

## COMPREHENSIVE DRAFTING INPUT

*Norway*

### I. OVERALL APPROACH

1. Norway will participate actively and constructively in the concluding phase of the agricultural negotiations in order to meet the agreed deadlines. Special attention should be paid to the interests of developing countries, in particular the least developed and net food-importing.
2. The Agreement on Agriculture states that the long-term objective of the negotiations is to establish a fair and market-oriented agricultural trading system, and that commitments “*should be made in an equitable way among all Members*”. A fair agricultural trading system must take non-trade concerns (NTCs) duly into account. Continued and sustained safeguarding of NTCs requires a viable domestic agricultural sector with agricultural production.
3. Every Member should be able, according to mutually agreed rules, to foster domestic agricultural production necessary to address domestic NTCs, based on its production conditions and policy objectives. Consequently, provisions to secure the coexistence of various types of agriculture, across countries and regions, including in areas with disadvantaged production conditions, need to be an integral part of the outcome.
4. In the long run, production will only take place if it is profitable at the farm level, i.e. if farm production revenues cover production costs. Given our high production costs, resulting from, *inter alia*, unfavourable climatic and topographic conditions, a scenario in which all production-related measures, including tariffs, have been replaced by Green Box measures, is not likely to provide sufficient financial incentives to our farmers in the long run to continue the production that is required to safeguard NTCs. This is the basis for the proposals for modalities submitted in this paper.
5. A successful outcome of the negotiations will only be reached if it is acknowledged that all Members have legitimate interests that need to be taken duly into account in the negotiations. This implies that the interests of exporting countries are no more important than the interests of importing countries, and vice versa. The challenge lies in designing compromises that are sufficiently balanced to attract the support of all.

## II. EXPORT COMPETITION MEASURES

Item / Parameter	Modalities / Rule-related elements	S&D	Comments
<ul style="list-style-type: none"> <li>• General</li> <li>• Export subsidies</li> <li>• Export credits</li> <li>• Exporting State-Trading Enterprises (STEs)</li> <li>• Food aid</li> </ul>	<p><i>All export competition measures will be subject to the same degree of discipline.</i></p> <p><i>Export subsidies will be subject to reductions of X% in outlays and Y% in volumes<sup>1</sup>. The degree of product aggregation should be related to the extent of the reductions: the deeper the cuts, the larger the product aggregates.</i></p> <p><i>Establishment of criteria that distinguish between officially supported and market-based export credits, guarantees and insurances. Officially supported schemes will be subject to reductions of X and Y% (same rates for outlays/values and volumes as for export subsidies), while market-based schemes without any official support will not be subject to any reduction commitments.</i></p> <ul style="list-style-type: none"> <li>• <i>Exporting STEs shall not enjoy monopoly rights.</i></li> <li>• <i>Exporting STEs shall not enjoy any special financial privileges.</i></li> <li>• <i>Appropriate notification procedures should be established to ensure transparency in all operations relevant to the agricultural exports by STEs.</i></li> <li>• <i>All types of food aid should be disciplined.</i></li> <li>• <i>All food aid should be fully untied.</i></li> </ul>	<p><i>Continuation of Article 9.4.</i></p> <p><i>Developing countries should, according to specific criteria that remain to be established, be allowed to provide certain types of financial support to their exporting STEs.</i></p>	

<sup>1</sup> Note that X, Y and a may not have the same value throughout this proposal

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<ul style="list-style-type: none"> <li>• Food aid</li> </ul>	<ul style="list-style-type: none"> <li>• <i>All food aid should be fully grant. Food aid not being fully grant would be subject to the commitments on export credits and, where appropriate, export subsidies.</i></li> <li>• <i>Final individual recipients of food aid should receive food aid freely or in exchange for work (food-for-work). Food aid cannot be sold on the local market.</i></li> <li>• <i>Establishment of specific disciplines to ensure a shift from aid in kind to financial aid under the Food Aid Convention (FAC), for the purpose of triangular transactions and local purchases. The reduction rate of aid in kind would be equal to the one relating to export subsidies and credits. This reduction will be followed by a corresponding increase of aid in cash under the FAC to ensure the continuation of existing food aid levels.</i></li> <li>• <i>Any food aid in kind beyond the FAC minimum commitments should only be given according to pre-established criteria and upon the request of UN Organisations such as the Office for the Co-ordination of Humanitarian Assistance (OCHA), World Food Programme (WFP) and the High Commissioner for Refugees. Such requests should as appropriate be based on forecasts undertaken by FAO's Global Information and Early Warning System (GIEWS) and/or other independent agencies. This means that food aid in kind not part of the FAC and not requested by these UN organisations would be subject to disciplines according to the WTO commitments on export subsidies or credits.</i></li> </ul>		



### III. MARKET ACCESS

Item / Parameter	Rule-related elements	S&D	Comments
<ul style="list-style-type: none"> <li>• Tariff quota administration</li> </ul>	<p><i>The establishment of an illustrative positive list of TRQ administration methods (including auctioning, first-come-first-serve and others) that are acceptable, provided that they meet a number of predefined criteria.</i></p>		
<ul style="list-style-type: none"> <li>• Special safeguards (SSGs)</li> </ul>	<p><i>Continuation of the existing SSGs and their extension to all countries that do not enjoy this right at present.</i></p>	<p><i>S&amp;D provisions to simplify developing countries' recourse to the SSGs.</i></p>	

### IV. DOMESTIC SUPPORT

Item / Parameter	Rule-related elements	S&D	Comments
<ul style="list-style-type: none"> <li>• Green Box</li> <li>• Article 6.2</li> <li>• Blue Box</li> </ul>	<ul style="list-style-type: none"> <li>• <i>Continuation of the Green Box with no quantitative ceilings.</i></li> <li>• <i>The existing trigger level of 30% referred to in Paragraphs 7 and 8 should be lowered to X%.</i></li> <li>• <i>Continuation of the Blue Box without any cap.</i></li> </ul>	<ul style="list-style-type: none"> <li>• <i>Article 6.2 should be continued.</i></li> <li>• <i>Additional provisions under Art. 6.2 should be considered, provided that such programmes are targeted to the low-income and resource-poor farmers or limited to production of basic foodstuffs for the domestic market.</i></li> </ul>	

#### IV. DOMESTIC SUPPORT

Item / Parameter	Rule-related elements	S&D	Comments
<ul style="list-style-type: none"> <li>• Amber support</li> </ul>	<ul style="list-style-type: none"> <li>• <i>Further AMS reduction commitments should be differentiated according to export orientation. The home-market oriented AMS should be subject to a reduction of X%, while the export-oriented AMS should be subject to a reduction of Y% (X&lt;Y), based on available production and export statistics of a given base year.</i></li> <li>• <i>Existing De Minimis levels should be maintained.</i></li> <li>• <i>The AMS should be maintained as an aggregate measurement and not turned into a product-specific commitment.</i></li> <li>• <i>Monetary domestic support commitments should be subject to annual inflation adjustments.</i></li> </ul>	<ul style="list-style-type: none"> <li>• <i>Lower reduction commitments should apply to developing countries (aX and aY%, where a&lt;1).</i></li> <li>• <i>Existing S&amp;D provisions applying to the De Minimis levels should be continued.</i></li> </ul>	

## V. HORIZONTAL ISSUES

Item	Modalities	S&D	Comments
<ul style="list-style-type: none"> <li>• Base for further commitments</li> </ul>	<p><i>Year 2000 commitments.</i></p>		
<ul style="list-style-type: none"> <li>• Implementation period and staging of further commitments</li> </ul>	<p><i>Equal instalments of commitments over X years.</i></p>	<p><i>Y years for developing countries (Y&gt;X).</i></p>	
<ul style="list-style-type: none"> <li>• Peace Clause</li> </ul>	<p><i>Continuation of the Peace Clause (with necessary amendments resulting from the new modalities) as an integral part of the Agreement on Agriculture.</i></p>		