

16 April 2024

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Committee on Agriculture

COMMUNICATION FROM THE CHAIR

- 1. Members may recall the discussions at the last meeting of the Committee on Agriculture Working Group on 20 November 2023, and subsequently at the Committee on Agriculture meeting on the 27-29 November 2023, under the agenda item on the work programme launched pursuant to paragraph 8 of the MC12 Declaration on the emergency response to food insecurity. At both meetings, there was a broad agreement on the report by the Working Group Coordinator contained in RD/AG/120/Rev.2. However, one Member was unable to join the consensus due to concerns it had expressed on some elements of the report. Simultaneously, other Members expressed their inability to accept any substantive changes to the report for reasons of delicate balance within the document. At that time, I had urged the concerned Member to reconsider its position, encouraging it to demonstrate the necessary flexibility to join consensus on the revised report by the Coordinator. I had also expressed my readiness to convene a special meeting of the Committee to finalize the report and recommendations as and when a consensus would be feasible.
- 2. I have received signals indicating that Members are now in a position to reach consensus based on the revised Coordinator's report in RD/AG/120/Rev.2, which is included in **Attachment** to this communication. The attachment reproduces verbatim the content of the document RD/AG/120/Rev.2, with the exception of a single-word change (from 'reservations' to 'preoccupation') in the last sentence of paragraph 10 to accommodate a suggestion made by the Member whose position that sentence seeks to capture, along with minor editorial adjustments in paragraph 7 and Annex 1 to reflect additional meeting dates and the extended process the Committee has undergone beyond end-November 2023 up until the special meeting scheduled for 17 April 2024.
- 3. Secondly, you may recall my interventions at the September and November 2023 Committee meetings, during which I reminded Members that the implementation of the 1994 Marrakesh Decision concerning LDCs and NFIDCs, which is central to the current work programme, mandates the Committee to report to the Ministerial Conference on the follow-up to the Decision. According to paragraph 18 of its working procedures¹, the Committee has a permanent mandate and instruction to report to the Ministerial Conference on the follow-up to the Marrakesh Decision. Now that the 13th Ministerial Conference has concluded, the Committee, following its approval of the report of the work programme, may report to the General Council accordingly about this positive development. As the Chair of the Committee, both my predecessor and I have regularly provided updates to the Chair of the General Council on the progress made in the Committee under the work programme.²
- 4. I look forward to constructive engagement by all Members at this special meeting on 17 April 2024.

¹ <u>G/AG/1</u>.

 $^{^2}$ The reports by the GC Chair under the agenda item on the follow-up of the outcome of Ministerial Conferences, latest being in 10B/GC/391, have included those updates.

ATTACHMENT

WORK PROGRAMME PURSUANT TO PARAGRAPH 8 OF THE MINISTERIAL DECLARATION ON THE EMERGENCY RESPONSE TO FOOD INSECURITY

REPORT BY THE COMMITTEE ON AGRICULTURE

[The present report concerns the dedicated work programme in the Committee on Agriculture launched pursuant to paragraph 8 of the MC12 Declaration on the emergency response to food insecurity (<u>WT/MIN(22)/28 - WT/L/1139</u>). The report was adopted at the special meeting of the Committee on 17 April 2024.]

1 INTRODUCTION

- 1. At the Twelfth Session of the Ministerial Conference (MC12), Ministers instructed¹ the Committee on Agriculture (CoA) to undertake a dedicated work programme to examine ways for the Decision on Measures Concerning the Possible Negative Effects of the Reform Programme on Least-Developed and Net Food-Importing Developing Countries (Marrakesh Decision) to be made more effective and operational and to, *inter alia*, consider the needs of least developed countries (LDCs) and Net Food Importing Developing Countries (NFIDCs) to increase their resilience in responding to acute food instability by considering the best possible use of flexibilities to bolster their agricultural production and enhance their domestic food security as needed in an emergency. The Committee commenced discussions on the elaboration of the work programme at its June 2022 meeting just a few weeks after MC12.
- 2. In practical terms, this was the first occasion for this Committee, or even for any WTO body, to engage in a holistic discussion on the multifaceted theme of food security with the aim of developing an effective dedicated work programme. Members fully engaged, discussed all relevant issues, and shared their perspectives on how the global international architecture in general and the multilateral trading system, in particular, could collectively address food security objectives and consider the needs of LDCs and NFIDCs, especially in emergency situations. The origin of these discussions and the prevailing global context of a food security crisis elicited specific attention to the notion of 'resilience'². After about six months of intensive engagement, including based on written submissions³, the WTO membership collectively agreed on a work programme along with the thematic areas for collective deliberations thereunder, as contained in G/AG/35. The four agreed themes under the work programme - access to international food markets; financing of food imports; agricultural and production resilience of LDCs and NFIDCs; and select horizontal issues also underline the importance of 'resilience'. The Committee also established a Working Group for the conduct of thematic discussions under the work programme. The Committee set the timeline of end-November 2023 for the Working Group to conclude the thematic deliberations under the work programme and make recommendations, as appropriate, for its consideration.
- 3. At the first meeting of the Working Group on 7 December 2022, Members finalized a questionnaire⁴ on "food security needs and challenges of LDCs and NFIDCs and their utilization of WTO flexibilities" to guide and inform the substantive discussions. The Secretariat prepared a summary of Members' responses⁵ to the questionnaire, as contained in <u>G/AG/W/233</u>. A background note⁶ by the Secretariat on the 'Treatment of LDCs and NFIDCs under WTO Agriculture Rules'

 $^{^1}$ Paragraph 8 of the Ministerial Declaration on the Emergency Response to Food Insecurity (WT/MIN(22)/28-WT/L/1139).

² For a holistic definition of resilience, please refer to the on UN Common Guidance in Building Resilient Societies at https://unsdg.un.org/sites/default/files/2021-09/UN-Resilience-Guidance-Final-Sept.pdf.

³ <u>G/AG/W/223</u>, <u>G/AG/W/224</u>, and <u>G/AG/W/225</u>.

⁴ G/AG/GEN/214.

⁵ Argentina; Australia; Bangladesh; Brazil, Canada; Chile; China; Dominican Republic; Egypt; the European Union; Hong Kong, China; India; Japan; Korea, Republic of; the LDC Group; Mauritius; Myanmar; Nepal; New Zealand; Pakistan; Paraguay; the Russian Federation; Sri Lanka; Switzerland; Chinese Taipei; Thailand; Türkiye; the United Kingdom; and the United States of America.

⁶ <u>G/AG/W/227</u>.

informed Members' deliberations on the WTO 'flexibility' component of the discussions. The discussions in the Working Group were informed and complemented by several detailed workshops and expert sessions. The table in Annex 1 to this report reflects the chronology of discussions. The Secretariat also set up a dedicated webpage⁷ on the work programme.

- 4. The work programme also reinvigorated and strengthened the cooperation between the WTO and organizations such as the United Nations Food and Agriculture Organization (FAO), United Nations World Food Programme (WFP), International Fund for Agricultural Development (IFAD), International Grains Council (IGC), World Bank, International Monetary Fund (IMF), Organization for Economic Cooperation and Development (OECD) and United Nations Conference on Trade and Development (UNCTAD). Several international organizations as well as private sector stakeholders showed strong commitment in supporting the deliberations on the work programme.
- 5. Based on Members' inputs and the discussions in the Working Group over its four meetings⁸, the then Coordinator of the Working Group released a report on 3 July 2023 in RD/AG/113 containing possible areas of convergence and recommendations emanating from the work programme.⁹ The proposed recommendations covered elements related to functioning agricultural supply chains (both import and export side of trade), containing trade costs, transparency of global food aid shipments, financing challenges, boosting agricultural production resilience, and enhanced collaboration across relevant international organizations. Members broadly reacted positively to the report, with several of them considering it to be a solid foundation for reaching an agreement among Members to conclude the work programme.
- 6. Considering the wide-ranging perspectives among Members on food security, and the complexity in dealing with this challenging theme in the WTO, the collective and thorough engagement in the Committee under the work programme, as briefly summarized in the section below, is an important achievement for current and future reflections on food security in the WTO. Section 3 contains recommendations for the consideration of the Committee.
- 7. This revised report by the Coordinator takes into account Members' latest written submissions, ¹⁰ their comments on the July 2023 report by the Coordinator, and the discussions at the Working Group meetings on 19 July, 21 September, 31 October, 13 November, and 20 November 2023.

2 SUMMARY OF DISCUSSIONS

- 8. Substantive discussions remained primarily organized around the four themes covered under the agreed work programme in G/AG/35, namely, access to international food markets; financing of food imports; agricultural and production resilience of LDCs and NFIDCs; and select horizontal issues. As per paragraph 8 of the MC12 Declaration on food insecurity, effective implementation and monitoring of the Marrakesh Decision remained in the centre of discussions under the work programme. Similarly, pursuant to the ministerial instructions, Members focussed on identifying needs and challenges of LDCs and NFIDCs to increase their resilience in responding to acute food instability and examined suggestions for the best possible use of flexibilities to bolster their agricultural production and enhance domestic food security as needed in an emergency. Members' responses to the questionnaire in G/AG/GEN/214, as summarized by the Secretariat in G/AG/W/233, also provided a solid substantive basis for a detailed engagement under the work programme.
- 9. On the first theme of 'access to international food markets', Members acknowledged the critical role of open, predictable, diversified and market-oriented agricultural and input markets as an important element of the toolbox to deal with domestic food security challenges and create resilient food systems. Members under this theme emphasized the importance of their adherence to WTO rules and open markets, in the absence of which LDCs and NFIDCs might suffer disproportionately from the negative impact of increased volatility and less reliable access to food; open markets also allowed countries, including LDCs and NFIDCs, to adopt a diversified import strategy to enable them to replenish domestic food supply efficiently especially during a food emergency.

⁷ https://www.wto.org/english/tratop_e/agric_e/wrkprog-fsldcs_e.htm.

⁸ 7 December 2022; 1 March, 17 April and 8 June in 2023.

⁹ The report was later released in <u>G/AG/W/240</u>.

 $^{^{10}}$ RD/AG/114, RD/AG/114/Add.1, RD/AG/115 and RD/AG/119.

- 10. Several Members flagged the potential negative impact of export restrictions in limiting importing countries' access to food. These export-limiting measures had especially posed a significant challenge for LDCs and NFIDCs considering their growing food consumption needs due to demographic changes and their excessive reliance on imports in meeting domestic food needs. In this context, several Members stressed the importance of timely submission of export restriction notifications as per Article 12 of the Agreement on Agriculture. One specific proposal considered in the discussions had been to exempt exports destined for LDCs and NFIDCs from the imposition of such measures. Similarly, an idea was floated to ensure restraint and responsibility by both exporters and importers in their sale and purchase decisions during tighter world food supplies; for the imposition of export restrictions, this could, for example, entail aligning the scope of such restrictions to annual domestic consumption needs of relevant food products; and similarly, importers might avoid overly significant purchases during tighter global supplies. Some other Members disapproved this approach which they described as an intrusive market management rather than open trade. Another suggestion was made by a group of Members to clarify some concepts such as 'critical shortage' or 'temporary' used in the relevant legal provisions under the GATT 1994 on export restrictions. A few Members observed that any recommended actions on this matter under the work programme should remain within the domain of possible 'implementational' actions by the CoA rather than proposing new modalities or rules which was a domain reserved for the CoA in Special Session (CoA-SS). Some Members also believed that the existing rules on export restrictions were already effective and balanced to address the current food security challenges. Another Member expressed its preoccupation about the imposition of other types of restrictions and economic measures on agricultural products, inputs, logistics, and finance, so as to allow the flow of food supplies at minimum cost.
- 11. The issue of international food aid also received prominent attention under this theme. LDCs and NFIDCs emphasized the critical importance of international food aid in addressing domestic food shortages and meeting emergency needs. Concern was expressed about the dwindling supply of food assistance especially when global food prices were high; keeping this in mind, a suggestion was made to return to volumetric commitments under the Food Assistance Convention (FAC) from the current system of commitments of FAC Parties in nominal currency terms. Another suggestion put on the table was for the establishment of a comprehensive framework within the WTO, in collaboration with international and regional organizations such as the FAO, IFAD, and WFP, for better coordination and assessment of food aid requirements during emergencies. Concerns were also expressed about the existing level of transparency of global food aid shipments. Specific suggestions¹¹ were made to remedy those transparency gaps, inter alia, by proposing consolidated information on food aid to be furnished using the Export Competition Questionnaire (ECQ) annexed to the Nairobi Ministerial Decision¹² on Export Competition which could additionally include information on the impact assessment of food aid programmes on local and regional production and market conditions in recipient countries/regions. Members also discussed the potential exemption of international food aid from the application of customs duties and other taxes by recipient governments. Several Members, including recipient Members, expressed support for the proposed duty exemption; a few Members emphasized the need to address the issue of possible discrimination related to the implementation of such duty exemptions.
- 12. The discussions showed that harmonization and simplification of cross-border trade and transit formalities, and recourse to digital tools for assessing conformity with regulatory requirements, could have an important positive role in reducing trade transaction costs and facilitating expedited clearance of commercial food imports and non-commercial food assistance transactions, and limiting food losses during transport and handling at customs. Members also alluded to the positive role of regional trade integration and regional food and agricultural value chains in bolstering food security and resilience.
- 13. On the theme of 'financing of food imports', Members considered: the agricultural and food financing challenges faced by governments, especially in LDCs and NFIDCs; policies and actions employed to deal with those challenges; and various suggestions to better address these financing challenges in the current food crisis as well as any such crises that might occur in the future. Workshops and expert sessions organized under the work programme also assisted Members' deliberations on financing.

¹¹ RD/AG/119.

¹² WT/MIN(15)/45 - WT/L/980.

- 14. In the discussions, Members emphasized the need for a robust implementation of differential and more favourable treatment afforded to LDCs and NFIDC Members in the area of export financing support under paragraph 17 of the Nairobi Decision on Export Competition. It was stressed that the providers of export financing support should reflect details on differential treatment offered to LDCs and NFIDCs, as applicable, in their annual ECQ responses. Some specific ideas were also presented to improve transparency in this respect as contained in RD/AG/119.
- 15. In view of an explicit focus on "access by LDCs and NFIDCs to import finance and related import guarantees/credits" under the agreed work programme, Members also examined the issue of import finance and the possible role of importing governments or government-backed agencies in such financing transactions. The issue of foreign exchange shortage faced by importing developing countries and settling international trade transactions in local currencies, including through currency swaps, also came up in the discussions. Several Members sought to encourage importing governments, governmental agencies, and international and regional financial institutions to provide adequate finance or guarantees to facilitate food import financing especially in times of food instability and emergencies. Some Members also favoured the idea of acknowledging that financing or risk coverage provided by importing governments or governmental agencies to facilitate food imports may not be restricted by the WTO rules or prohibited, as long as the concerned importing governments do not impose any export contingency or local content requirements on beneficiary importers. Some others did not favour this interpretative exercise under the work programme.
- 16. LDC and NFIDC Members also raised the issue of availability of financial resources, as well as the terms and conditions to access those resources in order to be able to import foodstuffs commercially from the international market. These Members emphasized the need for international mechanisms to assure the availability of foreign currency and access to dedicated financing facilities. In this context, a reference was made to the recent technical proposal by the FAO for a 'food import financing facility (FIFF)'¹³ as well as to the idea of a 'revolving fund' proposed¹⁴ by a group of NFIDC Members some two decades ago in the CoA. A group of developing Members proposed the creation of a credit guarantee facility for LDCs and NFIDCs by regional or international financial institutions to provide the necessary credit guarantees for the public sector in financially restrained poor countries to enter into futures and options contracts for the importation of basic foodstuffs. Members in the discussions also referred to the new food shock window established by the IMF in September 2022 under its emergency financing instruments and which was also presented to the WTO Members in the margins of the November 2022 CoA meeting.¹⁵
- 17. Another specific suggestion made by a group of developing Members to address their financing challenges to acquire foodstuffs was to maintain a system of 'global food security stocks' (GFSS) which could be used to meet the food needs of vulnerable countries especially during emergencies. These Members also proposed that relevant international organizations such as the FAO or the WFP, in collaboration with the WTO, could undertake the logistics of the GFSS. Some other Members, however, raised doubts on the practical feasibility of the proposed GFSS. Members also dwelt on how private and governmental institutions could best engage with one another on agricultural financing, and explored the issue of 'blended finance' whereby developing country governments facing financing constraints could draw on private sector finance and limit their role primarily to setting policy direction and priorities.
- 18. Several Members appreciated the challenges faced by LDCs and NFIDCs in financing imports of basic foodstuffs. Some Members suggested that the WTO should use its convening power to foster collaboration and coordination with the relevant financial institutions and share with them the report and findings of the ongoing work programme to sensitize them to the financing challenges faced by LDCs and NFIDCs in meeting food security needs. Some concrete suggestions were also made in the discussions to request the WTO Working Group on Trade, Debt and Finance to examine specific concerns of LDCs and NFIDCs in the financing of food imports, especially during periods of food instability and emergencies. In this regard, Members also emphasized the importance of providing technical assistance and building the capacity of the domestic banking system and financial institutions operating in LDCs and NFIDCs to enable these institutions to be better equipped to

¹³ https://www.fao.org/3/cb9445en/cb9445en.pdf.

¹⁴ G/AG/W/49/Add.1.

¹⁵ G/AG/GEN/211.

¹⁶ At the 6 June Expert Session on import finance (<u>ICN/AG/4</u>), the Chairperson of the Working Group on Trade, Debt and Finance briefed the CoA Working Group about the state of discussions at the Working Group.

provide trade finance, and to better benefit from financing facilities and guarantees offered by the private sector, regional and financial institutions, and exporting countries.

- 19. Under the third theme on "agricultural production and resilience of LDCs and NFIDCs", prominent topics discussed included the role and relevance of WTO rules and flexibilities, especially in the pillar of domestic support, and the importance of technical and financial assistance. However, Members had different expectations on how the work programme should address the question of WTO rules.
- 20. A group of developing Members, including LDCs and NFIDCs, considered the current WTO agriculture rules, having been written in an era of surplus production and declining prices, to be not appropriate in the current environment of soaring prices, price volatility, and supply chain disruptions. These Members advocated the need for exploring additional mechanisms and flexibilities to deal with food emergency situations, including specifically the possibility of enabling them temporarily to provide product-specific support in excess of the de minimis limit, and having appropriate flexibilities under the WTO disciplines on export competition, including those resulting from the Nairobi Decision on Export Competition, in order to permit the sale of public stockholding (PSH) food stocks below market prices upon request from LDCs and NFIDCs. Some other Members considered that any discussion on additional flexibilities fell outside the domain of the Committee on Agriculture and the current work programme. Some of these Members also believed that a consideration of flexibilities for NFIDCs at the appropriate forum would necessitate a review of the current NFIDC list by the CoA in accordance with paragraph 3 of G/AG/3 and establishment of an appropriate graduation mechanism based on suitable criteria, including the share of a Member in global exports of specific agricultural products. Some NFIDC Members, however, considered this matter to be beyond the mandate of the work programme and raised doubts on the feasibility of the proposed graduation exercise in the absence of any agreed methodological guidance and parameters. Some Members also pointed out that based on their experience, the main challenges the producers in the field faced in enhancing productivity and resilience included the need for adequate investment in research and technology, provision of science-based regulatory food safety infrastructure, and adequate access to agricultural inputs and robust public services, including extension services, rather than additional flexibility under WTO rules on agricultural subsidization.
- 21. As regards WTO rules, there was also a general appreciation among Members that the existing flexibilities and framework of rules under Annex 2 and Article 6.2 of the Agreement on Agriculture could be effective in channelling governmental financial interventions for measures towards enhancing the agricultural productivity and resilience of agricultural producers, in particularly of small-holder producers. A group of developing Members also underlined that the lack of agricultural investment in several developing countries did not stem from limitations under the WTO domestic support rules but rather from their own domestic budgetary constraints.
- 22. The issues of technical and financial assistance, and capacity building also came up prominently in the discussions under this theme. Members emphasized that they needed both long-term development assistance and emergency-oriented mechanisms to effectively address the multifaceted dimensions of food security. A group of developing Members felt that the follow-up to the Marrakesh Decision could be a catalyst to reversing what they characterized as the long-term downward trend in the overseas development assistance (ODA) allocated to agriculture. It was also noted that assistance should be comprehensive to address needs along the supply chain, including assistance with new technologies related to production of basic foodstuffs, and assistance with the processing, storage and marketing of agricultural commodities. Members also highlighted that LDCs and NFIDCs need assistance addressing supply-side bottlenecks related to trade and transit formalities.
- 23. In view of the impact of climate change on the entire food and agricultural value chain, Members emphasized the need to invest in climate-resilient agricultural development and adaptation, including in the context of Aid for Trade (A4T) and the implementation of the Trade Facilitation Agreement (TFA). Several also emphasized the importance of technology transfer and knowledge cooperation across countries and regions. Some specific written suggestions were made in RD/AG/119 with a view to improving the existing NF:1 notification format in respect of technical and financial assistance in order for it to include, *inter alia*, the details of impact assessments of technical and financial assistance programmes which seek to improve the agricultural productivity and infrastructure of LDCs and NFIDCs. Similarly, some Members suggested assisting LDCs and

NFIDCs in outlining upfront their technical and financial assistance needs so that donor Members could better address these under their agricultural developmental and assistance programmes.

24. Under "horizontal issues", the major thrust of the discussions remained on fostering cooperation among intergovernmental organizations (IGOs). Some aspects of this proposed cooperation had already been covered under other themes, especially on financing. Another important focus area for collaboration with IGOs dealt with strengthening regional and global market intelligence and surveillance to make information more accessible on production, prices, stocks and trade to better inform governments' policy responses. Members also acknowledged the positive contribution of the Agricultural Market Information System (AMIS) to enhance market transparency and policy responses for food security. A group of Members suggested that AMIS could establish links with regional trade institutions. Some Members, however, did not favour creating additional institutional structures or entities for furthering this collaboration and suggested instead using and strengthening the existing institutional collaboration between the WTO and other IGOs within the setup of CoA observership.

3 FINDINGS AND RECOMMENDATIONS

25. In the light of discussions under the work programme, the following recommendations are proposed for approval.

3.1 Access to international food markets

- i. Members acknowledge the importance of open and predictable agricultural and inputs markets in supporting global food security and in strengthening the resilience of LDCs and NFIDCs, enabling them to meet their food needs through domestic production and international trade during periods of food instability and scarcity in domestic markets. Without in any way qualifying the potential contribution of the agricultural reform process and trade liberalization, Members recognize that, during periods of food scarcity, importing Members may lower import tariffs on foodstuffs, insofar as they deem this to be appropriate, and that WTO rules also provide the option to open autonomous tariff quotas in a non-discriminatory manner to import desired additional quantities of food at a lower or zero tariff to supplement domestic supplies, while maintaining the generally applicable MFN tariff on the concerned products, consistent with WTO rules.
- ii. Members underline the importance of applying export restrictions on foodstuffs pursuant to GATT Article XI:2(a) in a transparent and predictable manner in accordance with Article 12 of the Agreement on Agriculture as per the requirements and formats in G/AG/2. Recognizing that a broad range of measures, including complete export prohibition, could be employed to limit exports of foodstuffs consistent with WTO rules, Members underscore the need for ensuring that the measure chosen is aligned with their domestic food needs. A Member imposing export prohibitions and restrictions on foodstuffs may voluntarily explore practical, WTO-consistent means to lessen the effect of such measures on importing countries, particularly LDCs and NFIDCs, in response to specific requests from Members having a substantial interest as an importer.
- iii. Consistent with the recommendations on food aid approved by the Doha Ministerial Conference, ¹⁷ WTO food aid donor Members renew their determination to maintain, to the maximum extent possible, their levels of food aid during increased world prices of basic foodstuffs, including in their capacity as Parties to the Food Assistance Convention, within the framework of their 'minimum annual commitment' under the Convention.
- iv. International food aid recipient Members, consistent with their domestic laws and regulations, agree to explore all possible means to minimize the operational cost of international food aid transactions, including by exempting, on an MFN basis and in a

¹⁷ Paragraph 2.2 of <u>WT/MIN(01)/17</u>.

transparent manner, food aid consignments from the imposition of import duties and, to the extent practicable, from other taxes and levies.

v. Members attach priority to work towards reducing the time and procedural costs related to the importation of food and agricultural inputs, including for non-commercial international food aid transactions, within the framework of the Agreement on Trade Facilitation. Members also agree to increasingly rely on and recognize, whenever practicable, electronic documents and certification for trade procedures to enhance the safety and efficiency of compliance and expedite the clearance of such goods. In this regard, Members also acknowledge the need for assistance and support for capacity building for developing countries, particularly in LDCs and NFIDCs.

3.2 Financing of food imports

- i. The Committee draws the attention of the WTO Working Group on Trade, Debt and Finance (WGTDF) to the discussions held under the work programme on the theme of 'financing for food imports' reported in section 2 of this report, and requests it to undertake, in line with its mandate, a targeted examination of specific concerns raised by LDCs and NFIDCs in relation to the financing of food imports, and in particular challenges associated in doing so during periods of food instability and emergencies. The WGTDF should share its report and findings with the Committee as soon as practicable.
- ii. The Committee emphasizes the need for enhanced transparency of the implementation of the Nairobi Decision on Export Competition for differential and favourable treatment of LDCs and NFIDCs on export credits, export credit guarantees or insurance programmes ('export financing support') and international food aid, and welcomes the ongoing discussions in the Committee related to export competition notification requirements and formats. The Committee agrees to review, within its third triennial review of the Nairobi Decision due in 2024, based on existing and future submissions by Members, the content of the ECQ with a view to enhancing the transparency of international food aid shipments and export financing support in favour of LDCs and NFIDCs.

3.3 Agricultural and production resilience of LDCs and NFIDCs

- i. Members reaffirm the important role and benefits of agricultural research and innovation, rural infrastructure, extension networks, early warning systems, science-based food safety and quarantine frameworks, availability of high-quality plant varieties and seeds, boosting agricultural investment, including for climatic adaptation and mitigation, and risk-management tools to enhance the agricultural productivity and resilience of agricultural producers, particularly small-holder producers. Members recognize that governmental support and expenditure falling within the scope of, and applied consistently with, Annex 2 and Article 6.2 of the Agreement on Agriculture, could be suitably designed to implement such measures towards enhanced agricultural productivity and resilience of developing countries, including LDCs and NFIDCs.
- ii. Members acknowledge LDC and NFIDC Members' heavy reliance on international markets for their food consumption needs, putting them in a particularly vulnerable situation in coping with global food price shocks and volatility, including through their transmission and spill-over to domestic food price inflation and volatility. The Committee on Agriculture shall examine sympathetically specific and motivated concerns raised by LDCs and NFIDCs with regard to their ability to abide by their domestic support commitments due to excessive rates of inflation in line with Article 18.4 of the Agreement on Agriculture. Accordingly, an LDC or NFIDC Member not complying with its domestic support commitments due to the effects of excessive inflation and seeking consideration under Article 18.4, is advised to consider following the practical suggestion to submit¹⁹ the relevant domestic support tables concurrently

¹⁸ RD/AG/119.

 $^{^{19}}$ It is acknowledged that there are no specific instructions or guidelines in G/AG/2 for the submission of domestic support tables on unadjusted and an inflation-adjusted basis. A concerned LDC or NFIDC Member under

on both an unadjusted and an inflation-adjusted basis for the consideration of the Committee in accordance with the recommendations²⁰ contained in paragraph 43 of G/AG/W/45.

- iii. The Secretariat should provide technical assistance, upon request, to LDCs and NFIDCs to facilitate their fuller participation in the Committee's monitoring of the implementation of the Marrakesh Decision, including in relation to their presentation of requests for the provision of technical and financial assistance within the framework of paragraph 3 (iii) of the Decision.
- iv. The Committee, within its monitoring of the implementation of the Marrakesh Decision, agrees to review, based on existing²¹ and future submissions by Members, the NF:1 format with a view to enhancing the transparency of technical and financial assistance in favour of LDCs and NFIDCs.
- v. Under the Aid-for-Trade (AFT) initiative, Members agree to examine how AFT financing could be directed to improve agricultural productivity and infrastructure, including science-based regulatory and food safety infrastructure, and augmenting agricultural support towards climate mitigation and adaptation objectives. In doing so, Members agree to put more focus on promoting resilience and strengthening food security in developing countries, especially the LDCs and NFIDCs. Technical and financial assistance needs identified by LDCs and NFIDCs under paragraph 3 (iii) of the Marrakesh Decision should inform this examination under the AFT initiative.

3.4 Horizontal issues

- i. Within its institutional framework on observership²², the Committee welcomes collaboration among international organizations, for an effective implementation of the Marrakesh Decision and a coordinated rapid response to food insecurity while recognizing each other's respective mandates, roles and added values. Specific efforts should also be made to enhance collaboration with international and regional financial institutions within the framework of the implementation of the Marrakesh Decision.
- ii. The Committee welcomes the collaboration between the WTO Secretariat and other relevant international organizations, including AMIS partners, aimed at enhancing trade and market intelligence and transparency in respect of key foodstuffs and agricultural inputs to inform government's food security policy response. The Committee invites the AMIS Secretariat to explore ways to strengthen links with regional economic cooperation institutions to gather timely and reliable food market data, analyze and disseminate this information and provide timely alerts to the international community.

this paragraph will have the choice and flexibility in presenting this information in its annual Table DS:1 notification.

²⁰ Paragraph 14 of G/AG/R/20.

²¹ <u>RD/AG/119</u>.

²² United Nations Food and Agriculture Organization (FAO), United Nations Conference on Trade and Development (UNCTAD), Organization for Economic Cooperation and Development (OECD), United Nations World Food Programme (WFP), International Grains Council (IGC), Inter-American Institute for Agricultural Cooperation (IICA), International Monetary Fund (IMF), and the World Bank. The Committee may agree to invite other relevant international organizations, such as International Fund for Agricultural Development (IFAD), to its deliberations, as necessary.

ANNEX 1

CHRONOLOGY OF DISCUSSIONS AND PROGRESS MADE UNDER THE WORK PROGRAMME		
Dates	Meetings/consultations	Actions/progress made
17 June 2022	Twelfth Session of the Ministerial Conference (MC-12)	Adoption of the Declaration on food insecurity (WT/MIN(22)/28 - WT/L/1139); Paragraph 8 of the Declaration sets up a dedicated Work programme under the Committee on Agriculture.
June-July 2022	Informal CoA (27 June) Formal CoA (27-28 June) Chair consultations (July)	Convergence among Members to deal with the matter under a standing item under the agenda item on 'Implementation of Ministerial outcomes' of the regular session of the Committee on Agriculture.
September 2022	Informal CoA (14 September) Formal CoA (14-15 September)	 Work Programme considered under the agenda item on 'Implementation of Ministerial outcomes'. Presentation of written submission by Paraguay (G/AG/W/223) and Egypt (G/AG/W/224).
		- Secretariat was requested to prepare a note compiling LDC and NFIDC flexibilities in agriculture.
October 2022	Informal CoA (11 and 27 October)	- Members reached understanding that the Work programme would be developed in an open and flexible manner, allowing any interested Member to contribute; relevant international organizations may be invited to support the discussion; technical workshops may be organized on specific themes.
		- Secretariat presented the background note on "Treatment of LDCs and NFIDCs under WTO Agriculture Rules" in RD/AG/94 dated 4 October 2022.
		 Chile, in collaboration with the Secretariat and other delegations, organized a technical workshop on fertilizers on 11 October 2022.
		- Presentation of written submission by the LDC Group in G/AG/W/225 dated 26 October 2022.
November 2022	Chair consultations (14 November) Informal CoA (21 November)	- Presentation of the new Food Shock Window by the IMF on 22 November.
	Formal CoA (21-22 November)	 Approval of the revised draft thematic outline and working methods in <u>RD/AG/97</u>; approved version released in <u>G/AG/35</u> dated 23 November 2022.
December 2022	1 st meeting of the Working Group 7 December 2022	- Secretariat note on discussions and progress made (RD/AG/100).
		- Revised Secretariat note on LDC and NFIDC flexibilities (<u>G/AG/W/227</u>).
		- Elaboration of the first questionnaire on challenges faced by LDCs and NFIDCs in the implementation and utilization of existing flexibilities (<u>G/AG/GEN/214</u>); Members invited to submit responses by 3 February 2023.
February-March 2023	Workshop on Financing, 28 February 2023	- Programme of the workshop released in G/AG/GEN/216; presentations accessible here.
	2 nd meeting of the Working Group, 1 March 2023	- Secretariat circulated a compilation of Members' responses to the Questionnaire in RD/AG/103; Secretariat's presentation on the compilation in RD/AG/104.
	Formal CoA (27-28 March)	 Secretariat set up a webpage dedicated to the Paragraph 8 Work Programme hosting relevant documents and other details thereon.

CHRONOLOGY OF DISCUSSIONS AND PROGRESS MADE UNDER THE WORK PROGRAMME		
Dates	Meetings/consultations	Actions/progress made
April 2023	Workshop on Agricultural and Production Resilience, 12 April 3 rd meeting of the Working Group, 17 April	 Programme of the productivity workshop released in G/AG/GEN/219; presentations accessible here. Agenda of the 3rd Working Group meeting in ICN/AG/1. Statement by Sri Lanka on agricultural import financing in RD/AG/107. WG Coordinator speaking points on the Workshop on Financing in RD/AG/105. Discussion on export and import finance and the treatment of international food aid at customs; Secretariat presentation in RD/AG/106.
June 2023	Expert Session on Import Finance, 6 June 4th meeting of the Working Group, 8 June Formal CoA (27-28 June)	 Agenda of the 4th Working Group meeting in ICN/AG/3. Programme of the expert session released in ICN/AG/4; presentations accessible here. Secretariat presented on the new launch of WTO data portal regarding grain shipments.
July 2023	5 th meeting of the Working Group; Workshop on "High Yield Grain Seed Development and Revitalization of Green Revolution" 19 July	 Release of Coordinator's report in RD/AG/113 dated 3 July 2023. Subsequently released in the G/AG/ series as G/AG/W/240. Agenda of the 5th Working Group meeting in ICN/AG/6. written submissions respectively by Egypt and the ACP Group in RD/AG/114 and RD/AG/115. Presentations made at the 19 July workshop are accessible here.
September 2023	6 th meeting of the Working Group, 21 September;	- Agenda of the 6 th Working Group meeting in ICN/AG/7.
October 2023	7 th meeting of the Working Group, 31 October	 Submission on transparency improvements by Egypt in RD/AG/119. Release of Coordinator's revised report in RD/AG/120. Agenda of the 7th Working Group meeting in ICN/AG/9.
November 2023	8 th meeting of the Working Group, 13 November, reconvened on 20 November Informal and formal CoA, (27-29 November)	 Agenda of the 8th Working Group meeting in ICN/AG/10. Release of Coordinator's revised report in RD/AG/120/Rev.1 and RD/AG/120/Rev.2. The conclusion of the Working Group. Lack of complete consensus as one Member raised concerns on some elements in the draft report by the coordinator. The Chairperson expressed readiness to convene a special meeting of the Committee to finalize the report and recommendations once there would be a consensus among Members to do so.
17 April 2024	Special meeting of CoA	- Finalization of the report of the work programme