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Doha — new global trade round

On 14 November 2001, the 142 members of the World Trade Organisation agreed on a text to launch a new global round of trade negotiations to be called the 'Doha development agenda'. Within the text is a section which will form the basis for the agricultural part of the negotiations ([1]). This text is compatible with the agriculture mandate adopted by the EU Council in September 1999, in preparation for Seattle. On reaching the agreement, EU Agriculture Commissioner Franz Fischler declared 'When we came to Doha, I made clear that Europe would take a constructive position on agriculture, that we were in for a deal. Today, we made it happen... It is good news not only for Europe, but for all the members of the WTO ... The European Union has delivered' ([2]).

The general objective of the negotiations on agriculture is to move towards a fair and market oriented trading system. At the same time, this must recognise the work already undertaken in this regard under Article 20 ([3]) of the existing WTO Agreement on Agriculture.

- As regards the three trade pillars — **market access, export subsidies** and **domestic support** — the wording clearly indicates that the terms on which the commitment to negotiate on these are without prejudice to the final outcome. On **market access** the formula chosen is comprehensive negotiations aimed at substantial improvements. The reference to comprehensive negotiations implies that all subjects are to be discussed and the EU has already made clear that this includes geographical indications. As regards **export subsidies** the text refers to reductions of all forms of export subsidies. This is precisely what the EU's mandate says ([4]). The text also says 'with a view to phasing out' but, as explained above, neither this phrase nor the wording on the other pillars is intended to predetermine the outcome of the negotiations. As concerns **domestic support** the text refers to substantial reductions in trade-distorting support. This also fits with the EU mandate, which commits the Community to negotiating reductions in support whilst maintaining the concepts of the blue and green boxes.
- There is a strong commitment to **special and differential treatment** for developing countries. This too is in line with the EU mandate which states that we 'share the view that the new round should provide benefits to developing countries and assist the integration of those countries in the international trade system'.
- The text refers to **non-trade concerns** and gives explicit recognition of the proposals submitted by members. The EU proposals covered in particular the multifunctional role of agriculture, specifically with regard to the environment, rural development, food safety, consumer concerns and labelling and animal welfare.

The timetable agreed in Doha foresees agreement on negotiating modalities for further commitments to be established no later than 31 March 2003, with the submission of draft schedules based on these modalities to take place by the fifth ministerial conference. The negotiations will be completed in line with the conclusion of the negotiating agenda of the round as a whole by 1 January 2005.

ACP waivers

The Doha meeting also approved the waivers to GATT Articles I and XIII for application of the Cotonou preferential trade agreement between the EU and the ACP countries for products originating in ACP countries and the understandings reached with the US and Ecuador. The approval of these waivers forms part of the second step in the solution to the banana dispute and paves the way for the corresponding amendment to the Council regulation on the banana import regime ([5]).

([1]) *Doha Ministerial 2001, paragraphs 13 and 14 (http://www-heva.wto-ministerial.org/english/thewto_e/minist_e/min01_e/mindecl_e.htm#agriculture).*
([2]) *EU agriculture and the WTO (http://europa.eu.int/comm/agriculture/external/wto/newround/full.pdf). A more detailed assessment of the results of Doha can be found on the Commission's agriculture web site (http://europa.eu.int/comm/agriculture/external/wto/newround/doharesults.pdf).*
([3]) *Article 20 explained (http://www.wto.org/english/tratop_e/agric_e/negs_bkgrnd05_intro_e.htm#art20).*
([4]) *See* Newsletter *No 37.*
([5]) *See* Newsletter *No 34.*

More Sapard funds released

Slovenia, Lithuania and Latvia are the latest candidate countries to assume the management of Sapard (special accession programme for agriculture and rural development) funds, as a result of the decisions of the European Commission of 19 and 26 November ([1]) and 6 December. Slovenia is entitled to EUR 6.4 million, Lithuania to EUR 30 million and Latvia to EUR 22.2 million annually (in 2000 prices) for the period 2000-06. Payment of the first advances (of about 25 % of the annual amount) will now be made to all three countries.

The Commission considers the establishment of Sapard agencies as a major achievement for the implementation of the *acquis communautaire* concerning the common agricultural policy and related policies. These agencies must meet strict criteria of accountancy and financial management required before being delegated the responsibility for programme management. Upon accession, the system created for Sapard would need only minor changes to fulfil the responsibilities related to the management of current structural funds and EAGGF Guarantee requirements.

The main measures ([2]) to be funded are:
- investments in agricultural holdings;
- improving the processing and marketing of agricultural and fisheries products;
- development and diversification of economic activities providing for multiple activities and alternative income;
- development and improvement of rural infrastructure;
- vocational training (Lithuania and Latvia);
- afforestation of agricultural land (Latvia).

Financing agreements

On 28 November, the Commission authorised Commissioner Fischler to sign the annual financing agreements for 2001 with the 10 candidate countries concerned by Sapard. These agreements set up the Community contribution to finance the actions scheduled for 2001 in the Sapard programmes. In addition, they have extended to the end of 2003 the period of validity for payments for the 2000 commitment, as management of the funds had not been conferred on any Sapard agency in 2000 ([3]).

([1]) *OJ L 307, 24.11.2001 and OJ L 320, 5.12.2001.*
([2]) *For background information, see* Newsletter *Nos 14, 19 and 20.*
([3]) *Commission Regulation (EC) No 2252/2001 amending Commission Regulation (EC) No 2222/2000.*

News in brief

❑ **Extension of special measures for olive oil**
The Agriculture Council of 20 November 2001 decided to extend funding for inspection agencies in the olive oil sector to cover the 2002/03 and 2004/05 marketing years. Community funding, which covers 50 % of the costs, will amount to EUR 43.5 million over the period. This follows the decision in June ([1]) to extend the current aid scheme for olive oil production to the end of October 2004 and to introduce a new aid scheme from 1 November 2004 ([2]).
The extension of funding will allow the agencies responsible for carrying out checks in connection with the olive oil production scheme to make the necessary verifications up to the 2004/05 marketing year. In 2003, the Commission will consider the need to extend this funding after that period in the light of the discussions on the reform of the olive oil common market organisation.

❑ **Promotion/information programmes:** the February issue will carry details of the programmes adopted by the Commission in December 2001, concerning promotion activities for EU agricultural products in third countries, and information on beef.

([1]) *See* Newsletter *No 36.*
([2]) *Council Regulation (EC) No 1513/2001.*

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