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Page: 1/2

Committee on Agriculture

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BACKGROUND DOCUMENT TO THE 98TH REGULAR MEETING OF THE WTO COMMITTEE ON AGRICULTURE

"COVID-19 AND AGRICULTURE"

SUBMISSION BY THE WORLD FOOD PROGRAMME (WFP)

The following submission, dated 8 June 2021, is being circulated at the request of the World Food Programme (WFP).

1.1. As underlined in the recently published <u>2021 Global Report on Food Crises</u> (GRFC), the magnitude and severity of food crises worsened in 2020 due to the compounding effects of protracted conflict, the economic fallout of COVID-19 and weather extremes, which exacerbated pre-existing fragilities. A grim outlook is maintained for 2021, with the threat of famine persisting in some of the world's worst food crises. Projections of the UN World Food Programme (WFP) estimate that 270 million people are either affected by acute food insecurity or are at high risk in 2021, including 34 million people teetering on the very edge of famine. Given this rapidly deteriorating landscape, the WFP and the Food and Agriculture Organization of the United Nations (FAO) have issued a special <u>Call for Action to Avert a Famine in 2021</u>.

1.2. According to the GRFC, economic shocks - including those produced by COVID-19 - are amongst the major drivers of global food crises in 2020. The multiple shocks to incomes led to a sharp reduction in households' capacity to purchase sufficient food, both in terms of quantity and quality. Supply chain disruptions contributed to abrupt food price spikes, especially during the initial period of the pandemic following movement restrictions and sustained high levels thereafter.

1.3. Besides, the FAO Food Price Index (FFPI) increased for the twelfth consecutive month in May 2021. This was the largest month-on-month rise in more than a decade, which took the index to levels not seen since September 2011.¹ The WFP is concerned about the impact this trend will have on vulnerable people.

1.4. Under these circumstances, it is of paramount importance to ensure well-functioning food supply chains. As mentioned on previous occasions, any export restrictions or quotas would inevitably hamper the timely and efficient delivery of life-saving assistance to the most vulnerable. Hence, any measure adopted by the World Trade Organization (WTO) Members to facilitate the smooth movement of WFP's goods for humanitarian purposes will help saving lives.

1.5. The timeliness and relevance of such actions have been underscored on multiple fronts.

1.6. Since her first days in service, the newly appointed WTO Director-General, Dr Ngozi Okonjo-Iweala, has been calling for a removal of export restrictions, including a favourable consideration of the exemption of WFP humanitarian purchases, defining the matter "possible for an early agreement",² and reiterating her support for this issue over the following months.

1.7. In a recent report, the International Institute for Sustainable Development noted that major importing and exporting nations have "a particular responsibility" to help safeguard the stability of

¹ FAO Food Price Index, <u>http://www.fao.org/worldfoodsituation/foodpricesindex/en/</u>.

² <u>https://docs.wto.org/dol2fe/Pages/SS/directdoc.aspx?filename=q:/Jobs/GC/250.pdf&Open=True.</u>

global food markets, and provided recommendations on how trade policy can help governments anticipate and respond to food system shocks.³ Supporting a draft decision to exempt the WFP from export restrictions or prohibitions on foodstuffs purchased for non-commercial humanitarian purposes featured as the first recommendation to ensure food access to poor consumers.

1.8. Fruitful discussions were also held at the WTO to exempt WFP's food purchases from export restrictions. In December 2020, Singapore presented at the WTO General Council a proposal co-sponsored by 86 Members. Although the required unanimous approval was unfortunately not reached, over eighty WTO Members voluntarily signed a <u>Joint Statement on Agriculture Export</u> <u>Prohibitions or Restrictions Relating of the World Food Programme</u> to voice their commitment.

1.9. The forthcoming WTO 12th Ministerial Conference represents a key opportunity for the WTO to contribute to Sustainable Development Goal (SDG) 2 on "Zero hunger", towards ending hunger and malnutrition. In these unprecedented times, we are all called to join efforts to ensure that life-saving assistance reaches the hands of crises-affected populations when and where needed. The WFP therefore welcomes any action in support of the proposal to exempt its food purchases from export restrictions, which, if approved, would make a difference for the food security of the future generations.

³ <u>https://www.iisd.org/system/files/2021-04/trade-policy-address-food-system-shocks-en.pdf</u>.