

## **Committee on Agriculture in Special Session**

**18 November**

### **Chairnotes**

- Before we commence this afternoon, allow me on behalf of Members to express our sincere condolences to our colleague the Representative of France for the tragic and barbarous events of the weekend in Paris. I know colleagues stand should to shoulder with France during this terrible time. In New Zealand we have a saying at times like this – Kia Kaha – Stand Strong France, we are with you.

#### Introduction

- In presenting my report on my consultations, I will proceed along the usual lines: 1) the process, 2) the context, and 3) the substance of our forward work.

#### **Process**

- Since we last met in this setting on 29 October, I have continued to hold numerous bilateral consultations as well as consultations in variable geometry on a range of issues.
- I intend to continue with this process which I am pleased to report has intensified.
- I have conducted three Room E meetings since we last met, as follows:
  - On 6 and 13 November, I chaired two Room E meetings on the Special Safeguard Mechanism
  - On 5 November we discussed Public Stock Holding, which is of course on a separate track from the wider negotiation. For the purposes of transparency, I will use this meeting to report back on my consultations on this issue too.
- I am currently planning the next steps for all parts of our negotiations, as well as the separate track on Public Stockholding for Food Security.

## Context

- We are now in the middle of November and I am increasingly concerned about the lack of convergence on **any** of the issues we are working on.
- It is clear too that many of you are working intensively on the content of any Ministerial Declaration at Nairobi – across parts 1, 2 and 3 of that instrument, with Part 2 widely recognised as the place in which we would slot any substantive outcome we can deliver here for agriculture.
- To state the obvious, time is short. In order to ensure we have something meaningful to contribute to the instrument I mentioned above, we need urgently to find convergence. I urge you therefore to prioritise carefully your resources, including with regard to the work we are trying to do here.
- More broadly, let me reaffirm the context for my process – indeed a core guiding principle which I enunciated some time ago. This is that Members' engagement on all of the issues we are working on and seeking to progress, is entirely without prejudice to their position on the overall Nairobi package – whatever that might look like, or which elements are contained in it – or indeed to what the post-Nairobi agenda might look like. This is an important working principle.

## Substance

- Let me begin with *Domestic Support* and *Market Access*.
- I sincerely regret that I have seen no evolution in the substantive positions of Members.
- I have been asking you all, individually, in groups and more broadly whether you have any new ideas, suggestions or other thoughts on these two vital pillars.
- Unfortunately I have nothing new to report.
- My conclusion therefore is a simple one. There is still no convergence on domestic support or market access support.
- If I am mistaken in this judgement, I expect Members to correct me.

## Export Competition

- The *Export Competition* pillar remains in substance where it was at our last CoASS meeting on 30 October. That is a source of real frustration to Members – and many of you have been very direct with me about it and the absence of any written proposals. This situation is about to change
- During previous meetings, Export Competition has been identified – without prejudice to positions Members may take on other issues and indeed on the post-Nairobi context - as a possible deliverable on agriculture for Nairobi
- There was a shared sense at the Room E meeting that the time had come to move into a text-based negotiation using the Rev.4 text on Export Competition as our basis for engagement.
- I reported this to you all at our CoASS meeting on 30 October, including that the time had come to move to a text-based negotiation using the Rev 4 text as the basis for this and I was pleased that this was not contradicted by any Member and indeed explicitly confirmed by many Members.
- You may also recall that at our CoASS meeting, I reminded Members of the four key principles which guide – and continue to guide - my process: *parallelism; without prejudice – which I have already highlighted earlier; no presumption of convergence and transparency*
- I also described what I called my working operational guidelines, given the shared sense that the Rev 4 text on Export Competition is our basis for engagement. I have been reminding many of you in our bilaterals that these are:
  - First, to encourage all Members to seek to **stay as close as possible to the existing Rev 4 Text on Export Competition** and any amendments to that text be as limited as possible and only to the extent necessary. Let

me repeat that: any amendments to that text be as limited as possible and only to the extent necessary.

➤ Second, and against that background, I have been asking Members who have identified an issue in the Rev 4 text on Export Competition the following three questions:

1. **Where** in Rev. 4 do you have a concern?
2. **What** precisely is the nature of your concern? and
3. **How** do you propose to address your concern?

- And I added that I would be expecting written amendments to be proposed for the text to reply to this "How?" question.
- I am pleased to see that a number of delegations have now submitted a set of proposed written amendments to the Rev. 4 text, which they will be introducing today. Another Member has circulated an input which does not contain drafting proposals but emphasizes certain issues.
- I trust that these initiatives- and others which are still awaited- will deliver some momentum to help take us where we urgently need to be- in an intensive textual negotiation.

## **Special Safeguard Mechanism**

- We have had two meetings in the Room E format on this important subject.
- The first meeting on 6 November was an opportunity to hear from the G33 on their newly tabled proposal, including significant detail on the areas of flexibility that they identified for consideration. There were four such areas namely:
  - Special dispensation for LDCs and SVEs
  - Product coverage;
  - Remedies breaching pre-Doha bindings; and
  - Application and duration of volume SSM
- Our second meeting on 13 November was an opportunity to explore in more detail a number of the technical issues that had arisen at the 6 November meeting. This was a solid and constructive exchange.
- Notwithstanding this useful discussion, it is clear that a difficult political threshold question remains unresolved. This is whether there is a shared sense that the SSM is a potential deliverable for Nairobi.
- My assessment – and it is an obvious one - is that there are two groups with diametrically opposing views.
- On the one hand the G33 has made clear its expectation that this must be a deliverable for Nairobi.
- On the other hand is another group of countries that was equally clear that it did not see this as a deliverable for Nairobi
- As Chair I cannot ignore either view, or the fact of this deep division.
- So we are at an impasse – there is no other way to describe it.
- In my concluding remarks at our 13 November meeting I said that what I had heard did not change my assessment that work on this issue should continue. I have not changed my mind on this assessment.
- There is a recently tabled proposal on the table and it is only fair to continue work against that background with the usual caveats relating to ‘without prejudice’ that I have already noted and within the usual parameters I have outlined across this negotiation.

- The G33 has also just tabled another submission (JOB/AG/49) which they will no doubt wish to introduce today. This too will need to be taken into account in our further work.
- I am currently considering “what next?” and will be reflecting further, including on whether to change the format for a future meeting into a smaller group process if that is helpful.

## **Cotton**

- Let me start by repeating what is both obvious, but still needs to be said: cotton must be part of any outcome from the 10<sup>th</sup> Ministerial Conference – not least because of the expected benefits for LDC Members. On this there is a clear convergence.
- This being said, there is no convergence as of today on what should constitute such an outcome.
- I have held a number of meetings in a range of the ‘classical’ Cotton formats – bilaterally with the C4 countries as well as the major cotton players and also with the Cotton Quad and the Cotton Quad Plus, as well as with an extended cotton-focused meeting with a broader group this morning.
- As Members know, the C4 circulated on 12 October its proposal on cotton and this was introduced at our last CoASS. I also received some written textual proposals from some Members in relation to the C4 proposal.
- We have made solid if not particularly impressive progress on this part of the negotiation.
- I am currently in the process of preparing what I hope will be a workable basis for a forward negotiation. Initially this will be in the form of some elements, based on what I have heard from Members as well as the C4.
- Once I have road tested this, I expect to turn this into a text-based proposal under my own responsibility and I have appreciated the support of the major cotton players and the C4 in making my preparations for this.

- For your information, there will be three elements to what I intend to sketch out shortly– *market access; domestic support and export competition*.
- We have agreed with the C4 and the major players and more broadly that the development component will be managed by the LDC facilitator in the first instance.
- Let me give you a flavour of where each of these elements currently stands.
- On *Market Access*, the C4 has identified the specific items on which it would like to have DFQF provided. This list has been circulated to all of you on 17 November. I have circulated this document to the Cotton Quad Plus and other members identified as markets of interest to LDCs asking them to verify the information that has been prepared by the Secretariat and describes our understanding of where Members are at in offering DFQF.
- One Member has questioned the balance of efforts to be undertaken by developed country Members and some developing country ones.
- My sense is that there is a modestly positive outcome possible on market access, given the mandate we are prosecuting.
- The outcome is, however, far from ambitious or spectacular. It is well short of expectations, but something is – in my judgement – possible.
- It will be important to sustain engagement on market access, including through a 'living list' process with adequate monitoring and review provisions.
- On *Domestic Support*, the outlook is even more negative. Based on what I have heard, I now have real doubts about the feasibility and the overall balance of a possible outcome in Domestic Support, least of all one which meets the C4's stated expectations. This remains a challenging area.
- On *Export Competition for cotton*, there appears to be a shared sense that the export subsidy-related elements here can be realised. More generally Members have underlined that a cotton-related outcome across the other aspects of Export Competition should be envisaged within the scope of a wider outcome on this issue (i.e. Export Competition).
- Finally, and more broadly let me repeat that the negotiations on cotton are not occurring in a vacuum. They are not isolated from the overall negotiations, in particular agricultural market access and domestic support. That is an unavoidable fact.

## **Public Stock Holding**

- As you know, on 5 November I held my second Room E-type meeting on this subject since I took over as Chair. This meeting involved close to 40 Members, including group coordinators.
- With regret I have to say that I did not see not see any fundamental change in Members' well-known positions. There is thus still no convergence on this issue. Again, I trust Members will correct me if my judgement is incorrect.
- In the meantime, let me remind Members that we have a mandate both from the Bali Ministerial in 2013 and from the General Council in 2014.
- And as you recall, the former set a deadline for MC11 for resolution of this matter, while the latter instructed Members to make all concerted efforts to resolve this matter by 31 December 2015.
- For my part I will continue to work in various formats on this matter, and I expect to convene a further meeting on this matter shortly.
- This concludes my report on my consultations to date.

## **Conclusion**

Looking ahead, I am beginning to reflect on what I can reasonably report to the Chair of the TNC before we go to Nairobi.

At this point let me tell you that if I had to write that report today it would be a pretty bleak one, with no convergence on any of the key areas. This can still change, but time is running out.

At our last meeting I suggested that we are inching towards our Thalassa Thalassa moment. Nearly two weeks later, we are quite patently still only inching our way forward and remain some distance away from that 'rosy fingered dawn.'

In this regard, let me remind you of what I said when I first took on this role on 8 September. I said it very clearly, but it appears I need to remind colleagues:



“I have neither a magic wand nor a magic draft, nor any other kind of magical powers. Sadly, the magical powers so dramatically presented in Lord of the Rings – despite being filmed in New Zealand - seem to have passed me by.”

Since I said that nothing has happened to alter my view that it is up to Members to resolve outstanding issues and I cannot wave those away by saying “Abracadabra Kazam Kazam”.

As I am constantly reminded here, this is a Member-driven process and in this regard I expect the solutions and thus progress to come from you.

That process of securing progress needs to be driven by you and I expect you collectively to deliver solutions. My role as Chair is not to negotiate with you, my role is to facilitate your ongoing negotiations.

I therefore encourage you to work with one another actively and intensively in whatever formats you judge useful and then bring what you think is possible to me.

In the meantime, I will of course intensify my efforts to facilitate negotiations and outcomes in the short time remaining. No stone will be left unturned – on this I am absolutely determined.

I ask you all to be ready to meet at extremely short notice and at unsocial hours. We need a high level of engagement from everyone if there are to be worthwhile results at Nairobi.

## **Submissions**

- We have three new submissions that have been presented since the last CoA SS:
- I will give the floor first to Australia to introduce its submission and then to the EU / Brazil to introduce the submission made by a number of Members and a proposal from the G33 which will be introduced by Indonesia. .

- Once we have heard these presentations I will open the floor for your comments and thoughts. In order to use our time efficiently I suggest that you make any comments on the new submissions, as well on your assessment of where we are at in the negotiations and the way ahead, in a single statement. As ever, interactive exchanges among delegations would be very welcome too.