



**Committee on Agriculture
Special Session**

**REPORT BY AMB. STEPHEN NDŪN'GŪ KARAU TO THE
COMMITTEE ON AGRICULTURE IN SPECIAL SESSION**

19 October 2017

1 INTRODUCTION

1.1. Since our last meeting on 13 September, I have held room E type meetings on Public Stockholding for Food Security Purposes (PSH), Domestic Support and Export Restrictions on 21 September, 22 September and 4 October, respectively. I also held a Quad Plus meeting on Cotton on 13 October.

1.2. I have also had bilateral consultations with Members and held meetings in various configurations, including one meeting with Group Coordinators on 6 October.

1.3. Last but not least, I attended the Marrakech Mini-Ministerial meeting on 9 and 10 October. The meeting was very useful and characterized by a high level of engagement by Ministers who all supported a successful 11th Ministerial Conference in Buenos Aires.

1.4. Discussions on PSH and the Special Safeguard Mechanism (SSM) will take place in dedicated sessions of the CoA Special Session tomorrow, Friday 20 October.

2 SUBSTANCE

2.1. Let me now report in detail issue by issue on my consultations thus far.

Domestic Support

2.2. Domestic Support remains the priority for the vast majority of Members. It is the pillar that has received a lot of attention in all our meetings thus far, as well as in my consultations with Members. It was also one of the main issues discussed at the Marrakesh Mini-Ministerial meeting. This engagement is yet reflected again by two more submissions that will be introduced today, namely the one by the ACP Group in document JOB/AG/112 and the one by New Zealand, Australia, Canada, Chile and Paraguay in document JOB/AG/114.

2.3. Nevertheless, important gaps still remain in the positions of Members on the negotiating issues, which are well known to you all. Members remain broadly divided between:

- those that favour an overall limit on trade-distorting support, whether based on a percentage of the value of production or on a monetary ceiling; and
- those that consider that the AMS should be eliminated first – notably because it allows for product-specific subsidy concentration – and that at least some steps should be taken in that direction.

2.4. In addition, several Members consider that efforts should be proportional and the burden should not be put more on some Members than others. They consider that new disciplines based

on the current elements – AMS and *de minimis* – would be more appropriate and cautioned against a one-size-fits-all-type of solution.

2.5. While acknowledging the usefulness of the proposal by the EU/Brazil and co-proponents, several Members regretted the absence of disciplines on product-specific support and/or immediate disciplines on the Blue Box. Some Members reiterated their sensitivities regarding Article 6.2 and *de minimis* entitlements.

2.6. Some Members stressed the need for all Members to make a contribution. Calls were also made to recalibrate expectations and to be realistic and flexible.

Cotton

2.7. The C4 proposal containing a draft ministerial decision on Cotton was circulated on 11 October 2017 in document TN/AG/GEN/46. It will be introduced today and Members will subsequently have the opportunity to react to it.

2.8. The C4 proposal received preliminary comments from Quad Plus participants during a brief meeting on 13 October. Some of the Members who provided comments regretted the high level of ambition, while others requested the C4 to clarify some elements of the proposal, including the proposed treatment of developing country Members.

2.9. Let me also remind the Membership that there are other proposals on the table aimed at making progress on Cotton Domestic Support including, in particular, the proposal by Brazil, the European Union, Colombia, Peru and Uruguay in document JOB/AG/99.

2.10. Finally, we should also keep in mind the fact that, as referred to in the C4 proposal, the issue of Cotton includes other components, including the development assistance dimension which merits our continued focus.

Export Restrictions

2.11. The discussions thus far have confirmed that many Members support a limited outcome, mainly focused on enhancing transparency in Export Prohibitions and Restrictions.

2.12. Many Members welcomed the latest proposal by Singapore in document JOB/AG/101 and considered that it was now time to engage in text-based negotiations on this issue.

2.13. Some Members sought clarification of certain provisions in the Singaporean proposal. Singapore recognized that some parts of the proposal, in particular paragraph 2, might need some re-drafting for greater clarity.

2.14. Some Members highlighted the usefulness of Export Restriction measures, particularly seasonal measures, for developing country Members. Several Members cautioned against making the notification requirements too burdensome for developing country Members.

2.15. Some Members, however, expressed the view that some elements not captured in Singapore's proposal should also be considered in the discussions, and that any limited outcome at MC11 should be complemented by a post-MC11 work programme.

2.16. In this regard, I note the submission by Israel, Japan, Republic of Korea, Switzerland and the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu in document JOB/AG/115, which will be introduced today by the proponents.

2.17. It should also be highlighted that most Members consider that an outcome on Export Prohibitions and Restrictions could not be envisaged in the absence of a more comprehensive outcome in the agricultural negotiations overall.

2.18. This latter point is well noted. It is fully understood by all of us that Members' engagement on this issue and, I should add here like on any other issue, is entirely without prejudice to their positions on the overall Buenos Aires outcome.

2.19. In other words, the progress on this issue, like on any other issue, will be assessed by the Membership in the context of the overall state of play on the various agricultural issues under negotiations.

Market Access

2.20. In Market Access, there is acknowledgement among the Members, including the proponents, that a substantive outcome in Market Access may not be feasible at MC11. Simultaneously, I have not heard any Member questioning the importance of Market Access reforms.

2.21. The best possible outcome that may be expected at MC11 would be a detailed post-MC11 work programme. And, the challenge for us in the limited time available is to draft such a work programme that is acceptable to all to guide the post-MC11 market access negotiations. Some Members have already cautioned against any selective approach that might potentially lead to "pick and choose" among the various Market Access issues.

2.22. The issue of elimination of SSG has also been raised specifically by some Members. In this regard, I note the submission by the Russian Federation in document JOB/AG/116 which was circulated this morning and will be introduced today.

Export Competition

2.23. On Export Competition, I have nothing new to report. As mentioned earlier, some Members have expressed the view that Export Competition was still an unfinished business and that this point should be recognized in a post-MC11 work programme.

2.24. For some Members, the priority for the time being is the implementation of the December 2015 Decision on Export Competition.

Sanitary and Phytosanitary (SPS) measures

2.25. On Sanitary and Phytosanitary measures, my understanding is that the proponents are still consulting on the best way forward, but that this is not considered as a candidate for a substantive outcome at MC11.

3 CONCLUSION

3.1. Let me now conclude my report with some comments of a general nature.

3.2. The Marrakech Mini-Ministerial meeting was very useful and gave us a welcomed impetus to press ahead at this critical juncture.

3.3. We will be hearing more from Minister Malcorra this afternoon.

3.4. A lot of work, however, remains to be done given that we are only **seven** weeks away from MC11 which, in principle, means that there are only **five** working weeks still available.

3.5. It is now time to translate the engagement demonstrated in Marrakech by our Ministers and the shared willingness to have **success at MC11** into **concrete actions**.

3.6. What does it mean more specifically?

3.7. To prepare the ground for success at MC11, it should be our objective to submit to Ministers a limited number of issues for their consideration. This implies that we need to intensify our work here in Geneva and close as many gaps as possible in the negotiating positions of Members on the issues. Experience has taught us that the agenda for Ministers must be manageable if results are to be obtained.

3.8. Put differently, our objective should be to submit to Ministers a clear understanding of what can be envisaged as agricultural outcomes at MC11, with as few points as possible left open for negotiation by Ministers.

3.9. Depending on the issue, the envisaged outcome could be a substantive one, a post-MC11 work programme or a combination of the two.

3.10. With that in mind, what do we need? Let me spell out **seven elements** which I consider as critical for our success.

3.11. The **first element is realism and pragmatism**: The time has passed for Members to indicate their "wish list" for Buenos Aires. Our focus should be on what we think can realistically be achieved, while respecting our own "red lines" as well as those of other Members'.

3.12. The **second element** which directly derives from the first one is **prioritization and focus**: As mentioned by the DG at the Informal Heads of Delegations a month ago and again at Marrakech, we need to prioritize the issues and agree on the types of outcomes that can realistically be envisaged at MC11.

3.13. We do not have the luxury of time to discuss possible outcomes that remain elusive. We must concentrate our discussions on outcomes that can realistically be achieved.

3.14. Where a substantive outcome does not seem to be within reach for MC11, we should engage without any further delay in defining what could be a possible post-MC11 work programme. This discussion will also require time and will understandably be difficult.

3.15. In this regard, I call on proponents to make suggestions on what could constitute elements of a possible work programme and engage with other Members to build consensus around their ideas.

3.16. The **third element is balance**: We need to see an approach where everyone is prepared to make some kind of contribution.

3.17. The **fourth element is flexibility and imagination**: We all need to leave our comfort zones and enter into the "what if" zone in order to be able to bridge the gaps and move towards convergence.

3.18. The **fifth element is sense of urgency**: As I mentioned to you we have only **five** working weeks left. It means we will have to accelerate our negotiation process. This implies being in a position to react quickly to ideas put forward by other Members.

3.19. The **sixth element is transparency and inclusiveness**: Inherently linked with the previous element, this one is of utmost importance for our process and will continue to guide our work.

3.20. Last but not least, the **seventh element** is the **sense of collective ownership**: The WTO Multilateral Trading System is ours. Success in Buenos Aires will collectively be ours. There is no way out and we must all keep this in mind and work together to achieve success.
