



The 10th WTO Ministerial Conference Nairobi, Kenya 15-19 December 2015

**DG AGRI
Civil Dialogue Group
International Aspects
3 March 2016**

The road to Nairobi – the DDA

- *2001: DDA launched, ambitious agenda*
- *2008: Comprehensive (high ambition) deal fails*
- *2013: Bali Ministerial delivers a mini-package*
- *2014: DDA work programme postponed*
- *2015: Nairobi package not the whole DDA*
 - ***Export competition, LDC issues***
 - ***Geneva process difficult***

MC10 in Nairobi

- *Challenging process*
- *First agriculture text on Thursday morning*
- *24 hour G-5 marathon session Friday-Saturday*
- *Final text circulated 45 minutes before ...*
- *... conference closes Saturday evening*

Nairobi package – Export Subsidies

- *Elimination of Export subsidies*
 - **Developed countries**
 - *Immediate*
 - *Carve-out (subject to conditions including standstill)*
 - *end 2020 for dairy, pork, Processed Agricultural Products*
 - *Derogation for EU out-of-quota sugar until 2017*
 - **Developing countries**
 - *By end 2018 in principle*
 - *By end 2022 for products with use previously notified to the WTO*
 - *By end 2023 for "Article 9.4" subsidies (2030 for NFIDCS and LDCs)*
- *Soft cap – not to exceed past 5 years average*
- *Cotton - immediate for developed / 2017 developing*

Impact of Nairobi - Export Subsidies

- *EU - no need to change current practice*
- *Canada, Norway, Switzerland to end subsidies*
- *India, Turkey too – longer phase-out*



Nairobi package – Export Credit

- *Maximum tenor length 18 months*
- *Risk cover programs must be self-financed over long-term*
- *Premiums must be risk-based*
- *Interest rate support may be considered as export subsidies even if complying with OECD norms*
- *Developing countries - Longer phase-out period for tenor length but no special treatment on self-financing*

Impact of Nairobi – Export Credits

- *No EU scheme – little impact on small Member State schemes*
- *US largest use of export credits – MC10 outcome permanent and more restrictive than current law*
- *Other countries – direct financing support also covered by disciplines*

Nairobi package – State Trading Enterprises (STEs)

- *Anti-circumvention clause*
 - **Cannot use STEs to pay hidden export subsidies etc**
- *Best efforts to minimize trade distorting effects of monopoly powers of STEs*

Impact of Nairobi – State Trading Enterprises (STEs)

- *No impact for EU as no exporting STEs*
- *Anti-circumvention clause plus transparency
- has potentially disciplining effect on others*



Nairobi package – Food Aid

- *Needs-driven, in fully grant form, untied*
- *No in-kind food aid if adverse effects on local production and cause commercial displacement*
- *Disciplines on Monetisation*
 - **Some binding pre-conditions**
 - **Market analysis**
 - **Sale generally done by independent entities through public tender**
 - **Local diet and normal consumption level**
 - **Recipient can opt out**

Impact of Nairobi – Food Aid

- *EU food aid all given as cash so no impact*
- *Disciplining effect on others (US biggest user)*

Nairobi package - Transparency

- *Enhanced transparency through binding of Bali transparency provisions across the pillar*
- *Developing countries - 5 years phasing-in*

Impact of Nairobi - Transparency

- *EU has been already complying with Bali*
- *Pressure on countries who lag behind in submitting notifications*

Nairobi package – Other elements

- *Special Safeguard Mechanism*
 - **Continue negotiations**
- *Public Stockholding*
 - **Permanent solution by MC11 (2017)**
- *Cotton*
 - **Best endeavour - Market Access, Domestic Support**
- *Ministerial Declaration – agriculture not singled out*
 - **Post Nairobi: agreement to disagree**
- *Other issues: LDC Rules of Origin, Services waiver, ITA, accessions*

Nairobi – Overall assessment

- *Difficult process*
- *"Perfect storm" of circumstances led to success*
 - **African location key**
- *Good outcome for EU*
- *Good outcome for the WTO*

Post Nairobi

- *Implementation – EU*
- *Implementation - WTO*
- *End of single undertaking?*
- *New approaches: plurilaterals / sectorals?*
- *New issues?*
- *Engagement from key players?*



Thank you!