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UNLOCKING WTO AGRICULTURAL NEGOTIATIONS: BUILDING TRUST AND FINDING COMMON GROUND

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SUMMARY

- The World Trade Organization (WTO) is a key forum for negotiating global trade rules, yet it faces significant challenges, particularly in agricultural negotiations. The collapse of the Doha Round has left critical agricultural issues unresolved. This standstill has led to concerns about the opportunities of developing countries in world trade and how the WTO can serve their interests.
- The rise of emerging economies like China and India, shifts in global trade dynamics, and recent geopolitical tensions demand strategic approaches to address the unresolved issues.
- WTO members need to rediscover common ground to revitalize the negotiations. Climate change and global food security stand out as compelling shared challenges. These challenges offer an opportunity for the WTO to reassert itself as a multilateral platform for equitable exchange and bridging the diverse interests of its members.
- Informal exchanges between WTO members - especially those from smaller developing countries - are not a silver bullet, they offer a practical way to build trust, develop technical expertise, and promote more inclusive participation in negotiations. Strengthening these informal mechanisms can support small developing countries in formulating independent positions that will enable them to protect their interests in the agricultural negotiations.

THE NEED FOR REFORM

For a long period in the 20th century, global agricultural trade has been highly distorted, with markets protected by tariffs and agricultural subsidies provided without limitations supporting domestic production and import substitution. For the first time in history, significant disciplines for the agricultural sector were provided with the Agreement on Agriculture (AoA) in 1995 at the launch of the World Trade Organization (WTO). The AoA was introduced to reduce

trade distortions and promote a more open global agricultural market.¹ It is still the only multilateral trade agreement specifically addressing the agricultural sector and was **the first major and at least partially successful initiative to repurpose agricultural subsidies.**

Today's geopolitical landscape is much different from the one in the 1990s. Emerging economies gaining influence, technological advances reshaping industries, geopolitical tensions, national economic security concerns, and an increasing emphasis on longer-term sustainability have shifted priorities and

dynamics adding further complexity. These changes make it difficult to create a “one-size-fits-all” approach that addresses the diverse interests of all WTO members. With global food security and sustainability challenges coming to the fore, the AoA’s original objective is sometimes viewed as insufficiently responsive to contemporary needs.

The Doha Development Agenda was intended to prioritize the needs of developing countries, an aspect that had been neglected in prior negotiation rounds. The collapse of the Doha Round largely stems from the challenges of reaching agreements on agriculture and highlights the conflicting interests and preset conditions among WTO members.²

In the past years, agricultural negotiations have been dominated by discussions on public stockholding (PSH) mainly due to the divergent views between developing and developed countries. In a nutshell, PSH is not about food stockpiling, which is allowed under WTO rules but over the concern of exceeding the agreed thresholds. The fear among some WTO members is that these stocks could be released onto the global market, driving down international prices and harming producers in other countries.

Due to these challenges and disagreements, WTO members have struggled to conclude new agreements, leading many members to

shift their focus to bilateral and regional trade agreements as well as unilateral measures. Heightened geopolitical tensions have further fueled the rise of unilateral measures, often justified by national economic security concerns or driven by sustainability agendas.³ This shift away from multilateralism undermines the WTO’s very foundation as a global trade forum, eroding its relevance. Its role as the primary platform for resolving trade disputes and creating a rules-based trading system weakened, leaving smaller developing countries especially disadvantaged in shaping global trade norms.

A potential solution to the WTO’s challenges would have to balance the diverse interests of its members through a combination of reform and compromise.

FINDING THE COMMON GROUNDS: ALIGNING TRADE WITH THE SDGS

WTO members need to rediscover common ground to revitalize the negotiations. Climate change and global food security stand out as compelling shared challenges. These challenges offer an opportunity for the WTO to reassert itself as a multilateral platform for equitable exchange, bridging the diverse interests of its members – advanced, emerging, and developing economies.

The current system focuses primarily on regulating trade-distorting subsidies and does

not adequately address the sustainability impacts of subsidies. To adapt to today's challenges, some argue that WTO rules should be refocused on evaluating subsidies based on their effect on sustainability, whether positive or negative.⁴ This shift would involve reassessing subsidies through the lens of the Sustainable Development Goals (SDGs) and balancing economic, environmental, and social priorities on a case-by-case basis.

LEVERAGING INFORMAL EXCHANGE

WTO reform could be effectively advanced by making greater use of informal exchanges among members. Thematic sessions and informal discussions that support the work of committees have proven particularly useful, with many focusing on sharing experiences in implementing existing commitments.⁵ Although less common, some informal exchanges have also addressed trade-related issues not fully covered by the WTO or introduced new topics. Initiatives led by the WTO Secretariat, such as the workshop on "Examining Contemporary Challenges in the Agricultural Sector in the Context of WTO Negotiations", demonstrates the potential to deepen discussions.⁶ Expanding informal exchanges could enhance the inclusiveness of WTO negotiations by involving a broader range of stakeholders, including the private sector and international organizations. By providing a less formal setting, these sessions not only

enhance technical dialogue but also support members in navigating domestic political pressures.⁷

There is also a critical need for informal, technical exchanges, specifically for small developing country delegations with limited capacity. These delegations often lack the resources to follow new developments in negotiations, putting them at a disadvantage in highly politicized discussions. As a result, they are often drawn into the arguments and positions of larger developing/emerging countries without having the time or expertise to develop independent positions. **Informal, person-to-person exchanges where delegates ask questions, seek clarification, and develop their knowledge free from the pressure of formal negotiations, could provide the necessary space for smaller delegations to better grasp the nuances of ongoing negotiations.**

INTEGRATING SUSTAINABILITY

Introducing a "**sustainability box**" within the WTO is gaining traction as a potential solution to contemporary challenges such as food security, climate change, and biodiversity loss. This concept would allow for minimal trade distortion in pursuit of broader sustainability goals, but it also raises concerns about the potential for disguised protectionism.⁸ However, aligning trade rules with environmental standards may pose

disproportional challenges to developing countries which often do not have the technical and institutional capacity to adapt. In these cases, the trade-offs between different SDGs need to be carefully considered to avoid discrimination of developing country exporters. While politically challenging, the sustainability box represents a forward-looking approach to integrating sustainability into global trade rules, balancing the need for economic development with environmental protection and social equity.

CONCLUSIONS AND RECOMMENDATIONS

Expecting an all-encompassing solution would oversimplify the complexities of the multilateral system. Instead, a more realistic and achievable approach involves implementing a series of carefully negotiated reforms that rebuild trust among members and adapt to evolving global trade dynamics. Progress will likely result from sustained dialogue, compromise, and a readiness to adapt, rather than a one-size-fits-all solution. Broader systemic reforms of the WTO and concrete actions are essential to go beyond discussions and make meaningful headway.

To foster progress and ensure the inclusivity of WTO negotiations, the following instruments are recommended:

1. Leverage initiatives on informal exchanges

- **Informal thematic exchanges:** Use existing initiatives to deepen the technical knowledge of negotiation topics and introduce new topics.
- **Ensure broader stakeholder involvement:** The participation of the private sector and international organizations can provide additional expertise and perspectives.

2. Strengthen technical assistance for delegations from small developing countries:

- **Long-term trust-building:** The use of informal face-to-face exchange can support smaller, resource-constrained delegations to better understand the complex issues at play in agricultural negotiations, allowing them to advocate for their national interests more effectively.
- **G7 leadership in capacity-building:** G7 countries should take a leading role in providing technical assistance and creating low-pressure spaces for dialogue, where smaller delegations can acquire the expertise needed to actively participate in formal negotiations.

ENDNOTES

¹ Brink and Orden 2023. Agricultural Domestic Support Under the WTO: Experience and Prospects, Cambridge University Press, Cambridge. <https://doi.org/10.1017/9781009082440>.

² Clapp 2006. WTO Agriculture Negotiations: Implications for the Global South. *Third World Quarterly* 27(4): 563–77. <https://doi.org/10.1080/01436590600720728>.

³ Peres 2024. Reflections on MC13: The present and future of the WTO. Briefing Paper (UK Trade Policy Observatory); Rudloff et al. 2023. Geostrategic Aspects of Policies on Food Security in the Light of Recent Global Tensions – Insights from Seven Countries. IATRC Commissioned Paper. <https://ageconsearch.umn.edu/record/343001>.

⁴ Cima and Esty 2024. Making International Trade Work for Sustainable Development: Toward a New WTO Framework for Subsidies. *Journal of International Economic Law* 27(1): 1–17. <https://doi.org/10.1093/jiel/jgae008>.

⁵ Wolfe 2021. Informal Learning and WTO Renewal: Using Thematic Sessions to Create More Opportunities for Dialogue. *Global Policy* 12(3): 30–40, <https://doi.org/10.1111/1758-5899.12922>.

⁶ WTO 2024. Workshop: Examining contemporary challenges in the agriculture sector in the context of WTO negotiations. Committee on Agriculture Special Session. WTO, Geneva. https://www.wto.org/library/events/event_resources/agri_0207202410/summary_report_e.pdf.

⁷ Hoekman and Mavroidis 2021. WTO Reform: Back to the Past to Build for the Future. *Global Policy* 12(3): 5–12, <https://doi.org/10.1111/1758-5899.12924>.

⁸ Diogo and Kaukab 2023. Don't Run Alone! Why the WTO and UNFCCC Should Work Together More Closely in the Area of Agriculture. Friedrich-Ebert-Stiftung e.V, Bonn.

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