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MOVING AGRICULTURE NEGOTIATIONS FORWARD

COMMUNICATION FROM BRAZIL

The following communication, dated 8 April 2024, is being circulated at the request of the delegation of Brazil under the General Council's agenda item: "Moving Agriculture Negotiations Forward – Request from Brazil".

DRAFT DECISION FOR THE JULY 2024 GENERAL COUNCIL

The General Council,

Emphasizing the critical role that a rules-based, non-discriminatory, open, fair, inclusive, equitable and transparent multilateral trading system with the WTO at its core can play in addressing contemporary challenges faced by the food and agricultural systems including climate change and its impacts;

Expressing our deep concern that the share of people facing hunger in the world was around 9% of the global population, concentrated predominantly in developing countries, including least developed countries (LDCs), as recently estimated by the Food and Agriculture Organization of the United Nations;

Underscoring our determination to make progress towards the achievement of a fair, equitable and market-oriented agricultural trading system, ending hunger, achieving food security and improved nutrition, promoting sustainable agriculture and food systems, and promoting the adoption of resilient agricultural practices that enhance productivity and production in fulfilment of Sustainable Development Goal 2 of the United Nations, taking into account the interests of small-scale food and agriculture producers in developing countries;

Reiterating our commitment to take concrete steps to facilitate trade and improve the functioning and long-term resilience of global markets for food and agriculture, with a view to enhancing global food security and ensuring that the agriculture sector continues to make a positive contribution to addressing contemporary sustainability challenges;

Noting with concern the limited progress on most agriculture negotiating issues to date and recognizing that much work remains to be done to successfully conclude the negotiations;

Reiterating that trade, along with domestic production, plays a vital role in improving global food security in all its dimensions and enhancing nutrition; and emphasizing that progress in the negotiations will contribute to enhancing global food security;

Decides that:

1. Members commit to continue the agriculture negotiations in accordance with the reform objective of Article 20 of the Agreement on Agriculture (AoA) and subsequent Ministerial and other Decisions on agriculture. Members shall accordingly make all concerted efforts towards achieving tangible progress and balanced outcomes in the negotiations by the Fourteenth Session (MC14).

- 2. Members acknowledge the Report prepared by the Chair of the Special Session of the Committee on Agriculture (CoA-SS) under his responsibility¹, which summarizes the state of play in the negotiations towards MC13. Members welcome the work done by the CoA-SS as reflected in the Chair's Report and commit to revitalize and intensify the negotiations. The negotiations shall build on the work undertaken thus far and be based on discussions among Members, and their existing and future submissions.
- 3. Members reiterate the importance of predictable agricultural and input markets and of facilitating trade in these products, including by reducing the time and procedural costs related to their importation and exportation, in conformity with WTO agreements. Members may also consider discussing the role and impact of trade-restrictive measures, with a view to enhancing their transparency and predictability and minimizing negative consequences and risks for exporters and importers.
- 4. Members recognize the importance of the implementation of existing notification and transparency obligations under Article 18 of the AoA to provide notifications in a timely and comprehensive manner. Members agree to review in the CoA the notification requirements and formats specified in G/AG/2 to facilitate timely access to clear and relevant information by Members, taking into account the capacity constraints of developing country Members. The WTO Secretariat shall provide technical assistance to Members facing capacity constraints in fulfilling their notification and transparency requirements, at their request.
- 5. Members reaffirm their commitment to ensure an effective implementation and monitoring of the Nairobi Ministerial Decision on Export Competition (WT/MIN(15)/45-WT/L/980), including by reviewing and exploring ways in the CoA to update the existing transparency requirements, by making best efforts to improve the response rate to the export competition questionnaire, and by exploring ways to enhance the transparency of the implementation of the specific provisions therein for LDCs and NFIDCs. This takes into account the capacity constraints of developing country Members.
- 6. Special and differential treatment for developing countries shall be an integral part of the negotiations. Consideration will be given to exempting LDCs from undertaking reduction commitments². The nontrade concerns of Members shall be taken into account in the negotiations.

DOMESTIC SUPPORT

7. Members commit to pursue and intensify negotiations on domestic support, with a view to reducing substantially and progressively trade-distorting support in a fair and equitable manner, to encourage a shift towards less trade-distorting support, and improving disciplines in accordance with the reform objective in the AoA within a reasonable implementation period to be agreed by Members. These negotiations shall preserve developing country Members' ability to assist agricultural and rural development, as well as to encourage diversification from growing illicit crops. Members will agree on the elements and the methodology of implementation of the reform according to the Timeline for Implementation section below.

MARKET ACCESS

8. Members commit to pursue and intensify negotiations on agricultural market access with a view to reducing substantially and progressively protection in a fair and equitable manner, to improve market access opportunities for all Members, and improving disciplines in accordance with the reform objective in the AoA and within a reasonable timeframe to be agreed by Members. These negotiations shall take into account exporting Members' interests and importing Members' sensitivities, including non-trade concerns. Members will agree on the elements and the methodology of implementation of the reform according to the Timeline for Implementation section below.

¹ Document <u>TN/AG/58</u>.

² The situation of recently graduated LDCs shall be considered.

SSM

9. Pursuant to the Nairobi Ministerial Decision (<u>WT/MIN(15)/43-WT/L/978</u>), Members commit to pursue and intensify negotiations in Dedicated Sessions of the CoA-SS on a special safeguard mechanism for developing country Members, as envisaged under paragraph 7 of the Hong Kong Ministerial Declaration (<u>WT/MIN(05)/DEC</u>), and to which the developing country Members will have the right to have recourse under paragraph 1 of the Nairobi Ministerial Decision. Members will agree on the elements and the methodology of implementation of the reform according to the Timeline for Implementation section below.

EXPORT PROHIBITIONS AND RESTRICTIONS

10. Members agree to continue discussions on export prohibitions or restrictions with a view to enhancing transparency and predictability and to improving disciplines in Article 12 of the AoA and Article XI:2(a) of the GATT 1994. The discussions shall take into account the interests of all Members, with particular attention paid to the needs of LDCs and NFIDCs. Members will agree on the elements and the methodology of implementation of the decision according to the Timeline for Implementation section below.

EXPORT COMPETITION

11. Members agree to continue negotiations to enhance disciplines on export credits, export credit guarantees or insurance programmes, agricultural exporting state trading enterprises and international food aid and other measures with equivalent effect to prevent circumvention of export subsidy elimination commitments including through non-commercial transactions. Special consideration shall be given to the needs and circumstances of least-developed and net food-importing developing countries. Members will agree on the elements and the methodology of implementation of the decision according to the Timeline of Implementation section.

COTTON TRADE-RELATED COMPONENT

- 12. Members commit to pursue and intensify negotiations on cotton trade-related measures based on Members' submissions, and pursuant to the cotton-related elements of the Hong Kong Ministerial Declaration (WT/MIN(05)/DEC), as complemented by the Bali Cotton Ministerial Decision (WT/MIN(13)/41-WT/L/916), and the Nairobi Cotton Ministerial Decision (WT/MIN(15)/46-WT/L/981) to address it ambitiously, expeditiously and specifically within the agriculture negotiations. These negotiations shall seek to reduce substantially and progressively the trade-distorting domestic support for cotton. Members will agree on the elements and the methodology of implementation of the decision according to the Timeline for Implementation section.
- 13. The negotiations shall also seek to significantly reduce market access barriers, pursuant to the Ministerial outcomes listed in paragraph 12, for cotton-producing and exporting LDCs. Members are encouraged to open their markets allowing greater purchases of cotton products and byproducts from cotton-producing LDCs, including through the offer of duty-free quota free market access.
- 14. Members undertake to continue efforts aimed at enhancing transparency and monitoring of cotton-related trade measures affecting the global cotton market through the Dedicated Discussions on Cotton held on a bi-annual basis, as mandated by paragraphs 5, 6 and 7 of the Bali Ministerial Decision on Cotton (wtml.numminustrelation.com/wtml.numminustrela

COTTON DEVELOPMENT ASSISTANCE COMPONENT

15. Members reaffirm that development-related aspects of cotton shall be addressed as provided for in paragraph 12 of the Hong Kong Ministerial Declaration (<u>WT/MIN(05)/DEC</u>) and paragraphs 10, 11, 12 and 13 of the Nairobi Ministerial Decision (WT/MIN(15)/46-WT/L/981).

- 16. Members reiterate their commitment to the rules-based multilateral trading system, which strengthens the possible synergies between trade in cotton, productive investment and development assistance for LDCs. They recognize the need for an inclusive partnership that makes cooperation and negotiations the preferred instruments for finding the most appropriate solutions to the considerable systemic and cyclical challenges faced by cotton producing and exporting LDCs, in particular the C-4 countries.
- 17. Members underscore the central role of the WTO Director-General's Consultative Mechanism on Cotton as an international forum of reference bringing together the various stakeholders of the global cotton community (public and private sectors, and multilateral agencies) and as an effective multilateral consultation platform for the development of cotton-producing and exporting LDCs. As such, they agree to coordinate cotton development assistance interventions, follow up on completed and ongoing projects, and use this platform to attract and mobilize further investment with a view to promoting and supporting the production, processing and marketing of cotton and its by-products in LDCs.
- 18. Members welcome the initiatives undertaken with development partners over recent years such as partner conferences, World Cotton Day, or WTO-FIFA Memorandum, aimed at better integrating the cotton sector of LDCs, in particular the C-4 countries, in global value chains for value-added products deriving from cotton and its byproducts, and encourage all development partners to intensify their efforts in this perspective.

PUBLIC STOCKHOLDING FOR FOOD SECURITY PURPOSES (PSH)

19. Pursuant to Bali Ministerial Decision (WT/MIN(13)/38-WT/L/913), the General Council Decision (WT/L/939), and the Nairobi Ministerial Decision (WT/MIN(15)/44-WT/L/979), Members commit to pursue and intensify negotiations on PSH in Dedicated Sessions of the CoA-SS. The negotiations on PSH should pay particular attention to the needs of LDCs and NFIDCs. A permanent solution on the issue of public stockholding for food security purposes shall be available to all developing country Members. Public stockholding programmes shall not distort trade or adversely affect the food security of other Members. Members will agree on the elements and the methodology of implementation of the reform according to the Timeline of Implementation section below.

TIMELINE FOR IMPLEMENTATION

- 20. In order to achieve tangible progress and concrete outcomes, Members instruct the CoA-SS Chair to provide, based on Members' contributions, annual negotiating schedules to discuss all aspects, including the elements and the methodology, of each of the negotiating topics in this Decision.
- 21. The General Council shall regularly review progress in these negotiations.
- 22. Senior Officials will review the progress achieved in the negotiations one year after MC13, particularly in relation to the definition of the elements and the methodology of implementation of the reform, and make recommendations for the way forward.
- 23. Members shall adopt an intermediate framework of the agreement 4 months before MC14. This framework shall provide a comprehensive view of the basic structures of the agreement or other outcomes to be delivered by MC14 and may include texts with different levels of maturity.
- 24. Members shall adopt a decision on modalities by MC14.
- 25. Modalities shall be implemented as a package taking into consideration the overall balance of outcomes in Agriculture in a timeframe to be decided by Members.