

# Geneva Watch

*An overview of the WTO negotiations on agriculture*

## Editorial: MC8 – WTO's Season Finale

For what it is worth, the December 15–17 WTO 8<sup>th</sup> Ministerial Conference (MC8) can be viewed as a successful one, if, for instance it is compared to the MC7 held two years ago.

The achievements, although predictable for some – such as the accession of four new countries to the organisation (Russia, Samoa, Montenegro and Vanuatu) and the ministerial decisions on extending the moratorium on TRIPS (trade-related aspects of intellectual property rights) “non-violation” and e-commerce or services waiver for least-developed countries (LDCs) as well as easing their accession to the WTO – have been accompanied by a rather surprising last minute accord on the Government Procurement Agreement (GPA) reached on December 15, at the very beginning of the ministerial conference (for more explanation on the above topics, please see GW December 9 issue 43 and the matrix of major issues that were considered at MC8).

Although the GPA is a plurilateral that will only benefit the 42 countries involved in the negotiations, some Members, including the GPA talks' chairman, Swiss trade official, Nicolas Niggli, believe the successful agreement could have a spill-over effect on the Doha Development Agenda (DDA).

However, that is only if Members decide to follow that road, i.e. to formally adopt plurilateral negotiations as the new negotiating approach to push the DDA past its impasse.

This question remains open, and looks unlikely to be resolved in a quick manner given the differences between those who call for continuous bottom-up, transparent and inclusive negotiations and those who prioritize the need for small group negotiations to advance the talks.

Add to that, the differences over which topics would be candidates for early harvest or whether the so-called 21<sup>st</sup> century issues (such as food security, trade and exchange rates or climate change) should be added to the agenda, or left until the DDA is concluded.

In a sense, the MC8 was the opportunity for all Members to put on the record their own interpretation of the language contained in the “Elements for Political Guidance” and, even though the MC8 final statement represents a compromise, the language agreed on the DDA is sufficiently broad to cover every Member's interests.

This situation will likely lead to intense negotiations on the interpretation of how future talks should be carried going forward. For instance, how to handle plurilateral negotiations through paragraph 47 of the Doha Declaration and whether the sacrosanct single-understanding still remains relevant.

For Director General Pascal Lamy, this comes down to major players – i.e. the U.S., China, Brazil and India – exercising leadership and demonstrating enough political courage to stand by the values of multilateralism.

It's true that from the discussions held in the working sessions, there seemed to be a willingness to consider trade facilitation, Non-Trade Barriers and duty free-quota free access for LDCs, as part of topics that could be harvested early. However, the danger, as Lamy warned, “is that Members will spend too much time haggling over which issues are ‘low hanging fruit’” and “instead of getting to work on those issues, Members would simply go round and round the tree trying to choose the low hanging fruit.”

## **“Don’t chop off the branch you are sitting on”**

“We can no longer bury our head in the sand” Lamy told WTO Members at the MC8.

“The DDA – declared dead so many times, lambasted as a negotiation of the past, decried as a failure – is all the more important today, with an ever deeper crisis looming, than it was in the past,” he added.

The need now is to “go back to business” by fully exploring different negotiating approaches in the New Year. This is what he intends to do in 2012 by convening, what he described, as “a panel of multi-stakeholders of the WTO” to brainstorm all the elements of an operational work plan.

### **Last Term**

Noting that the MC8 will be his last ministerial conference, Lamy whose term will come to an end in mid-2013, felt like being in position to “speak his mind clearly and without reservation.”

He is said to be convinced that a “wait-and-see” attitude will not be help Members move the talks forward.

Some observers see in that declaration the resolve to take a more prominent role in advancing elements of the Doha Round to a swift conclusion; a role Lamy once assumed back in July 2008 when he got trade ministers meeting for over 10 days to conclude modalities. Since then, Members have been successful in keeping Lamy at bay, making the negotiations a Member-driven affair.

With nothing to lose in the next two years, knowing that he will leave his position shortly thereafter, one wonders if that anodyne announcement doesn’t hide a lingering strategy for the months to come.

## **Upcoming Events**

- World Economic Forum Annual Meeting, January 25–29, 2012, Davos-Klosters (Switzerland)
- Regular Agriculture Committee, March 21-22, June 20-21, September 26-27, 2012

