



MINISTERI



IICA

Technical Note • May 2024

The Thirteenth WTO Ministerial Conference: Reflections for IICA Member Countries

For more than two decades every ministerial meeting convened by the World Trade Organization (WTO) has aroused great expectations among member countries of the Inter-American Institute for Cooperation on Agriculture (IICA) regarding the real possibility of achieving a positive outcome.

The multilateral trade system is extremely important for the Americas, given the nature of countries in the region. This is especially so for the Latin American countries that are players in the international market and that have adopted a model of development that relies extensively on the trade of goods and services.

Moreover, the discussions on agriculture are of paramount importance for these net food exporting countries, which contribute significantly to global food security (during the last three years, 2021-2023, on average, agrifood exports from Latin America and the Caribbean on the one hand, and from the entire hemisphere, on the other, accounted for 16.9% and 30.1% respectively of the world total).

Given this position, the major priorities for the region are the need to obtain positive results in the negotiations on agriculture and to enhance the disciplines that will assist in ensuring that trade becomes increasingly fair, equitable and transparent. This has been clearly demonstrated by the leadership role that representatives of the region have assumed in Geneva, Switzerland, as well as by the region's immense contribution in submitting negotiation proposals.

Thirteenth Ministerial Conference (MC13)

The WTO MC13 was held on 25 February to 1 March of this year in Abu Dhabi, United Arab Emirates. The meeting agenda reflected a plethora of expected outcomes, some of which had resulted from the mandates established in previous meetings—ministerial and otherwise—and others, from the work of member countries in the different bodies of the WTO.



For the most part, the results did not meet the expectations of these countries. However, the presence, dedication and work of the ministers, not to mention the intensity of discussions demonstrated how significant the WTO is for its members. The discussions and negotiations were not brought to a halt. On the contrary, the countries defined work agendas to be pursued in Geneva.

Important results were achieved, for example with the issuing of a Joint Statement Initiative (JSI) on Services Domestic Regulation. Particularly noteworthy was the fact that preferential treatment would not be granted solely to signatories of the JSI, but to all the members.

On the other hand, considerable progress was made in fulfilling the provisions of the Agreement on Fisheries Subsidies, which was approved during the Twelfth Ministerial Conference (MC12) and is in the process of being ratified by the members to enable it to enter into force. This agreement contains a mandate that members should resume negotiations on the outstanding issues, in order to improve the disciplines contained in it. Although no decisions were adopted, the members ratified a commitment to continue work in this area.

Progress was also made on the **issue of reforms to the Understanding on Rules and Procedures Governing the Settlement of Disputes**, through the adoption of

provisions aimed at continuing the technical work undertaken in Geneva, in particular in relation to the Appellate Body.

A decision was made to **support the smooth transition of countries graduating from the least developed states category to the category of developing countries.**

Another relevant decision that was a source of great concern among many member countries, among those, Member States of the Institute, was in relation to **ecommerce**. Although it had been agreed that there would be no further renewal of the ecommerce moratorium after MC 12 and that a definitive decision would be taken at MC13, multilateral provisions with respect to that type of trade were adopted as a provisional measure until a consensus could be arrived at among the members, and consequently, the meeting agreed to continue working on that issue in Geneva.

All of the above demonstrates that although more was expected from the meeting, WTO activity continues to be extremely intensive and a significant group of nations, including IICA member countries, is aiming to strengthen multilateral trade.

Evolution of agricultural negotiations and their impact on Member States of the Institute

Agricultural negotiations have been unable to achieve significant breakthroughs since the year 2000. Although the Bali and Nairobi ministerial conferences partially fulfilled the mandate established in Article 20 of the Agreement on Agriculture, the negotiations have fallen short of establishing an agricultural package with a series of rules and disciplines relative to the seven negotiation pillars, which are 1) market access, 2) domestic support, 3) export restrictions, 4) export competition, 5) cotton, 6) the special safeguard mechanism and 7) public stockholding for food security purposes (PSH). Work has taken place and proposals have been made with respect to transparency, as a cross-cutting issue affecting all of these pillars.

As has been already mentioned, agricultural negotiations are complex and are extremely important for IICA member countries and for other groups of nations. Multiple proposals have been submitted on each of the pillars, expressing conflicting opinions from the various groups, which has complicated the process of achieving a consensus.

It must be mentioned that decisions adopted within the framework of the WTO are binding, which means that agreements influence how the national policies of each Member State are defined.

A draft document by the Chair of the Agricultural Negotiations was presented at MC13, aiming to strike a balance between the various positions taken with respect to the negotiation pillars. It contained flexible parameters on work programs so that the decision to be adopted would allow member countries to adjust their concerns. This text, which was based on the Chair's reflections regarding the process that has been ongoing for several years in the Special Session of the Committee on Agriculture, did not achieve the consensus needed for adoption. However, it was not rejected outright, meaning that it still provides a basis for negotiation. Although other alternative texts were presented, they too did not achieve the required consensus for adoption.

The Gordian knot of this negotiation stems from two interrelated issues. The first is the adoption of **disciplines on domestic support**, which has generated tremendous concern, as the subsidies that have been allowed due to the absence of rules or consolidated limits distort international trade, given that rules and criteria must be precisely defined to ensure equivalent conditions in the international market for all members. The second is **the Bali Ministerial Con-**

ference's adoption of a provisional measure on PSH, which introduced a **peace clause** for countries with programs of this type existing prior to 2013, until members were able to develop a permanent solution on how to conduct this type of program. This has complicated discussions and the negotiating process, particularly because countries with PSH programs often apply reference prices that bear no relation to international prices for these crops, and in some cases, some of the stock procured under these programs enters the international market.

Given that these two issues are vital for the Institute's member countries, the region must maintain a firm stance in WTO negotiations. Undoubtedly, the region's contributions in the proposed texts have been critical, having offered alternatives that guarantee the participation of these nations in the international market on an equal footing and that provide transparency with respect to food security on the planet. The proposed texts have been adopted or co-sponsored by members in other regions, and as such the countries that have contributed to their preparation are now recognized as proactive leaders.

In the Abu Dhabi Ministerial Declaration, nations agreed to continue their work on agriculture, using the text of the Chair as the basis for negotiations to present a viable text in the Fourteenth Ministerial Conference, which will be held in Cameroon in 2026.

Next steps?

To strengthen the strategic role of agrifood trade, the countries must effectively participate in forums such as the WTO ministerial conferences, as well as in the debates on the functioning of the multilateral trade system, where basic problems surrounding the future of trade in the region may be resolved. Some of the actions that must be taken to address these issues are the need to: a) conclude the negotiations on agriculture related to market access, trade liberalization of agricultural products and the reduction of trade-distorting domestic support mechanisms; b) improve the monitoring and transparency of trade measures; c) increase the clarity of notifications; and d) reinforce the dispute settlement mechanism. There is also a need to incorporate new issues and trade perspectives that expand and strengthen the multilateral regulatory framework, in particular with respect to food.



Another matter of fundamental importance is the **strengthening of interinstitutional governance** among the various stakeholders taking part in WTO negotiation processes, namely the officials overseeing trade policy in the ministries of Agriculture, Economy, Trade and Health in the countries and the agricultural delegates in Geneva. This will facilitate the creation of opportunities for dialogue and negotiation with other groups of member countries of the Organization to gain support for the negotiation proposals. Moreover, international organizations that are WTO observers could also assist as facilitators in the discussions taking place on various issues.

Finally, it must be recalled that IICA, as the specialized agency for agriculture in the inter-American system, through its International Trade and Regional Integration Program, is assisting its Member States to improve their standing in international markets, foster regional integration and contribute to agri-food system transformation. At the same time, the **Institute is an observer in the WTO's Sanitary and Phytosanitary Committee and in its Committee on Agriculture** and maintains close collaboration and linkages with the WTO, which as the governing body in international trade is responsible for ensuring, as much as possible, the free, unrestricted and predictable flow of trade.



Authors

Gloria Abraham Peralta

Permanent Consultant at IICA.

International consultant, former Ambassador of Costa Rica to the WTO and served as Chair of the WTO agriculture negotiations. Previously, she was the IICA Representative in Mexico and the Minister of Agriculture and Livestock in Costa Rica. She has led agricultural negotiations within the framework of numerous Costa Rican free trade agreements. She has also worked with other international and regional organizations such as UNDP, CATIE, the World Bank, and the Central American Institute of Public Administration (ICAP). She is a professor at the University of Costa Rica and the National University of Costa Rica, and has an extensive list of technical publications.

Adriana Campos Azofeifa.

Technical Specialist in International Trade at IICA.

Master's in Business Administration and Bachelor's in International Relations with an emphasis in International Trade. She has 20 years of experience in project management related to trade and sustainable development, food security, innovation, gender, and environmental sustainability. Her work focuses on knowledge management, strengthening technical capacities, and the design and formulation of public policies in international organizations, governments, and universities in Latin America and the Caribbean, in areas of international trade and regional integration. She has taught master's level courses at public and private universities.