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Committee on Agriculture

**REPORT OF THE 1ST TRIENNIAL REVIEW OF THE OPERATION
OF THE BALI TRQ DECISION**

APPROVED BY THE COMMITTEE ON 28 JUNE 2023

INTRODUCTION AND MANDATE

1.1. At the Ninth Session of the Ministerial Conference, Ministers adopted the Decision on "Understanding on Tariff Rate Quota Administration Provisions of Agricultural Products, as defined in Article 2 of the Agreement on Agriculture" (WT/MIN(13)/39 – WT/L/914), hereafter referred to as the "Bali TRQ Decision". Paragraph 13 of the Bali TRQ Decision mandated a review of the operation of this Decision no later than four years following its adoption. After two years of detailed deliberations, the Committee adopted the report¹ of the Review and the associated recommendations at its 31 October 2019 meeting, for transmission to the General Council. The General Council considered the report at its December 2019 meeting and approved the recommendations contained in Annex 2 thereto.² The agreed recommendations contain several measures and processes aimed at enhancing transparency and improving TRQ notification practices. Paragraph 3 of the agreed recommendations provides:

"The Committee agrees to undertake regular reviews of the operation of the Bali TRQ Decision every three years after the conclusion of this review. These regular reviews will include, inter alia, an examination of the utilization of the Underfill Mechanism based on submissions by Members."

1.2. Until 31 March 2022, Members in their discussions on the follow-up to the Bali TRQ Decision focused their efforts primarily on reaching an agreement on the future operation paragraph 4 of the Underfill Mechanism.³

CONTENT OF DISCUSSIONS

2.1. At the June 2022 Committee meeting, Members exchanged views on what specific issues they wish to consider during the first triennial review and what outcomes they seek to accomplish from it. Several suggestions were made, including by reference to the written submissions made during the 2017-2019 review exercise as reflected in Annex 1 to G/AG/29. These specific suggestions⁴ included the following:

- a. Examining the link and exploring the synergy between notifications on TRQ administration under the Agreement on Agriculture and the Agreement on Import Licensing Procedures;
- b. Improving and harmonizing the MA:2 notifications by:
 - i. presentation of imports data disaggregated by supplying countries in cases of TRQs with country-specific allocations;

¹ G/AG/29 refers.

² Paragraphs 3.1 to 3.7 of WT/GC/M/181 refer. On the mandated issue of the future operation of paragraph 4 of the underfill mechanism, Members had not reached an agreement during the 2017-19 Review.

³ A decision on this outstanding issue was adopted by the General Council on 31 March 2022 (WT/L/1132 refers) based on the recommendations approved by the Committee on Agriculture in G/AG/32/Add.1.

⁴ Annex 2 of G/AG/R/102.

- ii. presentation of disaggregated imports data by origin for the *erga omnes* TRQs;
 - iii. inclusion of applied in-quota and out of quota duties for tariff lines comprising a TRQ; and
 - iv. presentation of imports data by tariff lines rather than aggregate basis.
- c. Update of the Secretariat background note in the G/AG/W/183/ series; and include therein, *inter alia* a review of Members' MA:1 notifications on changes to TRQ administration arrangements made in response to obligations in paragraphs 2-5 of the Bali TRQ Decision as well as compliance with paragraph 6 of the Decision dealing with the notification of fill rates.
- d. Approval of the Secretariat Underfill Tracking Register.

2.2. The discussions on the triennial review continued at the September 2022 meeting⁵, including on the specific suggestions made during the June meeting. On the issue of the linkage between the notification requirements on TRQ administration under the Agreement on Agriculture and the Agreement on Import Licensing Procedures, it was stressed that the effort should be to enhance transparency rather than undermining it. As regards the suggestions to improve the transparency and consistency of MA:2 notifications, support was expressed for notifying imports by supplying countries in cases of TRQs with country-specific allocations. Some Members additionally suggested that imports data should be disaggregated by tariff line, especially in case of underfilled TRQs. On the latter suggestion, a few other Members considered the need for further discussions; they raised the issue of balance between transparency and burdensomeness, as well as the nature of current TRQ commitments being scheduled on an aggregate basis.

2.3. As regards the suggestion in paragraph 2.1 (c) above, the Secretariat circulated the revised background note⁶ on "Tariff Quotas-Administration Practices, Fill rates, and Notification Practices, 2015-2021" on 7 September 2022 which was subject to preliminary review at the 14-15 September 2022 Committee meeting. At the same meeting, the Committee approved the Secretariat tracking Register based on a draft⁷ by the Secretariat with the understanding that the Register once approved might be subject to review and adjustments by the Committee based on the experience gained on its implementation. The approved Tracking Register was later circulated in document G/AG/34.

2.4. At the informal meeting of the Committee on 27 October 2022, Members again examined the specific issues raised in the context of the first triennial review in order to have a greater clarity on possible outcomes of the review. To facilitate the consideration of the issue under 2.1 (a) above, the WTO Secretariat made a presentation on the notification requirements under the Agreement on Import Licensing Procedures in relation to TRQs. While Members expressed willingness to achieve greater synergy in the transparency requirements under the two agreements in relation to the administration of TRQs, including based on the relevant information that the Secretariat may collate from Members' response to the import licensing questionnaire under Article 7.3 of the Agreement on Import Licensing Procedures, they also emphasized the need for a robust follow-up on TRQ utilization in the Committee on Agriculture to fulfil commitments on scheduled TRQs and the obligations under the Bali TRQ Decision. In this connection, a suggestion was made to review the Table MA:1 format in order for it to explicitly accommodate information on the implementation of the Bali TRQ Decision, especially paragraphs 1-5 thereof.

2.5. Regarding the suggestions to improve and harmonize Table MA:2 notifications, Members at the September 2022 informal meeting generally supported the proposal to present imports data disaggregated by supplying countries for TRQs with country-specific allocations. As regards the inclusion of in-quota and out-of-quota duties and imports data disaggregated by tariff line in Table MA:2 notifications, Members' positions were divergent. Some Members considered this additional information to be useful for improving the quality of MA:2 notifications and their efficient review in the Committee, some others were not convinced that the added value of this proposed additional information was commensurate with the extra efforts required to gather and include this information in MA:2 notifications. Some Members also questioned the idea of presenting import data disaggregated by tariff line when the TRQ commitments were scheduled on an aggregate basis for

⁵ Annex 2 of G/AG/R/103.

⁶ G/AG/W/183/Rev.2.

⁷ RD/AG/83/Rev.2.

a product or product group. A reference was also made to the 2019 Decision⁸ by the Committee on Market Access on "Modalities and Operation of the Integrated Database (IDB)" to explore whether the information presented by Members under that Decision could be useful for this Committee's follow-up on the implementation of TRQ commitments.

2.6. In addition to examining the specific suggestions listed in paragraph 2.1 above, the need to implement the 2019 recommendations approved by the General Council on enhanced transparency of TRQ administration and fill rates was also emphasized.⁹

2.7. Based on the discussions on these issues at the informal CoA meetings in June, September, October and November 2022, a draft report of the review was shared with Members in RD/AG/95 dated 10 November 2022; a revised version, incorporating Members' comments on the draft report, was later circulated in RD/AG/95/Rev.1 dated 18 November 2022. During the consideration of this matter at the 21-22 November CoA meeting, Members agreed to finalize the review at the March 2023 meeting of the Committee in order to get some additional time to examine the specific issues raised during the review. The matter was considered at the three Informal CoA meetings in 2023 respectively on 13 February, 13 March and 27 March.¹⁰ At the 27-28 March 2023 Committee meeting, one Member requested additional time to consider the latest revised report in RD/AG/95/Rev.3 as it was awaiting instructions from the capital. The Committee accordingly agreed to finalize the review at its next meeting in June 2023. This report, along with the following conclusions, was approved the Committee on Agriculture at its meeting on 28 June 2023 by consensus.

CONCLUSIONS

3.1. The following conclusions, building upon Members' inputs and comments throughout the process, were agreed by the Committee as a result of the first triennial review of the operation of the Bali TRQ Decision:

- a. The Committee welcomes the agreement¹¹ reached among Members in March 2022 on the future operation of paragraph 4 of the Underfill Mechanism to make the Bali TRQ Decision applicable to all Members by rendering paragraphs 13-15 of the Decision and Annex B thereof non-operational.
- b. The Committee also acknowledges the Secretariat Tracking Register in document G/AG/34 approved by the Committee at its meeting on 14-15 September 2022 with the understanding that it might be subject to review and adjustments by the Committee based on the experience gained on its implementation.
- c. The Committee emphasizes the importance of timeliness and completeness of MA:1 And MA:2 notifications and the need to implement the recommendations of the 2019 review exercise as contained in Annex 2 to G/AG/29.
- d. In order to enhance transparency of MA:2 notifications in respect of TRQs with country-specific allocations in the schedule, the Committee encourages Members implementing such TRQs to present imports data in their annual MA:2 notifications disaggregated by quota-holder supplying countries, along with total in-quota imports.¹²
- e. The Committee agrees to review, based on existing¹³ and future submissions by Members, the MA:1 notification format in G/AG/2 to enable Members to include the required information on the implementation of paragraphs 2 to 5 of the Bali TRQ Decision in their MA:1 notifications.

⁸ G/MA/367.

⁹ Paragraph 2 of Annex 2 to G/AG/29.

¹⁰ Based on draft reports in RD/AG/95/Rev.2 and RD/AG/95/Rev.3.

¹¹ WT/L/1132.

¹² This information may be included in respect of relevant TRQs in the 'note' column of the MA:2 template under the on-line agriculture notification system. The Secretariat's User-Guide on MA:2 notifications at agims.wto.org refers (accessible [here](#)).

¹³ G/AG/W/230 refers.

The Committee will continue its discussions on all other outstanding issues raised during the first triennial review as identified in section 2.1 of this report.

- f. The Committee encourages Members to make use of the technical assistance provided by the WTO Secretariat with a view to fulfilling their market access notification obligations and taking full advantage of the AGIMS Online Agriculture Notification System.
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