

Geneva Watch

An overview of the WTO negotiations on agriculture

The Doha Development Agenda and the MC8

The full WTO membership gathered on Friday, October 21st to discuss the upcoming Eighth Ministerial Conference (MC8) agenda. The Director General, Pascal Lamy, and the General Council Chair, Nigeria's WTO ambassador, Yonov Frederick Agah, both reported on the consultations they have held thus far in that respect. Agah spoke on the need to preserve the multilateral trading system (MTS) and the WTO as well as Trade and Development. Lamy gave an update on the Doha Development Agenda (DDA) following consultations he held with some 30 key Members on October 19th.

Lamy started by reminding Members that the purpose of the MC8 was “to provide guidance for the work of the organization in the next two years across all areas of the WTO activity.” He said he sensed a common desire among Members to convert the prevailing negative mood into something more positive, a signal on forward movement that needs clear political guidance in December.

Lamy then reported on the outcome of the Green Room meeting, saying that Members generally acknowledged that the negotiations are at an impasse and that it is unlikely that all elements of the DDA negotiations will be concluded in a near future due, in large part, to the current economic crisis, but that they remain committed to the negotiating mandate.

He suggested that delegates start to explore different approaches and said he sensed Members converging around the idea that progress should be made in areas where they can be achieved “by reaching agreements on specific issues – whether provisionally or on a definitive basis – ahead of delivering on the full Doha single-undertaking. In other words, a readiness to operationalize paragraph 47 of the Doha Mandate.”

In order for this new path to be credible, Lamy added that Members need to intensify their efforts in devising a path which allows them to look into current draft areas where this shorter term progress is more complicated, that is, where substantial differences remain.

Reactions

Although Members broadly agree with Lamy's plan, some nevertheless warned against its potential deviations. It is true, as pointed out by some delegations, that Lamy remained fairly vague in his statement. His plan, they said, lacked details. However, they recognized the fragile aspect of the proposal; at this point in time any little variation might open the door for wide divisions.

Yet, countries – like Members of the African Group – voiced the need for a more ambitious outcome at the MC8. Kenya, who spoke on behalf of the Group, said it is disappointed that MC8 is unlikely to deliver any tangible outcomes. The MC8, it continued, should deliver political direction through a Declaration which should include a reaffirmation to conclude the DDA with a balanced and development-centered approach, as well as a commitment to intensify efforts in 2012 on the basis of the April 2011 draft modalities texts.

Brazil, for its part, admitted that Lamy's suggestion was not among its preferred paths, but remains ready to work along the proposed direction. Members, though, need to be truthful and realistic and tell the outside world where we currently stand on Doha. The overarching objective of MC8 should focus on preserving the WTO credibility. A Ministerial Declaration in that regard would send a powerful signal, Brazil said. However, the country is not optimistic that Paragraph 47 calling for early harvest can be delivered.

The EU, meanwhile, shared Lamy's assessment, claiming that the WTO needs to adopt a new rulebook. The Commission is open to new negotiating approaches and believes that the Information Technology Agreement (ITA) model could be applied to NAMA and Services sectorals.

The U.S. also agreed with Lamy's themes, but warned Members against pretending that this plan is more or less than what it is. "We should avoid getting lost on the issues", Michael Punke, U.S. Ambassador to the WTO, said, adding that he has heard a lot of people talking about work programmes, "we tried that and failed". "The U.S.," he said, "would not support a business as usual process."

Issues with Paragraph 47

The vagueness in what is proposed under paragraph 47 of the DDA declaration (and plurilaterals) is what is currently creating problems. Members wondered what is exactly understood by "reaching agreements on specific issues — whether provisionally or on a definitive basis — ahead of delivering on the full Doha single undertaking. In other words, a readiness to operationalize paragraph 47 of the Doha Mandate?"

For some this is the clearest signal that developed countries like the EU, Australia, and the U.S., among others, want to shift toward plurilaterals, abandoning in the process the single-undertaking.

However, questions remain as there are different types of plurilaterals: The ITA model as advocated by the EU is a plurilateral where benefits are also conferred to non-Members. In contrast, benefits from the Government Procurement Agreement (GPA), or sectorals are reserved solely for its Members. Furthermore, how would plurilaterals be consistent with Article 1 of the GATT – the holy principle of non-discrimination?" one delegate asked.

India's warning against the use of paragraph 47 as a universal remedy for all remaining outstanding issues forecasts signs of future clashes already. As drafted, the paragraph was originally intended to secure a provisional agreement on development issues, India reminded. Those who side with Lamy asked, in turn, what is understood by development and argue that market access could also be considered a development issue. In other words, why can't sectorals also be treated under paragraph 47?

Groser, Falconer, Walker...

The General Council Chair, Yonov Frederick Agah, also announced at the TNC meeting that he has been holding consultations on the chairmanship of the negotiating bodies in the areas of Agriculture but also Trade & Environment and Rules.

The chair said consensus has been found on the following Members: New Zealand's ambassador, John Adank, to chair the Agriculture negotiating group, Malaysia's Hiswani Harun for Trade & Environment and Jamaica's Wayne McCook to chair the negotiating group on Rules.

The three chairs will be formally elected at the next formal meeting of their respective negotiating group.

Upcoming Events

- WTO General Council, October 26-27, December 1-2, 2011
- G-20 Summit, November 3-4, 2011 Cannes (France)
- APEC Ministerial Meeting, November 11, 2011
- Regular Agriculture Committee, November 17, 2011, March 21-22; June 20-21, September 26-27, 2012
- WTO Ministerial Conference (MC8), December 15-17, 2011
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Geneva Watch is published by Dairy Farmers of Canada, Chicken Farmers of Canada, Egg Farmers of Canada, Turkey Farmers of Canada and Canadian Hatching Egg Producers to report on the various events occurring in Geneva, particularly on the WTO negotiations on agriculture.

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