



**Multi-year Expert Meeting on Enhancing the Enabling Economic Environment
at All Levels in Support of Inclusive and Sustainable Development (2nd session)**

Towards an enabling multilateral trading system for inclusive and sustainable development

Geneva, 8 – 9 December 2014

SESSION 4:

Future directions – Strengthening the multilateral trading system in the 21st century

**FOOD SECURITY AS A CHALLENGE
FOR THE MTS AND THE POST-2015 AGENDA?**

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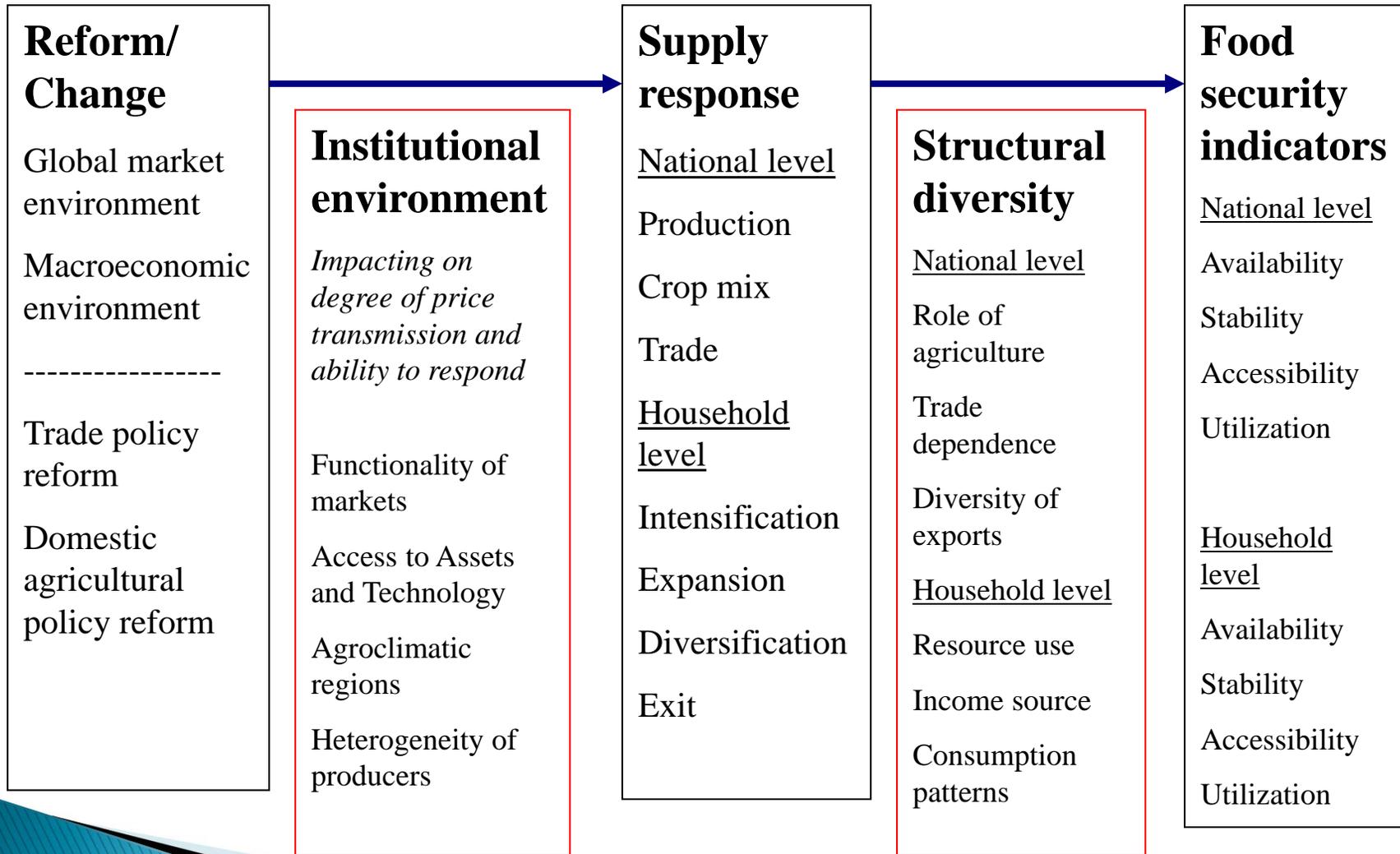
Food Security as a challenge for the MTS and the post-2015 agenda?

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Need improved understanding of relationship between trade and FS

- ▶ Impact of trade agreements on FS difficult to gauge directly
 - Provide the framework within which trade policy is crafted
 - ▶ Impact of trade policy change can be captured through series of indicators
 - Direct impact on prices
 - Indirect impact via agriculture sector response
 - Intermediate impact of policy change on supply response
 - Translation of supply response to food security indicators
 - ▶ The outcomes of a specific reform on the food security status of different households very difficult to determine even within the implementing country
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Unpacking the linkages



Where should efforts to improve FS be targeted?

- ▶ In many developing countries, agricultural productivity enhancement is still key to improved food security
 - Need for global food production to increase 60–70% by 2050
 - Stage of development matters in design and impact of policy
 - But objectives change – increase production or support incomes?
- ▶ But how to promote productivity growth??
 - Coupled vs. decoupled domestic support?
 - Use of trade barriers?
 - Consumer vs producer focus?
 - How to ensure transition in policy set?



What does this mean for global trade agreements? Revisiting the DDA

- ▶ Ensuring that countries have sufficient flexibility to pursue domestic policy agenda without contributing to global market distortions and uncertainty
- ▶ Difficulty in formulating trade rules that allow developing countries to implement more distortive domestic policies is that these policies are applicable to all developing countries
- ▶ Further complicating negotiations – a specific policy can have very different effects on different countries and on different groups within countries
 - Export competition
 - Market access
 - Domestic support
 - Special and differential treatment



What does this mean for global trade agreements? Export Competition

- ▶ Elimination of all forms of export subsidies and disciplines on export measures with equivalent effect
 - Equivalence and differential requirements of Export subsidies vs Export credits, STE and Food aid require further research
 - *Credits extended to NFIDCs or LDCs or those used to support transactions of relatively small size, could be made exempt from such disciplines*
 - *State Trading Enterprises (STEs) often play a critical role in marketing of agricultural products. Monopoly status has been crucial to their effectiveness*



What does this mean for global trade agreements? Market access

- ▶ Substantial improvements in market access for more open, effective, equitable access for all products
 - Longer term goal but how to transition to that goal?
- ▶ Increased preparedness to engage in trade
 - Aid for trade
 - Not just about facilitating exports
 - Systems for managing risks associated with opening



What does this mean for global trade agreements? Revisiting DS

- ▶ Substantial reduction of all trade and production distorting domestic support
 - Is this appropriate for all countries, at all stages of market development?
- ▶ Would extension of Green box provisions be sufficient for countries at different stages of development?
- ▶ Design of mechanisms is as important as scale of support in determining market impacts



SDGs: pointers for agricultural trade policy and trade agreements?

- Para 12: “Each country has primarily responsibility for its own economic and social development and the role of national policies, domestic resources and development strategies cannot be over-emphasised”
- Para 13: “...there are different approaches, visions, models and tools available to each country in accordance with its national circumstances and priorities....”
- Para 18: “SDGs are accompanied by targets....take into account different national realities, capacities and levels of development and respect national policies and priorities....”
- 17.10: “...promote a universal, rules-based, open, non-discriminatory and equitable multilateral trading system...”
- 17.15: “....respect each country’s policy space and leadership to establish and implement policy.....”