

**Statement to the Committee on Agriculture in Special Session
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8 March 2016**

Introduction

Welcome to this, our first meeting of the Committee on Agriculture in Special Session (CoASS) in our post- Nairobi MC10 Geneva process.

I see this meeting as having three inter-related objectives. It is an opportunity for:

- 1) me to report back to you on what I have heard so far from the consultations I have been engaged in since mid-January this year;
- 2) you to listen to one another about your respective priorities and perspectives on the way ahead; and
- 3) me, as Chair, to listen to you all.

In short, this meeting is about transparency. Against that background, and as is customary, I will now provide my report on my consultations to date, with reference to: *context, process; and substance*.

Let me preface this, however, with some brief expressions of appreciation to those involved in our negotiations in Nairobi.

Nairobi: MC10

At the outset, let us acknowledge that we all owe one another a debt of gratitude for the outcome secured in Nairobi. In a member-driven organisation like ours, it is entirely appropriate that the plaudits should be shared first and foremost among Members generally and our Ministers in particular.

Ours was an intensive and intense process. I have established with the Secretariat that since I was elected to this position in early September last year through to the Nairobi Ministerial meeting, I chaired 45 meetings – in various configurations counting only those involving more than twenty-five members. These meetings were supplemented by 392 bilateral consultations. As I said, intense and intensive.

I do want, to also pay a particular tribute to the WTO Secretariat in general for its work both before and at Nairobi. In particular, let me acknowledge the leadership of Evan Rogerson and his CoASS team of Cedric Pene, Lee-Anne Jackson, Marieme Fall, Ulla Kask Diwakar Dixit and Helen Favez. Additionally, I want to thank the WTO Legal Division, including in particular Janos Volkai who worked so closely with us in Nairobi. The assistance provided to Members by Deputy Director-General, Dave Shark and of course the Director-General and his team, in particular Tatiana Prazeres should also be underscored here. Their collective contribution made a difference. I should also record too the significant contribution my predecessor, John Adank made in laying the foundations for the outcome in Nairobi.

Let us also thank our hosts in Nairobi – not least Minister Amina. Kenya's team in Geneva as well as in Nairobi played a central role in our negotiations– this included exquisitely timed political-level engagement at key moments. Let me also pay a tribute to Minister Joshua Setipa of Lesotho who was an active, focused and tireless facilitator of our negotiations in Nairobi.

Taken together, we did, despite everything, manage to reach our *thalassa thalassa* moment – at least for export competition. We should also note the important Ministerial Decision on Cotton which, as sought by the C-4 and others, covers the three pillars of our negotiations, though clearly there is unfinished business in some areas something to which I will return shortly. I know many Members were also pleased with the separate Ministerial Decisions on the Special Safeguard Mechanism and Public Stockholding.

Together with you Members, and the Secretariat we were, as we say in New Zealand, a hell of a team. Put simply, you did something that mattered. Let us take a moment to collectively congratulate one another on that.

Finally, let me just remind Members that the implementation of the Nairobi Ministerial Decision on Export Competition will be monitored by the regular Committee on Agriculture and that work will commence shortly. Now let us turn to the future.

Context

Our continuing negotiations are informed by what I have understood from my consultations regarding our shared objectives for this negotiation and taken together these provide the specific contextual basis for our continuing engagement.

For transparency, let me record that my report back to you today is based on 72 bilateral consultations undertaken since early January. These were supplemented by a meeting with Group Coordinators. I do not pretend this is necessarily a representative sample, but it has I believe given me a set of compass points from which to commence the navigation of our way forward.

What I am hearing from you generally with regard to the objectives for our continuing negotiation is a widespread sense that we should be trying to achieve further progress including, in no particular order, to:

- 1) see what is possible by way of an outcome in agriculture for MC11, though I am not hearing much precision at this point from you about what this might mean, including what you are thinking about for the contours and content of such an outcome;
- 2) deliver to Ministerial expectations as set out in the various relevant Nairobi Ministerial Decisions, the Ministerial Declaration, as well as Article 20 of the Agreement on Agriculture; and
- 3) avoid as far as possible polarising debates here in CoASS that could result in paralysis, not simply in agriculture but more generally.

Let me now turn to the process aspects of our work

Process

First, with regards to Cotton, Members agreed in Nairobi to continue the transparency and monitoring process put in place following the Bali Ministerial Decision.

I therefore intend to continue holding bi-annual Dedicated Discussions in the context of the Committee on Agriculture in Special Session. The next such dedicated discussion of the relevant trade-related developments for cotton is scheduled for 1 July.

While the dedicated discussions provide useful context to our work here on cotton, they are not a substitute for actual negotiations on cotton-related issues. The sense I have had from my consultations is that there is an expectation that we will resume negotiations on cotton in the CoASS and that these will need to be advanced in the context of the general negotiations where relevant. I have consulted and will be consulting intensively with the C4 and other partners on the way forward on this set of issues.

Second, and with regard to the wider agriculture negotiations, following this meeting, I will intensify my consultations with all Members. Specifically, I will be continuing my bilateral consultations, but I will also be seeking an opportunity to meet with all the relevant groups separately to hear what Members have to say within their respective groups on the issues before us.

Based on those consultations I will consider how best to structure our engagement and will then announce dates for meetings in this format.

Substance

With regard to substance, I asked all of those with whom I met, including Group coordinators what issues should in their view form the basis of our continuing negotiations. The following represents my attempt to distil the range of views expressed. There were six areas identified through my consultations and I enumerate them below in no particular order – let me emphasise that – no particular order.

First, it is clear that the Special Safeguard Mechanism (SSM) and public stockholding (PSH) remain high priorities for some Members.

I need to also report, however, that it is also equally clear that other Members' positions on these two issues have not changed since our Ministers met in Nairobi.

With regard to the SSM in particular, the guidance provided by Ministers is well understood. Some Members reminded me that “developing country Members will have the right to have recourse” to this mechanism “as envisaged under paragraph 7 of the Hong Kong Ministerial Declaration.” These Members also drew my attention to the fact that negotiations on this will occur through “dedicated sessions” of the CoASS. Other Members have also reminded me that these negotiations will need to occur “in the context of addressing outstanding agricultural issues.” These are all phrases contained in the Ministerial Decision on SSM and they will of course shape the way we look collectively to structure the negotiations

With regard to PSH, some Members believe that an outcome can be delivered before MC11. Other Members do not necessarily share that view. For my part, let me simply recall for the record that Ministers confirmed that the negotiations on the PSH “shall be held in the CoASS in dedicated sessions”; in an “accelerated time frame”; and on a separate track “distinct from the agriculture negotiations under the Doha Development Agenda (DDA)”.

On both issues – the SSM and the PSH – and based on my consultations to date, there remains a lack of clarity from Members about what an eventual outcome might look like. This is clearly something you will need to work together on over the coming months.

In this regard, I strongly recommend that all Members read very carefully the texts of all of the Nairobi Decisions that relate to agriculture. The words used in those texts were deliberately chosen by Ministers to reflect their perspectives and, as I noted earlier, these will collectively shape and inform the way forward.

Let me just report too that I have been clear in my consultations on both issues, as I am today. I take a very straightforward view on this. This is that Ministers have instructed negotiations on these two issues very specifically and have provided particular guidance on how we should proceed. As Chair, it is my task to facilitate that process and I will do so in line with those Ministerial Decisions.

Second, negotiations on *domestic support* have emerged as the clear priority for the overwhelming bulk of those I have consulted with. In fact, domestic support has been identified by many of you quite explicitly as a key potential outcome for MC11. In this regard, Members have reminded me of the WTO's comparative advantage in this area as compared with Preferential Trade Agreements.

I should also record that many Members expressed their very real disappointment about the absence of an outcome in domestic support at Nairobi in general and in cotton in particular. On cotton, my attention was drawn on several occasions during my consultations to the language used by Ministers in their Decision on Cotton. Specifically, paragraph 8 reminds us about "efforts that remain to be made" with regard to trade-distorting domestic subsidies for cotton production. Indeed, a considerable number of Members have made it clear to me that they want to take this issue up again.

In sum, it is clear to me that domestic support, including for cotton is an issue on which there is general agreement that we need to explore what may be possible. That said, based on what I have heard it is clear that this will take some time and that we need to take due care in how we proceed on this matter.

I should also note that no Member had any specific ideas for how to proceed on domestic support at this early point, but I expect this to be the focus of my consultations in the coming weeks.

Third, negotiations on *market access* remain a priority for a large group of Members and an issue worth discussing for the remainder of those with whom I have consulted.

Some Members have advised me that progress on market access and domestic support will need to be contingent on movement elsewhere, including outside of the agriculture negotiation.

Other Members have raised very specific issues of interest to them in the pillar of market access ranging from Tropical Products to Special Products – a wide range indeed. I have encouraged Members to continue consulting bilaterally to see where this can take us.

Fourth, with regard to export competition, let remind you as I said earlier that the implementation of the Nairobi Ministerial Decision on Export Competition is a matter for the the regular Committee on Agriculture.

Based on my consultations to date, further negotiations on *export competition* were a low priority for most Members. In fact, many Members made it clear to me that they have limited or no interest in re-engaging on export competition, given their assessment that the negotiations in Nairobi went as far as was possible.

Conversely, a small group of Members specifically identified export credits as an issue of “unfinished business.”

For my part, I again take a straightforward approach to this. Paragraph 31 of the Nairobi Ministerial Declaration explicitly includes export competition as a subject for ongoing negotiation. It is up to Members therefore to map out what their Ministers had in mind for this process, but my role as Chair is clear – I will facilitate this for the Membership, as required.

Fifth, as part of the wider Article 20 agricultural reform process, several Members observed that it was important for us to continue negotiating across all pillars of agriculture. This is because there is value in the negotiating process in terms of domestic policy reform. Specifically, our negotiations have an important signalling effect that can help drive, shape and inform domestic agricultural reform. I strongly share that perspective and believe that this is what the Agreement on Agriculture is intended to do, i.e. to have a dynamic policy effect over time.

Finally, a minority of Members has raised with me what might be termed “other issues,” some of which it is possible to argue could be undertaken through the mandate provided by the Article 20 reform process. Issues raised in this regard include: export restrictions; SPS; private standards for agricultural products; and disciplines on subsidies for biofuels and bio-energy.

In terms of the way ahead on the substance, I have encouraged Members – and will continue to encourage them over the coming weeks and months - to reflect on these priorities. Where possible and when they are ready I have asked them to consider preparing information-focused submissions that can identify in a crisp and clear manner what the issue is. With improved and as up-to-date as possible information in front of us as negotiators, it is my expectation that we can carefully continue to frame and advance our process.

I now open the floor for discussion.

Conclusion (Adjusted to reflect delivery)

I have listened carefully to the range of views expressed and I welcome the fact that the results of my bilateral consultations are broadly reflected in our discussion. Please be assured that both I and the Secretariat have taken very careful note of your remarks and suggestions.

Let me say at the outset two specific things. First, it is clear that agriculture still matters to Members in the context of both trade and development. Second, many of you have observed that progress in agriculture cannot happen in isolation from the wider negotiations. We need to work together therefore to support and sustain such negotiations – and for my part I am a firm believe that this is crucial to progress in this Committee.

My approach therefore will continue to be informed and framed by this and the three inter-related understandings I outlined earlier and which I am pleased to record continue to be shared by all of you. This is that we need to:

- 1) see what is possible by way of an outcome in agriculture for MC11, even if we are some way still away from identifying the precise contours and content of any outcomes. I encourage you to reflect on and consult with one another over the coming months;
- 2) deliver to Ministerial expectations as set out in the various relevant Nairobi Ministerial Decisions – a point several of you have reinforced; the Ministerial Declaration generally, not least paragraph 31, as well as Article 20 of the Agreement on Agriculture; and
- 3) work together to limit the risk as far as possible of polarising debates that could result in paralysis, not simply in CoASS, but more generally. I particularly welcome this clear signal from you about the willingness that is widely shared to be constructive and respectful in our continuing negotiations.

Having **contextualised** the process going forward, let me now turn specifically to next steps. In the context of our discussion today. In this regard our forward **process** will be informed by my next round of consultations. I will not take any immediate decisions on meetings, neither in terms of timing, form or content. Rather, I will be seeking your views and guidance on this.

Once I have some clarity on Members' thinking, including engagement with groups, I will then take a decision on two specific matters:

- 1) the timing for our next meetings and
- 2) the issues we will canvass

Obviously, the specific Ministerial Decisions will inform my thinking given the priority Ministers placed on those.

In terms of **substance** it is clear too that the six areas I identified at the outset enjoy in broad terms your shared understanding as the set of issues we need to be thinking about and consulting one another on.

Let me also say that, given the sensitivities we are all aware of and many of you have touched on, I intend to proceed with all due caution and care. In particular, my intention is for us collectively to engage in a process of what I term, "defining by doing" – at least for the immediate future.

Defining by doing requires rich information and data to inform and shape our negotiating process. To this end I look to you Members to generate such material, or any other material which you think can help us take our collective work forward.

For my part, let me assure colleagues that I will continue to be inclusive, fair, flexible and transparent in my consultations and engagement. I will seek to report back to you in this format on what I am hearing and what I deduce from this.

To this end, my aim will be to work together with you all carefully, respectfully and sensitively, while at the same time being clear that Ministers have asked us to advance the negotiations in agriculture in very specific ways. In the end, we are here to implement their instructions and my role as Chair is simply to facilitate your negotiations on those matters.

In the meantime, I encourage all Members to undertake their own consultations among themselves and I would welcome any feedback on those as well.

And finally, any Member that wishes to see me at any point can of course do so. I am at your service. Please make contact with me directly or through my office or indeed the Secretariat as necessary.

In sum, I look very much forward to working with you all to define by doing our way forward to our next *thalassa thalassa* moment.