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NOTE

From:	General Secretariat of the Council
To:	Delegations
Subject:	12th WTO Ministerial Conference, Geneva 12-15 June 2022 - <i>Preparation of the Council debate</i>

Delegations will find in the Annex a background note on the above-mentioned subject.

Latest developments in the preparation of the 12th WTO Ministerial Conference**Geneva 12-15 June 2022****Agricultural Aspects**

1. Following its postponement in November 2021, the 12th WTO ministerial conference (MC12) is now scheduled to be held at the WTO premises in Geneva on 12-15 June. The Presidency is currently working with the Commission on an updated version of the draft Council conclusions and the draft Decision for MC12 endorsed by COREPER in 2021.
2. Recent discussions in Geneva focused on the possible **architecture** of the MC12 outcome document, with the Chair of the General Council proposing a three part document: (a) a Chair's statement instead of a Ministerial Declaration, given that the EU and the allies would not sign any document without a reference to the invasion of Ukraine; (b) an Annex with the different decisions and multilateral statements adopted (Trade & Health, Food Security/Agriculture, Fisheries, e-commerce moratorium, etc.); and (c) a summary reflecting the areas in which members maintain divergent positions. The Commission is concerned about the third part as it could include the disagreements on the war in Ukraine, expressing on equal footing the allies' statements opposing the invasion of Ukraine, and the Russian replies blaming the allies' sanctions for the instability of the Multilateral Trading System. The Commission prefers to work on a plurilateral statement on the Russian invasion at MC12 with allies. Given the impossibility of negotiating with Russia, no plurilateral JIS is expected to be finalised by MC12. In the margins of MC12, EVP Dombrovskis is planning to organise an informal Ministerial breakfast with some members (New Zealand, Ecuador & Kenya) to present his vision of a "Coalition for Climate Change".

3. It is to be recalled that before the war many Ministers had indicated that they would be prepared to continue work on all four **key topics** (Trade & Health, Fisheries subsidies, WTO reform and Agriculture) with the EU insisting on a package approach. However, priorities changed following the Russian invasion of the Ukraine in the light of the impossibility for the EU and allies to negotiate with Russia and the new urgency to deal with issues of food security, transparency etc. A number of major WTO players, including Australia, Canada, Japan, New Zealand, the UK, the EU and the US, supported a plurilateral political statement on the suspension of the most-favoured-nation treatment (MFN) to Russia and the blocking of the WTO accession process for Belarus. The issue was further discussed during the informal WTO General Council on 28 March with the EU and like-minded countries criticizing Russia, and China, India and Brazil remaining silent. Russia, for its part, tabled a bill in the Duma to withdraw from the WTO, but this not likely to happen; on the contrary, due to the "consensus" decision making rule of the WTO, there is a risk that Russia could block any decisions coming out of MC12.
4. Concerning the waiver to the TRIPS Agreement to allow the production of **vaccines** against COVID-19 based on "government authorizations" without the consent of the patent owner, which was originally viewed by the EU as part of a broader 'Trade and Health' package to come out of MC12, there is still no clarity. The situation remains blocked as the US has not given its green light to the text and China would now also oppose it (following a controversial meeting with the QUAD).

5. Concerning **agriculture**, the potential MC12 outcome still remains vague. The Chair of the Committee on Agriculture Special Session continues to organise small group meetings on the main agricultural issues, while divergences remain substantial: on domestic support, export restrictions, market access, special safeguard mechanism and public stockholding (PSH). In view of the worsening food insecurity and ongoing pandemic-related uncertainty, what could be envisaged at MC12 is a multilateral food security package which could include: (a) a decision exempting World Food Programme humanitarian purchases from export restrictions; (b) a best endeavour commitment on avoiding export restrictions on food, while recalling the need to respect WTO rules when such measures need to be applied; (c) transparency improvements on export restrictions and in relation to stocks of commodities; and (d) a renewal of the commitment to respect the provisions on international food aid contained in the 2015 Nairobi Decision with a view to avoiding circumvention of the elimination of export subsidies. Alongside such a food security package, MC12 could also launch work programmes (i.e., negotiating mandates) on the entire agricultural agenda for work towards MC13, and in particular on trade distorting support, public stockholding and transparency. India is expected to keep insisting on having a permanent solution on Public Stockholding for food security purposes (PSH). These issues were discussed by the WTO Committee on Agriculture in Special Session (CoA-SS) on 27 April, and the discussion will continue at the next meeting on 19 May. On 31 March, the WTO General Council endorsed the final decision on the review of the Bali Decision on management of tariff rate quotas for agricultural products and the underfill mechanism. India finally agreed to the text in order not to get in the way of a potential outcome accepted by everybody else.
6. Meanwhile a joint statement on "Open and Predictable Trade in Agricultural and Food Products" initiated by the UK and supported by Ukraine (WK 6044/2022 REV 1) was presented at the WTO General Council meeting on 9-10 May. It is co-sponsored by Albania, Australia, Canada, Chile, Costa Rica, European Union, Georgia, Iceland, Israel, Japan, Republic of Korea, Liechtenstein, Mexico, Republic of Moldova, Montenegro, New Zealand, North Macedonia, Norway, Paraguay, Singapore, Switzerland, The Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu, Ukraine, United Kingdom and United States. The EU approval to co-sponsor this statement was confirmed by the Council via written procedure on 5 May.