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1 ARTICLE 18

1.1 Text of Article 18

Article 18

Review of the Implementation of Commitments

1. Progress in the implementation of commitments negotiated under the Uruguay Round reform programme shall be reviewed by the Committee on Agriculture.
2. The review process shall be undertaken on the basis of notifications submitted by Members in relation to such matters and at such intervals as shall be determined, as well as on the basis of such documentation as the Secretariat may be requested to prepare in order to facilitate the review process.
3. In addition to the notifications to be submitted under paragraph 2, any new domestic support measure, or modification of an existing measure, for which exemption from reduction is claimed shall be notified promptly. This notification shall contain details of the new or modified measure and its conformity with the agreed criteria as set out either in Article 6 or in Annex 2.
4. In the review process Members shall give due consideration to the influence of excessive rates of inflation on the ability of any Member to abide by its domestic support commitments.
5. 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.
6. The review process shall provide an opportunity for Members to raise any matter relevant to the implementation of commitments under the reform programme as set out in this Agreement.
7. Any Member may bring to the attention of the Committee on Agriculture any measure which it considers ought to have been notified by another Member.

1.2 General

Binding nature of notification obligations under Article 18

1.1. In *India – Sugar and Sugarcane*, the parties disagreed on whether the notification requirements under Article 18 were of an obligatory nature. The Panel found that they were, based on the following reasoning:

"We observe that Article 17 of the Agreement on Agriculture establishes the Committee on Agriculture, and paragraph 1 of its Article 18 mandates that Committee to oversee Members' implementation of their commitments undertaken in the context of the Uruguay Round reform programme. While the text of paragraph 2 of Article 18 might not be explicit regarding a notification obligation, it conveys a clear expectation that such notifications will be made, and we do not agree with India's view that this provision entails no obligation to notify. In this regard, we find it appropriate to interpret this paragraph in light of its immediate context found in the other

paragraphs of the same Article. Paragraph 1 points out that progress in the implementation of commitments 'shall be reviewed' by the Committee. Paragraph 2 provides that the review process 'shall be undertaken' on the basis of notifications submitted by Members. This demonstrates that the duty of the Committee on Agriculture to conduct the review process is essentially based on the notifications to be submitted by Members. Thus, paragraphs 1 and 2 of Article 18, read together, indicate that Members are expected to notify the implementation of their commitments.

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Reading Article 18 of the Agreement on Agriculture together with document G/AG/2 confirms that Article 18.2 imposes an obligation on Members, including India, to notify their domestic support and export subsidies. Document G/AG/2 clarifies the manner in which Members are expected to comply with their notification obligations under Article 18.2. We do not see anything in document G/AG/2 that contradicts our interpretation of Article 18.2 as containing an obligation to submit notifications to the Committee on Agriculture."¹

1.3 Article 18.2

1.2. The Panel in *India – Sugar and Sugarcane* found that India had failed to notify its challenged schemes, thereby acting inconsistently with Article 18.2.² The Panel found that Australia, one of the three complainants in the dispute, had failed to submit sufficient evidence to also demonstrate a violation of the obligation laid down in Article 18.3.³

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¹ Panel Report, *India – Sugar and Sugarcane*, paras. 7.340 and 7.345.

² Panel Report, *India – Sugar and Sugarcane*, para. 7.347.

³ Panel Report, *India – Sugar and Sugarcane*, para. 7.348.