparency, predictability and consistency are strengthened, at the same time as the risk of trade distorting measures is reduced.

In reality, however, differentiation between the developing countries is almost the rule, rather than the exception, in all other international trade arrangements. Accordingly, there is an apparent contradiction between the principle of non-discrimination and equal treatment in the WTO, on the one hand, and rather arbitrary differentiation between the countries in different bilateral and regional trade arrangements, on the other hand. These contradictions are becoming more apparent with the expansion of the multilateral trade system, the accession of more developing countries to the WTO, as well as the greater interest in different development-related issues.

It is in this context that the Doha Development Round offers an opportunity to identify and develop more relevant and objective criteria as a basis for a new differentiation between the developing countries, as well as between the developing and the developed countries, in the WTO. This study presents an approach to a new differentiation between the developing countries in the WTO, together with new and more appropriate SDT provisions, in the field of agriculture. This presentation is mainly based on empirical data, as well as certain relevant studies on the subject. The purpose of this study has mainly been explorative, and the document is, accordingly, not intended to serve as a basis for future negotiating positions.

Bibliography

Díaz-Bonilla, E. et al. [2000] *"Food Security and Trade Negotiations in the World Trade Organization: A Cluster Analysis of Country Groups"* TDM Discussion Paper No. 59. IFPRI.

FAO [1996] *"Rome Declaration on World Food Security and World Food Summit Plan of Action"*.

FAO [2002a] *"Dependence on Single Agricultural Commodity Exports in Developing Countries: Magnitude and Trends"*. FAO Geneva Round Table on Special and Differential Treatment in the Context of the WTO Negotiations on Agriculture. Discussion Paper No. 4.

FAO [2002b] *"Extending Special and Differential Treatment (SDT) in Agriculture for Developing Countries"*. FAO Papers on Selected Issues Relating to the WTO Negotiations on Agriculture.

FAO [2002c] *"Rural Development: Some Issues in the Context of the WTO Negotiations on Agriculture"*. FAO Papers on Selected Issues Relating to the WTO Negotiations on Agriculture.

FAO [2002d] *"Towards Improving the Operational Effectiveness of the Marrakesh Decision on Measures Concerning the Possible Negative Effects of the Reform Programme on Least-Developed and Net Food-Importing Developing Countries"*. FAO Papers on Selected Issues Relating to the WTO Negotiations on Agriculture.

FAO [2003] *"WTO Agreement on Agriculture: The Implementation Experience – Developing Country Case Studies"* Commodities and Trade Division, FAO.

Fukasaka, K. [2000] *"Special and Differential Treatment for Developing Countries: Does It Help Those Who Help Themselves?"* United Nations University/WIDER. Working Papers No. 197. September 2000.

ICTSD [2004] *"A Scenario for Progress in the WTO Agriculture Negotiations"*. Bridges, No. 2, February 2004.

McCalla, A. [2001] *"What the Developing Countries Want from the WTO"*. The Estey Centre Journal of International Law and Trade Policy. Volume 2, Number 1, 2001.

Michalopoulos, C. [2000] *"The Role of Special and Differential Treatment for Developing Countries in GATT and the World Trade Organization"*. World Bank Working Papers – International Economics No. 2388.

OECD [2002a] *"The Medium-Term Impacts of Trade Liberalisation in OECD Countries on the Food Security of Non-Member Economies"*. [COM/AGR/TD/WP(2001)74/FINAL]

OECD [2002b] *"Trade, Food Security and WTO Negotiations: Some Reflections on Boxes and their Contents"*. [CCNM/GF/AGR(2002)6]

OECD [2003] *"A Review of Special and Differential Treatment Proposals in the WTO Agricultural Negotiations"*. [COM/AGR/TD/WP(2003)3]

Page, S. [2001] *"Country Classifications and Trade: Report Prepared for the Department for International Development, January 2001"*. Overseas Development Institute.

Pinstrup-Andersen, P. et al. [2003] *"Free Trade is Not Enough: A New Vision for the World's Poorest Farmers"*. Mellefolkeligt samvirke.

- Rodrik, D. [2001] *“The Global Governance of Trade: As If Development Really Mattered”*. UNDP.
- Ruffer, T. [2002] *“Development Box Proposals and their Potential Effect on Developing Countries”*. Volume 1: Main report. Oxford Policy Management. April 2002.
- Ruffer, T. [2003] *“Special Products: Thinking Through the Details”*. Oxford Policy Management. June 2003.
- Sanford, J. & Sandhu, A. [2002] *“Developing Countries: Definitions, Concepts and Comparisons”*. Report for Congress. Congressional Research Service, the Library of Congress.
- Sida [2001] *“De minst utvecklade länderna och världshandeln”*. Sida studies no. 5.
- Stevens, Christopher [2003] *“Special and Differential Treatment in Terms of Trade”*. IDS bulletin, Volume 34, Number 2, April 2003.
- Valdés, A. & McCalla A. [1999] *“Issues, Interests and Options of Developing Countries”*. Draft for Discussion. Presented at the Conference on Agriculture and the New Trade Agenda in the WTO 2000 Negotiations, October 1-2, 1999, Geneva, Switzerland.
- Van Meijl, H. & van Tongeren, F. [2001] *“Multilateral Trade Liberalisation and Developing Countries: A North-South Perspective on Agriculture and Processing Sectors”*. Paper prepared for the Fourth Annual Conference on Global Economic Analysis, Purdue University, June 27-29 2001. LEI.
- Von Braun, J. et al. [2002] *“Development Box and Special and Differential Treatment for Food Security of Developing Countries: Potentials, Limitations and Implementation Issues”*. ZEF – Discussion Papers on Development Policy, Number 47.
- WTO [2000] *“Agreement on Agriculture: Special and Differential Treatment and a Development Box”*. Proposal to the June 2000 Special Session of the Committee on Agriculture. [G/AG/NG/W/13] 23 June 2000.
- WTO [2001a] *“Negotiations on WTO Agreement on Agriculture”*. Proposals by India. [G/AG/NG/W/102] 15 January 2001.
- WTO [2001b] *“Agricultural Trade Performance by developing Countries 1990-99”*. Background Paper by the Secretariat. [G/AG/NG/S/6/Rev.1] 31 January 2001.
- WTO [2002] *“Information on the Utilisation of Special and Differential Treatment Provisions”*. Note by the Secretariat. [WT/COMTD/W/77/Rev.1/Add.4] 7 February 2002.
- WTO [2003] *“Members Participation in the Normal Growth of World Trade in Agricultural Products – Article 18.5 of the Agreement on Agriculture”*. Note by the Secretariat. [G/AG/W/32/Rev.6] 30 October 2003.
- WTO [2004] *“Special and Differential Treatment in the WTO: Why, When and How?”*. Staff Working Paper ERSD-2004-03.

Annexes

Annex 1 – Negotiating proposals on SDT by different developing country groups

Most of the negotiating proposals that concern SDT for certain groups of developing countries have been presented by representatives of those particular country groups. It is also important to notice that many countries and country groups do *not* address the issue of differentiation between developing countries, which in many cases in all likelihood means that they do not want any changes in that regard. So far, the only proposal about a more systematic change is the joint EU/US text that was presented before the Cancún Ministerial in September 2003²⁹.

The joint EU/US proposal

The EU and the US presented a joint proposal for a framework agreement in the run-up to the Cancún Ministerial. In this proposal, it is suggested that a differentiation must be made between different developing countries. Exactly what such a differentiation should look like is not stated. The expressions used are partly that market access should be given in particular to “developing countries most in need”, and partly that SDT rules need to be “adjusted for significant net food-exporting countries”.

As regards **developing countries most in need**, it is not evident what the EU and the US had in mind. The text does not seem to refer to “most in need of market access”, but seems rather to be a pure poverty criterion. It is not said if this should include more or fewer countries than the LDCs.

More interesting is the mention of **significant net food-exporting countries**. Even though the text merely says that the SDT shall be “adjusted” with this in mind, there is no doubt that the EU and the US are unwilling to give the same advantages to competitive developing countries as to those that do not threaten their own interests. The text also does not contain any income criterion or any similar aspect, but merely refers to “significant net exporters”. In addition, it does not state whether “net export” refers to agricultural products in general or to individual products.

Some 60 countries can be classified as net exporters of agricultural products, and some 40 of those are also net exporters of processed food products. However, the EU/US text refers to “significant” net exporters. There is no such formal definition in the WTO. On the other hand, there is a category of “significant exporters” (not net exporters), that are to notify their total export of certain stated products every year³⁰. The definition of “significant exporter” in this context is a country that for a certain product or product group is responsible for more than five percent of the world’s total exports³¹.

²⁹ This does not take into account such limited proposals as Japan’s comment that net exporting developing countries should not be allowed to ban exports.

³⁰ This commitment has to do with notification of export subsidies, which means that all countries that have export subsidy commitments also notify their exports, no matter its volume. For these countries, it is not evident whether or not their exports fulfill the five-percent criterion.

³¹ The developing countries that fulfilled this criterion in 1995 for at least one product are Argentina, Brazil, Chile, Costa Rica, Cuba, Honduras, Indonesia, Malaysia, Pakistan, the Philippines, Thailand and Zimbabwe. Nowadays, statistics are also presented for China, Fiji, Guatemala, India, Jamaica, Mauritius, Paraguay, Uruguay

The proposal does not say what kind of SDT the EU and the US had in mind for the identified category. The only SDT measures proposed in the document is that developed countries shall strive towards providing developing countries duty-free access for a certain share of their exports. The purpose might possibly be to exclude “significant net exporters” from this improvement in market access. If so, the reason would be to not provide such openings to countries that actually could take advantage of them.

Recent WTO members

Countries that are fairly recent WTO members often made considerable reductions of tariffs and support not that long ago. Several of those countries have presented proposals – either jointly or on their own – that this should be taken into account in the ongoing round. Above all, such demands concern market access; China and Kyrgyzstan believe that new members should not have to commit to any further tariff reductions at all, whereas other countries content themselves by proposing lower reductions and longer timeframes for carrying them out³². However, individual proposals also concern lower reductions and longer timeframes for domestic support.

The WTO has acquired many new members since its founding on 1 January 1995. The table below presents all countries that have joined the organization since then.

Table 15. Recent WTO members

Year of accession	Countries	Number of countries
2004	Cambodia, Nepal	2
2003	Armenia, Macedonia (FYR)	2
2002	Taiwan	1
2001	China, Lithuania, Moldavia	3
2000	Albania, Croatia, Georgia, Jordan, Oman	5
1999	Estonia, Latvia	2
1998	Kyrgyzstan	1
1997	Congo (Brazzaville), Congo (Kinshasa), Mongolia, Panama	4
1996	Angola, Benin, Bulgaria, Chad, Ecuador, Fiji, Gambia, Grenada, Haiti, Niger, Papua New Guinea, Qatar, Rwanda, St. Kitts and Nevis, Solomon Islands, United Arab Emirates	16

Source: Derived from the WTO

As is evident from the table, a comparatively large number of countries became WTO members in 1996. It is reasonable to assume that those countries participated in the negotiations that lead to the founding of the WTO, and there is therefore no reason to give them any special treatment. In addition, none of those countries have requested to be counted among the recent members – the oldest member to do so is Kyrgyzstan, which joined in 1998.

This means that no more than 20 countries could receive special treatment on account of being recent members (if the line is drawn at 1997)³³. However, one should remember firstly that one of those countries is China, and secondly that many other countries are about to

and Vietnam. However, this latter group of countries need not fulfill the five percent criterion, but are included in the list because the WTO secretariat finds it “useful”.

³² Albania, Croatia, Georgia, Jordan, Lithuania, Moldavia and Oman (JOB(02)120).

³³ Three of those countries are the Baltic States, which will be a part of the EU commitments.

become members, including large countries like Russia and the Ukraine. The potential total market comprised is therefore large.

One thing that suggests that SDT for recent members may be a part of the final agreement is that it is an easily defined group. At the same time, they have a fairly good point when they say that they have recently implemented significant reductions and therefore need some time before moving on; however, this argument loses in strength as the negotiations drag on. However, it does not seem likely that the countries would escape further reductions completely this time, since this would reduce the value of the concessions granted in the accession negotiations.

Small Island Developing States

According to the UN, 48 countries are classified as Small Island Developing States (SIDS). These countries often depend on one or a handful of goods that they can produce commercially, and so they want secure access to the world market for those products. This is why Barbados, Cuba, Dominica, Jamaica, Mauritius, St. Kitts & Nevis, St. Lucia, St. Vincent & the Grenadines, and Trinidad & Tobago presented a negotiating proposal to the Committee on Agriculture towards the end of 2000 (G/AG/NG/W/97). The proposal mostly deals with the issue of market access, but food insecurity and inequity in the degree of trade liberalization are also discussed.

The proposal claims that existing unilateral preferential tariffs for developing countries in general and SIDS in particular should be improved and bound in the Agreement on Agriculture during the reform process. They also propose that they should be given special market access via zero-duty tariff rate quotas. In addition, SIDS demand a couple of exceptions to the rules on free trade areas or customs unions: if they are a part of such arrangements with developed countries, they will be excused from two requirements – that of substantially all trade being comprised, and that of mutual tariff preferences.

As regards food insecurity, SIDS consider themselves particularly vulnerable to natural disasters due to their often exposed locations. Therefore, they want to be excused from their commitments in the Agreement on Agriculture during recovery from such disasters.

According to the SIDS statement, many of them underwent considerable deregulation and liberalization in the 1990s, and in 1995-1999 their tariff levels were much lower than the rates bound in the WTO. They therefore propose that those SIDS that made their WTO commitments during structural adjustment programs should be allowed to renegotiate their market access commitments, and also be given a higher *de minimis*-limit.

Land-Locked Developing Countries

Land-Locked Developing Countries (LLDC) are another group of countries that believe themselves to be particularly vulnerable. Their geographical situation often results in high costs for transport and transaction, and thereby to reduced competitiveness.

During the Cancún Ministerial, Paraguay represented a number of LLDCs when they in their statement stressed the importance of facilitating participation in world trade for these countries (WT/MIN/(03)/W/23)³⁴. Above all, they wanted tariff-free market access for all products of LLDC origin. In addition, the countries expressed an interest in simplified trade procedures, since they must pass country borders in order to reach seaports.

³⁴ The countries backing the proposal were Afghanistan, Azerbaijan, Bolivia, Botswana, Bhutan, Burkina Faso, Kazakhstan, Kyrgyzstan, Malawi, Mali, Mongolia, Paraguay, Rwanda, Swaziland, Uganda, Zambia and Zimbabwe.

Transition Markets

The agricultural sector of Central and Eastern Europe as well as of the former Soviet Union have undergone drastic changes during the last decade. Above all, ownership and production structures have changed due to the switch from plan to market economy, and this in turn has led to a strong reduction of agricultural production. In addition, farmers have not had much access to capital, and many of them are in debt due to their inexperience in doing business.

In a negotiation proposal from Albania, Bulgaria, Croatia, the Czech Republic, Georgia, Hungary, Kyrgyzstan, Latvia, Lithuania, Mongolia, Slovakia and Slovenia (G/AG/NG/W/56), the countries demand special rules for economies in transition. They propose that support to investment and inputs, preferential interest rates and aid to repay loans should not be comprised by any reduction requirements. They also want a higher *de minimis* limit to apply to them. According to the proposal, those exceptions would apply “as long as the described problems remain”.

The group of economies in transition is rather small in the WTO at the moment, since several of the countries backing the proposal are recent or soon-to-be EU Member States. However, several large countries that would fit into the category of economies in transition are on their way to WTO membership (including Russia and the Ukraine), and if one includes them, large markets would be comprised by any SDT to this group.

Annex 2 – Relevant SDT provisions with regard to the approach to a new differentiation between the developing countries in the WTO

In the following, we discuss how our approach to a new differentiation between the developing countries in the WTO could serve as the basis for the design of “more precise, effective and operational” SDT provisions in the Agreement on Agriculture. The table below presents a general outline for a differentiation of current and relevant future SDT provisions with regard to the LDCs, the food insecure countries, the developing countries with special need for rural development, the significant net agricultural-exporting developing countries, and more advanced developing countries.

Table 16. General outline of relevant SDT provisions with regard to differentiation

	Import	Domestic production	Export
LDCs	Unchanged conditions, i.e. no reduction commitments SDT provisions with regard to export credits	Unchanged conditions, i.e. no reduction commitments Financial aid and technical assistance	Export restrictions with regard to short-term food emergency stocks Duty-free market access In addition, unchanged conditions
Food insecure countries, with the exception of the LDCs	Option to choose between the concepts of SPs or a SSM SDT provisions with regard to export credits	Possibility to bind AMS Increased flexibility in Article 6.2 Strengthen Article 18.4 Option to balance product-specific support against non product-specific support Financial aid and technical assistance	Export restrictions with regard to short-term food emergency stocks Prolongation of Article 9.4 Increased market access commitments by more advanced developing countries and significant net agricultural-exporting countries
Developing countries with special need for rural development	Possibility to select a limited number of SPs on the basis of country-specific criteria In addition, general SDT provisions	Possibility to bind AMS Increased flexibility in Article 6.2 Strengthen Article 18.4 Financial aid and technical assistance	General SDT provisions
Significant net-agricultural-exporting countries	Graduation of competitive products (>5% of world trade) from SDT provisions Increased market access commitments for food insecure countries In addition, general SDT provisions	Graduation of competitive products (>5% of world trade) from SDT provisions In addition, general SDT provisions	Graduation of competitive products (>5% of world trade) from SDT provisions In addition, general SDT provisions
Advanced developing countries	Graduation from SDT provisions in agriculture Increased market access commitments for food insecure countries	Graduation from SDT provisions in agriculture	Graduation from SDT provisions in agriculture

Source: Elaboration based on the above-mentioned criteria

SDT provisions in case of differentiation with regard to: the LDCs, the food insecure countries, and the developing countries with special need for rural development

SDT provisions for market access

As is apparent from our previous discussion, the Special Products (SPs) can be defined in different ways. However, no matter what system is selected, regular evaluations should be carried out in order to estimate the need for graduation of countries and/or products. SPs should not be exempted from tariff reductions, but these should be lower than on other agricultural commodities. This flexibility should in our view only apply to tariff reductions for SPs. As regards tariff rate quotas, only a few, fairly well-off, developing countries have them in their bound schedules.

In addition, it is important to consider developing countries' option to apply a Special Safeguard Mechanism (SSM) to counter low-priced imports or increased import volumes. This issue has been discussed in the Committee on Agriculture since Harbinson's first draft proposal that allowed developing countries to apply SPs and SSM at the same time. In the second draft proposal, the text was amended to accept the application of a SSM on products included in the schedules of commitments. In the Committee on Agriculture, many countries emphasized that the SSM should only be accepted on products that face significant tariff reductions. It was also apparent that the first proposal, i.e. the option of using both SSM and SP, could imply an increase of bound tariffs. Such a general increase in tariffs would counteract both development of trade and improved food security. Against this background, developing countries should rather be given the possibility to choose between the concept of SPs and a SSM.

In a new Agreement on Agriculture, the provisions for export credits should also be differentiated with regard to the LDCs and the category of food insecure countries.

SDT provisions for domestic support

The provisions for domestic support in the Agreement on Agriculture are in many regards focusing on limitations in the use of production and trade distorting support, while the provisions for rural development in the developing countries are not as pronounced. In the current Agreement on Agriculture, the tools to develop the agricultural production in developing countries are most frequently the *de minimis* provisions, the exemptions from the Green Box, and the SDT provisions. Although the room to manoeuvre has been enough so far, many developing countries fear that it could constitute a serious limitation in the future. It has been apparent from the negotiations that the developing countries request more flexibility for domestic support provisions, as well as SDT provisions that are more appropriate for their future needs. Most proposals are, however, of a fairly general nature.

Since most developing countries lack the financial means to use much domestic support, they mostly use the "second best" solution, i.e. different kinds of market price support. This reduces their options of applying targeted support measures. Targeted support for investment in irrigation, transports and other infrastructure is a central aspect of the development strategies of these countries, as are support to farm credits and commercial fertilizers. It may be necessary to improve the possibilities for developing countries to make use of this kind of support to their agriculture. Accordingly, the provisions in Article 6.2 in the Agreement on Agriculture may need to be made more flexible. In addition to adjustments of the provisions, such support measures would require increased levels of technical assistance and financial aid. We propose that such support for increased productivity is differentiated, and mostly aimed at the LDCs and food insecure developing countries.

In the Uruguay Round, most developing countries did not reserve the right to apply any Amber Box support. Whether developing countries should be given the opportunity to reconsider this possibility in the Doha Development Round is a matter for consideration. In addition, Article 18.4 needs to be made more explicit in order to give the countries concerned the possibility, under certain conditions, to adjust their domestic support commitments with regard to high rates of inflation. If so, inflation adjustment should be differentiated with regard to country-specific criteria. We suggest that this possibility should be considered as a general developing country provision.

The *de minimis* rule has made it possible for countries with no Amber Box commitment to apply market price support and other production-related forms of support, to a limited extent. The *de minimis* provision for developing countries is currently 10 percent of total value of production. So far, this level of *de minimis* has been sufficient, and all developing countries have kept below the *de minimis* ceiling with room to spare. It is therefore difficult to see any strong motive for increasing the level to more than 10 percent of the value of production. It might possibly be relevant to allow temporary exceptions for certain countries if the ceiling becomes binding in the coming years

One prolonged discussion in the Committee on Agriculture concerned the option of developing countries to balance product specific support against non-product specific support in the Amber Box. Some countries want to maintain prices on certain basic foodstuffs below the world market price level. Since domestic prices are lower than the external reference price (world market prices), product-specific AMS or *de minimis* are negative. Negative items are an advantage, since this leaves more room for positive support. This issue has primarily been pushed by India, Bangladesh and Pakistan.

SDT provisions for export competition and export restrictions

If developing countries are to use their agricultural exports as a means to support their rural development and other growth related strategies, they need improved market access to both developed and other developing countries. Accordingly, it is of utmost importance that the WTO negotiations on agriculture create provisions for general tariff reductions, reduced tariff escalation, and increased tariff rate quotas in a future agreement.

General duty-free market access should be provided to the LDCs, in accordance with the EU/US negotiating proposal and the Singapore Ministerial Declaration from 1996. In order to provide a more stable market access to the food insecure countries, increased tariff rate quotas in new markets could be reserved for exports from this country category. Improved market access could, accordingly, be provided to the category of food insecure countries if the more advanced developing countries and certain significant net agricultural-exporters make new market access commitments to the most vulnerable among the developing countries.

In order to improve the food security situation, countries strive to maintain low and stable prices on basic foodstuffs. At high world market prices, domestic prices can be kept down by applying export taxes and other forms of export restrictions. The main constraint, in the long run, is that supply does not increase in line with the prices on the world market.

Given the above, in order to counter the price fluctuations of certain important agricultural commodities, developing countries should, on a differentiated basis, be granted the provision to impose export restrictions in order to keep short-term food emergency stocks. This increased flexibility should be reserved to food insecure countries most in need, and be limited to measures that aim at improving their food security status.

In the current Agreement on Agriculture (Article 9.4), developing countries are entitled to exclude certain export subsidies from reduction commitments. This is the case as regards

marketing exports of agricultural products and internal import charges on export shipments. The prolongation of this article should be considered for the food insecure developing countries, since the LDCs are already entitled to this provision.

SDT provisions in case of differentiation with regard to: significant net agricultural-exporting countries and advanced developing countries

With a new differentiation between developing countries in the WTO, certain SDT provisions should be reserved to the most relevant developing country categories. An alternative and complementary approach would be to reduce the current SDT provisions in certain specific areas for developing countries, that – based on objective and relevant criteria – are no longer in need of them, or to graduate certain more advanced developing countries from SDT in agriculture. If the SDT provisions are differentiated between relevant categories of developing countries in the WTO, it is reasonable to expect that other member countries will concede extended and more appropriate SDT commitments in the multilateral trade negotiations on agriculture.

In this study we suggest that 14 developing countries could consider the advantages of graduating from the general SDT provisions in agriculture. These countries are granted developing country status in the WTO today, but are, in other contexts, considered as High-Income Countries with low agricultural dependency. In addition, this study presents an approach to differentiation with regard to the EU/US proposal on reduced SDT provisions for significant net agricultural-exporters. As regards this latter group of countries, we suggest that they could consider the advantages of graduating from SDT provisions corresponding to the products/product groups on which their exports account for more than 5 percent of total world exports. According to this explorative approach, Argentina, Brazil, China and Thailand could be considered.

It is not apparent from the EU/US proposal what kind of SDT provisions they advocate for the above indicated country category. However, it is possible that the proposal aims at exempting the countries concerned from SDT provisions corresponding to the products/product groups where they are already competitive exporters. In this case, the significant net agricultural-exporting countries might have to modify their schedules of commitments what regards market access, domestic support and export subsidies.

It could be justified that countries that are considered to be the most competitive producers of certain agricultural products/product groups, and belong to the world leading exporters of those particular commodities, would not be entitled to SDT provisions for their production and trade. However, resistance could be met if the countries concerned consider that they already have paid for these SDT provisions in their accession negotiations, or if they refer to the general principles of the Enabling Clause.

In addition, the above identified categories of more advanced developing countries and significant net agricultural-exporting countries, should make increased market access commitments on exports from the food insecure countries based on objective and relevant criteria.

Annex 3 – Country classifications in the WTO and other relevant developing country categories

Table 17. List of the developed countries in the WTO (35)

Australia	Greece	Norway
Austria	Hungary	Poland
Belgium	Iceland	Portugal
Bulgaria	Ireland	Slovak Republic
Canada	Italy	Slovenia
Croatia	Japan	South Africa
Czech Republic	Latvia	Spain
Denmark	Liechtenstein	Sweden
Estonia	Lithuania	Switzerland
Finland	Luxembourg	United Kingdom
France	Netherlands	USA
Germany	New Zealand	

Source: Derived from the WTO

Table 18. List of the developing countries in the WTO (112)

Albania	Georgia	Niger
Angola	Ghana	Nigeria
Antigua & Barbuda	Grenada	Oman
Argentina	Guatemala	Pakistan
Armenia	Guinea	Panama
Bahrain	Guinea Bissau	Papua New Guinea
Bangladesh	Guyana	Paraguay
Barbados	Haiti	Peru
Belize	Honduras	Philippines
Benin	Hong Kong	Qatar
Bolivia	India	Romania
Botswana	Indonesia	Rwanda
Brazil	Israel	Senegal
Brunei	Jamaica	Sierra Leone
Burkina Faso	Jordan	Singapore
Burundi	Kenya	Solomon Islands
Cambodia	Kuwait	South Korea
Cameroon	Kyrgyzstan	Sri Lanka
Central African Republic	Lesotho	St. Kitts & Nevis
Chad	Macao	St. Lucia
Chile	Macedonia (FYR)	St. Vincent & Grenadines
China	Madagascar	Suriname

Colombia	Malawi	Swaziland
Congo (Brazzaville)	Malaysia	Taiwan
Congo (Kinshasa)	Maldives	Tanzania
Costa Rica	Mali	Thailand
Cote d'Ivoire	Malta	Togo
Cuba	Mauritania	Trinidad & Tobago
Cyprus	Mauritius	Tunisia
Djibouti	Mexico	Turkey
Dominica	Moldavia	Uganda
Dominican Republic	Mongolia	United Arab Emirates
Ecuador	Morocco	Uruguay
Egypt	Mozambique	Venezuela
El Salvador	Myanmar	Zambia
Fiji	Namibia	Zimbabwe
Gabon	Nepal	
Gambia	Nicaragua	

Source: Derived from the WTO

Table 19. List of the Least Developed Countries (LDCs) (50)

Afghanistan	Ethiopia	Niger
Angola	Gambia	Rwanda
Bangladesh	Guinea	Samoa
Benin	Guinea Bissau	Sao Tome & Principe
Bhutan	Haiti	Senegal
Burkina Faso	Kiribati	Sierra Leone
Burundi	Laos	Solomon Islands
Cambodia	Lesotho	Somalia
Cape Verde	Liberia	Sudan
Central African Republic	Madagascar	Tanzania
Chad	Malawi	Togo
Comoros	Maldives	Tuvalu
Congo (Kinshasa)	Mali	Uganda
Djibouti	Mauritania	Vanuatu
East Timor	Mozambique	Yemen
Equatorial Guinea	Myanmar	Zambia
Eritrea	Nepal	

Source: Office of the High Representative for the LDC, LLDC and SIDS

Table 20. List of the Net Food-Importing Developing Countries (NFIDCs) (23)

Barbados	Honduras	Sri Lanka
Botswana	Jamaica	St. Kitts & Nevis
Cuba	Jordan	St. Lucia
Dominica	Kenya	St. Vincent & Grenadines
Dominican Republic	Mauritius	Trinidad & Tobago

Egypt	Morocco	Tunisia
Cote d'Ivoire	Pakistan	Venezuela
Gabon	Peru	

Source: WTO

Table 21. List of the WTO observer countries (29)

Algeria	Iraq	Sudan
Andorra	Kazakhstan	Tajikistan
Azerbaijan	Laos	Tonga
Bahamas	Lebanon	Ukraine
Belarus	Russia	Uzbekistan
Bhutan	Samoa	Vanuatu
Bosnia & Herzegovina	Sao Tome & Principe	Vatican (Holy See)
Cape Verde	Saudi Arabia	Vietnam
Equatorial Guinea	Serbia & Montenegro	Yemen
Ethiopia	Seychelles	

Source: WTO

Table 22. List of the World Bank Low-Income Countries (64)

Afghanistan	Ghana	Nigeria
Angola	Guinea	North Korea
Azerbaijan	Guinea Bissau	Pakistan
Bangladesh	Haiti	Papua New Guinea
Benin	India	Rwanda
Bhutan	Indonesia	Sao Tome & Principe
Burkina Faso	Kenya	Senegal
Burundi	Kyrgyzstan	Sierra Leone
Cambodia	Laos	Solomon Islands
Cameroon	Lesotho	Somalia
Central African Republic	Liberia	Sudan
Chad	Madagascar	Tajikistan
Comoros	Malawi	Tanzania
Congo (Brazzaville)	Mali	Togo
Congo (Kinshasa)	Mauritania	Uganda
Cote d'Ivoire	Moldavia	Uzbekistan
East Timor	Mongolia	Vietnam
Equatorial Guinea	Mozambique	Yemen
Eritrea	Myanmar	Zambia
Ethiopia	Nepal	Zimbabwe
Gambia	Nicaragua	
Georgia	Niger	

Source: The World Bank

Table 23. List of the World Bank Lower-Middle-Income Countries (54)

Albania	Guatemala	Romania
Algeria	Guyana	Russia
Armenia	Honduras	Samoa
Belarus	Iran	Serbia & Montenegro
Bolivia	Iraq	South Africa
Bosnia-Herzegovina	Jamaica	Sri Lanka
Brazil	Jordan	St. Vincent & Grenadines
Bulgaria	Kazakhstan	Suriname
Cape Verde	Kiribati	Swaziland
China	Macedonia (FYR)	Syria
Colombia	Maldives	Thailand
Cuba	Marshall Islands	Tonga
Djibouti	Micronesia	Tunisia
Dominican Republic	Morocco	Turkey
Ecuador	Namibia	Turkmenistan
Egypt	Paraguay	Ukraine
El Salvador	Peru	Vanuatu
Fiji	Philippines	West Bank & Gaza

Source: *The World Bank*

Table 24. List of the World Bank Upper-Middle-Income Countries (34)

American Samoa	Hungary	Panama
Argentina	Latvia	Poland
Belize	Lebanon	Saudi Arabia
Botswana	Libya	Seychelles
Chile	Lithuania	Slovakia
Costa Rica	Malaysia	St Kitts & Nevis
Croatia	Mauritius	St Lucia
Czech Republic	Mayotte	Trinidad & Tobago
Dominica	Mexico	Uruguay
Estonia	Northern Mariana Islands	Venezuela
Gabon	Oman	
Grenada	Palau	

Source: *The World Bank*

Table 25. List of the World Bank High-Income Countries (56)

Andorra	French Polynesia	Netherlands Antilles
Antigua & Barbuda	Germany	New Caledonia
Aruba	Greece	New Zealand
Australia	Greenland	Norway
Austria	Guam	Portugal
Bahamas	Hong Kong	Puerto Rico

Bahrain	Iceland	Qatar
Barbados	Ireland	San Marino
Belgium	Isle of Man	Singapore
Bermuda	Israel	Slovenia
Brunei	Italy	South Korea
Canada	Japan	Spain
Cayman Islands	Kuwait	Sweden
Channel Islands	Liechtenstein	Switzerland
Cyprus	Luxembourg	United Arab Emirates
Denmark	Macao	United Kingdom
Faeroe Islands	Malta	USA
Finland	Monaco	Virgin Islands (US)
France	Netherlands	

Source: *The World Bank*

Table 26. List of the Land-Locked Developing Countries (LLDC) (31)

Afghanistan	Kazakhstan	Paraguay
Armenia	Kyrgyzstan	Rwanda
Azerbaijan	Laos	Swaziland
Bhutan	Lesotho	Tajikistan
Bolivia	Macedonia (FYR)	Turkmenistan
Botswana	Malawi	Uganda
Burkina Faso	Mali	Uzbekistan
Burundi	Moldavia	Zambia
Central African Republic	Mongolia	Zimbabwe
Chad	Nepal	
Ethiopia	Niger	

Source: *Office of the High Representative for the LDC, LLDC and SIDS*

Table 27. List of the Small Island Developing States (SIDS) (48)

American Samoa	Grenada	Papua New Guinea
Antigua & Barbuda	Guam	Salomon Islands
Aruba	Guinea Bissau	Samoa
Bahamas	Guyana	Sao Tome & Principe
Bahrain	Haiti	Seychelles
Barbados	Jamaica	Singapore
Belize	Kiribati	St. Kitts & Nevis
Cape Verde	Maldives	St. Lucia
Comoros	Malta	St. Vincent & Grenadines
Cook Islands	Marshall Islands	Suriname
Cuba	Mauritius	Tokelau
Cyprus	Micronesia	Tonga
Dominica	Nauru	Trinidad & Tobago
Dominican Republic	Netherlands Antilles	Tuvalu

East Timor	Niue	Vanuatu
Fiji	Palau	Virgin Islands (US)

Source: Office of the High Representative for the LDC, LLDC and SIDS

Table 28. List of the Transition Markets (TRANS) (12)

Armenia	Kazakhstan	Tajikistan
Azerbaijan	Kyrgyzstan	Turkmenistan
Belarus	Moldavia	Ukraine
Georgia	Russia	Uzbekistan

Source: United Nations Statistics Division

Table 29. List of the Low-Income Food-Deficit Countries (LIFDCs) (83)

Afghanistan	Ethiopia	Niger
Albania	Gambia	Nigeria
Angola	Georgia	North Korea
Armenia	Ghana	Pakistan
Azerbaijan	Guinea	Papua New Guinea
Bangladesh	Guinea Bissau	Philippines
Belarus	Haiti	Rwanda
Benin	Honduras	Samoa
Bhutan	India	Sao Tome & Principe
Bosnia-Herzegovina	Indonesia	Senegal
Burkina Faso	Iraq	Sierra Leone
Burundi	Kenya	Solomon Islands
Cambodia	Kiribati	Somalia
Cameroon	Kyrgyzstan	Sri Lanka
Cape Verde	Laos	Sudan
Central African Republic	Lesotho	Swaziland
Chad	Liberia	Syria
China	Macedonia (FYR)	Tajikistan
Comoros	Madagascar	Tanzania
Congo (Brazzaville)	Malawi	Togo
Congo (Kinshasa)	Maldives	Turkmenistan
Cote d'Ivoire	Mali	Tuvalu
Cuba	Mauritania	Uganda
Djibouti	Mongolia	Uzbekistan
Ecuador	Morocco	Vanuatu
Egypt	Mozambique	Yemen
Equatorial Guinea	Nepal	Zambia
Eritrea	Nicaragua	

Source: FAO Country Profiles and Mapping Information System

Jordbruksverkets rapporter 2004

1. Förutsättningar för en minskning av växthusgasutsläppen från jordbruket
2. Kvalitetskriterier för våtmarker i odlingslandskapet – kriterier för rening av växtnäring med beaktande av biologisk mångfald och kulturmiljö
3. Administrativa konsekvenser av MTR
4. Analys av den veterinära situationen – med en arbetsmarknadsprognos fram till år 2020
5. Tre nya miljöersättningar – Hur blev det? Rapport från projekt CAP:s miljöeffekter
6. Den svenska livsmedelsindustrins syn på nutid och framtid – Enkät- och intervjuundersökning hösten 2003
7. Konsumtionen av livsmedel och dess näringsinnehåll – Uppgifter t.o.m. år 2002
8. Jordbruksverkets foderkontroll 2003 – Feed control by the Swedish Board of Agriculture 2003
9. Livsmedelsexport – förutsättningar och möjligheter
10. Återfunnen mångfald för framtida bruk – Verksamhetsberättelse för POM 2003
11. Skötsel och restaurering av betesmarker och slåtterängar – En sammanställning av den regionala naturvårdens kunskaper och erfarenheter
12. Förändringar av behörighetsutbildningarna
13. Marknadsöversikt – olivolja och bordsoliver
14. Differentiering mellan u-länder i WTO
- 14 E Differentiation Between Developing Countries in the WTO

This publication can be ordered from:
Swedish Board of Agriculture,
SE-551 82 Jönköping, Sweden
Phone +46-36-15 50 00
Fax +46-36-34 04 14
E-mail: jordbruksverket@sjv.se
Internet: www.sjv.se

ISSN 1102-3007
ISRN SJV-R-04/14 E-SE
SJV offset, Jönköping, 2004
RA04:14 E