



**Committee on Agriculture
Special Session**

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

1 June 2017

1 INTRODUCTION

1.1. Today is our first informal open-ended meeting of the Committee on Agriculture in Special Session following my formal election as Chairman of the Committee on Agriculture in Special Session on 26 April 2017.

1.2. This is also the first informal open-ended meeting of the Committee on Agriculture in Special Session since November 2016.

1.3. This meeting therefore constitutes a very important moment in the negotiation process that will lead us to Buenos Aires in December.

1.4. As indicated in my convening fax, this meeting will be divided in two parts.

1.5. First, I will report to you on the consultations I have been holding since my election.

1.6. Then, in the second part of our meeting, I will give you the floor. I will do this in two steps.

1.7. At the beginning of this second part, I will give delegations the opportunity to introduce their written communications and submissions circulated since the last informal meeting of the Special Session.

1.8. I will then invite all delegations to express their views on their expectations for Buenos Aires and their positions on the various topics in the negotiation.

1.9. I also expect delegations to take this opportunity to report to the whole Membership on the progress made during the last few weeks.

1.10. I will also invite delegations in a position to do so to comment on the communications and submissions introduced today in their interventions.

1.11. Let me also remind Members that, as mandated by our Ministers in Nairobi, negotiations on public stockholding (PSH) and the Special Safeguard Mechanism (SSM) will take place in dedicated sessions of the CoA Special Session. We will therefore take up PSH and SSM on tomorrow.

1.12. Let me now start with my report.

2 SUBSTANCE

2.1. I have so far held 34 consultations, twelve of them with group representatives or coordinators, representing the whole Membership in its diversity.

2.2. Our meeting today ends this first round of consultations, though of course, my door remains and will always remain open to Members willing to meet me, in particular for those with whom I could not meet so far. As a matter of fact, I have already arranged a meeting for next week with one of the delegations.

2.3. First, let me stress once more that I was encouraged during my consultations by the level of engagement of most delegations and by the intensity of the on-going reflections on various issues under consideration.

2.4. During my bilateral consultations, I listened to delegations' views about what could be realistically achieved in Buenos Aires.

2.5. More specifically, I focused on Priorities, Process, Prospects – my three Ps – for MC11. I therefore invited delegations to respond to the following three questions:

- What are your priorities for MC11?
- What kind of process do you envisage to achieve this outcome?
- What are, according to you, the prospects for MC11?

2.6. I also added a fourth P, – Problems – by asking the fourth complementary question: Where do you see the main problems in the current negotiating environment?

2.7. I then asked delegations to express their detailed views on the various topics in the negotiation that had been identified by my predecessor in his consultations, namely Domestic Support, Public Stockholding for Food Security Purposes (PSH), Market Access, Special Safeguard Mechanism for developing country Members (SSM), Export Competition, Cotton and Other Issues including Export Restrictions.

2.8. I will not address PSH and SSM in my report today but will do so tomorrow during the respective dedicated sessions on these two topics.

2.9. Let me now start my report topic by topic. I will under each of these items describe the level of priority given to it by Members.

Domestic Support

2.10. Most of the Members I consulted considered the Domestic Support pillar as the top priority for MC11. Members were, however, clearly aware of the contextual difficulties surrounding this issue. Notwithstanding this, instead of shelving discussions on the pillar, Members have revised their expectations about what could be achievable by MC11.

2.11. There is also clearly an emerging consensus that whatever the outcome at MC11, it should not be considered as a final outcome on Domestic Support. Therefore, several Members raised the issue of how to ensure that work will continue on domestic support after MC11.

2.12. Several Members also restated their redlines and/or sensitivities. I listened to them carefully. I can tell you that there is nothing you have not heard before yourself – they relate mainly to Art.6.2, *de minimis* limits and Blue Box.

2.13. Substance-wise, the discussions have revolved around how to limit trade distorting support, how to establish a potential overall limit, the nature of the limit – a fixed limit or a floating one based on the value of production, what should it apply to, as well as the need to take into account the purpose of the support and who does it benefit. Some delegations also reiterated their interest in anti-subsidy concentration disciplines and/or for linking domestic support disciplines to exports.

2.14. Several delegations, however, expressed their clear preference for new disciplines based on the current architecture of the Agreement on Agriculture.

Market Access

2.15. In my consultations, many Members expressed the view that an outcome in agriculture market access was a lower priority than domestic support. Some consider that an outcome in agriculture market access would be difficult this year in the absence of outcomes in other areas.

2.16. Others continue to stress the importance of achieving commercially meaningful results, including on tariff escalation, tariff peaks, tariff simplification, in-quota tariffs and tropical products. While some Members support the elimination of the SSG, others do not see this as a realistic outcome. A couple of new submissions will be introduced today on these issues.

2.17. In general, Members acknowledged the difficulty of achieving outcomes in this pillar given the current negotiating context but, like on Domestic Support, several Members insisted on the need to ensure the work continues after MC11.

Export Competition

2.18. A couple of Members noted that export competition was still unfinished business, in particular in the areas of export finance and international food aid but none of them classified this topic as a top priority for MC11. Some delegations stressed that the current priority is the implementation of the Nairobi decision on export competition.

Cotton

2.19. On cotton Domestic Support, an overwhelming majority of Members reiterated their support for a meaningful and specific outcome and expressed their support for the C4.

2.20. The C4 stressed the critical importance of this topic, as reiterated in the C4 Cotonou Ministerial Declaration which is one of the documents that would be introduced at today's meeting.

2.21. Several Members made a link between the overall negotiation on Domestic Support and the negotiation on cotton Domestic Support.

2.22. They stressed that an outcome on cotton should go "one step further than for Domestic Support in general" in recognition of previous commitments undertaken by Members.

2.23. A few Members highlighted the sensitivity of this topic.

Other issues

2.24. Under the rubric of "other issues", I will report on issues that came up in my consultations covering all those topics that fall outside the three main pillars of the Agreement on Agriculture, namely market access, domestic support and export competition.

2.25. The issue of Export Restrictions emerged as being of particular interest to a number of importing Members which have been seeking to strengthen disciplines in this area. The specific contribution from Singapore of July last year related to enhancing transparency of these measures continues to attract both interest and support from a large number of Members. Some Members who lent their support for improved transparency of export restrictions also made it clear to me that they would seek to maintain the delicate balance that exists under the current rules between importing and exporting countries' food security interests. Early this week, Singapore has circulated another contribution on this topic. I will later invite Singapore to introduce its latest submission.

2.26. One delegation informed me that it was working on a document on sanitary and phytosanitary (SPS) measures. I note this document was circulated a couple of days ago and the proponents will have an opportunity to introduce it.

2.27. Some delegations also highlighted the importance of enhanced transparency in the context of WTO notifications, but I have not heard any specific suggestion in this regard.

2.28. Last but not least, let me note that on all these topics – Domestic Support, Market Access and others – the question of special and differential treatment and appropriate flexibilities for the most vulnerable groups of Members, like LDCs, SVEs or NFIDCs was also raised.

Prospects, Process and Problems

2.29. Let me conclude with a couple of remarks of a more general nature on the prospects, process and problems.

2.30. First let me stress that I got the sense in my conversations that all the Members were genuinely and strongly committed to a successful Ministerial Conference in Buenos Aires. There is no exception. The only question is how to define success.

2.31. This being said, my consultations also confirmed the existence of a wide range of expectations among Members on the prospects for MC11.

2.32. Many Members expressed the view that substantial and meaningful outcomes on their priority topic or topics should be reached in Buenos Aires.

2.33. It is fair to say, however, that some Members questioned the workability of such a scenario. The reasons or problems mentioned to explain this situation were notably the complexity and sensitivity of some of the issues at stake, the uncertainty surrounding future agricultural policies in some Members, as well as the current challenging environment for globalization and international trade.

2.34. In this context, some Members suggested a more gradual incremental negotiation process. Thus, as mentioned in a couple of submissions that will be introduced today, some Members have considered the possibility of adopting a work programme in Buenos Aires, at least on some topics.

2.35. Some Members stressed in this context that MC11 should not be seen as the end of the journey and that it was necessary to also look beyond MC11.

2.36. Several Members also insisted on the centrality of agriculture in the overall negotiation process. In other words, agriculture will form part of any outcome at MC11 and will represent the benchmark of the success of MC11.

2.37. As mentioned in my report on Market Access, some Members also conditioned progress on some agricultural issues on progress made on non-agricultural issues.

2.38. On the process forward, I was informed during my consultations that some of the discussions taking place among Members were more advanced than others.

2.39. In some instances, Members were able to circulate new communications and submissions in advance of this meeting. As mentioned earlier, they will have the opportunity to introduce them in a short while. Let me express all my gratitude to them.

2.40. In other instances, Members informed me that more time would be needed to finalize their submissions, and in some cases until the summer break. I invite Members to do their best efforts to circulate their papers before the end of June.

2.41. Several Members also highlighted the need for the negotiations to take place in Geneva before departure to Buenos Aires, as it would be extremely challenging to have Ministers to agree on last minute proposals in Buenos Aires.

2.42. As stated by one delegation, the objective would be to have "*something like in Nairobi in terms of substance but not in terms of decision-making process*".

2.43. Several delegations also stressed the importance of transparency, inclusiveness, fairness and objectivity in this negotiation process.

2.44. I could not agree more. These are the words I used in my first meeting with you on 26 April this year. I will personally always listen to and respect all points of view in all my consultations.

2.45. This being said, let me also stress again that I see my role as essentially being that of a facilitator. The negotiations must take place between you the Members, and not between you and the Chair.

3 CONCLUSION

3.1. The discussions clearly confirmed your level of engagement and the intensity of the on-going reflections on the various issues under consideration.

3.2. This meeting, which of course still needs to be complemented tomorrow by the two dedicated sessions on PSH and SSM, gives us a comprehensive overview of current positions and, in some cases, of various options on the issues under consideration.

3.3. The discussions also confirmed a certain number of key findings, in particular the near universal support among the Membership for an outcome on Domestic Support.

3.4. Without prejudging our discussions tomorrow during the dedicated sessions, and without making any assumption between possible linkages between topics, I think the commitment of the Membership to achieve an outcome on Domestic Support mirrors to a large extent the determination of the Membership to fulfil the Ministerial mandate to find a permanent solution for PSH at MC11.

3.5. Market access is generally considered by Delegations as a lower priority than domestic support but several delegations stressed again that market access can nevertheless not be absent from an outcome at MC11.

3.6. Here again, the issue of the existence or otherwise of links between market access and SSM which we will address tomorrow is sensitive but we can just record that there is support among the Membership for both topics, but at a lesser level than both Domestic Support and PSH.

3.7. Let me now finally revert to the process ahead.

3.8. The good news is that we have had a rather good overview of the topics under negotiation and the priority attached to them by Members. We also have several suggestions and options on the table, including several that were tabled recently. It is my understanding that more proposals would soon be tabled. As already mentioned to you, I invite delegations to do so by 30 June to the extent possible.

3.9. In preparing these communications, delegations have talked to each other and have reflected carefully on what could be realistically achieved on the various topics, taking into account their various offensive and defensive interests.

3.10. The pragmatism demonstrated in the work conducted thus far constitutes a good start, and these papers constitute a good basis for our future work.

3.11. But this is only a basis.

3.12. The situation today is still characterized by a wide range of expectations among Members on the prospects for MC11:

- Divergent views on the type of outcomes than can be envisaged,
- Divergent views on the topics where outcomes can be envisaged,
- Divergent views on the content of such outcomes.

3.13. It is therefore my impression that we should now deepen our work, topic by topic based on all the submissions and communications received thus far.

3.14. Those of you who have not yet tabled a submission should do so as quickly as possible and, by all means, before the summer break, if you want your ideas to also be part of these discussions.

3.15. The objective should be to better identify the issues at stake on the various topics under negotiation and engage in an intense, pragmatic, focused and creative discussion process aimed at progressively reducing the gaps and moving towards convergence.

3.16. I will reflect more in detail in the next few days on how I intend to organize more precisely my work with you in the coming weeks. In that regard, your suggestions – and I heard some in my consultations and again today – on how best to organize the process forward will be taken into account.

3.17. But once more, let me remind you that I am only a facilitator, like a group therapist who can listen carefully and try to help by reformulating and summarizing what he or she has heard, but cannot find a solution on behalf of his or her patients.

3.18. It is therefore absolutely critical that you redouble efforts in your contacts with each other and do not wait for initiatives.

3.19. Although many positions on the negotiating issues remain entrenched, let me remind you that *palipo na nia pana njia* – where there is a will there is way.

3.20. I urge all delegations to keep in mind the common good of the multilateral trading system and demonstrate the necessary flexibility to pave the way for a successful outcome.

3.21. Last but not least, let me stress the urgency of our task ahead. We are only eight weeks ahead of the summer break, and only 21 working weeks ahead of MC11, putting aside the week of the Jeune Genevois. There is therefore not a minute to lose.

3.22. This ends my concluding remarks.
