



**Committee on Agriculture  
Special Session**

**REPORT BY AMBASSADOR GLORIA ABRAHAM PERALTA TO THE  
COMMITTEE ON AGRICULTURE IN SPECIAL SESSION  
AND DEDICATED SESSIONS ON PSH AND SSM**

15 NOVEMBER 2021

**Introduction**

1. Since the last CoA Special Session meeting, I have continued my consultations in various formats. These have included bilateral meetings, small group consultations and meetings with Group Coordinators.
2. I am also aware of the on-going consultations taking place among various groups of Members and am hopeful that they will produce useful inputs towards assisting the Membership to reach consensus on the negotiating issues.
3. I would like to stress again that transparency and inclusiveness have remained and will remain central in my process. In consulting Members in different configurations, the objective has always been to try to narrow the gaps in the positions of proponents and non-proponents on the key negotiating issues.
4. Discussions have taken place on all the topics, but the main goal of my consultations has been to help Members to engage with each other towards identifying potential balance and landing zones across three topics: Domestic Support, PSH and to a lesser extent Market Access.
5. The focus on these three issues does not in any way imply that Export Competition, Export Restrictions, Cotton, SSM or Transparency are less important. These topics will be an integral part of an agricultural outcome, to ensure its overall balance.
6. As stated on so many occasions, this is a Member-driven process, which I try to facilitate, and it is up to you – the Members – to collectively find a solution to outstanding issues.
7. Let me now turn to substance.
8. My description of the state of play on the different topics should of course be considered in a holistic manner, as the level of ambition on the different topics will have to be balanced across the board.

**Domestic Support**

9. My recent consultations on Domestic Support have continued to focus on the necessary changes that have to be effected to make the draft text contained in JOB/AG/215 acceptable to the Membership, on a without prejudice basis. It is still my considered view that full modalities are out of reach for MC12. Positions of Members on the key negotiating issues continue to diverge, but I believe that with flexibility from Members a broad work plan or framework containing some goals, timelines, and principles to guide our future negotiations can be achieved at MC12.
10. While the discussions are still ongoing, it seems difficult for an agreement to be reached on a **numerical target**. Likewise, there is no convergence on the **timeline** for Members to reduce their trade-distorting domestic support. The proponents of a numerical goal and a timeline are concerned

that without concrete targets, we would be merely restating old Ministerial mandates without adding any real value. Other Members remain concerned that specific targets would prejudice the outcomes of the negotiations to be conducted. As a result of these divergent views, I have been consulting on these issues.

11. The **proportionality** principle is regarded as essential by many Members. However, there are divergences in Members' views as to how it should be expressed. There are those who believe that the sole criterion should be the size of a Member's entitlements. This is opposed by several Members who have suggested *per capita* support for farmers should also be taken into account. My text proposes that individual circumstances and development needs of Members should also be taken into account.

12. Many Members consider that **all categories of Article 6** need to be addressed, but they will not necessarily be treated equally. There is the opposing view that support provided under Article 6.2 should be exempted from reduction commitments.

13. In addition, many Members support the position that **AMS above *de minimis*** needs to be addressed with the aim of reducing subsidy concentration. This view is also contested by some Members who believe that it prejudices the outcome of future negotiations and should be appropriately discussed when work on modalities begin.

14. Regarding the **Green Box**, it is envisaged to review and consider updating Annex 2 criteria and related transparency requirements, including for making sure it remains fit for purpose. The case has been made that it is important to preserve the Green Box as Members should be encouraged to reform and move from using trade-distorting support towards non-trade-distorting support. Therefore, it has been questioned whether it is appropriate to address this support together with other types of support.

15. The request to include a reference to **non-trade concerns** was again reiterated.

16. In short, unlike in some other topics, a **clear landing zone still remains elusive**. Members will urgently need to close the gaps in their negotiating positions.

17. Currently, there seems to be growing convergence on negotiating modalities possibly by a certain date (MC13 has been suggested) with a view to reducing substantially overall entitlements under domestic support categories that have trade-distorting effects. There appears to be an agreement that different categories of support will not be treated equally. The elements to be considered in connection with the proportionality principle is still under discussion. There appears to be less divergences in Members' positions on transparency provisions, including regarding the request that the WTO Secretariat maintain and update on a regular basis the domestic support analytical tool developed by Canada, or create a similar tool.

## Market Access

18. In the discussions on market access, it has been apparent that an outcome in the Market Access pillar is not only expected by the proponents, but such an outcome would also assist Members to attain an overall balance in the agriculture negotiations. Simultaneously, it is clear that it is perhaps the pillar where several Members have high sensitivities leading them to insist on an overall balance within agriculture, and even outside agriculture.

19. Specifically, on the draft market access text, I have heard the following main messages during my consultations:

- the work programme should entail comprehensive negotiations covering all issues in the market access file;
- technical discussions should feed into those negotiations in order to enable an informed participation among Members, and
- the proposed way forward to be approved by MC12 should not be excessively prescriptive.

20. Simultaneously, I also heard that the proposed text in JOB/AG/215 was excessively detailed.

21. On the **transparency of bound non-ad valorem tariffs and the proposed reporting of AVEs** by Members, some Members suggested that it should be considered on a voluntary basis akin to the agreement reached among Members in the Committee on Market Access in 2019, whereas some others thought that such an exercise would be premature in the absence of any clarity on the tariff reduction modality and not necessarily useful in the absence of common methodology to undertake the proposed conversion.

22. On the issue of **applied tariff transparency**, there appears to be a preference for adopting the decision on a best-endeavour basis in order to allay any concerns of the non-proponents regarding possible logistical constraints and legislative changes that the latter consider might be required by the proposed decision.

23. A **possible compromise** could be to agree on a mixture of an initial agreement on select illustrative practices which, in turn, have been derived from an examination of national practices over recent months, and a work programme to expand on those practices based on Members' requests.

24. A **voluntary or best endeavour effort** may also be proposed as regards the adherence to these practices, including on transparency requirements. Some Members, however, continue to prefer solely a work programme on this issue rather than a definitive decision at MC12.

### Export Restrictions Clarification and Transparency

25. As I see it, based on the discussions so far including in the "room D" context, a potential outcome on the **clarification and transparency elements for export restrictions** could be composed of the following main components:

- the continuation of the negotiation post MC12;
- a transparency work programme in the context of the regular CoA aimed at updating, streamlining and making more effective transparency requirements, as part of the overall transparency enhancing related efforts. This transparency work programme should be considered in the context of a possible overall draft decision on transparency which I will address later;
- the provision of technical assistance upon request by the Secretariat as well as annual supporting trade data to facilitate the implementation of the existing transparency requirements;
- a potential deliverable on the timeline for advance notice pursuant to Article 12 of the AoA on a best endeavour basis, pending the outcome of a post MC12 work programme.

26. Such an approach would aim at finding a compromise between proponents that ask for the adoption of a 30-day advance notice with the notable exception of cases involving *force majeure*. There is opposition by several groups of Members to any transparency-related firm commitment that would pre-empt the post-MC12 work on this topic.

### Export Restrictions – WFP Exemption

27. A **stand-alone decision on the WFP food purchases exemption from export restrictions** continues to be described by a vast majority of Members as a "very low hanging fruit" for a potential deliverable for MC12.

28. All Members hold in high esteem the work of the WFP and are willing to make their best efforts to support it, especially at a moment when the number of undernourished people is growing again.

29. To this end, Members need to agree on a drafting striking an adequate balance in the text to reflect the fact that WFP food purchases are undertaken in a way that does not impact negatively on Members where the food is procured in light of existing WFP practices and principles.

30. My understanding is that discussions are continuing between proponents and non-proponents to explore possible compromise adjustments to the text contained in document JOB/AG/215 that

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reflects the intense work dedicated to this question in December 2020. I call on the Members involved to redouble their efforts and wrap up these discussions as soon as possible.

31. Notwithstanding these developments, one Member has re-stated its questions to proponents and to the WFP, including on past examples of actual export restrictions hindering its work and assessment of the potential impact of such measures. As noted in my introduction, we have just received a communication by Singapore aimed at replying to these questions.

### **Export Competition**

32. The situation on export competition is somehow similar to the one on export restrictions with the envisaged way forward also composed of three main elements:

- The continuation of the negotiation post MC12;
- A transparency work programme in the context of the regular CoA aimed at updating, streamlining and making more effective transparency requirements. This would be particularly relevant following the adoption of the Nairobi Decision on Export Competition. Here again, this transparency element should be considered in the context of the overall draft decision on transparency;
- A possible deliverable consisting in an update of the data requirements in the annual Export Competition questionnaire on a best endeavour basis or with a grace period for developing country members not in a position to do so, and the provision of supporting trade data by the Secretariat.

33. This last issue appears to be the most problematic in view of the capacity constraints faced by some developing country Members.

34. My understanding is that discussions are continuing between proponents and non-proponents to explore possible drafting compromise. I call on the Members involved to redouble their efforts and wrap up these discussions as soon as possible

### **Transparency**

35. Generally speaking, Members seem to be ready to engage in a post-MC12 work programme aimed at reviewing, streamlining and updating transparency requirements, as well as a review in parallel of information technology tools through the Agriculture Informational Management System.

36. On the form of a transparency outcome, Members have generally expressed their readiness to consider a horizontal decision on transparency complemented by transparency-related elements incorporated in topic-by-topic decisions, as suggested in JOB/AG/215.

37. Proponents have also signalled their readiness to scale down their initial ambitions to consider an outcome composed of few immediate deliverables complemented by a post MC12 work programme.

38. In my view, the work programme on transparency in general should be calibrated with the outcomes on the other topics and overall balance of the agricultural package. This includes the question of a possible timeframe for such a work programme.

39. The recognition of the capacity constraints of some developing Members is also an important element for many non-proponents.

### **Cotton**

40. Following our last meeting, I chaired the 16<sup>th</sup> Cotton Dedicated Discussion of the relevant trade related developments for cotton on 4 November and continued my consultation with the C-4 and some interested Members.

41. Here again, I was encouraged by the level of engagement and willingness from both sides to explore possible compromise solutions with a view to achieving an outcome on cotton at MC12.

42. Such an outcome will have to be considered in its globality, i.e., both its trade and development components. This latter component is developed under the Director-General's Consultative Framework Mechanism on the development aspects of cotton and could be recognized in one paragraph in a Ministerial outcome based on the proposal made by the C-4 in document TN/AG/GEN/51 - TN/AG/SCC/GEN/23.

43. On the trade component, the main outstanding issue remains how to address the question of Cotton Trade-Distorting Domestic Support. I have detected a growing convergence around the fact that agreeing on modalities for its reduction by MC12 may not be possible in light of the short time left, remaining string divergences on key substantive issues and overall level of ambition for an agricultural package at MC12.

44. Members could therefore consider how changes to the text currently in JOB/AG/215 could lead to a middle ground solution acceptable by both the C-4 and other Members with a direct interest on this topic.

### **Public Stockholding for Food Security Purposes**

45. Since the previous Dedicated Session held on 28 October, I have held consultations in different formats, including bilateral meetings and some small group meetings on the issue of Public Stockholding for Food Security Purposes. While some possible landing zones have been discussed, I am sure that you are well aware of the disagreements regarding the level of ambition and wide differences that persist on this file.

46. While some Members continue to aim for a permanent solution, non-proponents maintain that they are not in a position to agree to a permanent solution at MC12, notably because they consider that it would not be in line with the ambition level in other areas.

47. Based on the state of play, and taking into account the stage of our process, I have to be completely frank and say that proposing a text that could become the basis for a permanent solution on PSH at MC12 remains extremely difficult for me as the Chair, despite my best efforts. At the same time, I consider that we can probably reach consensus on an intermediary step on this critical file for a success at MC12.

48. The ideas and options for an intermediate step that have been discussed recently as possible inputs for a new text are:

- A work programme with some key elements and commitment to intensify work post-MC12 to find a permanent solution;
- An expansion of the Bali Interim Solution to all PSH programmes of LDCs, **and**
- An expansion of the Bali Interim Solution to PSH programmes of developing countries which do not benefit from it for a limited duration, and limited to the procurement of 15% of the volume of production (Alternative 1), **or**
- An expansion of the Bali Interim Solution to new PSH programmes of all developing countries enacted after 7 December 2013, subject to the same conditions as above (Alternative 2).

49. In my view, there seems to be growing support for doing at least something for the LDCs while working intensively for a permanent solution post-MC12.

50. I need not emphasize that this is an issue where Members' positions still remain far apart, and I need your constructive engagement and flexibility to help us identify the most consensual option going forward.

### **Special Safeguard Mechanism**

51. Since the previous SSM Dedicated Session on 28 October, I have continued my consultations with Members on this matter in different formats.

52. Based on these consultations, a substantive outcome on SSM at MC12 even in a limited or temporary setting appears increasingly unlikely. Considering the current technical deficit in the SSM negotiations and as a way forward, Ministers may instruct that we engage in targeted thematic discussions post-MC12 to address this aspect. Technical elements of the SSG may inform these discussions to facilitate timely agreement on numerous highly technical parameters on triggers, remedies etc.

53. I also sensed that the proponents are also willing to consider a post-MC12 work programme on SSM. However, they insist on a precise timeline, namely MC13 to reach a substantive agreement on SSM. The non-proponents are sympathetic to include timelines in the future work on SSM, however, these Members are very clear that a definitive agreement on SSM cannot precede a parallel agreement on new market access. Like the existing SSG agreed during the Uruguay Round, these Members view the SSM to be part of an overall market access package.

### Overall Assessment<sup>1</sup>

54. Let me now conclude with my overall assessment of the state of play.

55. I am encouraged by the fact that many of you are working on potential landing zones for some of the issues we are considering. I urge you though to submit them as soon as possible.

56. As I have described, some good discussions have taken place in the last couple of weeks on several issues and many delegations have indicated some flexibility. However, we are not yet where we should be, notably in some key topics under negotiations.

57. Gaps remain on several issues, most importantly:

- on domestic support, where Members cannot agree whether to pursue a numerical target or converge on an alternative language; the timeframe; and how to address special and differential treatment for developing countries, particularly under Article 6.2;
- possible immediate deliverables on improved transparency, including on shipments *en route* or advance notice for export restrictions;
- the language on a possible exemption from export restrictions of WFP's humanitarian food aid purchases;
- and the possibility of including specific post-MC12 deadlines for some topics;
- as well as in PSH and SSM on which I will report during the Dedicated Sessions.

58. It is clear from my consultations that **an outcome on agriculture at MC12 is expected**, notably in the context of the global challenges that the global food and agricultural system face today.

59. This means we must ensure that an MC12 outcome contributes towards progress in ending hunger, achieving food security and improved nutrition, and promoting sustainable agriculture, among others. We also must make sure that any result we achieve contributes to our broader efforts to lay the foundations for recovery from the COVID-19 pandemic.

60. And as stated at the last meeting, an outcome on agriculture is indispensable for a successful MC12. Failure to achieve an outcome would constitute a major blow for the credibility of the Organization and more importantly to the efforts to ensure that trade makes a positive contribution to the challenges facing food and agricultural markets – now and in the years ahead.

61. With **only two weeks left before MC12 opens, it is now time to close the remaining gaps.**

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<sup>1</sup> As delivered at the end of the CoA Special Session meeting.

## Conclusion<sup>2</sup>

62. I thank all the Members who intervened. I listened very carefully to you. I will reflect on your views and positions expressed during this meeting and also in my consultations with groups of Members.

63. As I have said on so many occasions – we either find a way to reduce the remaining gaps or have to adjust the level of ambition. The reality is that many gaps still remain.

64. I will continue to work with you to narrow the gaps and consult with you in the coming days. I may call consultations – bilateral or with a broader group of Members – at very short notice.

65. I also urge you more than ever to try to bridge the remaining gaps by continuing to engage with one another in the coming hours and keep me informed about the progress.

66. It remains at this stage my intention to circulate a revised draft text for your consideration as soon as possible. It will be an attempt to reconcile the different points of view to the best of my ability. It is not an easy task given the divergences that continue to exist, as we have seen again today.

67. However, as it was the case two weeks ago, all options on the table still remain open.

68. I will report in any event to the next meeting of the Trade Negotiations Committee and Heads of delegation meeting on Friday 19 November, in advance of the General Council meeting on 22-23 November.

69. I also consider holding, if necessary, another CoA Special Session meeting on **24-25 November**.

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<sup>2</sup> As delivered at the end of the CoA Special Session meeting.