



**Committee on Agriculture
Special Session**

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

21 MARCH 2022

Report at the dedicated discussion on PSH

1. I will now turn to my report that covers a round of bilateral consultations held between 8 and 18 February, as well two consultations with groups of representative Members held on 11 February and 11 March on the state of play and process forward.
2. I will provide a more detailed report on the general views expressed on the process during the CoA Special Session meeting.
3. In a few words, Members have clearly expressed a common will to make the best use of the additional time available.
4. While Members considered open-ended meetings to be essential to ensure inclusiveness and transparency and to provide guidance, many Members also recognized that meetings in smaller settings might be more effective for narrowing differences and could therefore constitute a useful complement.
5. The importance of informing all Members of the small group consultations to ensure inclusiveness and transparency was also re-emphasized. This report is precisely aimed at responding to this very legitimate request, according to my constant past practice.
6. Several Members emphasized that the process was Member-driven, and it was stressed that direct engagement between proponents and non-proponents was essential, something I have consistently called for myself. Suggestions were made to create a space for Members to negotiate among themselves.
7. Specifically with regard to PSH, a request was made to allow some time for the proponents to work on a joint proposal and consult with non-proponents. I hope that these discussions would produce results which could feed into our process. So, I am looking forward to hearing about the work that is going on and the progress that is being made.
8. In addition, it was suggested to re-introduce a Friend of the Chair process for PSH to look at some of the proposals. Several delegations also stressed the need for further technical work or technical consultations in small groups to better understand the positions and to narrow the gaps. I am looking forward to hearing Members' views on this and any other specific suggestions they may have.
9. Regarding substance, PSH remains a priority for many Members who have urged the intensification of efforts to adopt a Permanent Solution at MC12. The proponents have continued to stress the usefulness of PSH programmes as a tool for addressing food security and rural livelihoods concerns, especially in times of crisis such as the conflict in Ukraine and COVID-19 and consider that a solution to this issue is long overdue.

10. The non-proponents do not share all the views of the proponents. Given the stalemate and continued divergences in positions, some Members have suggested extending the Bali Decision to LDCs and some other vulnerable developing countries. It has been stressed that PSH is just one tool among many to ensure Food Security and that the latter has to be addressed in a comprehensive manner.

11. Members have also called for a Food Security side event, that is being considered for April. The precise date would be communicated shortly.

12. I would also like to recall different ideas I have put forward over the months based on my consultations with Members and their submissions, ranging from a Bali-type permanent solution in JOB/AG/215, to the expansion of the Bali Interim Solution to new programmes for five (5) years, while the search for a Permanent Solution continues, to empowering the Committee on Agriculture to make decisions to expand the Bali Decision on an ad-hoc basis pursuant to requests made by certain developing countries, and to a Work Programme. In total, I have floated at least seven ideas, in different configurations, in addition to the proposals by the proponents.

13. I am therefore keen to learn more about the ideas that are currently being worked on.

Report at the dedicated discussion on SSM

14. As indicated in my original convening message of 21 February, the purpose of today's meeting is to assess the situation in the SSM negotiations, including in light of the agreed timeline of June 2022 for holding MC12. This is also an opportunity to allow Members to report on their ongoing work in this important area of the agriculture negotiations.

15. As I had stated during the release of the draft text in TN/AG/50 that due to significant divergences among Members both on the possible technical parameters of an SSM as well as on the question of linkage with market access, a substantive outcome on SSM, even in a limited temporary setting, appeared unlikely.

16. In my November 2021 draft text, I had accordingly proposed a work programme on the SSM where I also sought to address the fundamental issue of technical deficit in the SSM negotiations.

17. While we have not convened a dedicated session on the SSM this year, I have heard some proponent Members at the CoA Special Session meeting in January expressing their interest in reaching an outcome on the SSM at MC12. The non-proponents, however, have consistently maintained that a definitive agreement on the SSM is out of reach at MC12, as it cannot precede a parallel agreement on new market access and that the two issues are intrinsically linked.

18. At today's meeting, I would like to hear from you about your expectations on the SSM at MC12 now that we have agreed to hold the Conference in June this year. I would specifically be interested to know if there has been any significant change in Members' positions on this file since the release of my text in November last year.

Report at the CoA Special Session

19. As indicated in my message of 9 March reconvening this meeting, the agenda of our meeting today remains the same and the purpose of our meeting is twofold:

- a. First, take stock of the progress achieved since the beginning of the year and share information on the ongoing work being undertaken by Members. I hope we will receive today news about the work undertaken on the different topics among and between Members and groups of Members with a view to identifying possible ways to narrow gaps and identify possible landing zones;
- b. Second, assess the current situation in light of recent developments and seek guidance on the process on all negotiation topics, including exploring which additional technical work may be required in the coming weeks to make progress in the negotiations.

20. The decision adopted on 23 February by the General Council to hold MC12 during the week of 13 June in Geneva constituted a major step forward, as it provided clarity on the timetable.
21. Many of you had stressed at the open-ended meeting on 24 January, and in my subsequent consultations, that the uncertainty regarding the date of MC12 was likely to hamper the negotiation process and that it would therefore be necessary to reassess the state of play and the way forward once the MC12 dates are known.
22. This being said, it is also clear that the situation in Ukraine has modified the environment in which we are operating and has had also a significant impact on WTO activities as well as on food and agricultural markets.
23. This meeting is the first opportunity to assess collectively the state of play in light of these new developments, and I will therefore invite Members to make suggestions, both in terms of topics and format, regarding the process forward and further consultations now that we have a clear timetable ahead of us.
24. Of course, the COVID-19 pandemic has not completely disappeared, and we do not operate in complete isolation from international developments. But we must use the time available to us wisely and continue undertaking our duties and working hard towards MC12.
25. Preserving a well-functioning rules-based multilateral trading system and finding ways to make a meaningful contribution to agriculture and food security is more important than ever.
26. Some comments by Members during my consultations focussed on the importance of a clear roadmap to MC12. As just mentioned, the uncertainty regarding the MC12 date has been removed, so I will not dwell on it. Rather, I will ask Members to express their updated views on the process forward with this clear timetable in mind.
27. My report today covers a round of bilateral consultations held between 8 and 18 February, as well as two consultations with groups of representative Members held on 11 February and 11 March on the state of play and process forward.
28. I had scheduled two more consultations on Domestic Support and Market Access on 2 and 3 March 2022, respectively, but decided to postpone them until further notice.
29. Members had expressed during my consultations a shared willingness to make the best possible use of the time available.
30. Several Members noted that while the decision on the date of MC12 constituted a positive development, recent international developments would significantly hamper the work of the WTO, including the negotiations process. For these Members, the challenges facing the WTO could not be underestimated and Members should therefore recalibrate their expectations in light of this uncertain environment and not behave in a "business as usual" mode.
31. Several Members also underlined in the course of my consultations the need for the process to remain open, transparent, inclusive, fair, and based on good faith.
32. Regarding meetings' configurations, while Members see the CoA Special Session and the Dedicated Sessions as central in the process to ensure inclusivity and transparency and therefore build consensus and provide guidance, it was also recognized by many Members that meetings in smaller settings could be more efficient to identify possible options for narrowing differences. Such small group meetings with clearly defined objectives could, therefore, usefully complement and serve as an input in the preparations of open-ended meetings.
33. Therefore, suggestions were made to continue holding bilateral, small group and open-ended meetings. It was also noted that the process should follow a tailored approach for each topic, as not all topics under negotiation are in the same situation. Some Members also stressed the need to prioritize the discussions and focus on the main remaining gaps.

34. It was considered that the composition of small groups has to be representative of the Membership and balanced in terms of numbers, and clear criteria followed in the selection of these groups. It was also proposed to invite more Members from the same group to participate in these discussions, and to include the key proponents and key opponents.

35. The need to provide enough time to Members between Chair-led consultations as well as the importance of informing all Members of the results of small group consultations to ensure inclusiveness and transparency was also re-emphasized.

36. This report is precisely aimed at responding to this very legitimate request, following my constant practice ever since I became the CoA-SS Chair in July 2020.

37. Several Members emphasized that the process was Member-driven, and that direct engagement between proponents and non-proponents could complement the Chair-led negotiation process.

38. Several Members stressed in this regard that exchanges between Members, proponents and non-proponents should be aimed at exploring ways to reduce gaps, narrow divergences and identify possible landing zones in order to be productive.

39. While some Members suggested the re-introduction of a facilitator-led or coordinator-led process, where necessary, or the initiation of a Friend of the Chair process, some other Members expressed reservations. In this regard, I would be interested in hearing your views now that we know the dates for MC12.

40. Calls were made to address the inherent shortcomings in Members' engagement to date, to be pragmatic, to show flexibility regarding the ways of working and otherwise, to see the negotiation process as a whole, and to avoid engaging in a "take it or leave it" approach.

41. Several delegations also stressed the need for further technical work or technical negotiations, in all formats, in order to fill the gaps on specific issues. It was recommended to focus on issues where wide divergences remain in Members' positions. I am looking forward to hearing Members' more specific suggestions on how we may advance work on topics of interest to them.

42. On substance, as we are all aware, divergences remain regarding the latest text circulated in document TN/AG/50.

43. For several Members, the text constitutes a good and honest assessment of the state of play and an appropriate basis to continue the negotiations.

44. Other Members have stressed the need to significantly revise the draft text in some areas, and possibly in some instances consider new alternatives, in light of the remaining gaps in negotiating positions. A few Members doubted whether it could be the basis for negotiations going forward.

45. Some Members consider the text as too ambitious. Other Members consider that it lacks ambition.

46. In any event, all Members agree that more work is needed to reach consensus.

47. A few words on **Domestic Support**. As we all know, Domestic Support is a priority issue for the vast majority of Members. The importance of addressing trade-distorting domestic support has consistently been raised by Members. In my consultations since the postponement of MC12, many Members thought that the additional time gained would be most usefully spent on technical work with the view of acquiring a better understanding of the positions and narrowing the remaining gaps. Different formats were suggested, such as small group meetings, facilitator-led process, or Friend of the Chair process. All Members agree that - independently of the format chosen - the CoA Special Session meetings will remain essential for transparency and inclusiveness.

48. Regarding substance, most Members came to the conclusion last year that a substantive modalities-based outcome was out of reach and that the most realistic outcome would be a work plan-type outcome that would set Members on the path to reform after MC12. This view is reflected in TN/AG/50, which suggests that Members establish modalities by MC13 to substantially reduce trade-distorting domestic support by a date to be agreed by them, as well as some guiding principles and improved transparency requirements. From my consultations, the situation has not changed notwithstanding the additional few months gained by the postponement of MC12.

49. The importance of making progress on **Market Access** has been underscored by some Members with a view to facilitating a substantive outcome on agriculture at MC12. The need for a more targeted technical engagement on certain elements, including on applied tariff transparency, and market access transparency and notification compliance has also been highlighted in my consultations.

50. On **Cotton**, several Members and groups of Members confirmed their support to the C-4.

51. On **Export Restrictions**, several Members expressed once more their support for a decision on the exemption of WFP food purchases from such measures, notably in light of the potential consequences of the conflict in Ukraine on overall food security. Some Members reiterated in this regard their readiness to consider the possibility to disentangle this issue from the overall package in case a consensus could be reached separately.

52. In addition to Market Access, **Transparency** was also mentioned as a topic of interest by some Members across the board, and also in relation to export restrictions and to a lesser extent **Export Competition**.

53. Finally, one Member considered that it would also be necessary to discuss the "*chapeau*" of the draft decision contained in TN/AG/50.

54. It was noted by several Members that the overall outcome had to be balanced, which implied an overall assessment of potential outputs across the board. As stated on several occasions, nothing is agreed until everything is agreed.

55. Finally, some Members highlighted that the CoA Special Session was the most appropriate forum to address globally the issue of **food security** in the context of the WTO negotiations.

56. Several Members emphasized the need to develop a broader perspective on how the WTO agriculture negotiations in general and an MC12 outcome in particular could effectively contribute to food security and poverty alleviation, including in the context of the ongoing COVID-19 pandemic as well as food markets developments following the outbreak of the conflict in Ukraine.

57. The views expressed on food security were diverse and it was suggested that a side event should be organized in the near future to inform this debate.

58. Let me conclude with a few comments.

59. It is an opportune time to collectively re-evaluate the negotiation process, so I will now invite you to express your views on the process forward.

60. The clarity on the date of MC12 constituted a very positive development but we also have to factor in how the current international environment may impact on our process.

61. The question in front of us today is how to make the best possible use of the time left before MC12 to narrow the divergences and identify landing zones in a realistic and effective manner.

62. At this stage, my initial thoughts on the process forward can be summarized as follows:

63. We all agree that more work is required, and our task today is to make progress building upon what is already on the table and any new input that may be submitted.

64. While the agreement on the date for MC12 provides us with a clear timeline, the process must also remain pragmatic and flexible in order to respond to changing conditions in the negotiation process.

65. This process is Member-driven as has been reiterated by many Members in recent weeks. This has several implications.

66. First, all Members must reassess their positions, analyse the remaining gaps, evaluate how they can contribute to a successful outcome and develop to this end possible options to identify landing zones and build convergences.

67. Second, proponents and non-proponents of various topics need to engage directly with each other and explore ways to narrow the gaps, and subsequently share the results of their work with the wider Membership and myself. It also means more submissions and inputs from Members that would help move us closer to consensus.

68. I am encouraged by the indications of ongoing work being undertaken by Members on the different topics, and I am looking forward to listening today positive news when you report on these ongoing consultations.

69. Such direct contacts between Members are absolutely indispensable, as negotiations must occur between Members and not between Members and the Chair.

70. On my side, my intention would be, subject to the overall situation regarding the organization of meetings, to continue convening in the coming weeks consultations on substance in various configurations according to Members' suggestions, as most of you underlined their usefulness in narrowing differences. I will keep in mind the representativity of groups and perspectives and make my best efforts to ensure mutual supportiveness with Member-led discussions.

71. My consultations can also cover technical work that may be required, depending on Members' interest and submissions.

72. I look forward to hearing your suggestions, both in terms of topics and format, regarding further consultations aimed at making progress on the outstanding issues.

73. I will also listen carefully to Members' views regarding the possibility to re-introduce a facilitator-led, coordinator-led or Friend of the Chair process.

74. Finally, given the importance of food security and rural livelihoods to the majority of Members, I have invited the Secretariat to explore the possibility of organizing an event on this issue in the coming weeks, probably in April.

75. This *ad hoc* event could provide an excellent opportunity for an exchange of views between Members and high-level experts on this central and complex multifaceted topic.
