



Agriculture Negotiations: Export Competition

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WTO OMC

Current State of the Negotiations⁽¹⁾



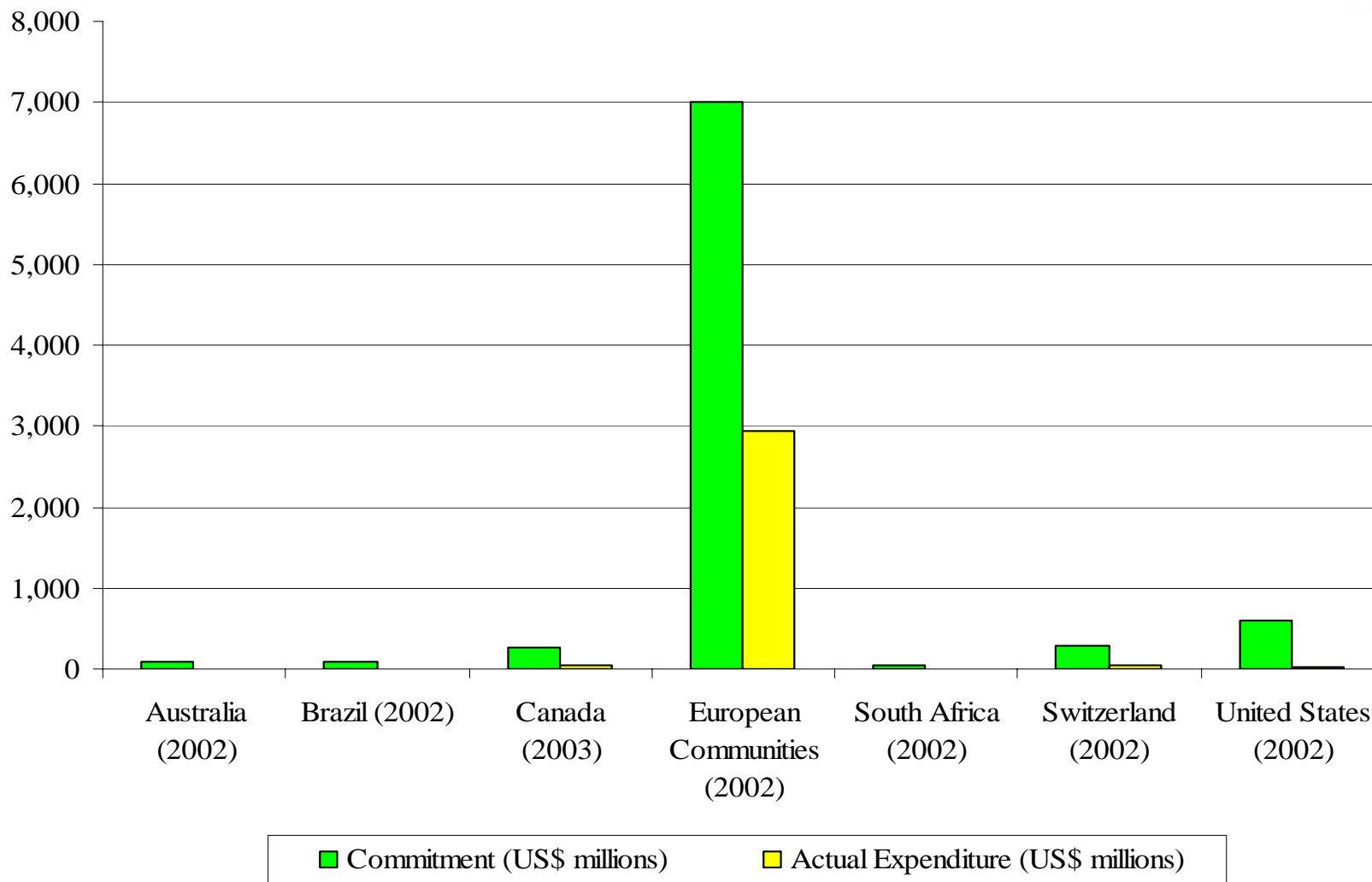
Doha Declaration: Export Competition

Objective

“... reductions of, with a view to phasing out, all forms of export subsidies.”



Export Subsidy Overview





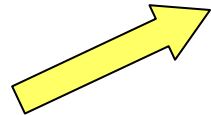
Export Subsidies Commitments

Members/ Disciplines	Developed	Developing
Elimination Export Subsidies	End of 2013	[10 year] implementation [by 2016] No reduction commitments for LDCs
Budgetary Outlays	50% by the end of 2010 and remaining in equal annual instalments	Equal instalments
Quantity levels	(i) Equal annual instalments or (ii) Standstill	Equal annual instalments
Art. 9.4	-	5 years after the end-date for elimination of export subsidies

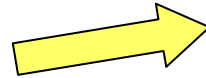
Possible new article to replace Article 10.2 of the AoA



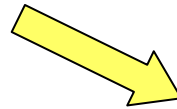
**Definition:
Export Financing
Support**



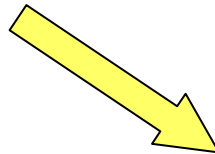
Direct financing
support



Risk coverage



Government-to-government
credit agreements



Other governmental
export credit support,



Export Financing Entities

- a) government departments, agencies, or statutory bodies;
- b) any financial institution or entity engaged in export financing in which there is governmental participation by way of equity, provision of loans or underwriting of losses;
- c) agricultural export state trading enterprises; and
- d) any bank or other private financial, credit insurance or guarantee institution which acts on behalf of or at the direction of governments or their agencies.



Terms and Conditions

- **Maximum repayment term:** no more than 180 days
- **Self-financing:** operating costs, losses and any financial contribution provided to be recovered in due course to a commercially viable standard over a (rolling) period of [4][5] years
 - Determination done by a gross evaluation as over the period [4][5] years, rather than any particular and isolated moment therein



Terms and Conditions (cont.)

- **Self-financing:**

- Catastrophic situations (i.e. war, extensive climatic upheaval, wide scale natural disaster such as Tsunami) shall be presumed to be factored into the terms and conditions of measures offered (e.g. risk assessments made) - No special allowance for such matters

- However, if an unforeseeable catastrophic event of particular severity, *in and of itself caused* an extraordinary default within the last 18 months of any given [4][5] year period, strictly proportionate allowance could be made for this loss

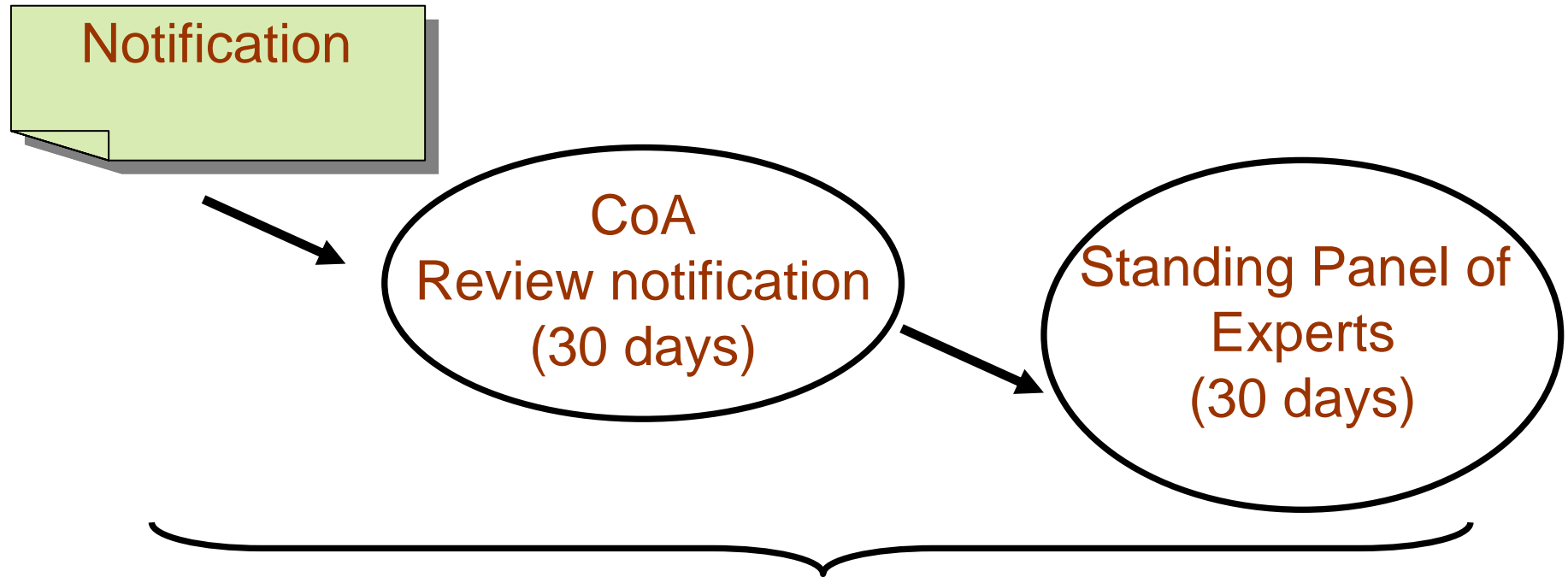
- The programme would have to return to a commercial viability standard taking account of this default within no more than 2 years of the event itself or 12 months after the end of the normal [4][5] year period, whichever elapses first.



Special and Differential Treatment

- **Maximum repayment term:** DVG providers, no more than [360] days
- **Self-financing:** [6] [7.5] years
 - For direct export credits, specific adjustments (to be negotiated)
- **LDCs and NFICs repayment term of [360] days**

Exceptional circumstances: (*ad hoc* temporary export financing support with different maximum repayment period)



Maximum repayment:
< 360 days (DVD)
< [540] days (DVG)



Agricultural Exporting State Trading Enterprises (STEs)



- **Entities with special rights to purchase or sell goods, thus influencing imports or exports**
- **Elimination of**
 - **Export subsidies**
 - **Government financing of STEs**
 - **Government underwriting of losses**
 - **Use of agricultural monopoly powers for STEs**

Agricultural Exporting State Trading Enterprises (STEs)



➤ S&D

- Entitled to have STEs if related to food security goals
- S&D for countries with small proportion of global ag exports (LDCs, SVES)

➤ Monitoring and Surveillance

- Annual notification to the CoA (*export sales, product exported, volume of the product exported, export price, export destination...*)



International Food Aid

Possible new Article 10.4 of the AoA

- Do not unintentionally impede the delivery of food aid in emergency situations (Safe Box)
- Preventing commercial displacement
- Food aid: in-kind and cash-based donations
- Recipient country has the primary responsibility for:
 - organisation
 - coordination
 - implementation

Food Aid in Emergency Situations: **Safe box**



- Declaration of an emergency by the recipient country, or, the Secretary-General of the United Nations; or
- Emergency appeal from:
 - A country [NGO]
 - Relevant UN agency, (World Food Programme)
 - The International Committee of the Red Cross and the International Federation of Red Cross and Red Crescent Societies
 - [other relevant regional or international intergovernmental]
- [There shall be no monetization for food aid inside the Safe Box.]
- Notification requirement
- “Assessment of need” to be undertaken (3 months)



Food Aid in Non-emergency Situations

- (a) Based on an assessment of need
- (b) Targeted to the need as identified in that assessment
- (c) Provided to address specific **developmental objectives** or **nutritional requirements**
- (d) [provided consistently with the objective of preventing commercial displacement. Commercial displacement shall arise where: (text to be provided).]
- (e) [monetization?]



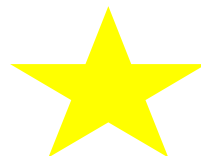
Cotton

- **Export Subsidies for cotton are prohibited**
- **DVG shall comply with prohibition no later than the end of the 1st year**
- **Disciplines on Export Credits, State Trading Enterprises and international food aid shall:**
 - Apply by the commencement of the implementation period for DVD
 - Apply by the end of the 1st year for DVG



Reflection...

What are the offensive and defensive interests of my country related to the “three pillars” in agriculture?



WRITE

- 1) One new idea/issue which you have learned
- 2) One issue which is still unclear