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**Ministerial Conference
Twelfth Session
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DRAFT MINISTERIAL DECISION

WTO RESPONSE TO FOOD INSECURITY IN NFIDCS AND LDCS

The following communication*, dated 9 June 2022, is being circulated at the request of the delegation of Egypt on behalf of the Arab, African and LDC Groups.

Committed to maintain the rules-based, transparent, non-discriminatory, open and inclusive multilateral trading system as embodied in the World Trade Organization (WTO), and enshrined in the Marrakesh Agreement;

Recalling the commitments contained in the Ministerial Decision on Measures Concerning the Possible Negative Effects of the Reform Programme on Least-developed and Net Food-importing Developing Countries (referred to as Marrakesh Decision of April 1994), and the reaffirmation of Members' commitments to the full implementation of the Marrakesh Decision in Paragraph 25 of Nairobi Declaration;

Recalling the Ministerial Decision of 14 November 2001 on Implementation-Related Issues and Concerns on, *inter alia*, commitment levels of food aid, provision of food aid by donors, technical and financial assistance in the context of aid programmes to improve agricultural productivity and infrastructure, and financing normal levels of commercial imports of basic foodstuffs;

Concerned about the rising food prices and food insecurity as a result of the combined effects of the global pandemic and the geopolitical challenges;

Also concerned that such price spikes, which have regularly and increasingly threatened the food security of our citizens, are likely to occur again in the future, particularly in light of the expected effects of climate change and other factors;

Reaffirming our commitment, that effective and appropriate special and differential treatment for developing countries and LDCs is an integral part of current and future WTO agreements;

Affirming the need to adopt concrete decisions in support of adequate trade responses to mitigate food insecurity risks in situations of global food market price spikes and volatility;

We, Ministers with portfolio responsibility for World Trade Organization (WTO) affairs, having met in Geneva, Switzerland at our Twelfth Session:

Having regard to paragraph 1 of Article IX of the Marrakesh Agreement Establishing the World Trade Organization, we decide as follows:

* This communication was previously circulated in document WT/GC/W/847 - G/AG/W/219 - TN/AG/52 - WT/COMTD/W/266 on 1 June 2022.

1. Improve the operational effectiveness of the aforementioned Marrakesh Decision of April 1994 through a work program to be agreed at the relevant WTO bodies. This work program should, *inter alia*, include:

- a. Understanding, before the end of 2022, the trade-related aspects of an international compensatory financing mechanism to finance normal levels of food imports of NFIDCs and LDCs, to help maintain normal levels of quantities of imports in the face of price shocks;
- b. Investigating and discussing the impacts that the Nairobi Decision on Export Competition might have had on the import bills of NFIDCs and LDCs;
- c. Exploring the possibility of developing rules to exempt purchases of NFIDCs and LDCs, under conditions to be defined, from quantitative export restrictions invoked under Article XI.2(a) of the GATT 1994 by other WTO Members, which are major exporters of the specific foodstuffs concerned;
- d. Preserving or extending the policy space for NFIDCs and LDCs under Article 6.2 of the Agreement on Agriculture, for them to pursue their rural development, agricultural transformation and livelihood objectives.

2. Members agree to refrain from challenging through the WTO Dispute Settlement Mechanism, compliance of the NFIDCs and LDCs with their obligations under Article 6.4 of the Agreement on Agriculture, in relation to support that exceeds the percentages specified in this Article, insofar as this support is non or minimally trade distortive and aims to secure additional staple food crops necessary for its food security. This should enter into force the day following the conclusion of the MC12 and shall remain in force for a period of four years.

3. Paragraph 2 of this Decision should be automatically invoked for a given staple food crop imported by a Net Food-Importing Developing Country or a Least Developed Country when, for a month, the average monthly global price for that product¹ exceeds the five-year Olympic average of the monthly global prices² by 20%.

¹ Either the FAO Food Price Indices or price indicators in any two major global export markets for the relevant product may be used by the NFIDC/LDC Member for this purpose. The choice of index/indicator by the NFIDC/LDC Member concerned shall not be disputed by other Members.

² When global prices are being used as the relevant price indicator.