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Special Session**

**COMMITTEE ON AGRICULTURE IN SPECIAL SESSION (COA-SS)**

**IMPLICATIONS OF COVID-19 AND CONTINUITY OF COA-SS NEGOTIATIONS**

24 JUNE 2020

*Assessment by the Chairman, Ambassador John Ronald Dipchandra (Deep) Ford<sup>1</sup>*

**INTRODUCTION**

1. In my concluding remarks to the informal virtual meeting of the CoA-SS held on 25 May 2020, I announced that I would be stepping down as the CoA-SS Chair at the end of June. I stated that while Guyana had been committed to chairing the agriculture negotiations up to MC12, this was no longer possible following the postponement of the Ministerial Conference by at least one year. My departure paves the way for a new Chair to be appointed as soon as possible to establish a new work programme in the run-up to MC12 in 2021. I indicated my readiness, in order to keep the momentum going forward, to (i) share with the incoming Chair, a report from the 25 May CoA-SS meeting on COVID-19 and CoA-SS work and (ii) provide my own views on what might assist progress in the continuing agriculture negotiations.

2. This document is divided into two sections for the two above-mentioned purposes, respectively, (i) report of the informal virtual meeting of the CoA-SS, 25 May 2020, and (ii) a contribution to the continuity of CoA-SS negotiations.

**1 REPORT OF THE INFORMAL VIRTUAL MEETING OF THE COA-SS, 25 MAY 2020**

3. The sole purpose of the informal virtual meeting of the CoA-SS meeting on 25 May 2020 was to have a preliminary exchange of views and deliberate on how the work of the CoA-SS should proceed, taking into account COVID-19 related considerations and the postponement of MC12.

4. It was observed in my opening statement that the COVID-19 outbreak had affected the world in major ways and that many measures adopted by Members in this context were of direct relevance for the work being undertaken in the CoA-SS. These included export limiting measures, expanding domestic support mechanisms, improved market access and stockpiling of key food supplies. I also indicated the impact of the COVID-19 crisis on the cotton market and the call by the World Food Programme (WFP) for increased access to humanitarian and recovery assistance as also being relevant.

5. Thirty-nine (39) delegations took the floor during the meeting. Many of them provided information on COVID-19 pandemic's disruptive effects on agriculture and food supply chains in their respective regions. Several Members highlighted the threat of food insecurity as well as risks to the livelihoods of many farmers, especially small and vulnerable ones.

6. Several delegations stressed that the health crisis should not be allowed to turn into a food or humanitarian crisis and highlighted the need to preserve well-functioning and predictable food supply chains. It was noted by several delegations that the effects of the crisis had been exacerbated in some regions by the lack of development and other challenges, for instance those stemming from climate change.

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<sup>1</sup> This document is circulated under the Chair's own responsibility.

7. Many Members expressed concerns over some of the measures that had been introduced following the COVID-19 outbreak. Export restrictive measures on food were highlighted, pointing to the negative effects such measures could have on global markets, including price volatility and the damage they could cause by disrupting supplies to net food importing countries, especially least developed and developing countries. Members urged that emergency trade restrictive measures be "targeted, proportionate, transparent and temporary" and in line with WTO rules.

8. Several delegations stressed the importance of fully respecting WTO disciplines. This was especially the case in relation to transparency, including through early and timely notifications, so as to enable the WTO to fulfil its monitoring role with regards to trade-related measures adopted as a result of the COVID-19 crisis. In this regard, some delegations expressed regret about what they considered to be "an insufficient record" of export restrictive measures adopted during the crisis.

9. Members also expressed their concerns over the increase in support to farmers, that might be trade distorting, as announced in some countries.

10. Several Members made reference to recent declarations such as the G20 Agriculture Ministers Statement adopted on 21 April, and the joint statement made by a group of WTO Members on "responding to the COVID-19 pandemic with open and predictable trade in agricultural and food products" initially circulated on 22 April 2020.

11. Regarding the **process going forward during the COVID-19 pandemic**, several delegations stressed that capitals were devoting their resources to fighting the COVID-19 crisis and that reduced communications between delegations and their capitals made it difficult to conduct negotiations.

12. Despite these difficulties, Members supported a continuation of work in the CoA-SS. Some Members expressed the view that this work should give priority to addressing the negative impacts of the COVID-19 crisis, especially in relation to food security of the most affected developing countries. Further, it was noted that additional time would be needed to reassess and recalibrate negotiating positions in light of the implications of the COVID-19 crisis. It was also mentioned that the upcoming Special Meeting of the Committee on Agriculture, scheduled for 18 June, would constitute another opportunity to examine COVID-19 impacts on the food and agricultural sector and to deliberate on Members' policies and responses within the framework of the Agreement on Agriculture (AoA).

13. Other Members expressed the view that the crisis should not stall discussions aimed at pursuing the long-term agriculture reform objective, especially building upon the work undertaken before the outbreak of the crisis.

14. Several Members indicated that support for continuing the work of the CoA-SS did not mean resuming negotiations. For these Members, substantive negotiations could only resume with in-person meetings and that, until then, Members should engage in technical exchanges on relevant issues and share as much information as possible.

15. Many Members expressed their support for the holding of virtual meetings until face-to-face meetings become possible again. Some suggested that this could be combined with a written procedure. Some Members also discussed the format and frequency of possible future virtual meetings, the use of hybrid meetings (partly physical, partly virtual) when that became possible, the availability of relevant documents in advance of the meetings, and linkages with regular meetings of the Committee on Agriculture. One Member suggested that there should be a schedule of CoA-SS meetings until at least the end of the year to facilitate Members' preparation. Another Member suggested holding small group meetings to discuss different viewpoints on specific technical issues.

16. Several Members viewed the postponement of MC12 as an opportunity to devote more time to analytical work on all CoA-SS issues.

17. On **substance in relation to COVID-19**, most of the interventions focused on the main measures that had been adopted by Members in their response to the crisis. In that regard, Export Restrictions, Domestic Support programmes and Public Stockholding were the topics that got most of the attention.

18. Regarding **Export Restrictions**, many Members considered that the current crisis made more obvious than ever the need to address this topic in the agriculture negotiations. They urged an intensification of work towards an outcome at MC12. One delegation observed that the analysis of export restrictive measures during the COVID-19 crisis would contribute to a better understanding of the issues and challenges related to this topic. Several Members also highlighted that the COVID-19 crisis had reinforced the urgent need to exempt WFP food purchases for humanitarian purposes from export restrictive measures. One Member expressed its reservations about proposals suggesting a complete prohibition on export restrictions. In its view, this would not address the underlying food security issues resulting mainly from historical asymmetries.

19. Regarding **Domestic Support**, it was noted that several Members had introduced packages intended to stabilise markets and/or to alleviate the impact of COVID-19 on farmers. The view was proffered that these packages could impact negatively on agricultural production and trade as well as on the recovery of the agriculture sector. Members were urged to respect WTO rules and principles when putting in place such support measures. Some Members considered that given the inability of their governments to match some of these packages financially, COVID-19 had highlighted the importance of addressing the imbalances in the AoA and further disciplining domestic support while at the same time preserving the policy space for developing Members. One Member stressed that the problems posed by the use of trade-distorting subsidies had not diminished and that the importance of agricultural reform had been further highlighted by the COVID-19 crisis. Many Members called for the reduction of trade-distorting domestic support and the exemption of LDCs and NFIDCs from any new future disciplines which should also take into account *per capita* support. Some Members suggested focussing on a target for domestic support reduction, with the related modalities to be agreed at a later stage. The need to examine recent support measures following the COVID-19 crisis was also stressed given their likely impact on the domestic support discussions.

20. Many Members considered that the COVID-19 crisis had highlighted the role of **Public Stockholding** Programmes in addressing food security concerns, notably in emergency situations. Therefore, an accelerated pace of work was called for to find a Permanent Solution. It was reiterated that the Permanent Solution should cover both existing and future programmes, and the transparency provisions should not have the effect of deterring developing countries from using this measure. The concern was also voiced about the potential impacts of stockpiles on markets, and especially with regard to how the stocks might be disposed of.

21. Regarding **Market Access**, the importance of tariff predictability and tariff simplification was stressed. The need to keep food supply chains open by avoiding trade restrictions was also highlighted. One Member considered that the crisis should not be used as a pretext for seeking increased market access.

22. Several developing country Members urged an acceleration of work on the **Special Safeguard Mechanism** with a view to reaching an outcome at MC12, pointing to its importance for food security.

23. Regarding **Cotton**, the decline in prices during the recent period was highlighted and a call was made to agree on an outcome on product specific trade-distorting support at MC12.

24. Many developing country Members stressed the importance of preserving **special and differential treatment** provisions and called for appropriate technical assistance to strengthen their capacity to participate in agricultural trade. There were also calls for the implementation of the Marrakesh Decision on Measures Concerning the Possible Negative Effects of the Reform Programme on LDCs and NFIDCs.

25. The vital role of **transparency** in the overall trade negotiations was emphasized. Many delegations indicated that transparency was even more critical in the current context and urged those Members adopting restrictive measures to notify them to the WTO.

26. In my concluding remarks, I summarized the key messages from the meeting as follows:

- a. CoA-SS meetings should be held in virtual format until face-to-face meetings become possible again;
- b. Members should continue their analysis on the negotiating issues and exchange documents to inform the discussions and understand the impacts of what is being experienced currently;

- c. WTO rules should be respected when putting in place measures and new policies to deal with the crisis;
- d. The fundamental issues at stake in the agriculture negotiations remain the same. Food security, social and economic welfare depend on an open, fair, rules based, market oriented and predictable trading system;
- e. The COVID-19 crisis has brought to the fore some particular needs and imbalances. This is particularly so in relation to food security. Therefore, how the COVID-19 experience, as dramatic as it is, could provide new ways to look at some negotiating topics and might assist in building convergence should be explored;
- f. Time is needed to assess the impacts of the COVID-19 crisis, as it is still going on at different stages in different parts of the world.

27. I also acknowledged the clear reaffirmation by Members of their commitment to agricultural reform pursuant to Article 20 of the AoA and the numerous references made in the discussions to the substantive issues that we have been addressing in the negotiations.

## **2 CONTRIBUTION TO THE CONTINUITY OF COA-SS NEGOTIATIONS**

28. The sole purpose of this section is to contribute to effectively continuing the agriculture negotiations. The intention is to provide a view on the work done thus far and usefully contribute to facilitating outcomes at MC12 and beyond.

29. It is my view that the COVID-19 crisis has highlighted even more the importance of our collective commitment to continue the reform process in agriculture. This is needed to achieve the UN Sustainable Development Goals, including "No poverty" and "Zero hunger" which also call for correcting and preventing "trade restrictions and distortions in world agricultural markets".

30. What follows is prepared under my own responsibility and without prejudice to Members' positions. It reflects my views on the key issues that would benefit from further discussions and around which convergence is needed to achieve outcomes as the process moves towards MC12. Progress will be made incrementally as a greater understanding of the issues facilitates convergence. My consultations and Members' written and oral contributions during my tenure as Chair of the CoA-SS, from April 2018 to June 2020 form the basis of the views expressed here. This document is not intended as an options paper or a negotiation document.

31. Progress will be made on the basis of new inputs and creative ideas from Members, taking into account the new negotiating environment in which we are operating.

### **2.1 Domestic Support**

32. The COVID-19 crisis has further highlighted the importance of appropriate Domestic Support disciplines, namely disciplines that will limit the use of the most trade-distorting forms of support and simultaneously will enable the required policy space, including for dealing with unpredictable events such as the current health crisis and its impact on food production.

33. COVID-19 has not changed the broad commitment of Members to establish a fair and market-oriented agricultural trading system. For almost all WTO Members, developed and developing, the highest priority to be addressed in this regard is Trade-Distorting Domestic Support (TD DS).

34. Over the past two years the revival of activity in the CoA-SS has been characterized by a large number of technical papers on TD DS and increased engagement by Members. These papers presented detailed analysis on how trade-distorting support has evolved over the years, including utilization and potential growth of entitlements. The submissions have focused on the imbalances in entitlements, the most distorting forms of support, and the similarities/differences in the effects of different forms of support. The submissions have also suggested creative ways to make progress on reform through addressing the major issues that have resulted in the impasse of the last two decades.

35. There is a significant overlapping of views reflected in the approaches to disciplining support levels, to harmonizing the levels and forms of support, to reducing imbalances and to allowing flexibility. The understanding that could lead to accommodating different policy needs of Members,

taking into account characteristics of Members' agricultural sectors, non-trade concerns and levels of development is increasing. Similarly, an increased commitment to proper implementation of the current disciplines is being forged, particularly to ensure that non- or less TD DS measures are used in accordance with the prescribed criteria. Increased appreciation for improving transparency and monitoring, on all categories of domestic support, is also a critical dimension of this potential for progress.

36. The current system allows TD DS entitlements that far exceed the utilization levels by almost all Members. Therefore, establishing the commitment by the vast majority of Members to reducing TD DS is possible without any major immediate disruption of the policies they use. The main challenge is to agree on how the entitlements to TD DS should be reduced. The most difficult aspects of reaching this agreement pertain to what TD DS should be cut, how much should the cut be and when different types of support should be cut. While the views on how to address these challenges differ, there are concrete proposals that have gained support and present a path to progress in reducing trade-distorting support and improving the efficiency and fairness of agricultural markets.

37. There are three critical aspects that Members need to consider as work continues on the path to progress in this area.

38. The *first* is to accept a broad objective for the proportional reduction and capping of TD DS. The architecture of the domestic support disciplines agreed on twenty-five years ago does not serve the current reality adequately and negotiating only within their strict confines will make reaching the widely shared objective of reducing TD DS very difficult. More important than categories of domestic support, Members should have access to the appropriate levels of support that they can use for their national development needs. Thus, as has been proposed, taking into consideration the needs of Members, a broad objective for the proportional reduction and capping of TD DS would be more helpful in providing the necessary impetus to the DS negotiations. In this regard, some Members have suggested a numerical target, proportionally applied, to cap and reduce the sum of current global agricultural TD DS entitlements by at least half by 2030.<sup>2</sup>

39. The *second* aspect is to address the trade-distorting support that is considered to have the largest trade-distorting effects and contribute the most to the inefficient functioning of markets. In this regard, Members have put forward proposals pointing to the use of product-specific support. However, wide divergences remain in Members' views about this issue. Therefore, as a priority, beyond the first aspect of seeking agreement on reducing and capping overall support, consideration could be given to how this issue could be addressed.

40. The *third* aspect would be to negotiate the modalities and phased commitments that Members would make to reduce their overall and product-specific TD DS levels. The additional time made available by the postponement of MC12 could be used to work towards agreeing on these modalities.

41. In addition to the submissions mentioned above, there are many other submissions that provide approaches to addressing the aspects mentioned above. They include establishing a new overall limit; eliminating AMS entitlements above *de minimis*; further limiting the individual categories of the AoA, using a formula reduction, and limiting product-specific support.<sup>3</sup> The ideas in these submissions can potentially contribute to making progress on the objectives and modalities for the reduction and capping of TD DS. Different submissions also include the principle of proportionality in terms of contributions, and/or special and differential treatment (S&D); as well as other factors suggested for consideration during the negotiations, such as support by farmer or by hectare; by type of beneficiary; or by "destination" (e.g. domestic consumption or export).

42. Transparency and availability of information is essential for progress. It is even more crucial than ever in the current COVID-19 context in order to provide a greater understanding of domestic support measures utilized by Members. Further, fulfilling commitments related to existing notification obligations and adhering to criteria related to use of different support measures is essential for building the trust on which progress in reducing TD DS is hinged.

43. In sum, my judgment is that a shared overall objective towards capping and reducing TD DS with numerical goals could possibly be agreed. A broad shared objective of this nature and modalities

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<sup>2</sup> JOB/AG/177.

<sup>3</sup> See also JOB/AG/163, and the submissions made since then i.e. JOB/AG/171, RD/AG/74, JOB/AG/172, JOB/AG/173, RD/AG/75, JOB/AG/177 and RD/AG/76.

to achieve it would remove the need to address beforehand differences among Members as to which categories of Domestic Support should be addressed (all Article 6 support or some of its sub-categories only) and the sequencing, notably regarding which categories of support should be addressed first. I believe that agreement on the first two aspects, with a proportionality principle and some specific Member flexibility, and agreement on modalities for reducing the most trade-distorting forms of domestic support could be achieved. As deemed necessary by Members to facilitate progress, there can be a parallel commitment to explicitly address some other specific areas of domestic support at a later stage.

## 2.2 Market Access

44. The Market Access file continues to receive noticeable attention of Members in the agriculture negotiations. The significant number of written contributions, especially since 2018, underscores the interest that Members have in making progress in this pillar. These technical papers have focused on a number of market access issues that Members currently face in this pillar. Nevertheless, in view of the high political sensitivity associated with undertaking Market Access liberalization for several Members, a serious engagement on tariff reduction commitments is yet to take place. It has also been manifest that for reasons of an overall balance, singling out one or a few selected issues for an early-harvest outcome may be more politically difficult than first thought.

45. However, for some Members, it is necessary to have a Market Access component forming part of an incremental agriculture package that Members seek to agree on at MC12. In this context, the first possibility arises where the negotiating emphasis has been concentrated most recently. This has been on seeking results in respect of select market access issues where the thrust is principally on enhancing transparency and facilitating agricultural trade without altering the core tariff commitments in Members' schedules. These elements include applied tariffs transparency and treatment of shipments *en route*, tariff simplification and transparency of TRQ administration. Of these elements, the issue of **shipments en route** has received increasing traction among Members, including by way of written contributions. Some Members have also expressed practical constraints in according specific treatment to shipments *en route* when applied tariffs are modified. Subsequent to my Options paper of 16 March, a joint contribution by Australia and Canada in JOB/AG/185 further elaborates on a number of options to make progress on this topic. From a political perspective, progress on this topic could occur if it was made clear that the scope of the discussions here was without prejudice to Members' right to raise applied tariffs within their bound rates.

46. An outcome on **tariff simplification** has also been supported by a wide group of Members, including a number of developing Members who have otherwise been less vocal in the discussions on the market access pillar. I have also sensed from the discussions that the issue may not be seen only from the perspective of enhanced transparency, as an outcome in this area will eventually require changes in the concerned Members' Schedules of Commitments. Simultaneously, it is also a fact that there would be a long technically complex path that Members have to traverse to reach that final stage. The question therefore is whether some initial incremental steps may be taken along that path. This is what I suggested in my Options paper of 16 March. On TRQ transparency, Members seem to have differing views on the proper division of labour between the regular and special sessions of the Committee on Agriculture.

47. Given the extended time for MC12, Members could consider presenting proposals so that a detailed and phased MA reform work programme can be agreed at MC 12.

## 2.3 Export Competition

48. Export Competition has been in a unique position compared to the other topics under negotiations since the adoption of the December 2015 Nairobi Ministerial Decision on Export Competition. This Decision also established a specific monitoring process building upon the examination process resulting from the December 2013 Bali Decision. Members therefore generally seem to be ready to consider a phased process in the negotiations:

- First, improving transparency by enhancing the current monitoring process. My assessment is that the main issue at this juncture is to identify which elements of enhanced transparency might be agreed by MC12 and initiate detailed work on these areas.

- Beyond transparency and taking into account available information collected through the transparency mechanisms in place, Members could then consider developing a framework to continue negotiations aimed at achieving enhanced disciplines on export credits, export credit guarantees or insurance programmes, agricultural export state trading enterprises and international food aid.

49. In this regard, the proposal circulated on 30 March 2020 (document JOB/AG/184), which is yet to be formally introduced and discussed in the CoA-SS, constitutes a useful summary of the proponents' views on a possible outcome on this topic for MC12. While this proposal was circulated more than two months ago, the COVID-19 crisis appears not to have impacted significantly Members' positions on this topic.

50. While export competition is, as noted above, in a unique position in the negotiations and should be addressed accordingly, some of the issues at stake may also be considered in the broader context of transparency taken as a cross-cutting issue.

## 2.4 Export Restrictions

51. Members have renewed their focus on Export Restrictions as a result of the COVID-19 crisis. This is demonstrated by the many high-level declarations on this topic, as well as Members' interventions during the CoA-SS meeting held on 25 May.

52. A first element for progress on this topic relates to the need to continue work towards an outcome on the exemption of WFP food purchases for humanitarian purposes from export restrictions. This has been highlighted during this crisis on various occasions. In this regard, the reaffirmation of a previous pledge by G20 Ministers of Agriculture on 21 April 2020 could provide an impetus to the discussions on this issue.

53. The discussions on the other elements under negotiations, namely transparency and clarification elements, should also be informed by the recent developments. As noted in this report, many Members have underscored the critical need of providing adequate and timely information in relation to export restrictions through the relevant WTO transparency mechanisms in crisis situations such as the current one. This is notably due to the immediate effects such measures can have on international markets and importing countries. Calls have also been made in recent weeks to underline the need for any export restriction emergency measures in response to the COVID-19 crisis to be "targeted, proportionate, transparent, and temporary".

54. In this context, I agree, as noted by one of the proponents, that further analytical work to assess what happened during the on-going crisis would be useful to better understand the issues and challenges at stake. Such analysis, to be followed by an exchange of views between all Members based on the experience acquired in recent weeks, should contribute to building the convergence for an outcome on this issue by MC12.

## 2.5 Cotton

55. The Cotton-4 have highlighted the significant impact of the COVID-19 crisis on the cotton sector. From the proponent standpoint this makes the work for an outcome at MC12 on this issue more relevant than ever.

56. **Cotton specific trade-distorting support** constitutes the central element of the negotiations on Cotton. This is the aspect that should be given priority attention and addressed, as Members agreed more than 15 years ago, "*ambitiously, expeditiously, and specifically, within the agriculture negotiations*".<sup>4</sup> An important thrust for making progress on cotton will be to address this issue on its own merits as a specific issue, bearing in mind its particularities, while also bearing in mind the linkages with the overall negotiations on Domestic Support.

57. Members' views have differed sharply thus far on what could constitute a realistic outcome on cotton-specific trade-distorting support. It is hoped that with the increased time for MC12 and possible increased focus on product-specific TD DS, the engagement on cotton will increase and progress can be made in reducing TD DS affecting cotton markets. Members should take advantage

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<sup>4</sup> Decision adopted by the General Council on 1 August 2004 (WT/L/579).

of the postponement of MC12 to engage on what might be the nature and the shape of a possible outcome that would reduce cotton trade-distorting support.

58. Members will need to engage more continuously and directly than over the past years for any progress to be made on the important aspect of TD DS to cotton.

59. I did not detect any disagreement on the other elements. There is agreement on the continuation of discussions on factors negatively impacting cotton trade and markets and to enhance transparency and monitoring of Cotton-related trade measures affecting the global Cotton market. This is in line with the cotton joint statement adopted by a group of Members on 7 October 2019. An important emphasis in the coming months should be how to operationalize as effectively as possible this commitment building upon the existing cotton-related transparency mechanisms and initiatives.

60. Cotton-related Market Access and Export Competition do not appear to be controversial. Lastly, inputs in relation to cotton development assistance activities and cotton by-products should be developed under the Director General's Consultative Framework Mechanism on Cotton.

## 2.6 Special Safeguard Mechanism (SSM)

61. Deep fundamental differences between the proponents and the exporting Members on the very rationale of the safeguard mechanism to be negotiated have prevented virtually any serious technical engagement on this issue since the launch of the dedicated session process pursuant to the Nairobi Ministerial Decision. There is the chance that understanding the impacts of COVID-19 on food security strategies going forward might provide some traction for a discussion on the SSM.

62. The linkage between market access and the SSM is evidently the biggest political challenge to making progress in the SSM negotiations. The non-proponents have consistently argued that an SSM should not potentially reverse the existing market access commitments. While I sensed a possibility of technical engagement among Members to explore an SSM as a countervailing instrument to address subsidized imports, this has not been sufficiently supported by submissions and the existing state of technical engagement.

63. In my view, on one hand we need to deepen the analysis investigating the role of an SSM; on the other hand, we need to increase the engagement on this issue by all sides. Both of these actions are needed if progress towards achieving the ministerial mandate to negotiate an SSM for developing countries is to be made. In other words, the provision of concrete examples of import surges or price depressions that would require remedies through an SSM and a sincere effort by the other side to examine this evidence is essential for progress. Both the proponents and the other side need to understand each other's positions and concerns in order to make progress on this technically complex and politically sensitive issue.

## 2.7 Public Stockholding for Food Security Purposes (PSH)

64. PSH continues to be a priority issue for the proponents and many other developing country Members. The COVID-19 crisis has attracted further attention to the role of PSH for food security and rural livelihoods. There has been increased stockpiling by some Members during the crisis and this has led to concerns by other Members about potentially excessive stocks being procured and how their release could affect food markets and food security. The crisis has therefore reinforced the arguments and concerns of the different sides but seem not to have changed the fundamentals of their disagreement.

65. The mandates from the Bali and Nairobi Ministerial conferences are well acknowledged and the elements of a Permanent Solution are also known. In my view, the elements that Members could work with in order to increase the possibility to find a permanent solution continue to be:

- **Core provision:** Bali-type solution (i.e. a commitment by Members not to challenge through the WTO Dispute Settlement Mechanism compliance of a developing Member with its obligations under Articles 6.3 and 7.2(b) of the AoA);



- **Product coverage:** traditional staple food crops<sup>5</sup>;
- **Programme coverage:** limited extension to new programmes, with possible special consideration given to LDCs programmes;
- **Transparency:** the Bali transparency provisions, amended to ensure that they are not too onerous by over-straining the already limited capacity of developing Members;
- **Anti-circumvention and safeguards:** Bali anti-circumvention and safeguards provisions, amended to address the concerns of the non-proponents regarding exports from stocks; and
- **Monitoring:** periodic examination by the CoA Regular.

66. I believe that, in order to be able to move towards a Permanent Solution, Members should focus on finding an appropriate balance between safeguards and transparency requirements. The need is to assure the non-proponents about exports not taking place from procured stocks, while ensuring that the requirements are not so stringent to make the use of the Permanent Solution *de facto* impossible.

67. Further, given that an expansion to new programmes is also seen as a crucial element, finding a reasonable limitation that would reassure the non-proponents while at the same time allowing for an appropriate use of these programmes could also help to find the necessary balance and to break the stalemate on this issue.

68. Several Members have suggested trade-offs that could potentially assist with finding an appropriate balance between safeguards, transparency requirements and the expansion of the Permanent Solution to new programmes, notably trade-offs between the stringency of requirements and a cap on programmes (e.g. less stringent requirements if programmes are capped and *vice versa*); and flexibilities for new programmes and the nature of safeguards (e.g. more flexible requirements if the safeguards are made stronger and *vice versa*).

69. Finally, while the Permanent Solution is on a separate track from the rest of the negotiations, a parallel outcome in some other areas could facilitate progress in this area. This would be evidenced in a broader agricultural package that would enjoy wider support among the Membership.

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<sup>5</sup> This term refers to primary agricultural products that are predominant staples in the traditional diet of a developing Member.