

WORLD TRADE ORGANIZATION

RESTRICTED

WT/ACC/SPEC/AFG/2
29 October 2012

(12-5893)

**Working Party on the Accession of
the Islamic Republic of Afghanistan**

Original: English

ACCESSION OF AFGHANISTAN

Domestic Support and Export Subsidies in the Agricultural Sector

The following submission, dated 22 October 2012, is being circulated at the request of the Delegation of the Islamic Republic of Afghanistan.

DOMESTIC SUPPORT: AFGHANISTAN
REPORTING PERIOD: Calendar years 2009-2011

Measures exempt from the reduction commitment "Green Box"

Measure type	Name and description of measure with reference to criteria in Annex 2 of the Agreement on Agriculture	Year	Monetary value of measure in year in question (AF)	Data sources
1	2	3	4	5
Paragraph 2: General Services				
Para 2 a: Research, including general research	Establishment of a comprehensive Natural Resource Management monitoring and surveillance scheme; Evidence-based policy formulation and establishment of regulatory framework for natural resources management	2009	23,352,500	Ministry of Agriculture, Irrigation and Livestock of Afghanistan, Operating budget data
		2010	94,955,127	
		2011	109,839,240	
		2009-2011 Average	76,048,956	
Para 2 b: Pest and disease control	Prevention and control of animal, rodent and insect diseases; Improve of capacity of state veterinary service	2009	167,182,668	Ministry of Agriculture, Irrigation and Livestock of Afghanistan, Operating budget data
		2010	431,614,216	
		2011	343,918,402	
		2009-2011 Average	314,238,429	
Para 2 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	Dissemination of best practices and strengthening the technical skills of community based natural resource management	2009	29,190,624	Ministry of Agriculture, Irrigation and Livestock of Afghanistan, Operating budget data
		2010	67,825,091	
		2011	36,613,080	
		2009-2011 Average	44,542,932	
Para 2 e: Inspection services, including general inspection services, and inspection of particular products	Veterinary and plant health inspection; Food safety inspection; Managing the quality control, inspection and certification system; Supporting private sector compliance with quality control and food safety regulations	2009	26,749,227	Ministry of Agriculture, Irrigation and Livestock of Afghanistan, Operating budget data
		2010	71,031,368	
		2011	171,959,201	
		2009-2011 Average	89,913,265	
Para 2 f: Marketing and promotion services	Developing marketing information and intelligence systems; Organization of exhibitions and monitoring	2009	158,160,111	Ministry of Agriculture, Irrigation and Livestock of Afghanistan, Operating budget data
		2010	328,766,714	
		2011	768,084,432	
		2009-2011 Average	418,337,086	

Measure type	Name and description of measure with reference to criteria in Annex 2 of the Agreement on Agriculture	Year	Monetary value of measure in year in question (AF)	Data sources
1	2	3	4	5
Para 2 g: Infrastructural services, including electricity reticulation, roads and other means of transport, market and port facilities, dams and drainage schemes, and infrastructural work associated with environmental programmes	Design and implementation of watering systems; Providing the surveys and advise	2009	55,727,556	Ministry of Agriculture, Irrigation and Livestock of Afghanistan, Operating budget data
		2010	129,484,264	
		2011	263,670,777	
		2009-2011 Average	149,627,532	
Para 3: Public stockholding for food security purposes	Contingency Fund for Purchase of Wheat	2009	4,750,000,000	Ministry of Finance of Afghanistan, Operating budget data, Afghanistan Statistical Yearbook
		2010	1,500,000,000	
		2011	0	
		2009-2011 Average	2,083,333,333	
Para 8: Payments for relief from natural disaster	Payments to farmers in the Northern regions, for relief from severe drought in 2011	2009	0	Ministry of Agriculture, Irrigation and Livestock of Afghanistan; Operating budget data
		2010	0	
		2011	776,000,000	
		2009-2011 Average	258,666,667	
	TOTAL	2009	5,210,362,686	
		2010	2,623,676,780	
		2011	2,470,085,132	
		2009-2011 Average	3,434,708,199	

DOMESTIC SUPPORT: AFGHANISTAN
REPORTING PERIOD: Calendar years 2009-2011

Measures exempt from the reduction commitment - Special and Differential Treatment - "Development Programmes"

Measure type	Name and description of measure with reference to criteria in Article 6.2 of the Agreement on Agriculture	Monetary value of measure in year in question (AF)	Data sources
1	2	3	4
NIL			

DOMESTIC SUPPORT: AFGHANISTAN
REPORTING PERIOD: Calendar years 2009-2011

Measures exempt from the reduction commitment - Direct Payments under Production-Limiting Programmes - "Exempt Direct Payments"

Measure type	Name and description of measure with reference to criteria in Article 6.5 of the Agreement on Agriculture	Monetary value of measure in year in question (AF)	Data sources
1	2	3	4
NIL			

DOMESTIC SUPPORT: AFGHANISTAN
REPORTING PERIOD: Calendar years 2009-2011

Calculation of the Total Aggregate Measurement of Support

Description of basic products (including non-product-specific AMS)	Product-specific AMS (from Supporting Tables DS:5 to DS:7 below) (AF)	Product-specific equivalent measurements of support (from Supporting Table DS:8 below) (AF)	Current Total AMS (aggregate) (AF)
1	2	3	4
NIL			

DOMESTIC SUPPORT: AFGHANISTAN
REPORTING PERIOD: Calendar years 2009-2011

Product-Specific Aggregate Measurements of Support: Market Price Support

Description of basic products	Calendar/marketing year	Measure type(s)	Applied administered price (AF/tonne)	External reference price (AF/tonne)	Eligible production (tonnes)	Associated fees/levies (AF)	Total market price support (AF)	Data sources
1	2	3	4	5	6	7	8	9
NIL								

DOMESTIC SUPPORT: AFGHANISTAN
REPORTING PERIOD: Calendar years 2009-2011

Product-Specific Aggregate Measurements of Support: Non-Exempt Direct Payments

Description of basic products	Calendar/marketing year	Measure type(s)	Applied administered price	External reference price	Eligible production (tonnes)	Total price- related direct payments (AF)	Other non- exempt direct payments (AF)	Associated fees/ levies	Total direct payments (AF)	Data sources
1	2	3	4	5	6	7	8	9	10	11
NIL										

DOMESTIC SUPPORT: AFGHANISTAN
REPORTING PERIOD: Calendar years 2009-2011

Product-Specific Aggregate Measurements of Support: Other Product-Specific Support and Total Product-Specific AMS

Description of basic products	Calendar/ marketing year	Measure type(s)	Other product- specific budgetary outlays	Other product- specific support (include calculation details)	Associated fees/levies	Total product- specific support (AF)	Market price support (Supporting Table DS:5) (AF)	Non-exempt direct payments (Supporting Table DS:6) (AF)	Total AMS (AF)	Data sources
1	2	3	4	5	6	7 (4+5-6)	8	9	10 (7+8+9)	11
NIL										

DOMESTIC SUPPORT: AFGHANISTAN
REPORTING PERIOD: Calendar years 2009-2011

Product-Specific Equivalent Measurements of Support

Description of basic products	Calendar/marketing year	Measure type(s)	Applied administered price	Production eligible to receive applied administered price (tonnes)	Market price support budgetary outlays (AF)	Equivalent measurement of support (include calculation details)	Non- exempt direct payments (AF)	Other product- specific support (AF)	Associated fees/levies (AF)	Total monetary value of equivalent commitment (AF)	Data sources
1	2	3	4	5	6	7	8	9	10	11	12
NIL											

DOMESTIC SUPPORT: AFGHANISTAN
REPORTING PERIOD: Calendar years 2009-2011

Non-Product-Specific AMS

Measure type(s)	Calendar/marketing year	Non-product-specific budgetary outlays (AF)	Other non-product-specific support (include calculation details)	Associated fees/levies (AF)	Total non-product-specific support (AF)	Data sources
1	2	3	4	5	6 (3+4-5)	7
NIL						

EXPORT SUBSIDIES: AFGHANISTAN
REPORTING PERIOD: Calendar years 2009-2011

Export Subsidies: Outlay and Quantity

Description of products	Direct export subsidies (AF)	Sales of stocks (AF)	Producer financed subsidies (AF)	Cost reduction measures (AF)	Internal transport subsidies (AF)	Total product specific export subsidies (AF)	Quantity of subsidized exports (tonnes)	Data source
1	2	3	4	5	6	7	8	9
NIL								

Explanatory Notes

Note on Funds from International Donors

International donors play a key role in funding agricultural programmes in Afghanistan. This assistance is very important in improving the viability of the agricultural sector in Afghanistan. The aim of this note is to summarize for transparency purpose the type of activities that are funded by international donors. As it is our understanding that these external sources of funding should not be included in Supporting Tables DS:1-DS:9, the data in Domestic Support Tables exclude the funds provided by international donors.

The main Government body designing and implementing the agricultural policy in Afghanistan is the Ministry of Agriculture, Irrigation and Livestock (MAIL). We should note, however, that a significant portion of the funds provided by international donors for agriculture during recent years were directly incorporated into the Government Budget. The budget of MAIL consists of the operating budget and the development budget. The development budget is funded mainly by international donor organizations, including the United States Agency for International Development (USAID), the World Bank (WB), the Asian Development Bank (ADB), the Food and Agriculture Organization (FAO), the European Union (EU), the Japan International Cooperation Agency (JICA), the International Fund for Agriculture Development (IFAD) and others.

The agricultural sector of Afghanistan benefits also from externally funded international projects.

During last three years there were more than 40 international projects directed toward development of the agriculture sector of Afghanistan. These international projects submit to MAIL reports on their activities on a regular basis.

The data in Table 1 (attached) illustrate the general programmes funded by international donors. These programmes, if included in the DS Tables, would meet the criteria for "Green Box". Table 1 also contains programmes that, if included in the DS Tables, could be considered candidates for Supporting Table DS:2, as these programmes are an integral part of the development of agriculture and the rural economy in Afghanistan.

The data in Table 2 (attached) show programmes funded by international donors, which focus on assisting particular products, while the data in Table 3 are for non-product-specific programmes.

ANNEX

TABLE 1

Measure	Funding (US\$) 2009-2011 average	Primary international donors
Research: Reconstruction of 12 research houses; Provision of the facilities and equipment for research in green house research centre, and in soil laboratory in Badam Bagh; Rice variety selection and research; Development and dissemination of relevant technologies, including for wheat, bean and potato varieties, simple control method of melon fly, affordable countermeasures to address production issues with fruit trees.	1,149,305	National Agricultural Experiment Stations Rehabilitation and Improvement of Rice-based Agriculture in Nangarhar Projects, funded by JICA; EU Perennial Horticulture Development Project; FAO Support to Household Food Security and Livelihood of Vulnerable and Food Insecure Farming Families Project.
Pest and disease control: Distribution of veterinary packages, including the vaccine and medicines for treating animals; Vaccination of animals against Foot and Mouth disease, provision of de-worming tablets; Vaccination of poultry; Establishing the Mobile animals' clinics; Construction of veterinary clinic in Jaji Maidan district of Khost; Provision of veterinary clinical tools.	2,074,643	Horticulture and Livestock Project, funded by World Bank; Rural Microfinance and Livestock Support Program, funded by IFAD; Incentives Driving Economic Alternatives - North, East and West Project, funded by USAID; Backyard Poultry Development in Balkh and Jawzjan Provinces Program, funded by IFAD.
Training services: Provision of the training of orchard workers; Training in organizational development; Training workshops to the horticulture and livestock extension workers on the safe handling of agrochemicals and water pollution; Training of livestock extension workers, training farmers on improved livestock farming; Training on animal production practices; Training on potato production; Backyard poultry production training; Training on vegetable oil production practices.	1,480,498	Horticulture and Livestock Project, funded by World Bank; Rural Business Support Project, funded by ADB; EU Perennial Horticulture Development Project; Development of Integrated Dairy Schemes Project, funded by IFAD and Italy; Rural Microfinance and Livestock Support Program, funded by IFAD; Backyard Poultry Development in Balkh and Jawzjan Provinces Programme; Incentives Driving Economic Alternatives - North, East and West Project, funded by USAID; Seed, Fertilizer and Vegetable Distribution, funded by JICA; FAO Variety and Seed Development Project, funded by EU; Small Farmer Livelihood and Income Enhancement in Baglan Province Project, funded by Germany; FAO Expanding Certified Seed Production and Utilization in Afghanistan Project, funded by EU.
Extension and advisory services: Establishment of demonstration plots; Farmers training and demonstrations; Distribution of technical digital posters.	496,630	Rural Microfinance and Livestock Support Program, funded by IFAD; EU Perennial Horticulture Development Project; Incentives Driving Economic Alternatives - North, East and West Project, funded by USAID; Development of Integrated Dairy Schemes Projects, funded by IFAD; Rural Business Support Project, funded by ADB.

Measure	Funding (US\$) 2009-2011 average	Primary international donors
<u>Marketing and promotion services:</u> Development of seed marketing channels and promotional activities; Provision of market information and market assessment.	4,330,810	FAO Variety and Seed Industry Development Project funded by EU; Commercial Horticulture and Agricultural Marketing Program, funded by USAID.
<u>Infrastructural services:</u> Design and implementation of watering systems; Construction of irrigation system; Improvement of the physical irrigation infrastructure, flood protection, road construction and rehabilitation, cleaning canals.	10,423,924	Driving Economic Alternatives - North, East and West Project, funded by USAID; Small Farmer Livelihood and Income Enhancement in Baglan Province Project, funded by Germany; Good Performance Initiative Programs, funded by USAID.
<u>Domestic food aid:</u> Distribution of food aid to vulnerable rural population.	88,137,015	World Food Programme
TOTAL OF THE ABOVE PROGRAMMES	108,092,825	
DEVELOPMENT PROGRAMMES		
<u>Investment subsidies generally available to agriculture:</u> Preferential credits provided through the Agricultural Development Fund.	5,367,667	Agricultural Credit Enhancement Project, funded by USAID.
<u>Input subsidies generally available to low-income or resource-poor producers:</u> Small grants in kind, provided to ultra-poor farmers, mainly in livestock sector; Establishment of women micro enterprises; Establishment of poultry units for rural women; Distribution of starting poultry packages to women.	1,849,883	Rural Microfinance and Livestock Support Program, funded by IFAD; Commercial Horticulture and Agricultural Marketing Program, funded by USAID; Incentives Driving Economic Alternatives - North, East and West Project, funded by USAID.
<u>Support to encourage diversification from growing illicit narcotic crops:</u> Provision of agro-machinery to farmers; Establishment of fruit orchards (apple, apricot, almond and palm) to encourage the inhabitants of Balkh, Baghlan, Daikundu, Kandahar, Hirat and other provinces in their counter narcotic efforts and bringing poppy cultivation to zero level.	2,853,251	Good Performance Initiative Program, funded by USAID.
TOTAL OF DEVELOPMENT PROGRAMMES	10,070,801	

TABLE 2

Product and measures	Funding 2009-2011 average (US\$)	Primary international donors	10% of production value 2009-2011 average (US\$)
Wheat: Distribution of improved wheat seeds; Provision of wheat seeds vouchers packages; Distribution of fertilizer for wheat producers; Establishment of new seed enterprises; Construction of storage facilities.	63,035,244	Afghanistan Vouchers for Increased Production in Agriculture Project, funded by USAID; Seed, Fertilizer and Vegetable Distribution, funded by JICA; FAO Expanding Certified Seed Production and Utilization in Afghanistan Project, funded by EU.	181,742,234
Potato: Distribution of tractors to potato producers; Construction of potato storages.	1,902,737	Rural Business Support Project, funded by ADB.	7,240,133
Dairy: Establishment of animal feed production units; Construction of dairy and feed mill building and installation of dairy and feed mill plant equipment; Distribution of milk collection equipment and vehicles.	455,143	Development of Integrated Dairy Scheme in Herat Project, funded by Italy; Development of Integrated Dairy Scheme in Nangarhar Project, funded by IFAD.	97,782,400
Poultry: Provision of feed for pullets, construction of improved poultry houses, distribution of pullets.	1,072,736	Backyard Poultry Development in Balkh and Jawzjan Provinces Programme, funded by IFAD ; Horticulture and Livestock Project, funded by World Bank; Rural Microfinance and Livestock Support Program, funded by IFAD; Small Farmer Livelihood and Income Enhancement in Baglan Province Project, funded by Germany.	2,889,900
Honey: Provision of equipment related to beekeeping; Distribution of honey bee hives.	126,133	Incentives Driving Economic Alternatives - North, East and West Project, funded by USAID; Horticulture and Livestock Project, funded by World Bank; Rural Microfinance and Livestock Support Program, funded by IFAD; Small Farmer Livelihood and Income Enhancement in Baglan Province Project, funded by Germany.	2,466,667

Product and measures	Funding 2009-2011 average (US\$)	Primary international donors	10% of production value 2009-2011 average (US\$)
Fruit: Establishment of new orchards of almond, apricot, grapes, etc.; Distribution of fruit trees; Providing the facilities related to selling of fruits.	5,784,607	Commercial Horticulture and Agricultural Marketing Program, funded by USAID; Incentives Driving Economic Alternatives - North, East and West Project, funded by USAID; Horticulture and Livestock Project, funded by World Bank; Small Farmer Livelihood and Income Enhancement in Baglan Province Project, funded by Germany.	37,081,220
TOTAL	72,376,599		

TABLE 3

Measure	Funding 2009-2011 average (US\$)	Primary international donors
Mechanization: Provision of grants in kind: tractors, trailers, tractor blades, wheat threshers, maize shellers, etc.	11,486,460	Afghanistan Vouchers for Increased Production in Agriculture Project, funded by USAID; Incentives Driving Economic Alternatives - North, East and West Project, funded by USAID; Rural Business Support Project, funded by ADB; Small Farmer Livelihood and Income Enhancement in Baghlan Province, funded by Germany; FAO Expanding Certified Seed Production and Utilization in Afghanistan Project, funded by EU.
Provision and distribution of fertilizers and pesticides	2,064,301	Horticulture and Livestock Project, funded by World Bank; Incentives Driving Economic Alternatives - North, East and West Project, funded by USAID; Seed, Fertilizer and Vegetable Distribution Project, funded by JICA; Small Farmer Livelihood and Income Enhancement in Baglan Province Project, funded by Germany.
Provision to farmers with inputs and tools on a preferential credit basis	259,333	Asian Development Bank
Provision of vegetable seeds and improved vegetable varieties to horticulture producers; Provision of preferential credit for horticulture seeds; Establishment of seed distribution system	4,088,260	Seed, fertilizer and vegetable distribution, funded by JICA; Incentives Driving Economic Alternatives - North, East and West Project, funded by USAID; Small Farmer Livelihood and Income Enhancement in Baglan Province Project, funded by Germany; FAO Variety and Seed Industry Development Project funded by EU; Asian Development Bank.
TOTAL OF ALL MEASURES	17,898,354	10% of agriculture production value 2009-2011 average (US\$)
		453,714,438