

## **Still No Deliverables for Nairobi**

After a week of intense consultations – including work throughout the weekend of December 5/6 – WTO Members are still far from an agreement on the Ministerial Declaration for the MC10 in Nairobi, which is due to start Wednesday next week (December 15<sup>th</sup>).

"We currently, today, have no deliverables for Nairobi – either on the potential outcomes that we identified, or on the Ministerial Declaration," WTO Director General, Roberto Azevêdo told the full Membership at the December 7<sup>th</sup> General Council meeting, scheduled to take stock of the work that had been tackled throughout the weekend.

The December 5<sup>th</sup> agenda featured discussions on several contentious issues Members want to include as part of the Nairobi deliverables. As such, the objective was to make progress on the potential deliverables for Nairobi, starting with discussions on the special safeguard mechanism (SSM) on Saturday morning, followed by export competition before ending the day with the issue of food security. Sunday, December 6<sup>th</sup> had been set aside for the work on the Ministerial Declaration itself, including part III dealing with the post-Nairobi work programme.

Discussions on SSM were based on the recent G-33 proposals. The G-33 Group said it wants to see the issue delivered at the MC10 as part as "a balancing element in relation to other potential outcomes for Nairobi." But an impasse was quickly reached on this as other Members, notably developed countries such as the U.S., pressed for the exclusion of the issue in the absence of agriculture market access topics. The same divide was also observed in public stockholding, another issue for which the G-33 requested a permanent solution to be agreed to at the MC10.

Both issues are considered long shots, given the sharp differences that still exist between delegates. Export competition, meanwhile, is seen by some as the only major agriculture topic to be included in the ministerial declaration (along with LDCs (least-developed countries) issues, i.e. cotton, RoO (rules of origin), and DFQF (duty-free and quota-free)).

Members have tackled the export competition issue on the basis of the Rev. 4 text. However, "substantive concerns continue to be expressed about the timeframes and conditions envisaged for the elimination of export subsidies, repayment terms in the area of export finance, coverage of self-financing provisions, special and differential treatment, transparency provisions, and monetization in food aid," Azevêdo told the full Membership on December 7<sup>th</sup>.

Among the few countries who reacted after Azevêdo's presentation, Switzerland – which spoke on behalf of a group of 29 developed and developing countries – expressed deep concerns about the way the talks have been evolving lately, and called for additional flexibility "to overcome remaining differences so that further steps forward for the WTO and its Members can be made in Nairobi."

## Draft Nairobi Ministerial Declaration

The draft Ministerial Declaration circulated by the three facilitators has been improved with additional language provided by Members. The text, meanwhile, remains heavily bracketed as countries continue to oppose the reaffirmation of the Doha Development Agenda (DDA) mandate and whether future talks should take place on the basis of the Declarations and Decisions adopted at Doha and at all subsequent Ministerial Conferences held since 2001.

There was opposition to the language floated by some Members of the Cairns Group, which expressed regrets pertaining to the lack of progress in areas such as agriculture, in particular. In addition, the recognition of the role played by plurilateral agreements as a way to expand the WTO's framework of rules alongside the multilateral trading system has also been bracketed. Some Members pushing for plurilateral deals under the auspices of the WTO want to "further expand this framework."

A lengthy debate has taken place on paragraph 23, dealing with the post-Nairobi work. There, we note the language tabled by the Republic of Korea with respect to delaying the decision on the work programme to 2016 has been inserted in the draft – "we instruct the officials to continue deliberations on how best to deal with these [Doha Round] issues, with the aim of agreeing on a way forward before the end of 2016" – that language itself also remains in brackets.

## **Next Steps**

Members have roughly 50 hours of negotiations left in Geneva (until December 9<sup>th</sup>) before some delegations

start leaving for Nairobi. And so far, as Azevêdo put it, the General Council has nothing to transmit for consideration of Trade Ministers in Nairobi.

The negotiating process will continue on the Ministerial Declaration, particularly part II dealing with the deliverables "to try to help the chairs find convergence." If the declaration needs further work by the end of December 9<sup>th</sup>, it will then be tackled in Nairobi, Azevêdo declared.

"In Nairobi, a lot will depend on what we leave Geneva with. We have three days to finalize our work here, and on that basis we will have to see what is ready for ministerial engagement. We should aim to present ministers with documents for a yes/no decision — or if necessary with only a couple of outstanding issues to resolve," Azevêdo stressed at the General Council.

Much like the Bali Ministerial in 2013, Nairobi might also transform into another full-on negotiating session if Members fail to reach an agreement on the Ministerial Declaration in the next two days (which is very likely), rather than the political conclusion that Azevêdo was hoping for.

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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