



**Committee on Agriculture
Special Session**

**REPORT BY THE COA-SS CHAIR, AMB. STEPHEN NDŪN'GŪ KARAU
TO THE INFORMAL MEETING OF THE TRADE NEGOTIATIONS COMMITTEE**

25 July 2017

1 INTRODUCTION

1.1. Following my appointment as Chairman of the Committee on Agriculture in Special Session on 26 April, I have held a series of 35 bilateral consultations with group representatives or coordinators, and individual delegations representing the whole Membership in its diversity.

1.2. I concluded this first phase by holding an informal open-ended meeting of the Committee on Agriculture in Special Session on 1 June followed by two dedicated sessions on Public Stockholding for Food Security Purposes (PSH) and the Special Safeguard Mechanism for Developing Countries (SSM).

1.3. I then moved to topic-based Room-E type consultations with the participation of approximately 30 delegations on all topics in which you have expressed an interest.

1.4. These topics are Public Stockholding for Food Security Purposes, Domestic Support, Special Safeguard Mechanism for developing country Members, Market Access, Export Restrictions and Other Issues, including Export Competition and Sanitary and Phytosanitary measures. Following the practice established by my predecessors, I also held consultations on Cotton in a Quad plus format.

1.5. It represented in total seven meetings.

1.6. This second phase concluded last week with the informal open-ended meeting of the Committee on Agriculture in Special Session held on 19 July followed by two dedicated sessions on Public Stockholding for Food Security Purposes (PSH) and the Special Safeguard Mechanism for Developing Countries (SSM) on 20 July.

1.7. Let me take this opportunity here to express all my gratitude to Ambassador Neple who accepted, as Friend of the Chair, to chair these meetings and read my reports to the Membership on the state of play of the negotiations on my behalf.

1.8. My report to the CoA-SS will be circulated soon as a JOB document.

1.9. For the sake of time, I am not going to repeat my full report here. Rather, I will briefly summarize my assessment of where the situation stands on each of the topics under consideration and conclude my report by some comments on the way forward.

1.10. My report today will incorporate elements from the discussions on 19 and 20 July as they were reported to me by Ambassador Neple and the Secretariat.

2 SUBSTANCE

Public Stockholding for Food Security Purposes

2.1. Public stockholding remains clearly one of the priority issues. Two new proposals were submitted during the dedicated session on 20 July, one by Brazil, European Union, Colombia, Peru and Uruguay and one by the G33. The dedicated session was the first possibility to discuss these proposals, and most of the delegations took the floor to give their preliminary reactions. While the gaps between different positions remained broadly the same, the engagement was invigorated. Members have now some serious homework to do over the summer break and more indebt discussions will take place as from September.

Domestic Support

2.2. Domestic support is another topic that remains a priority issue for the vast majority of Members. Five new submissions were circulated ahead of the CoA-SS on 19 July, one of them as a proposal. The proposal by Brazil, European Union, Colombia, Peru and Uruguay suggests an overall limit as a percentage of the value of production. India and China put forward a submission suggesting the elimination of the AMS entitlement as a prior step to any domestic support reform. Other submissions stressed the advantages of a fixed overall limit over a floating one. The submissions received many preliminary reactions. Like in the case of public stockholding, Members will have a lot to think about over the summer break so as to facilitate more in-depth discussions just after.

Cotton

2.3. Most Members reiterated their support for a meaningful and specific outcome on Cotton Domestic Support, but a couple of participants recorded their lack of optimism, taking into account the overall negotiation prospects. Several participants also noted the link with the overall Domestic Support negotiation.

2.4. During Quad plus consultations on 30 June, participants made preliminary comments on a draft proposal on Cotton Domestic Support being currently prepared by the C4.

2.5. Many participants were of the opinion that the most efficient way forward would be to focus on the most trade-distorting support granted to cotton farmers but divergent views were expressed as to how this could be done.

Market Access

2.6. Members have expressed a wide range of views on the likelihood of an outcome on market access for MC11. Some think that incremental outcomes would be feasible at MC11, others consider that a commitment to pursue market access negotiations post-MC11 would be a realistic outcome.

2.7. Others think that an outcome in this area would not be possible. The issues highlighted by Members as priorities in this area reflect the diversity of positions and include:

- a. specific elements in the market access pillar;
- b. updated market access information in order to lay the ground work for future market access outcomes, and
- c. the development of a work programme on market access.

Special Safeguard Mechanism

2.8. The discussions on the SSM for developing country Members have not revealed an obvious way forward to achieve concrete outcomes for MC11. Proponents continue to stress their views that the SSM is an essential tool to protect domestic producers from import surges, to fight against poverty, and to promote rural development. They consider that a concrete, incremental outcome,

focusing on the price-based SSM should be a workable option in MC11. Other Members consider that it would be difficult to achieve any outcome on the SSM in MC11 in the absence of outcomes on market access more generally.

Export Restrictions

2.9. During my consultations, both bilateral and in a small-group setting, I noted a broad interest and support among the Membership for Singapore's ideas to enhance the transparency of export restrictions.

2.10. To make further progress in the discussions and in response to Members' requests, Singapore circulated last week a textual proposal (contained in JOB/AG/101) and presented that to the Membership in the CoA-SS open-ended session on 19 July. A number of Members supported the proposal to form a basis of a possible outcome on export restrictions at MC11. Some Members also believed that the outcome should not be limited to transparency alone. Simultaneously I heard concerns from some developing Members on the potential burdensomeness of the proposed transparency requirements.

Export Competition

2.11. A couple of Members reiterated that export competition was still an unfinished business, and that this fact should be recognized, but no deliverable is expected on this topic for MC11.

Sanitary and phytosanitary (SPS) measures

2.12. Brazil and Argentina indicated that their objective was to start a discussion on a certain number of SPS issues listed in their discussion paper and that could be part of the deliverables for the next Ministerial Conference in Buenos Aires. I understand these Members are reflecting on what the next steps could be to further discussions on this issue.

3 CONCLUSION

3.1. Thus, the discussions in the last weeks have confirmed that the different topics are at different levels of maturity.

3.2. Many delegations consider that a substantial outcome at MC11 is within reach for Public Stockholding for Food Security Purposes, Domestic Support, Cotton and Export Restrictions but the same cannot be said of the other topics.

3.3. Some delegations consider nevertheless that a substantial outcome is still possible, at least partially, for some of the other topics.

3.4. Some other delegations express doubts about the possibility of reaching substantial outcomes on any of the topics under consideration.

3.5. It is indeed clear that key areas of divergence, and in some cases significant ones, remain.

3.6. On all these topics, with the notable exception of PSH where there is a mandate to agree on a Permanent Solution at MC11, there is agreement among the Members that some issues would have to be taken up in a Work Programme post MC11

3.7. In terms of process, Members have now engaged in discussions with a high level of specificity, at least on some issues. Most recently, the number of proposals – eight overall including some textual proposals for outcomes at MC11 – tabled last week confirmed the renewed engagement by Members.

3.8. This being said, it is clear that we have not yet moved so far into what I would call a real intensive negotiation mode. We have had useful suggestions, discussions and exchanges but no real negotiation.

3.9. This preparatory phase was very important, and I would say indispensable, to prepare the ground for a successful negotiation, but we also need to be realistic and pragmatic.

3.10. The issue we face today is, therefore, how do we move forward considering the numerous elements available on the various topics, and their respective degree of priority for the Membership, should we decide to move into text-based negotiations.

3.11. This issue is now becoming absolutely critical, given the tight timeframe we are operating in.

3.12. So what is the situation today?

3.13. On both topics – PSH and Domestic Support – we have several contributions – including proposals – that highlight various options and include sometimes common elements that nevertheless differ substance-wise. These written contributions are supplemented by oral interventions during meetings, some of which contain very specific additional elements.

3.14. On Export Restrictions, we have one main written proposal which could serve as a possible basis for discussion.

3.15. On cotton, we already have some suggestions on the table and we are still waiting for the submission by the C4 that will of course be an important piece in the future negotiation.

3.16. On other topics like Market Access and SSM, we have submissions by proponents that have not yet triggered in-depth detailed discussions with non-proponents.

3.17. Finally, proponents are still reflecting on the way forward for SPS-related issues and no text is expected on Export Competition.

3.18. On my side, I will carefully reflect in the coming days on how to organize my work based on all the inputs received so far.

3.19. My immediate objective after the summer recess will be to intensify discussions, based on the submissions thus far received with a view to capturing the convergences and identifying precisely the areas of divergence.

3.20. This will have to be done for all the topics on the table, while taking into account their different levels of maturity.

3.21. This being said, let me stress again that I am only a facilitator and there is no substitute for direct discussion between and among delegations to bridge gaps and explore and develop possible options that might garner consensus, taking into account the recent submissions and related discussions.

3.22. Time is extremely short and there will be no place for hesitation or procrastination in the fall.

3.23. This ends my report.
