



## Drafting Nairobi's Ministerial Declaration

**There has been some progress in the planning for the upcoming World Trade Organization's (WTO) ministerial being held in Nairobi, Kenya this December. The ministerial (MC10) discussion has lately involved various countries putting suggestions forward in order to arrive at a solution for both the Ministerial Conference itself and for the post-Nairobi work programme.**

This past week, some Members of the Cairns Group – namely Argentina, Australia, Brazil, Canada, Malaysia, New Zealand, Paraguay, Rwanda, Uruguay, and Viet Nam – have expressed regrets regarding the slow development observed in agriculture, the central element of the Doha Development Agenda (DDA). They asked to include this demonstration of regret in the MC10 declaration, stressing that “the commitments Members made to address the imbalances in agriculture reflected a widespread recognition that rules and commitments governing international trade in agriculture lagged far behind those governing trade in non-agricultural products.”

In their paper circulated on November 10<sup>th</sup>, the group wrote that “the failure to deliver on these commitments, including in the Doha negotiations, has limited the development benefits – in employment, revenue generation, and poverty alleviation – of the framework of global trade rules embodied in the WTO.”

On November 12<sup>th</sup>, the group circulated another request – this time with the support of Chile, Colombia, and Thailand – which some trade observers thought has been drafted in a constructively ambiguous manner in order to force Members to change their strategy and consider

other approaches (such as plurilateral) to deliver on agriculture.

In that new statement, the group reiterated their regret that Members were unable to reach agreement on all substantive outcomes in agriculture.

“We note that substantial divergences in this area of the negotiation have persisted despite efforts to find solutions and will require a higher level of political engagement in the future,” the coalition stressed.

“Noting that key aspects of the agriculture reform agenda can only effectively be negotiated in the WTO, Members will address all aspects of the agriculture reform agenda as a matter of the highest priority, aiming at substantial reductions in trade-distorting domestic support, substantial improvements in market access, and further progress on the elimination of all forms of export subsidies and equivalent measures. S&DT [*special and differential treatment*] will be an integral part of these negotiations,” the group wrote.

### Post-Nairobi work and New Trade Issues

The Republic of Korea has also tabled an alternative proposal, one that would help, it hopes, bridge differences between key WTO Members on the remaining issues. Korea suggested continuing to address the DDA's outstanding matters at the WTO, which it says would help preserve the negotiating pillar of the organization, while making it the primary forum for trade negotiations.

To achieve that, Korea suggests reaffirming Members' commitment to the principles of S&DT and less-than-full-reciprocity for developing countries in the MC10 declaration, but through “appropriate” S&DT, which could leave the door open for some key differentiation between developing countries essential to helping Members reach a consensus.

Korea also urged WTO officials to continue brainstorming how to best address the outstanding issues, while suggesting avoiding taking any decision in Nairobi on the way forward, but rather leave it for 2016 with the aim to agree on this before the end of next year; essentially giving Members some breathing room to decide on the fate of the DDA.

“We ask them to identify a negotiating approach conducive to an agreement, while taking advantage of the significant progress which has been made so far, including Ministerial Declarations and other decisions adopted in the context of the DDA, to the extent that it contributes to building consensus,” Korea wrote, adding that Members should take on or at least explore “any trade-related issues deemed necessary in order to stay relevant and in keeping with the evolution of the global economy.”

The need to take on new issues is also promoted by U.S. Trade Representative Michael Froman, who said in his opening statement at the APEC Ministerial Meeting today in Manila that “WTO Members have the opportunity to make the MC10 a successful ministerial in terms of a measured, but meaningful, package of outcomes and one where we reach agreement on how to deal with the outstanding issues as well as new issues.”

## Eliminate Export Subsidies by 2018

Concerning MC10 deliverables, sources say Brazil is teaming up with the EU to develop a proposal that would represent a meaningful package. The sources say the joint proposal would suggest eliminating developed countries’ export subsidies by 2018 while developing Members will end theirs by 2021.

The 180 days period for repayment of export credits will be maintained despite the U.S.’s concerns. However, Brazil and EU would elaborate special disciplines to accommodate the U.S. by allowing repayments between 180 and 270 days coupled with some insurance premiums.

In addition, a limit of 15% volume resale would be allowed for food aid and Members will be given until 2020 to eliminate their state trading enterprises (STEs) while ensuring S&DT to accommodate developing countries, and particularly China which owns several agricultural STEs.

The full Membership will start working on the Nairobi Ministerial Declaration as of November 17<sup>th</sup>, taking into account various proposals recently submitted by Members on the issue.

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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