

Technical summary

Assessment of trade policy-related technical cooperation actions for IICA member countries

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1. Justification

Carried out by the International Trade and Regional Integration Program of the Inter-American Institute for Cooperation on Agriculture (IICA), this study forms part of the actions undertaken by the Institute in its capacity as an observer member of the Committee on Agriculture of the World Trade Organization (WTO). IICA is an observer of the organization, whose members have expressed, in various agreements, declarations and ministerial decisions, their desire to cooperate with different stakeholders in order to achieve greater coherence in trade policy at the global level.

In its capacity as an observer member of the WTO Committee on Agriculture, IICA has identified certain trends relating to the fulfillment of transparency and notification obligations by countries of the Americas, which call for improvements. IICA has also found that countries are not fully capitalizing on their participation in Committee's discussions. Consequently, the Institute conducted this study to assess challenges and needs

relating to countries' participation in the Committee and the submission of notifications,

identify their respective causes and propose possible actions to assist countries in overcoming these difficulties.

This document also addresses the possible impact of the pandemic and the perspectives of member countries on WTO-related issues, given the fact that, during the post-Covid-19 period, transparency and compliance with the rules of the multilateral trade system have gained greater relevance.

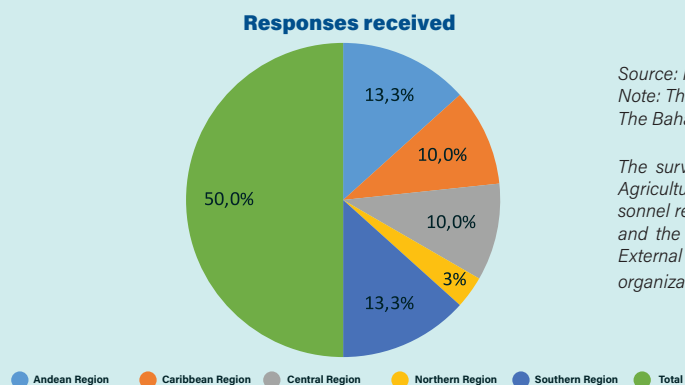
2. Metodología

Para recolectar información directamente de los países objetos del estudio, se diseñó un cuestionario estructurado en dos partes, la primera dedicada a la participación en el Comité de Agricultura y la segunda al cumplimiento con las obligaciones de notificación. El cuestionario se envió a funcionarios gubernamentales a cargo de las áreas de comercio y/o agricultura en cada país, a través de los delegados a cargo de agricultura en las misiones en Ginebra.

Questionnaire on the challenges and needs of IICA member countries in trade policy-related matters

IICA conducted a survey to learn more about the challenges and needs of countries, collect their ideas and suggestions on how best to support them, and identify good practices and the potential for technical cooperation. The survey was geared towards government officials in each country, as well as regional organizations that represent countries that do not have a WTO mission in Geneva.

Representatives from 15 countries responded to the questionnaire. The regional distribution is illustrated below:



Source: Prepared by the author

Note: The Caribbean region does not include The Bahamas.

The survey was completed by delegates in charge of Agriculture in the WTO missions in Geneva, or by personnel responsible for topics related to agricultural trade and the WTO at the ministries of Agriculture, Trade or External Relations (depending on each country's internal organization).



Relevant data regarding the countries was also collected and analyzed. A review of the notifications that countries have submitted to the WTO was carried out in order to develop a general overview of the types of agricultural measures that have been notified. The study also collected data regarding the importance of the agriculture sector in those countries, including aspects related to production, employment and trade. Additionally, exports of agricultural products were compared to exports of manufactured goods and services.

During the process of preparing and analyzing the results of the survey and the data collected, consultation processes were also carried out with trade experts. Once all of the information had been collected, the results of the survey were compiled in order to visualize the results for all of IICA's regions and obtain a broader picture of the current situation, challenges, needs and good practices.

3. Importance of notifying agricultural policies to the WTO

The Agreement on Agriculture (AoA) establishes 12 notification requirements for measures related to agricultural trade, namely: market access, domestic support, export subsidies, export bans and restrictions, and food aid. Some notifications must be submitted annually, while others must only be submitted if measures are being introduced or modified.

Transparency has become an increasingly relevant topic in the WTO. Over the past few years, reports of deficient compliance and calls for improvements in this area have intensified throughout the entire organization.

In addition to representing a legal obligation, notifications play a key role in the adequate operation of the multilateral system and agricultural trade.

The transparency of agricultural policies allows for monitoring compliance with the AoA and reducing information asymmetries between trade partners. For developing countries in particular—which are not always able to adequately monitor international markets—the information provided through notifications serves as a tool to better understand policies and identify their potential impact on national production, demand and supply, as well as become more familiar with trade facilitation and restrictive measures.

Amidst the enormous challenges triggered by the COVID-19 pandemic, information becomes an even more valuable public good. The proliferation of economic and trade measures to deal with the effects of the pandemic makes it all the more necessary for governments, businesses and consumers to have access to complete, up-to-date information about these measures, and to ensure that countries respect their WTO commitments, which are crucial for predictable trade and free exchange of goods.

4. Difficulties faced in the fulfillment of notification obligations

The responses to the questionnaire allowed for identifying certain difficulties that IICA member countries face in fulfilling their notification obligations. These difficulties can be organized into the following categories:

4.1. Collecting information

The main difficulty faced by countries relates to the process of collecting information. To prepare a notification, it is often necessary to compile data from different sectors or sources: for instance, notifications of imports under tariff quotas may require trade information from customs authorities, while domestic support notifications may require data from various agricultural support programs led by different institutions. Ten countries mentioned that this area represents a challenge.

4.2. Lack of specialized personnel

The second challenge that was most mentioned in the survey is the lack of specialized personnel. Some countries noted that they also face difficulties due to staff turnover.

4.3. Determining which measures should be notified

Several countries indicated that they face difficulties in determining which measures or policies should be notified to the WTO. In some cases, authorities are unaware whether notifications about certain measures or policies are mandatory, or are unsure of how to classify them (for instance, how to categorize domestic support programs under the various “boxes”).

4.4. Complexity of the information to be notified

Notifications of agricultural policies often require special efforts in order to adapt information on policies implemented at the national level to WTO formats and requirements; this can be a challenge for some authorities. The level of difficulty often depends on the type of notification and the complexity of the policies that each country applies. Several countries noted that they face particular difficulties with domestic support notifications, while special agricultural safeguard notifications were cited by five countries as being challenging. Other countries indicated having problems with export subsidy notifications, while two countries mentioned the notification on tariff quotas. It is worth noting that some responses to this question suggest a misunderstanding of the specific obligations that apply to each country.

4.5. Complexity of the process of preparing notifications

Unlike the previous point (which refers to information included in the notifications), in this case, challenges are associated with the process of collecting information and submitting it to the WTO in the required format.

Efforts to update notifications, as exemplified by Bolivia and Uruguay

The study demonstrated that some IICA member countries have undertaken significant efforts to submit pending notifications, in some cases to make up for several years of delays. One such example is Bolivia, which submitted all of its pending agricultural notifications on domestic support and export subsidies in October 2019. In the case of domestic support notifications, updated information was submitted for the period 2006-2018.

Another positive development was observed for Uruguay: in June 2020, the country submitted nine pending notifications, bringing the country up to date in three areas (special agricultural safeguards, export subsidies and total exports).

4.6. Coordination between national institutions

In almost all of the countries, two or more institutions are involved in preparing and submitting notifications. The main institutions involved are Trade, Economic, Foreign Relations and Agricultural authorities. In some cases, other agencies were mentioned, such as customs authorities as sources of information. The WTO missions are often responsible for the final submission of notifications. Some countries reported difficulties with interinstitutional coordination to prepare notifications.

Coordination between national institutions is a key area described by 10 out of the 15 countries that responded to the questionnaire as the main “success factor” that has enabled them to fulfill their notification obligations.

4.7. Other

The responses highlighted other relevant aspects. One response noted that sometimes countries do not prioritize notifications because non-compliance does not have significant repercussions.

Although submitting notifications is one of the legal obligations established in the AoA, failure to do so is not sanctioned. Countries with

delayed notifications or that have never notified appear in periodic compliance reports, and although they are sometimes questioned during discussions of the Committee on Agriculture, no punitive measures are applied.

An additional consideration is the fact that the period for domestic support notifications does not coincide with the period in which information on the budget is available.

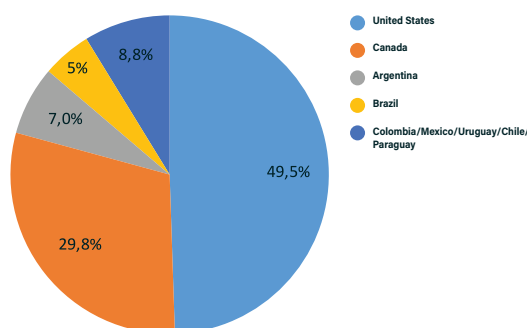
5. Difficulties related to participation in the Committee on Agriculture

The Committee on Agriculture is responsible for supervising the application of the AoA. One of the most important items on its work agenda is the review process, during which members raise questions about notifications and discuss issues related to commitments undertaken. The WTO’s AG-IMS information system includes a record of close to 7,200 questions that have been raised since the Committee was established in 1995. The information in the system shows that developed countries and larger developing countries make greater use of the review process.

IICA member countries that are most active in the Committee on Agriculture

During the 94 meetings of the Committee on Agriculture held between 1995 and June 2020, IICA member countries raised almost 3,800 questions, which represents more than half of the total number of questions raised by WTO member countries.

The United States and Canada are the IICA member countries that have raised the greatest number of questions between 1995 and June 2020: 1,880 and 1,331 questions, respectively. Argentina (266) and Brazil (190) rank third and fourth, followed by Colombia, Mexico, Uruguay, Chile y Paraguay.



Source: Prepared by the author

This indicates that even the most active developing countries in the region have submitted substantially fewer questions than developed countries. Furthermore, only 16 IICA member countries have submitted at least one question in the entire history of the Committee; in other words, more than half of the developing countries that are IICA members have never posed a question to other countries in this forum.

Based on the responses to the questionnaire, the following section lists the difficulties that countries face in participating in the meetings of the Committee on Agriculture, which are held three or four times a year in Geneva, Switzerland.

5.1. Funding the participation of experts

Having a mission in Geneva is key to participating actively in the WTO. This is an issue for several Caribbean countries, whose WTO missions are located in other European countries.

In addition to having a delegation in Geneva, it is also important that personnel who participate in policy design and implementation in each country be involved in WTO work, which includes the participation of country experts in technical meetings in Geneva. Joint work between delegates in Geneva and capital-based experts, and the involvement of these experts in the work of the Committee, can help to raise awareness of the importance of notification obligations and contribute to overcoming some of the notification-related challenges described in the previous section.

Most countries cited the lack of financial resources as the main obstacle to participate actively in the Committee.

5.2. Staff workload

The second difficulty identified by questionnaire respondents is the heavy workload of existing staff in Geneva and in the countries. Several countries reported having problems in this area. Developing countries often have small delegations in Geneva, which makes it difficult for delegates to carry out all of the activities for which they are responsible. Furthermore, staff in capitals may be in charge of multiple WTO or trade-related issues, which results in less priority being given to the Committee on Agriculture. For this reason, it is necessary to strengthen staff in Geneva, improve staff availability, and achieve a more balanced workload to increase staff focus on agricultural issues.

5.3. Lack of personnel

The third obstacle is the lack of specialized personnel. Some countries noted that the limited availability of staff and heavy workload of staff hinders their ability to attend meetings.



They also cited difficulties associated with staff turnover and the lack of training for new personnel.

5.4. Technical analysis capability

Another challenge is the lack of technical capacity to analyze the Committee's information. Some authorities lack the capacity to review information related to the Committee's agenda items (including notifications from other countries), identify issues of interest and raise questions, which makes it difficult to prepare for meetings and prevents the countries from participating more actively.

5.5. Coordination between national institutions

As is the case with notifications, it is common for several entities to be involved in preparing information to participate in the Committee on Agriculture, which can result in interinstitutional coordination issues. Most countries indicated that at least three institutions are involved; the

Ministry of Agriculture generally participates in developing agricultural policies and providing input for the country position, while the ministries of Foreign Relations or Trade generally coordinate the process. Five responses mentioned the participation of the private sector in addressing specific questions, in one case as part of a national consultation mechanism.

5.6. Other

Some countries mentioned other difficulties, namely the lack of a department dedicated to the WTO in the corresponding ministry, the low level of interest of national authorities in the work of the Committee, and the analysis of other countries' policies. Additionally, some of the responses noted that the response times or inaction of trade partners in resolving issues raised in the Committee result in the export sector losing interest and seeking out other markets.

The respondents noted that active participation in the Committee would enable developing countries to monitor agricultural policies, share

experiences and difficulties in implementing the Agreement, and foster discussions on topics of common interest.

Furthermore, the adequate operation of WTO bodies, with full participation by both developing and developed countries, would guarantee the success of the multilateral trade system.

6. Recommendations by the countries

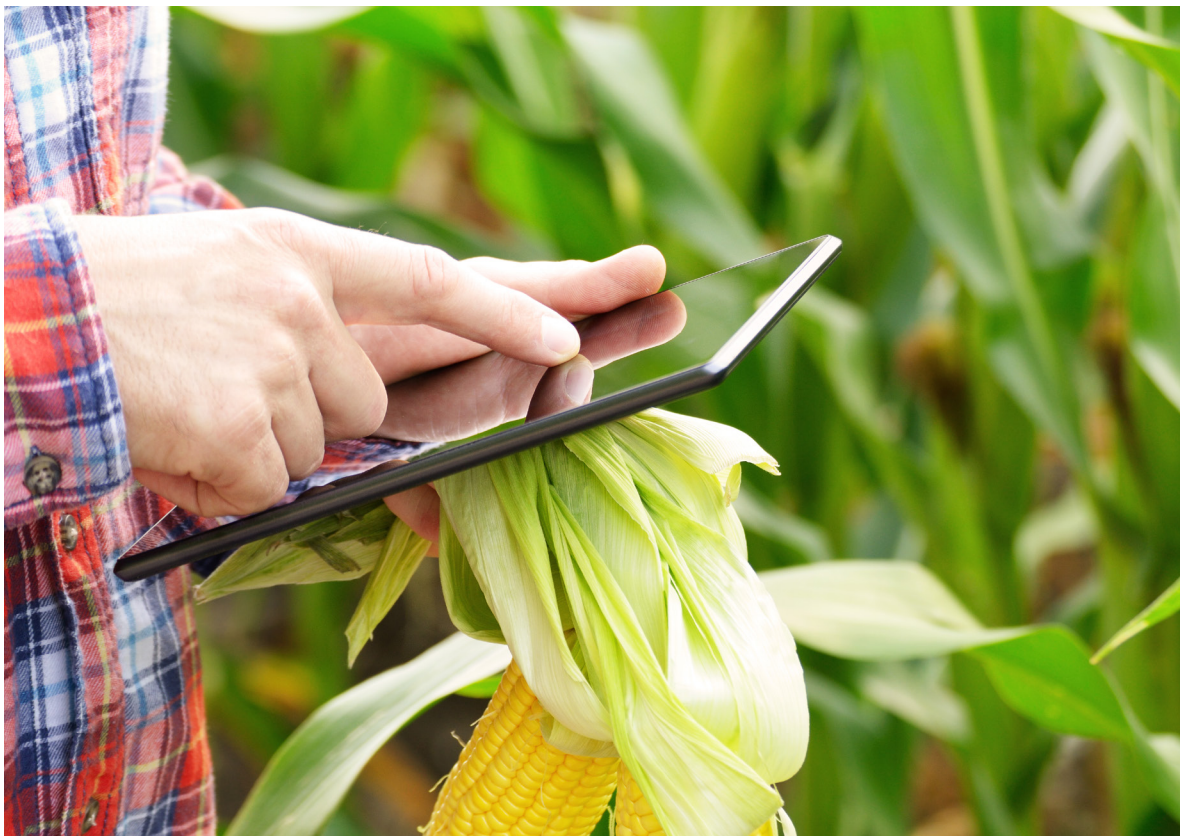
- Involvement of ministries of Agriculture. All of the countries indicated that they had received technical assistance from the WTO and had benefited from the information tools available. Technical assistance had helped them to bring their notification obligations up to date, and in some cases, to remedy significant delays in trade policy notifications.

However, participation in these activities does not always translate into improved compliance. One possible reason for this is that the officials who participate in the ac-

tivities are not those directly responsible for submitting information to the WTO. It is important for authorities to understand the objective of each technical training activity in order to designate the most appropriate officials or institutions to participate in each, which will allow for improving the country's performance. Survey respondents considered that it would also be helpful to provide staff in the ministries of Agriculture with direct training, given the fact that they are often in charge of the information that the country must notify; this would allow for improving their capacity to present information in the format required by the WTO.

- Creation of discussion forums. In addition to training activities and specific advisory services, countries considered that cooperation and the sharing of experiences between countries should be fostered. Several countries underscored the value of joining efforts at the regional level to monitor agricultural trade policies and better understand their operation and





impact. It would be helpful if countries shared their experiences and the actions they have implemented to overcome specific challenges.

- Political commitment and involvement of authorities in capitals. Countries that have performed well with respect to their notification obligations have reiterated the need for high-level authorities to be fully committed to the WTO. It is also important for capital-based authorities to be involved in the work of the WTO, to participate in forums in Geneva, and to adequately coordinate efforts with delegates in the WTO missions.
- Learning by doing. Some countries described participation in the Committee as a learning mechanism. It is necessary to foster the participation of country experts in the meetings, to raise awareness among authorities of the importance of the Committee's work, and to encourage them to review policies notified and raise questions. Other countries noted that it would be helpful to receive information regarding scheduled meetings for the year and topics to be addressed, and to develop improved methods for collecting and analyzing information and delivering technical training.
- Interinstitutional coordination and support from international organizations and the private sector. Joint, coordinated work between all parties involved, as well as the participation of the corresponding government authorities, is crucial. Several countries highlighted the involvement of the private sector, whether in an ad hoc capacity to address specific queries, or as part of a national consultation mechanism. These countries indicated that the private sector should be made more aware of the importance of the Committee on Agricul-

ture as a forum for discussing policies that impact its activities. Support from a regional organization was also mentioned.

- Technical training and post-training support. Most countries indicated that they could benefit from post-training assistance from the WTO, such as through national training workshops, advisory services to clarify specific doubts, personnel available to answer questions during the working hours of the country, discussion forums and the exchange of best practices. Assistance from other international organizations would also be valuable. Many survey respondents considered that IICA could play a very important role by complementing the courses offered by the WTO with regional information on other topics, such as bilateral negotiations between countries. It is worth noting that IICA already carries out these types of activities in coordination with the WTO, and will continue to do so to strengthen the countries' capabilities.
- Modernize learning tools. Countries recommended improving the WTO's online training tools to make text-based courses more modern and interactive. They also considered that more officials from developed countries should be allowed to participate in WTO technical training courses, which are currently limited to one participant per year.
- Creation of a department dedicated to the WTO. Respondents also emphasized the importance of establishing a department or unit dedicated to WTO matters in the corresponding institutions. In some cases, the lack of this type of department was cited as a challenge.
- Institutional commitment. Some respondents noted that it is often the case that a staff member in Geneva or in the capital displays a strong sense of individual commitment to helping the country keep up with its notifications. The countries recommended giving greater attention to this issue and finding ways to encourage these staff members to transform this individual

effort into an institutional commitment that will persist even after that staff member leaves his or her position.

7. Possible areas of action by IICA

7.1. Institutional capacity building

Measures identified in this area include the establishment of working groups or informal collaborative networks between national institutions; the creation of departments specifically responsible for notifications; clear defining of procedures and responsibilities; and the undertaking of private sector consultations. Although the implementation of these types of actions would generally fall to each country, IICA could contribute to spearheading the discussion and provide a forum for countries in the Americas to share their experiences and best practices. The Institute could also develop specific support tools, such as case studies or a compilation of regional best practices.

- Possible action by IICA: Provide a forum for discussion and encourage the exchange of best practices. The Institute could also consider developing specific support tools, such as case studies or a compilation of regional best practices.

7.2. Technical training

The survey confirmed the need for constant training adapted to the needs and context of each country, in order to strengthen expertise and avoid problems due to staff turnover. Countries that have never submitted notifications may require special assistance to get started. An effort should also be made to increase the awareness of staff about the importance of transparency and the usefulness of the Committee and notifications. Developing countries should also become more invested in these processes, recognizing the value of the information they can obtain.

- Possible action by IICA: organize national or regional training workshops and provide consultancy services to clarify specific doubts.

Efforts should be closely coordinated with the WTO, with a view to supporting and complementing their activities. IICA's regional presence will also help to ensure that activities can be better tailored in keeping with the specific contexts.

7.3. Collaborative networks

Various responses to the questionnaire underscored the value of groups combining efforts to monitor agricultural trade policies and to gain a better understanding of their operation and impact, thereby assisting them to better prepare for discussions in the Committee. As an example, one country cited a group

of delegates in Geneva who are joining forces to prepare for Committee meetings, which is particularly beneficial for countries with small delegations and fewer resources. IICA could explore options of this type, involving officials in the capitals as well.

- Possible action by IICA: organize virtual information sessions before or after Committee meetings, as a means of sharing information on discussions and assisting each other to analyze issues or products of interest, including the preparation of support documents (such as bulletins or information briefs) and the dissemination of existing tools.





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