

<b>1 ANNEX 2</b> .....	<b>1</b>
1.1 Text of Paragraphs 2 and 3 of Annex 2.....	1
1.2 Bali Ministerial Decisions on General Services and on Public Stockholding for Food Security Purposes .....	2
1.3 Nairobi Ministerial Decision on Public Stockholding for Food Security Purposes .....	2

## **1 ANNEX 2 OF THE AGREEMENT ON AGRICULTURE**

### **1.1 Text of Paragraphs 2 and 3 of Annex 2**

#### *Government Service Programmes*

#### 2. General services

Policies in this category involve expenditures (or revenue foregone) in relation to programmes which provide services or benefits to agriculture or the rural community. They shall not involve direct payments to producers or processors. Such programmes, which include but are not restricted to the following list, shall meet the general criteria in paragraph 1 above and policy-specific conditions where set out below:

- (a) research, including general research, research in connection with environmental programmes, and research programmes relating to particular products;
- (b) pest and disease control, including general and product-specific pest and disease control measures, such as early-warning systems, quarantine and eradication;
- (c) training services, including both general and specialist training facilities;
- (d) extension and advisory services, including the provision of means to facilitate the transfer of information and the results of research to producers and consumers;
- (e) inspection services, including general inspection services and the inspection of particular products for health, safety, grading or standardization purposes;
- (f) marketing and promotion services, including market information, advice and promotion relating to particular products but excluding expenditure for unspecified purposes that could be used by sellers to reduce their selling price or confer a direct economic benefit to purchasers; and
- (g) infrastructural services, including: electricity reticulation, roads and other means of transport, market and port facilities, water supply facilities, dams and drainage schemes, and infrastructural works associated with environmental programmes. In all cases the expenditure shall be directed to the provision or construction of capital works only, and shall exclude the subsidized provision of on-farm facilities other than for the reticulation of generally available public utilities. It shall not include subsidies to inputs or operating costs, or preferential user charges.

#### 3. Public stockholding for food security purposes<sup>5</sup>

*(footnote original)*<sup>5</sup> For the purposes of paragraph 3 of this Annex, governmental stockholding programmes for food security purposes in developing countries whose operation is transparent and conducted in accordance with officially published objective criteria or guidelines shall be considered to be in conformity with the provisions of this paragraph, including programmes under which stocks of foodstuffs for food security purposes are acquired and released at administered prices, provided that the difference between the acquisition price and the external reference price is accounted for in the AMS.

Expenditures (or revenue foregone) in relation to the accumulation and holding of stocks of products which form an integral part of a food security programme identified in

national legislation. This may include government aid to private storage of products as part of such a programme.

The volume and accumulation of such stocks shall correspond to predetermined targets related solely to food security. The process of stock accumulation and disposal shall be financially transparent. Food purchases by the government shall be made at current market prices and sales from food security stocks shall be made at no less than the current domestic market price for the product and quality in question.

### **1.2 Bali Ministerial Decisions on General Services and on Public Stockholding for Food Security Purposes**

1. At the Ninth Ministerial Conference in Bali in December 2013, Ministers agreed on an agricultural package containing two Ministerial Decisions on Domestic Support.

2. Members agreed not to challenge breaches of domestic support commitments by developing country Members resulting from their public stockholding programmes for food security purposes that existed at the time and involved food purchases at administered prices provided that certain conditions were met.<sup>1</sup> In November 2014, the General Council clarified that this protection against legal action under the Agreement on Agriculture would remain in force until Members were to agree upon and adopted a permanent solution.<sup>2</sup>

3. Ministers also agreed to expand the Green Box list of "general services" in Annex 2 of the Agreement on Agriculture to include spending related to land reform, water management, rural livelihood security and other purposes related to development and reducing poverty.<sup>3</sup>

### **1.3 Nairobi Ministerial Decision on Public Stockholding for Food Security Purposes**

4. The outcome of the Tenth Ministerial Conference in Nairobi in December 2015 included a further Ministerial Decision on public stockholding for food security purposes. This Ministerial Decision encouraged Members to make all concerted efforts to agree on a permanent solution and to continue holding negotiations in dedicated sessions of the Committee on Agriculture in Special Session in an accelerated time-frame.<sup>4</sup>

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Current as of: March 2020

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<sup>1</sup> [WT/MIN\(13\)/38](#) and [WT/L/913](#), Ministerial Decision of 7 December 2013.

<sup>2</sup> [WT/L/939](#), General Council Decision of 28 November 2014.

<sup>3</sup> [WT/MIN\(13\)/37](#) and [WT/L/912](#), Ministerial Decision of 7 December 2013.

<sup>4</sup> [WT/MIN\(15\)/44](#) and [WT/L/979](#), Ministerial Decision of 19 December 2015.