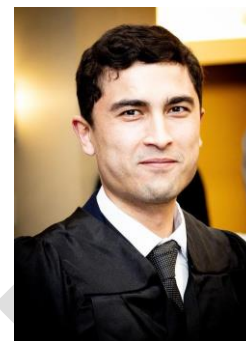


## REASSESSING GREEN BOX SUBSIDIES: A CRITICAL EVALUATION WITHIN THE WTO AGREEMENT ON AGRICULTURE FRAMEWORK

*Toiurov Azizbek,  
A senior lecturer of Tashkent  
State University of Law*

## ПЕРЕОЦЕНКА СУБСИДИЙ «ЗЕЛеноЙ КОРЗИНЫ»: КРИТИЧЕСКАЯ ОЦЕНКА В РАМКАХ СОГЛАШЕНИЯ ВТО ПО СЕЛЬСКОМУ ХОЗЯЙСТВУ

*Тойиров Азизбек,  
Старший преподаватель, Ташкентский  
Государственный юридический университет*



<https://orcid.org/0009-0004-2640-5679>

[azizbektovrov7@gmail.com](mailto:azizbektovrov7@gmail.com)

## “YASHIL SAVAT” SUBSIDİYALARINI QAYTA BAHOLASH: QISHLOQ XO‘JALIGI BO‘YICHA QXK KELISHUVI BO‘YICHA TANQIDIY VAHO

*Toiurov Azizbek,  
Toshkent Davlat yuridik universiteti katta o‘qituvchisi*

**Abstract:** This article critically examines the scope, criteria, and implementation challenges of green box subsidies within the AoA framework. Special attention is given to the nuanced conditions for qualifying subsidies, the balance between social objectives and trade obligations, and the implications for developing countries, particularly in achieving food security.

**Keywords:** WTO, Agreement, agriculture, green box, trade, sustainable, domestic food aid, food security.

**Аннотация:** В этой статье критически рассматриваются сфера, критерии и проблемы внедрения субсидий зеленой корзины в рамках ССХ. Особое внимание уделяется нюансам условий получения субсидий, балансу между социальными целями и торговыми обязательствами, а также последствиям для развивающихся стран, особенно в достижении продовольственной безопасности.

**Ключевые слова:** ВТО, Соглашение, сельское хозяйство, зеленая корзина, торговля, устойчивое развитие, внутренняя продовольственная помощь, продовольственная безопасность.

**Annotatsiya:** Ushbu maqola QXK doirasida yashil quti subsidiyalarining ko‘lami, mezonlari va amalga oshirish muammolarini tanqidiy ko‘rib chiqadi. Kvalifikatsion subsidiyalar uchun nozik shart-sharoitlar, ijtimoiy maqsadlar va savdo majburiyatlari o‘rtasidagi muvozanat va rivojlanayotgan mamlakatlar uchun, xususan, oziq-ovqat xavfsizligini ta‘minlashdagi oqibatlariga alohida e‘tibor beriladi.

**Kalit so‘zlar:** JST, Bitim, qishloq xo‘jaligi, yashil quti, savdo, barqaror, ichki oziq-ovqat yordami, oziq-ovqat xavfsizligi.

**INTRODUCTION.** According to Annex 2 of the Agreement on Agriculture (AoA), WTO members are not obligated to reduce expenditures on

domestic support measures that meet the specified criteria. To qualify as a "green box" measure under

this provision, two fundamental requirements must be satisfied.

First, the measure must either have no effect on production or, at most, a minimal trade-distorting impact. Second, the support must meet the following conditions:

1. It must be implemented through a publicly funded government program, including instances where government revenue is foregone, but it must not involve direct transfers to consumers.

2. It must not function as a price support mechanism for producers.<sup>1</sup>

These overarching criteria are complemented by a range of specific agricultural support measures explicitly outlined in Annex 2 of the AoA.<sup>2</sup> These measures are further categorized into three primary types of government service programs that qualify as green box subsidies:

1. **General government services:** These include activities that benefit the agricultural sector as a whole, such as research, pest control, and extension services.

2. **Domestic food aid programs:** These are designed to improve food security and ensure access to sufficient and nutritious food for vulnerable populations without distorting trade.

3. **Direct payments to producers:** These payments are decoupled from production and market prices, ensuring they do not incentivize overproduction or distort competitive market dynamics.

Each of these measures is carefully crafted to ensure compliance with the non-trade-distorting principles of the AoA, thus reflecting the WTO's objective of maintaining fairness and sustainability in global agricultural trade.<sup>3</sup> The specific details and implementation challenges of these measures are examined in the subsequent sections.<sup>4</sup>

These measures are characterized as government expenditures or instances of revenue forgone, aimed at providing services or benefits to

the agricultural sector without taking the form of direct payments to individual producers. Annex 2 of the Agreement on Agriculture (AoA) outlines a non-exhaustive list of seven types of support measures that fall under this category:

1. **Research Initiatives:** This includes research activities, particularly those associated with environmental programs or the development of specific agricultural products to enhance sustainability and innovation.

2. **Pest and Disease Control:** This encompasses quarantine measures and eradication efforts designed to safeguard agricultural productivity and trade by managing biosecurity risks.

3. **Training Services:** Programs aimed at equipping agricultural stakeholders with knowledge and skills necessary for adopting advanced and sustainable practices.

4. **Extension and Advisory Services:** Support services to disseminate technical expertise and assist farmers in improving efficiency, productivity, and sustainability in their operations.

5. **Inspection Services:** These ensure compliance with quality, health, and safety standards, thereby facilitating smoother trade and consumer confidence.

6. **Marketing and Promotion Services:** Initiatives designed to enhance market access and promote agricultural products both domestically and internationally, fostering competitiveness.

7. **Infrastructure Development:** Investments in rural infrastructure, such as irrigation systems, transportation networks, and storage facilities, to support agricultural productivity and trade logistics.<sup>5</sup>

If food stocks for food security purposes are acquired and distributed at administered prices, the discrepancy between the acquisition price and the external reference price must be included in the Aggregate Measurement of Support (AMS).<sup>6</sup> The

<sup>1</sup> R. Ortiz, Ch.Bellman, J.Hepburn, "Agricultural subsidies in WTO Green Box, Ensuring Coherence with Sustainable Development Code", (Cambridge University Press, 2010), p.370.

<sup>2</sup> See Annex 2 of the Agreement on Agriculture (AoA).

<sup>3</sup> See P. Bossche, W.Zdouc, "World Trade Organization Text, Cases and materials", (5th edition, Cambridge University Press), p.957.

<sup>4</sup> See further R. Ortiz, Ch.Bellman, J.Hepburn, "Agricultural subsidies in WTO Green Box, Ensuring Coherence with Sustainable Development Code", (Cambridge University Press, 2010), p.371.

<sup>5</sup> See Annex 2 of the Agreement on Agriculture (AoA)

<sup>6</sup> See further R. Ortiz, Ch.Bellman, J.Hepburn, "Agricultural subsidies in WTO Green Box, Ensuring Coherence with Sustainable Development Code", (Cambridge University Press, 2010), p.371.

external reference price, as defined under the Agreement on Agriculture (AoA), represents the average market price of the product at a standardized valuation point. For net food-importing countries, this price corresponds to the average free on board (f.o.b.) unit value for basic agricultural products, while for other countries, it reflects the cost, insurance, and freight (c.i.f.) unit value. This calculation ensures that any subsidy component embedded in the administered price is accurately reflected in the AMS. Specifically, if the administered price of foodstuffs covered under food security measures exceeds the external reference price, the resulting price differential is considered a component of the AMS. This inclusion subjects such subsidies to stricter scrutiny under the subsidy disciplines of the AoA. Consequently, while food security programs aim to achieve critical social and economic objectives, their design must carefully balance these goals with compliance to WTO rules to avoid triggering disputes over trade distortions.

Domestic food aid constitutes the second category of domestic support programs under the Agreement on Agriculture (AoA). To ensure clarity and fairness, eligibility for such aid must be explicitly defined based on objective nutritional criteria. Food aid may be distributed either to specific population groups or through mechanisms that enable eligible individuals to purchase food at subsidized prices. This flexibility is particularly significant for developing countries, as it empowers member states to design and implement domestic policies that align with their unique social and economic circumstances. By permitting countries to establish their own eligibility criteria, the AoA accommodates diverse approaches to addressing food security challenges while maintaining compliance with WTO disciplines. This tailored framework ensures that domestic food aid programs can support vulnerable populations effectively without unnecessarily distorting trade.<sup>7</sup> The Agreement on Agriculture (AoA) establishes a nuanced framework for regulating green box subsidies, aiming to strike a balance between promoting agricultural development and minimizing trade distortion. These subsidies, outlined in Annex 2 of the AoA, encompass government-funded measures designed to enhance sustainability, ensure

food security, and foster long-term agricultural productivity while adhering to non-trade-distorting principles. Green box measures, such as general government services, domestic food aid, and public stockholding programs, are instrumental in supporting agricultural sectors globally. They prioritize initiatives like research, pest control, infrastructure development, and domestic food security without granting unfair advantages to specific producers or distorting competitive market dynamics. These measures are subject to stringent conditions, such as transparency, market-conforming procurement, and fair pricing, ensuring alignment with WTO obligations. However, the practical implementation of green box subsidies presents challenges. Programs like public stockholding and domestic food aid must carefully balance social objectives with compliance to WTO disciplines, particularly regarding their inclusion in the Aggregate Measurement of Support (AMS). This ensures subsidies are monitored for potential trade distortion, safeguarding the integrity of multilateral trade rules.

**CONCLUSION.** In conclusion, the green box framework under the AoA underscores the importance of sustainable agricultural practices within a rules-based trading system. By facilitating tailored approaches that accommodate diverse national circumstances, the AoA fosters equitable trade and food security while minimizing distortions. This highlights the critical role of green box subsidies in promoting global agricultural development and maintaining the balance between national policies and international trade commitments.

#### REFERENCES

1. R. Ortiz, Ch. Bellman, J. Hepburn, "Agricultural subsidies in WTO Green Box, Ensuring Coherence with Sustainable Development Code", (Cambridge University Press, 2010), p.370.
2. Agreement on Agriculture (AoA), under WTO.
3. Bossche, W. Zdouc, "World Trade Organization Text, Cases and materials", (5th edition, Cambridge University Press), p.957.

<sup>7</sup> See G/AG/NG/S/18.