



**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 SSM**

28 OCTOBER 2021

**Introduction**

1. Following our last CoA Special Session meeting on 14-15 October, I decided to extend the "Room D" consultation process in light of the continuing efforts by Members to narrow gaps in negotiating positions.
2. The latest such meeting dedicated to Market Access took place on Tuesday morning.
3. Let me stress again that these meetings were not intended to make decisions, but to provide space and time for in-depth discussions on a "without prejudice" basis.
4. I was again encouraged by the robust and candid discussions that confirmed a renewed sense of pragmatism and flexibility among Members.
5. I also continued my consultations in various formats. In particular, I met with Group Coordinators on 21 October, so that I could report on my consultations, and hear their views on the state of play and the process forward.
6. Let me now turn to my topic-by-topic report, updating the previous one made at the last meeting and available in document JOB/AG/215.

**Domestic Support**

7. The discussions on Domestic Support continued to focus on the potential changes to the draft text contained in JOB/AG/215, on a without prejudice basis. The discussions were lively, and new suggestions were made with the objective of identifying a potential landing zone. However, the key differences still remain, notably regarding the level of ambition and on the sequencing of different steps.
8. Several Members reiterated that agreeing on a numerical target was not realistic and other alternatives should be considered. Suggestions included to agree on "substantial reductions" of trade-distorting domestic support within a timeframe to be decided by Members.
9. The sequencing of the reform steps was discussed again, with calls made for addressing AMS above *de minimis* as a first step. In this respect, the discussions continued around the proposal to include a stand-still provision for AMS above *de minimis* in the draft Decision on Domestic Support while negotiations continue post-MC12, with others suggesting that support provided in "special circumstances" could be excluded.
10. Other views expressed argued that all categories of Article 6 support should be addressed, although it was stressed that not all categories would be treated equally. It was also suggested that the proportional reduction should also take into account the demographics of developing countries.

11. A suggestion was also made to exclude the provision of support to low-income and resource poor farmers under Article 6.2 from any reduction commitment. In addition, a call was made to give due consideration to the flexibilities needed by LDCs and NFIDCs.

12. The request to include a reference to non-trade concerns was again reiterated.

13. Regarding transparency, it was suggested that the WTO Secretariat should be requested to maintain and update on a regular basis a domestic support analytical tool on the WTO website as a publicly available resource, and to include some specific suggestions from JOB/AG/213.

### Market Access

14. In the Market Access pillar, on the issue of applied tariff transparency, the proponents expressed openness to adopt the decision on a best-endeavour basis in order to allay concerns of the non-proponents regarding possible logistical constraints and legislative changes that the latter consider might be required by the proposed decision.

15. The non-proponents continue to have both systemic and logistical concerns and they prefer a work programme on this issue rather than a definitive decision at MC12.

16. On the proposed market access work programme, Members are seeking to achieve a right balance in terms of the level of details it should entail. They also discussed a possible sequencing between the negotiations and preparatory technical discussions.

17. The issue of balance and linkage with progress both within and outside agriculture also comes up in the market access discussions

### Export Restrictions

18. The first item discussed in the second round of consultation on Export Restrictions was the issue of **transparency and clarification**.

19. The proponents expressed openness regarding several comments made by other Members in the previous round of discussions, including on the recognition of capacity constraints faced by some Members to comply with transparency requirements, an explicit limitation of the scope of the discussions to quantitative export restrictions, and the confirmation that technical assistance provided by the Secretariat was Members-driven.

20. The proponents also suggested to rearrange the order of paragraphs and start with the reference to the post-MC12 work programme and confirmed their request to reintroduce a provision to explain reasons for continuing export restrictions for longer than six months.

21. Most of the discussions focused on the possible provisions regarding advance notice pursuant to Article 12.1(b) of the Agreement on Agriculture.

22. Several non-proponents indicated that agreeing on possible advance notice periods would require more technical work and that this issue should therefore be part of a post-MC12 work programme.

23. One Member also asked whether the decision would apply to all export restrictions or only those applied in the wake of the COVID-19 pandemic and noted the difficulty to provide advance notice in the latter case in situations of emergency. The proponents noted that the 10 days ex-post notice in cases of "*force majeure*" was intended to address such situations.

24. Members then considered a possible decision to **exempt WFP food purchases for humanitarian reasons from export restrictions** as a stand-alone Decision.

25. The discussions focused on the text aimed at addressing the issue of WFP purchases not having a negative impact on the food security of the country where the food is procured. Participants agreed to continue their conversations with a view to exploring possible compromise language.

### **Export Competition**

26. The discussions on Export Competition once more focused on paragraph 4 of the draft Decision on Export Competition contained in JOB/AG/215 read in conjunction with Annex 1.

27. Following consultations held with other Members in various formats, the proponents suggested as a possible way forward some kind of grace period for developing Members not in a position to provide additional data, following the approach in the Nairobi Decision on Export Competition.

28. The proponents also suggested the inclusion of a more specific evidence-based work programme to be undertaken in the Committee on Agriculture with a view to streamlining, clarifying and strengthening the monitoring and transparency requirements.

29. A group of Members, while welcoming the efforts by the proponents to explore possible landing zones, noted that the grace period should be extended until the conclusion of the work programme suggested by the proponents.

### **Transparency**

30. Following up on the previous round of discussions on transparency, Members, including proponents and non-proponents, generally confirmed their readiness to follow an approach composed of a horizontal Decision complemented by transparency-related elements incorporated in topic-by-topic decisions as suggested in document JOB/AG/215.

31. Discussions focused, in particular, on the possible content and conditions of a work programme in the Committee on Agriculture to review, update and streamline the existing transparency requirements. Divergent views were expressed on possible timelines for such an exercise.

32. The proponents introduced new suggestions, notably to distinguish between transparency-related elements subject to a decision at MC12 and other ones to be addressed in the post MC12 work programme.

33. The discussions also continued on how to give due consideration to the capacity constraints faced by developing countries, with special attention to LDCs and SVEs.

34. Finally, several Members considered that some additional work would be useful in order to clarify and reorganize the various inputs received so far.

### **Cotton**

35. As you will recall, my last consultation on Cotton took place on 13 October in the Cotton Quad Plus format.

36. The C-4 and other participating Members had expressed their willingness to engage constructively with each other to explore ways to narrow remaining gaps on the way forward regarding Cotton Trade-Distorting Domestic Support.

37. I will therefore invite these Members, as well as any other interested Member, to report on any recent developments in this area.

### **Public Stockholding for Food Security Purposes (PSH)**

38. Since the previous Dedicated Session held on 15 October, I have held different consultations and notably one more "Room D" type meeting on the issue of Public Stockholding for Food Security Purposes, on 20 October. While significant differences and wide gaps persist in Member's positions on this file, discussions were once again lively and frank.

39. Members had the opportunity to make suggestions on how to amend the Chair's text in JOB/AG/215 and to respond to other Members' comments on a without- prejudice basis. To facilitate the discussions and a parallel assessment of various suggestions, the Secretariat put together a table with different suggestions and proposals put forward or referred to in the recent discussions by Members.

40. The African Group presented on a without prejudice basis some possible modifications to Option 1 of the Chair's text. The suggested modifications concerned the issues of legal form, product and programme coverage, clarification of fixed external reference price, transparency, anti-circumvention and safeguards provisions.

41. The ensuing discussions focused largely on the issues of legal certainty and access to the dispute settlement mechanism. While many proponents supported the suggested modifications by the African Group, non-proponents noted that the suggested modifications did not address their concerns which they had expressed on numerous occasions.

42. Some non-proponents reiterated that they were not in a position to agree to a permanent solution at MC12 but were willing to look for a middle way – namely to agree on a work programme and commit to negotiate a permanent solution on the basis of some core themes and principles, such as programme and product coverage, prevention of distortive effects on trade and food security of other Members' coverage, and legal form among other.

43. On this basis, I must conclude once again that the familiar divisions persist, and we are yet to identify the one option that can realistically provide a basis for convergence on PSH.

### **Special Safeguard Mechanism (SSM)**

44. The proponents underscored the importance of an SSM for the livelihood of domestic producers and food security. In terms of a potential outcome on SSM at MC12, some proponents put forth the idea of an interim SSM (for a period of 6/9 years) to be agreed at the Ministerial meeting as a stopgap measure. These Members believe that the implementation of an interim SSM would enable all parties to gain practical experience with the operation of a safeguard mechanism and lead to a full appreciation of the impact an SSM may have on markets and trade. I also sensed from my consultations that some proponents would also be open to considering a targeted work programme on SSM with clear parameters on the future work to be conducted post-MC12.

45. Other Members expressed the view that the proposed interim mechanism, even if time-limited, could potentially allow tariffs to exceed existing tariff bindings. They indicated that it would be difficult for them to accept any such proposition in the absence of new market access opportunities. These Members expressed their preference for an elaboration of a post-MC12 work programme on SSM for the consideration of Ministers.

46. Based on my consultations, and in view of numerous issues and limited time at our disposal, I believe that a candid conversation is required between the proponents and the non-proponents in their search for an agreeable landing zone on SSM at MC12.

### **Overall assessment<sup>1</sup>**

47. Let me now conclude with my overall assessment of the state of play.

48. As I have described, some good progress has been made in the last couple of weeks on several issues. I am very encouraged by the spirit of compromise demonstrated by many of the participants in our discussions, and which has been expressed through various inputs that the Secretariat have compiled and which I intend to circulate soon after this meeting to all Members in order to ensure full transparency and inclusiveness.

49. The progress towards MC12 outcomes is extremely valuable - and could also help guide our post-MC12 work.

50. But we should not be complacent. Gaps remain on several issues, most importantly:

- (a) An option which can realistically provide a basis for convergence on PSH, a topic which will be addressed more specifically during the dedicated session after this CoA SS meeting;

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<sup>1</sup> As delivered at the end of the CoA Special Session meeting.

- (b) On Domestic Support, whether Members can agree to pursue a numerical target or converge on an alternative language; the timeframe; a possible "standstill" provision; and how to address special and differential treatment for developing countries;
- (c) Possible immediate deliverables on improved transparency, including on shipments *en route* or advance notice for export restrictions;
- (d) A possible time-limited interim SSM, a topic which will be addressed more specifically during the dedicated session after this CoA SS meeting;
- (e) The language on a possible exemption from export restrictions of WFP's humanitarian food aid purchases;
- (f) And the possibility of including specific post-MC12 deadlines for some topics.

51. As you can see, we still have some urgent work to do if we are to reach consensus in time.

52. All these issues require specific consideration, as was done in the "Room D" process, but also must be seen in a holistic manner to ensure we have the proper level of ambition and balance across the board.

53. In my consultations I have also heard several Members emphasize the need for an outcome on agriculture at MC12 to be put in perspective in the context of the global challenges that the global food and agricultural system faces today.

54. This means, in particular, we must ensure that an MC12 outcome contributes towards progress in ending hunger, achieving food security and improved nutrition, and promoting sustainable agriculture. We also must make sure that any result we achieve contributes to our broader efforts to lay the foundations for recovery from the COVID-19 pandemic.

55. As I said during the TNC meeting on Monday, we now urgently need clear political guidance on those issues where gaps remain, and clear indications of realistic "landing zones" that will help us to reach a meaningful and balanced outcome.

56. With less than five weeks left before MC12 opens, we are now at a critical juncture in our process.

57. This is precisely why I decided to convene today's CoA Special Session meeting at the Heads of Delegations level.

58. As this is a Member-driven process, it is up to you – the Members – to collectively find a solution to outstanding issues.

59. I am the facilitator and will listen carefully to what you have to say today in the hope that our meeting will provide the necessary signals for us to be able to prepare a revised draft text that could serve as a basis for Ministers to consider at MC12. The revised text must reflect the "landing zones" that Members identify when negotiating with each other.

60. And we no longer have the time we would need for a succession of multiple iterations before MC12.

61. We are coming to the point where we have two choices: either we find a way to reduce the remaining gaps, or we have to adjust the level of ambition. That is the reality we are in.

62. If there is to be another revised draft text, that attempt would have to hit the target – or be very close to doing so.

63. Let me conclude by quoting the first three elements of my report to the CoA Special Session meeting on 25 September 2020:

64. *"Virtually all Members, particularly developing countries, have reaffirmed the critical importance of the agriculture negotiations.*

65. *Many emphasized the vital importance for the credibility of the WTO of an outcome on agriculture at MC12 after the lost opportunity in Buenos Aires.*

66. *Most delegations, however, considered that an outcome on agriculture at MC12 could only be an incremental step in the reform process. Some suggested to look at the way forward with three successive time horizons: work to be undertaken in the short term, deliverables for MC12 and a post-MC12 work programme."*

67. In light of all my consultations so far, these conclusions are still perfectly valid.

68. An outcome on agriculture is a necessary component of a successful MC12.

69. After the lost opportunity in Buenos Aires, failure to agree on a result would constitute a major blow for the credibility of the Organization.

70. And, more importantly, it would set back our efforts to ensure that trade makes a positive contribution to the challenges facing food and agricultural markets – now and in the years ahead.

71. The good news is that you have all the necessary elements to build this outcome together. You now need to indicate what its architecture could be, and how we should put these elements together.

## **Conclusion<sup>2</sup>**

72. I will reflect carefully on what you have said today, and the implications of your remarks both for our process and for substance.

73. I was encouraged by some statements, but also detected that some divergence persists.

74. I urge you to try to bridge the remaining gaps by continuing to engage with one another in the coming hours and days and encourage you all to keep me informed about the progress you have made in doing so.

75. The next CoA Special Session meeting, which is expected to be the last one before MC12, is scheduled to take place on 15-16 November.

76. My objective remains at this stage to present, sometime in the first half of November, a document that could serve as a basis for Ministers' consideration at MC12, based on all inputs received from Members.

77. As of today, all options on the table remain open.

78. The coming days are therefore critical for our process.

79. I invite you once more to engage constructively with one another and to take the last steps needed to reach convergence.

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<sup>2</sup> As delivered at the end of the CoA Special Session meeting.