

Chair's Reference Paper¹

Rev.1²

FOOD AID³

Structure for Discussion

Introduction

In the General Council Decision of 1 August 2004, the Agreed Framework, Members agreed that the objective of disciplines on food aid is to prevent commercial displacement. Furthermore, Ministers at the Sixth Ministerial Conference in Hong Kong reaffirmed their commitment to maintain an adequate level of food aid, to take into account the interests of food aid recipients, and to ensure that the disciplines contained hereafter do not unintentionally impede food aid provided to deal with emergency situations.

General Provisions

1. Notwithstanding the provisions of the Agreement on Agriculture, Members shall ensure that all food aid transactions are provided in conformity with the following provisions:

- (i) is needs-driven and results in additional consumption;
- (ii) is provided in [fully] grant form;
- (iii) is not tied directly or indirectly to commercial exports of agricultural products or of other goods and services;

an emergency situation. But it is my view that if we agree that certain "multilateral or international agencies" are best placed to determine and assess an emergency situation based on their own knowledge, expertise and standards, what is the benefit of the WTO trying to determine when an emergency situation exists? Would this simply be cutting across the expertise of relevant agencies and/or, possibly constraining some of their activities?

Moreover, one question that remains is the role, if any, of non-governmental humanitarian organisation (NGHO's) and recipient governments themselves. I did not detect a strong sense during the last discussion on this issue, that NGHO's or recipient governments working in collaboration with relevant "multilateral" partner(s) would cause a problem. Indeed, there exists already collaboration between inter-governmental agencies and NGO's, including with respect to some of the "multilateral" triggering avenues that Member's have argued should be the basis for a trigger. Therefore, if such collaboration already exists, where does the problem lay in terms of providing for such collaboration? If Members are concerned with such collaboration, why are we in a position to entrust the triggering of an emergency to certain "multilateral agencies" but not trust them when they are working in collaboration with a NGHO?

One issue that does present a potential problem with a multilateral trigger, and which has been raised in the negotiations, is the question of timing. If we are to be faithful to the mandate that Ministers provided us at Hong Kong, that the Safe Box will ensure that there is no unintended impediment to dealing with emergency situations, we need to recognise that situations may arise where there is a delay in the initiation of a multilateral appeal such that it would cause undue delay in the provision of necessary food aid. Therefore it is important that we provide for such exceptional circumstances while being conscious at the same time not to create an unintended loophole, which is, a concern for some Members. To provide some comfort that such provisions would not be abused, in situations where food aid is being provided on the understanding that an emergency declaration will be forthcoming, this could be addressed through a notification and review procedure.

With respect to the duration of an emergency, I am getting the sense that we are slowly narrowing the differences that remain. There is strong support that the WTO should not be imposing arbitrary duration periods under which in-kind food aid would be permissible under the Safe Box. That is no

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Or

[be phased out over the implementation period].

8. The monetisation of in-kind food aid shall [be subject to disciplines to be agreed] [phased-out