



Foundation for agriculture and rural areas around the world

FARM Briefings

Special and Differential Treatment Provisions in favour of Agriculture

November 2005

S U M M A R Y

Special and Differential Treatment (SDT) has gradually emerged in the various multilateral trade rounds during the past fifty years and is now one of the main issues of the ongoing round.

SDT is based on the two principles of preferential market access and non-reciprocity and thus forms the legal foundation for a system of preferences benefiting developing countries. In practice, the agreements contain several type of SDT measures.

However, although these measures often seem to be useful, their present limits indicate a need for change. The extent of these changes is currently a subject for discussion among WTO members.

It is probable that the absence of consensus and the uneven impact of trade liberalization in the developing countries will finally lead to the redefining of SDT beneficiary categories. ■

C O N T E N T S

- Introduction and reminder of the liberalisation process **3**
- The emergence of Special and Differential Treatment (SDT) **4**
- The legal principles of SDT **5**
- The typology of SDT measures **6-7**
- Five examples of SDT measures **8-9**
- The issues of the present debate **10**
- Groups of countries and ranked proposals **11**
- Hong Kong: two central SDT problems **12-13**
- Conclusion **14**
- Contacts and Publications **15**

1 - Introduction and reminder of the liberalisation process

The paper is aimed at explaining and enriching the debate on Special and Differential Treatment in the perspective of the WTO ministerial meeting in Hong Kong in December 2005. Can trade preferences be useful for development?

These aspects of the WTO agreements are particularly crucial in agriculture. The future and the procedures of agricultural policies are directly related to them, as is the question of development for a large number of the countries concerned.

A reminder of the liberalisation process

A broad trade liberalisation movement has become established around the world since World War 2, and the postulate that increased trade has a **general beneficial effect** on the economies concerned has been found to be true¹.

Nevertheless, trade liberalisation is applied to countries with different initial situations.

Thus, from the first multilateral negotiation rounds onwards, it was accepted that the agreements should not result from or sustain 'from weak to strong' relationships between the different countries participating in the negotiations.

Indeed, some countries had difficulty in implementing the agreement, benefited little or not at all from them or even experienced a worsening of their situation after the liberalisation movements.

Throughout the negotiations, the developing countries have worked on highlighting the **specificity of the problems** that they faced and the need for different, more favourable treatment within the GATT (and then the WTO) allowing them first **(1)** non-reciprocity with regard to the liberalisation of their own trade and secondly **(2)** preferential market access in the other countries. ■

¹- Some authors refer to the growth of trade as a global public good.

2 - The emergence of Special and Differential Treatment (SDT)

The agreements thus gradually incorporated a **differentiation principle** in the initial pattern of universal and reciprocal undertakings (the most-favoured nation clause) to take into account the differences between policies, institutions and the economic conditions of all countries.

In this framework, the '**development dimension**' of the agreements was gradually strengthened as the rounds proceeded: **the objective of the agreements became not only the promotion of trade but the promotion of development via trade.** This theoretical slide can be seen in Article 20 of the Agreement on Agriculture² that states among other things that '*the objective [that is] to establish a fair and market-oriented agricultural trading system*'. It is also specified that '*non-trade concerns*' (such as food security, the environment, rural development, the fight against poverty) are to be taken into account during trade negotiations.

Indeed, in particular in agriculture, differentiation measures have been promoted because of global geopolitical considerations. This sector does not just stop at the production of food products and agro-industrial products such as fibres; it has a primordial role in the development strategies of a great number of countries. In the name of these sovereign, specific imperatives, certain measures of distortion of trade can be taken into account in exceptional cases.

The latest working programme resulting from the ministerial conference in Doha in 2001 was completed by a decision of the General Council of the WTO³ on 1 August 2004. This decision specifies that '*development concerns form an integral part of the Doha Ministerial Declaration. The General Council rededicates and recommits Members to fulfilling the development dimension of the Doha Development Agenda, which places the needs and interests of developing and least-developed countries of the Doha Work Programme*'⁴.

The Doha agenda is thus the height of this long evolution. It opens up theoretical perspectives for **an extremely broad negotiation framework.** And it is possible to believe, given the history of liberalisation, in a historical chance that should be grasped for development, whereas the negotiations on services, agriculture and industrial goods are getting nowhere. ■

²- Article 20 of the Agreement on Agriculture is fundamental as it commits to the continuation of the negotiations by setting a calendar; it also specifies that WTO members recognise that '*the long-term objective of substantial progressive reductions in support and protection resulting in fundamental reform is an ongoing process*'.

³- The General Council is the supreme decision body of the WTO in Geneva; it meets regularly to exercise the functions of the WTO. It is made up of representatives of all the governments.

⁴- WTO, WT/L/579, 2 August 2004.

3 - The legal principles of SDT

In real terms, the term 'Special and Differential Treatment' (SDT) covers several preferential measures awarded to certain WTO countries.

Historically, the first SDT measures appeared during the Kennedy Round (1964) and resulted in the addition of a Part IV to the GATT, '**Trade and Development**'. This was adopted on completion of the round.

The aim was then to open the markets in developed countries to products of particular interest to the developing countries (**preferential market access**) and also to accept a **non-reciprocity principle** in trade negotiations concerning the reduction or elimination of customs duties or other obstacles to trade. The developed countries thus agreed to lower their trade barriers but without the developing countries doing the same.

Preferential market access was ensured officially and took the legal form of the framework agreement entitled 'Decision on Differential and More Favourable Treatment, Reciprocity and Fuller Participation of Developing Countries', adopted in 1979 on completion of the Tokyo Round trade negotiations.

Commonly referred to as the '**Enabling Clause**', the text forms the legal basis of the **Generalized System of Preferences (GSP)** proposed by UNCTAD in 1964 and implemented by a (transitory) decision by the parties to the GATT in 1971.

In this system, the developed countries award non-reciprocal preferential treatment (e.g. zero-rated or low customs dues on imports) for products from developing countries⁵.

The Enabling Clause also serves as the legal basis for the regional agreements between developing countries and the **Global System of Trade Preferences among Developing Countries (GSTP)**; a number of developing countries mutually award each other trade concessions within the framework of this system. ■

⁵ - The countries award the preferences determining unilaterally the beneficiary countries and products. Some developing countries opportunely draw attention to the fact that the products eligible for preferences are not necessarily those that are of most interest to them, but those that are not strategic for the developed countries. Whence continuing difficulties on the subject of banana, cotton, etc.

4 - The typology of SDT measures

Logically, the countries that can benefit from SDT are the developing countries⁶. Today, **145 SDT measures** are distributed transversally in the various agreements reached during the rounds and taken up in the WTO agreement. The least-developed countries (LDCs), and only these, are the subject of 22 measures.

The WTO secretariat makes a distinction between six types of SDT⁷, with the last type concerning the measures applied specifically to the LDCs but that also form part of the first five types of measure. The six types are as follows:

- I. measures aimed at enhancing the trading possibilities of the developing countries (by **access to markets** in developed countries);
- II. measures by virtue of which the members of the WTO **must preserve the interests** of the developing countries;
- III. measures planning **flexibility** in undertakings, measures and the use of means of action;
- IV. measures concerning **the transition periods** (the lengthening of transition periods for the implementation of the agreements);
- V. measures planning **technical assistance** should this be necessary when the agreements are implemented;
- VI. measures concerning action aimed at helping the least-developed countries.

It is to be noted, as is highlighted in the OECD⁸ report on Special and Differential Treatment, 'that the measures concerning the transition periods and technical assistance were adopted to enable developing countries to accept the same undertakings as their developed counterparts, taking into account the particular difficulties that they encounter for their implementation and in questions of adjustment.'

To go further, according to the Institut Français de Relations Internationales (IFRI)⁹, 'in questions of market access (customs barriers and non-tariff barriers), SDT measures are seen mainly in non-reciprocal trade preferences embodied in the Generalized System of Preferences

(GSP). ... In questions of trade rules, SDT measures are embodied either in exemptions from multilateral discipline or by adapting its rate and implementation conditions to the development level in question. Historically, the trade system has oscillated between the two types of approach. The Tokyo Round (1973–1979) favoured the exemption method by allowing the developing countries to exonerate themselves from the discipline resulting from the 'codes' negotiated at the time (antidumping, subsidies, non-tariff barriers). In contrast, the Uruguay Round (1986–1995) was based on the 'single undertaking' principle involving the adoption of the same rules by all GATT members. SDT then shifted towards the awarding of flexibility in the application of the new rules, in particular by means of transition periods prolonged in their favour'.

The table on the following page specifies **the location** of the various SDT measures in the agreements concluded over the last 50 years, and also **their distribution** according to WTO typology. ■

6- When the WTO was founded, the GATT contracting parties determined whether they were in the developed or developing country category (own declaration). There is no precise definition of 'developing country', even if the GATT attempted to draft a definition based on the 'low' standard of living of the population (Article XVIII:1).

7- Typology given in WTO documents WT/COMTD/W/66 and WT/COMTD/W/77, completed to a minor extent for reasons of clarification.

8- OECD, May 2002, *Le rôle du Traitement Spécial et Différencié à l'interface des échanges, de la concurrence et du développement*, COM/TD/DAFFE/COMP(2001)21/FINAL.

9- *Le commerce pour le développement: l'avenir du Traitement Spécial et Différencié des pays en développement*, note de cadrage Ifri, 28 Octobre 2005.

Location and distribution of SDT measures according to WTO typology

Agreement	I) Provisions aimed at increasing trade opportunities of developing country Members	II) Provisions that require WTO Members to safeguard the interests of developing country Members	III) Flexibility of commitments, measures and the use of means of action	IV) Transitional time periods	V) Technical assistance	VI) Provisions relating to measures to assist least-developed country Members	Total by Agreement
Decision on Measures Concerning the Possible Negative Effects of the Reform Programme on Least-Developed and Net Food-Importing Developing Countries	1	4	9	1	1	3	19
Agreement on sanitary and phytosanitary measures		2		2	1		5
Agreement on textiles and clothing	1	3					6
Agreement on technical barriers to trade		6	1	1	7	1	16
Agreement on trade-related investment measures			1	2		1	4
Agreement on implementation of Article VI of the GATT 1994		1					1
Agreement on the implementation of Article VII of the GATT 1994, and Decision on Texts Relating to Minimum Values and Imports by Sole Agents, Sole Distributors and Sole Concessionaires		1	2	4	1		8
Agreement on preshipment inspection							0
Agreement on rules of origin							0
Agreement on Import Licensing Procedures		3		1			4
Agreement on subsidies and countervailing measures		2	8	6			16
Agreement on safeguards		1		1			2
General agreement on trade in services	1	1	2		2	1	7
Agreement on TRIPS				2	1	3	6
Understanding on rules and procedures governing the settlement of disputes		7	1		1	2	11
Article XVIII of the GATT 1994			3				3
Article XXXVI of the GATT 1994	4	3	1				8
Article XXXVII of the GATT 1994	2	6					8
Article XXXVIII of the GATT 1994	2	5					7
'The enabling clause'	1		2			1	4
Decision on measures in favour of the least-developed countries						7	7
Waiver for the awarding of preferential market access for LDCs						1	1
Total by type	12	47	30	20	14	22	145

5 - Five examples of SDT measures

Five examples of SDT measures concerning the agriculture sector are provided as an illustration. It is noted that numerous SDT measures with an impact on the agricultural sector are not necessarily included in the agreements on agriculture (but are included in other WTO agreements):

SDT measure aimed at enhancing market access:

PREAMBLE OF THE AGREEMENT ON AGRICULTURE:

'...Having agreed that in implementing their commitments on market access, developed country Members would take fully into account the particular needs and conditions of developing country Members by providing for a greater improvement of opportunities and terms of access for agricultural products of particular interest to these Members, including the fullest liberalization of trade in tropical agricultural products [...] and for products of particular importance to the diversification of production from the growing of illicit narcotic crops;...'

Observations. The developed countries thus undertook to apply greater reductions than average on the duties concerning products of interest to the developing countries. In practice, they also implemented these reductions more rapidly. 'Regional' initiatives like the European **Union's 'Everything but arms'** in fact go much further than the obligations set in the preamble. UNO recommends that all developed countries should adopt this measure.

SDT measure aimed at protecting the interest of developing countries

PARAGRAPH 5 OF THE DECISION ON MEASURES CONCERNING THE POSSIBLE NEGATIVE EFFECTS OF THE REFORM PROGRAMME ON LEAST-DEVELOPED AND NET FOOD-IMPORTING DEVELOPING COUNTRIES:

'... recognize that as a result of the Uruguay Round certain developing countries may experience short-term difficulties in financing normal levels of commercial imports and that these countries may be eligible to draw on the resources of international financial institutions under existing facilities, or such facilities as may be established, in

the context of adjustment programmes, in order to address such financing difficulties.'

Observations. The link between WTO trade policy and the international financial institutions is likely to become stronger. Indeed, as the trade negotiation rounds may be **major exogenous shocks to the least advanced developing countries**, implementing their development strategy means coordinating all the financing or adjustment instruments placed at their disposal. Indeed, given the specificity of the agricultural sector in these countries, new facilities are to be implemented with international financial institutions (guarantee or adjustment funds).

SDT measure ensuring the flexibility of commitments

ANNEX 2, PARAGRAPH 4, FOOTNOTES ON PAGES 5 & 6 OF THE AGREEMENT ON AGRICULTURE (DOMESTIC FOOD AID):

'For the purposes of paragraphs 3 and 4 of this Annex, the provision of foodstuffs at subsidized prices with the objective of meeting food requirements of urban and rural poor in developing countries on a regular basis at reasonable prices shall be considered to be in conformity with the provisions of this paragraph.'

Observations. Financial support (direct and indirect) for agriculture is divided into three main components: **(a) tariffs** (customs duties and other taxes), **(b) domestic support** (for producers or production), and **(c) export subsidies**. The ongoing trade negotiations have not yet achieved a consensus for the reducing of these three support components. In this framework, if there is no modification and in a clearly specified framework (food security), the developing countries should not be committed to reducing the domestic support that will be concluded in the future WTO agreement.

SDT measure authorising a longer transition period

ARTICLE 15:2 OF THE AGREEMENT ON AGRICULTURE:

*'Developing country Members shall have the flexibility to implement reduction commitments over a period of up to 10 years. Least-developed country Members shall not be required to undertake reduction commitments.'*¹

Observations. This type of measure is tending to become generalised in all types of agreement. In addition to the advantage awarded to the developing and least-developed countries (non-reciprocity of commitments), this indicates that less liberal trade policies may be optimum for developing countries. In practice, both transition periods and their rhythm are still **controversial questions**. Some economists insist that Special and Differential Treatment must not be used to postpone reforms that promote competition (even partial and supervised) as such reforms can be beneficial for developing countries (rents are sub-optimum). Others consider that the transition period durations are unsuitable (as are technical assistance procedures) the time required to prepare, adopt and apply new legislation and the effective costs of implementation (especially in questions of competition) and the flexibility required to take into account the different capacities of the countries have been underestimated¹⁰. The transition periods should enable developing countries to implement national or regional development strategies.

SDT measure aimed at providing technical assistance

PARAGRAPH 3 III) OF THE DECISION ON MEASURES CONCERNING THE POSSIBLE NEGATIVE EFFECTS OF THE REFORM PROGRAMME ON LEAST-DEVELOPED AND NET FOOD-IMPORTING DEVELOPING COUNTRIES:

*'to give full consideration in the context of their aid programmes to requests for the provision of technical and financial assistance to least-developed and net food-importing developing countries to improve their agricultural productivity and infrastructure.'*¹

¹⁰- In other words, the debate that goes back to the nineteenth century between advocates of 'educational protectionism' and those of classic liberalism has still not been settled. It is to the credit of the WTO texts that they do not come out in favour of one or other of the two solutions.

Observations. This is the special case of measures concerning food aid programmes. There is generally an underlying approach that is essential to this question of technical (and financial) assistance. Insofar as the WTO is not an appropriate framework for the setting up of national or regional strategies through agriculture (this is not its role), but makes a considerable contribution to **changing development paradigms** (particularly for certain developing countries where the agreements may be major exogenous shocks), the agreements must set up and specify the resources and new instruments that can be made available by multilateral organisations for development purposes. Technical assistance must not be just a way of facilitating the integration of developing countries in the multilateral trade system, but also a way of promoting the development of the countries in question.

ARTICLE 9:2 OF THE AGREEMENT ON SANITARY AND PHYTOSANITARY MEASURES:

'Where substantial investments are required in order for an exporting developing country Member to fulfil the sanitary or phytosanitary requirements of an importing Member, the latter shall consider providing such technical assistance as will permit the developing country Member to maintain and expand its market access opportunities for the product involved.'

Observations. This article is an example of the presence of SDT measures in an agreement that is not directly focused on agricultural matters. Today, the developing countries emphasise the **inadequacy of the technical assistance** implemented with regard to the new sanitary and phytosanitary requirements of the developed countries (the need for a concrete, practical increase in technical assistance in human resources, national capacity and the transfer of technology and information for risk evaluation and the improvement of laboratory installations). ■

6 – The issues of the present debate

The WTO General Council's decision of 1 August 2004 is reminiscent of and strengthens the position of Special and Differential Treatment in future trade negotiations: *'the General Council reaffirms that provisions for special and differential (S&D) treatment are an integral part of the WTO Agreements. The Council recalls Ministers' decision in Doha to review all S&D treatment provisions with a view to strengthening them and making them more precise, effective and operational'*¹¹.

Furthermore, by mentioning Special and Differential Treatment on many occasions (more than 17 times in 22 pages) and in all the aspects of the coming negotiations, this decision of 1 August 2004 (the last to date) strengthens its strategic position.

However, although the WTO considers that it can evaluate the implementation of the SDT measures (do the states apply these measures?) in nearly 80% of cases, it seems much more difficult to appraise their effectiveness in questions of development. In other words, appreciation is more quantitative than qualitative¹².

Indeed, the WTO notes and synthesis documents report a recurrent difficulty in the tangible, direct measurement of their effects.

The reasons are first of all methodological and are linked with the complexity of trade interactions. It is difficult to perform

proper appraisal of the specific role of a measure in a complex development process. Then, the fact that the developing countries do not draw equal benefit from SDT measures makes objective appraisal difficult. Thus, finally, how can a measure be evaluated for developing countries that would allow one of them to develop a comparative advantage that it would exercise at the expense of another?

A brief overview nonetheless leads to the conclusion that SDT measures are necessary and positive overall. In other words, discussions concern more the mechanisms, implementation and financing of Special and Differential Treatment than in its merits for the promotion of development. The issues of the current discussions are therefore **the scope of the measures** (How can they be extended?), **their application and operational character** (Are they effective?) **and the countries and stakeholders concerned** (Who do they apply to? Who profits from them?). ■

¹¹- WTO, op. cit. , 2 August 2004.

¹²- In OMC, WT/COMTD/W/77, October 2000, page 4 #6: *implementation is good but is running somewhat late. For SDT measures of the safeguard or regulation type, WTO could count the number of countries that use these provisions (via the appropriate WTO organs). With regard to technical assistance, although it is easy to count the countries requesting technical assistance, the monitoring of implementation is more complex.*

7 – Groups of countries and ranked proposals

Discussions on the subject of SDT have become structured in recent years by numerous proposals for improvement frequently put forward by *ad hoc* groups experiencing identical situations in a number of trade issues.

Groups such as the Cairns Group assemble countries with strong exports of agricultural products, with G-33 now with more than 40 countries for whom food dependence is a central issue, and G-90 (grouping African countries, the ACP countries and the LDCs) and certain G-20 members, have put forward various proposals for SDT reforms.

In all, **88 proposals** concerning Special and Differential Treatment were put forward by developing countries and LDCs in 2002. It should be noted that most were from the African group and the least-developed country group. The proposals generally focused on an extract of the agreement that had already been signed and suggested new features for the inclusion of new provisions or the strengthening of existing ones.

The proposals concern most of the WTO agreements, including the General Agreement on Trade in Services (GATS), GATT, the Agreement on Trade-related Aspects of Intellectual Property Rights (TRIPS) and the Agreement on Agriculture.

The different groups of countries do not have the same preoccupations. This makes it particularly difficult, even among the developing countries, **to rank the proposals** that are to be defended before the developed countries. It should be noted that the WTO made an attempt at ranking¹³ according to the acceptability of the 88 proposals. The first of three categories thus includes the 38 proposals concerning which there is a fairly broad consensus and these should be adopted. The more innovative or ambitious proposals such as the creation of a guarantee fund for agriculture are not in the first category. Only one proposal in the first category concerns the Agreement on Agriculture and consists of the identical reformulation of Article 15:2 mentioned above. ■

¹³- WTO, April 2003, JOB 3404.

8 – Hong Kong: two central SDT problems

It would appear necessary in the short term for discussions to address the acceptability of the 88 proposals drafted three years ago. This should be aided by discussion of drafts and the modelling of impacts. However, it would also seem necessary to address and discuss two fundamental questions, starting today: these are the differentiation of countries eligible for SDT and the erosion of preferences. These are not peripheral aspects of discussion on SDT but more a prior stage. Even the incomplete settling of these questions would make it possible to detail and supervise SDT measures and make them more effective.

Towards greater differentiation of SDT: each his own requirements?

In 1979, the 'Enabling clause' mentioned special treatment for the least-developed countries (LDCs) for the first time, thus drawing a distinction between two groups covered by the developing country concept. This distinction is still the only one officially in force at the WTO. SDT measures (except for the 22 measures reserved for LDCs) benefit all the developing countries. The WTO thus has only three categories of country, a much smaller number than those listed by most international organisations.

For the developed countries, this relative absence of discrimination within the developing country group is one of the explanations for the deficiency of SDT measures. The effectiveness of a measure is based on its targeting and this is rendered impossible by the **heterogeneity of the positions** among the developing countries and the **scope of the concessions** that the developed countries are willing to accept when they know that all the developing countries could profit from them.

Numerous lines of thought have emerged in recent years in order to draw up a **more precise typology** for the better taking into account of the requirements and situation of country sub-groups in similar situations (strongly exporting developing countries, island states, developing countries that are

net food product importers, etc.)¹⁴.

This closer differentiation is still at the project stage for the moment, given the complexity of the task and the suspicion on the part of certain developing countries. The scope of SDT and the implementation of specific ambitious support measures in agriculture are affected.

SDT and the erosion of preferences: help for the WTO?

A new multilateral negotiation round reduces the advantages of the countries most favoured in the preceding round. The multilateral reduction of customs duties is such as to result in substantial **redistribution effects** among developing countries as this erodes the preferences (difference in treatment) of some to the benefit of others.

As is noted by IFRI¹⁵, 'the cost-benefit balance of such redistribution remains undetermined for most of the states concerned: they may prefer the status quo in preferences to the hypothetical benefits of the liberalisation of trade.'

A new negotiation round may thus harm certain developing countries or LDCs benefiting from SDT measures. Furthermore, numerous countries benefit today from preferential regimes not connected with the WTO rounds (e.g. the EU's 'Everything but arms' initiative and Lomé agreements for the ACP countries).

Several scenarios are currently envisaged to reduce the negative effect of the erosion of preferences in the next round. They are summarised in the framework note by A-S. Novel and J-M Paugam. The first scenario consists of undertaking the removal of asymmetric preferences by means of free

¹⁴- Several types of differentiation would seem possible according to the subject of the negotiation (approach via the rule), according to geographic and climatic indicators linked with income indicators, etc.

¹⁵- Novel and Paugam, op. cit.

trade agreements (the solution chosen by the European Union for the future of its trade relations with the ACP countries from 2008 onwards, within the framework of regional economic partnership agreements (REPA). The second scenario consists of reforming the preferential regimes to improve their effectiveness for the benefit of the poorest countries (LDCs). Thus, the 'Everything except arms' European initiative could be adopted by all the developed countries.

The third scenario consists of setting up a 'South-South' strategy with the creation of a preference system between southern countries. This pathway is currently being explored by South Korea and also Morocco, which has adopted a preferential model inspired by 'Everything but arms' for the LDCs in sub-Saharan Africa.

It seems that these *a priori* different sce-

narios might be possible should each one be applied only to a group of countries or of specific products.

Beyond this question, the forecastable costs of leaving the preference system for certain developing countries require the setting up of financial support aimed at compensating the short-term macroeconomic shocks and accompanying changes in the production system. Some developing countries thus recommend that the next WTO agreement should mention the creation of a support or guarantee fund within the framework of an SDT measure¹⁶. At this stage, the WTO would have to move closer to international financial institutions (of the World Bank or IMF type) or the Global Trust Fund. ■

¹⁶- Proposals #69, #76, #82 of the African group according to the WTO classification of May 2003.

9 – Conclusion

The agreements in force thus already include a great number of Special and Differential Treatment measures. The latter, together with the preferential regimes negotiated on a bilateral or multilateral basis already enabled the developing countries and LDCs to enjoy certain assets to face the trade liberalisation rounds and to obtain the room for manoeuvre required for their development. It is true that Special and Differential Treatment alone is not enough to ensure the development of the countries in question, and many countries have drawn attention to its inadequacy or its lack of operational potential.

In this framework, certain countries grouped according to their common interests are currently proposing to all the WTO members a broadening of the number and spectrum of SDT measures.

However, this has not yet been concluded, given the heterogeneity of the measures and of the potential beneficiary countries and the little enthusiasm displayed by certain developed countries participating in the negotiation. However, the negotiation must attain its objectives, even if the categories of countries that might benefit from SDT measures has to be redefined.

Indeed, a round ending with progress in trade liberalisation without a strengthening of SDT measures would be the worst scenario for the developing countries with the

weakest agricultural sectors. They would be hit directly by the erosion of their preferences, increased competition from certain developing countries on the world market and marginalisation in international trade.

In the face of this threat, even if it is certain that national agricultural policies must be redesigned, giving a new role to economic and professional national or regional stakeholders, access to funding and know-how is still essential. Here, the proposals by the African group aiming in particular at strengthening technical assistance and funding measures (such as the creation of agricultural guarantee funds), and that are described as unorthodox by the international community as they are featured in the third category in the WTO working document, are perhaps not as unorthodox as all that.

Given the continued divergence between WTO Members concerning agriculture and to confirm significant progress on this occasion, the Hong Kong conference could usefully focus on the redesigning of Special and Differential Treatment. By separating at last the traditional questions concerning trade liberalisation from progress in SDT, the Hong Kong conference would finally complete—to the benefit of development—the revolution in priority stated during the Kennedy Round. ■

François des Portes for **FARM**

At the Conference:

'Hong Kong –15 Farmers Take the Floor'
Paris, 30 November and 1 December 2005

10 – Contacts and Publications

Bernard Bachelier <i>Project Manager</i>	+33 (0)1 43 23 61 98	bernard.bachelier@fondation-farm.org
Danielle Barret <i>Senior Consultant</i>	+33 (0)1 43 23 68 14	danielle.barret@fondation-farm.org
Léo Braakenburg <i>Senior Consultant</i>	+33 (0)1 57 72 04 42	leo.braakenburg@fondation-farm.org
Denis Herbel <i>Senior Consultant</i>	+33 (0)1 57 72 05 28	denis.herbel@fondation-farm.org
Philippe Mangé <i>Senior Consultant</i>	+33 (0)1 43 23 74 33	philippe.mange@fondation-farm.org

November 2005 : FARM Briefings**Cotton: What is at stake for Africa?****Sugar: towards a new market balance?****The International Banana Trade: between evolution and revolution****Special and Differential Treatment Provisions in favour of Agriculture****FARM****Foundation for Agriculture and Rural Areas around the World**

c/o Crédit Agricole S.A. — 91/93 boulevard Pasteur — 75015 Paris

Phone +33 (0)1 57 72 07 19 — Fax : +33 (0)1 43 23 44 55

Production and Sub-editor for FARM : Corinne Chaussebourg

All documents published as **FARM Briefings** are the property of **FARM**.They cannot be used without prior authorisation of **FARM**

or published or distributed without mentioning its origin.

Total or partial reproduction without authorisation is prohibited.

