



**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 SSM¹**

27 APRIL 2022

Report at the CoA Special Session

1. Let me start by once again thanking all the Members who participated in the WTO Seminar on Food Security that took place yesterday.
2. In my view, the exchanges were extremely rich and intense, and gave us food for thought in our discussions today and in the coming weeks, as most if not all the topics covered by the agriculture negotiations are related directly or indirectly to food security.
3. Ensuring an outcome on agriculture at MC12 that would contribute towards the ending of hunger, achieving food security and improved nutrition was already a shared objective at the end of last year, notably in the context of the COVID-19 pandemic and alarming figures on increasing hunger in the world.
4. This is even more true today, as we are now at risk of facing a major food security crisis following the outbreak of the conflict in Ukraine and its disrupting consequences on the food, energy and fertilizers market.
5. I am convinced that the discussions we had during the food security seminar constitute a substantive input to inform our negotiations and should help us in the short term to achieve a successful outcome at MC12, and in the longer-term guide us to pursue the reform process under Article 20 of the Agreement on Agriculture in a way that would enable us to successfully and effectively address food security-related challenges.
6. Better understanding each other's position and peculiar situations, learning from each other, agreeing on key principles while recognizing the diversity of situations are key to engaging constructively and identifying possible landing zones
7. Let me now move to my topic-by-topic report.
8. On Domestic Support, I held a small group consultation on 8 April. While Domestic Support remains clearly a high priority for many Members for MC12 and beyond, there were several calls to have a realistic level of ambition given the limited time left before MC12 and the current context which is even more challenging than last year.
9. In this respect, it was suggested that a general work programme may be feasible. It was also stressed that the outcome should contribute to building the resilience of developing countries. In this regard, the need to preserve support for resource-poor farmers under Article 6.2 was highlighted.
10. Addressing the imbalances, such as AMS above the *de minimis* threshold, was also emphasized, and more clarity was sought on the implications of "proportionality". As food security

¹ In the absence of any consultation on SSM since the last CoA Special Session meeting, the Chair did not report on this topic.

has become even more important today, it was also pointed out that domestic support - if not addressed - can lead to a lack of diversity of supply.

11. The importance of a balance between all topics in an MC12 outcome was mentioned by several delegations.

12. It was suggested to reengage on the basis of the Chair's text, while remaining pragmatic and realistic regarding what can be achieved at MC12.

13. On Market access, I conducted a small group consultation on 8 April. On the core issue of tariff reduction, I broadly heard two main views:

- For some Members, domestic support and market access negotiations should maintain a parallelism, including in the level of ambition of the proposed outcomes under the two pillars. This group of Members also considers that there was an imbalance in the current draft text in TN/AG/50 in the level of ambition in domestic support *vis-à-vis* that in market access that would need to be suitably addressed.
- Simultaneously, there are several Members who insist on a "sequencing" between the domestic support and market access negotiations where the negotiations on the latter could be contemplated only after progress were achieved on the former. Some developing Members in this group also attach importance to addressing non-tariff barriers (NTBs).

14. I also heard a few Members, usually with high political sensitivity in the market access pillar, who doubt that negotiations on tariff reduction modalities would attract any traction in the foreseeable future.

15. Additionally, I noticed support for targeting improvements in market access transparency, including in respect of applied tariffs and treatment of shipments *en route*. Some developing Members, however, continue to have reservations on the issue of shipments *en route* on the grounds of logistical challenges, potential loss of revenue, and systemic concerns on whether the CoA Special Session was the right forum to deal with this matter.

16. On export restrictions, I held a bilateral consultation last Friday with a group of LDC Members following the circulation of the communication JOB/AG/227 by Chad on behalf of the LDC group. This consultation was very useful. It focused to a large extent on the draft decision on WFP food purchases exemption from export restrictions and possible options to make progress with a view to narrowing gaps between proponents and non-proponents.

17. My intention is also to hold a small group consultation next week on export restrictions, both on the draft decision on WFP food purchases exemption from export restrictions and transparency-related elements, based on the numerous comments received on this topic in my recent consultations. This consultation will also be informed by today's discussions, including in relation to the LDC Group submission as well as exchanges yesterday during the food security seminar, including in light of the ongoing food security crisis triggered by the conflict in Ukraine.

18. Regarding the other topics, I have not held any new consultations thus far, based on my assessment of the situation in light of comments expressed by Members. I understand that work has continued on some of these topics, and I am looking forward to listening to reports by the relevant Members on their consultations.

19. Let me add that the absence of consultations so far on some topics is not an indication of any level of priority but rather of the need expressed by Members to engage. In some cases, it may also reflect the fact that the topic appears to be more mature for an outcome based on the work done thus far.

20. Finally, some topics under negotiation could also benefit from the exchanges at the food security seminar. This could for example be the case of the "*chapeau*" of the draft decision contained in TN/AG/50.

21. Before opening the floor to Members, let me conclude with a few initial comments on the state of play in the negotiations.

22. We have around six weeks before MC12, so we need to intensify our work and identify potential landing zones on the issues under negotiation.

23. I am very grateful to Members for their engagement in recent weeks in my consultations, as well as in their direct contacts with each other, and I am looking forward to hearing Members report on this ongoing work.

24. However, my assessment at this juncture and subject to what you will say today is that the pace of negotiations is too slow. And more importantly, I have not detected in the last couple of months any clear signal of progress towards narrowing gaps on the remaining contentious issues.

25. This is not necessarily too worrying with respect to some topics where the potential landing zone as reflected in document TN/AG/50 seems to be rather well defined.

26. But this is a source of concern as regards some key topics where Members' positions have not evolved, and the divergences are still wide. Despite all the efforts made to try to engage with each other and demonstrate the required flexibility, spirit of compromise, creativity and mutual understanding, we are not yet there.

27. Of course, the agricultural negotiations are not happening in a vacuum. We are all aware of the international context in which we are operating now.

28. We had first the COVID-19 pandemic that impacted the negotiations on process including by compelling us to postpone MC12 at the end of last year.

29. And we are today in the midst of a major international crisis following the outbreak of the conflict in Ukraine that hampers the work of our organization at all levels, as well as all in other institutions, both in terms of process and substance, including as just mentioned in light of its tremendous impact on food security worldwide.

30. What can be reasonably expected at MC12 in this context is therefore a question that goes beyond the agriculture negotiations alone, but that has a special resonance in the case of agriculture due to the considerable issues at stake in terms of food security.

31. There will be next week an informal heads of delegations meeting preceding the General Council scheduled on 9 May. These two meetings should provide us with a sense of direction for MC12.

32. The uncertainty should not become an excuse for procrastination and prevent us from intensifying the process and moving forward with a view of the contours of an outcome for MC12, both in terms of shape and content.

33. Regarding the possible shape of the outcome, our working assumption so far has been and remains as of today something along the lines of the draft text contained in TN/AG/50, meaning an overall decision covering the seven topics of Domestic Support, Market Access, Export Competition, Export Prohibitions and Restrictions, Cotton, Special Safeguard Mechanism, PSH as well as Transparency, accompanied by a specific decision on WFP food purchases exemption from export restrictions.

34. Regarding substance, as already mentioned while some topics seem to be quite mature, some strong divergences remain on various key topics. In that regard, some Members have expressed strong concerns about some sections of the draft text contained in TN/AG/50.

35. My intention today is not to appear pessimistic with this sober assessment.

36. I remain fully committed to do all my best to facilitate this process. But as I have stated on numerous occasions, I am only a facilitator - so negotiations can only progress if they take place between Members, and not between individual Members and me.

37. And I thought it was my duty today to clearly set out the state of play as I see it today.

38. I hope we will hear today some good news on the progress accomplished in recent weeks, and I invite all of you to express your views today in the most pragmatic and realistic manner on what appears doable by MC12.

Report at the dedicated session on PSH

39. I conducted a small group consultation on PSH on 20 April. During this meeting, I heard from proponents that they are continuing their efforts to reach out to non-proponents and to harmonize different proposals. At the same time, they emphasized that the proposals by the G33 and the African Group remain valid. The proponents also noted that any small group consultations should be guided by the aim of making progress in the negotiations and stressed that a PSH permanent solution was even more urgent in the current context. A request was made for MC12 to deliver a food security package that would also include a permanent solution on PSH as one of the tools to fight food insecurity.

40. Given that we are a few weeks away from MC12, some proponents called for a pragmatic approach and suggested that if we cannot achieve a permanent solution, we could extend the Bali PSH decision to new developing country programmes that are not currently covered.

41. Non-proponents acknowledged that the current crisis required Members to reconsider the context of the discussions on this issue. However, they questioned the need for increasing market price support. It was also suggested to look at the method of calculating AMS, to choose a limited list of products for a permanent solution on PSH, while ensuring transparency and not increasing production artificially.

42. Some non-proponents said that they could not agree to an unlimited flexibility, and clear rules on expenditure, transparency, safeguards, and anti-circumvention remained critical for them. They also said that reaching a substantive consensus by June seemed unrealistic and that Members should aim for a work programme.
