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# Informal Report and Understandings

Emerging from the Second Expert Consultation  
on QUNO's New Framework for Trade and  
Investment in Agriculture (NFTIA), 22-23 May 2014

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# I. Background

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## 1. The NFTIA Vision

The current multilateral framework governing international agricultural trade was designed a quarter of a century ago, as part of the World Trade Organization (WTO). As a result, it defines rules for the most prevalent problems of the late 1980s and early 1990s. It proposes solutions based on analysis of the situation at that time and assumptions about how agricultural production, trade and investment would evolve.

Since 2007, however, the situation on world markets for agricultural goods has changed dramatically. Alongside this are concerns surrounding the effects of climate change, the marked increase in domestic and foreign investment in agricultural land, mandatory biofuel targets, changing consumption patterns, and market deregulation.

The general consensus is that the new features of the global agricultural situation are not adequately reflected in the proposals for the reform of international rules relating to trade and investment in agriculture in the context of the WTO.<sup>2</sup> And proposals made outside that multilateral framework<sup>3</sup> are for the most part not becoming reality, for lack of an appropriate forum or for want of political will.

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<sup>1</sup> <http://quno.org/resource/2013/11/new-framework-trade-and-investment-agriculture-%E2%80%93-quonos-vision>

<sup>2</sup> For example, in a survey conducted by QUNO in late 2013, 98% of respondents stated that the current framework for trade and investment is not adequate.

<sup>3</sup> <http://quno.org/sites/default/files/resources/NFTIA%20draft%20mapping%20of%20alternative%20proposals.pdf>

“...new features of the global agricultural situation are not adequately reflected in the proposals for the reform of international rules relating to trade and investment in agriculture...”

There is opportunity presented at this moment in time for governments and civil society to think anew about the relationships between food security and the global



Photo credit: QUNO

governance of trade and investment.

QUNO therefore established this program, working collaboratively towards a New Framework for Trade and Investment in Agriculture (NFTIA) so that trade policies and rules do not trump food security

measures and trade is seen as a tool that can support food security in appropriate situations.

## 2. The First NFTIA Expert Consultation

In order to understand the purpose and design of the second expert consultation held under this project, it is important to go back to the general understandings and guidance given by the first NFTIA expert consultation held from 21-23 January 2014.

The first consultation had 32 participants with representatives from civil society organizations (CSOs) from Geneva and around the world with expertise in trade and food security, as well as academics and researchers in trade, investment and food security issues. The purpose of the meeting was to take stock of the changes in the food system since current rules were developed,<sup>4</sup> past efforts to reform trade and investment rules to make them more supportive of food security and to discuss how circumstances have changed

and may present new opportunities for change. It also asked participants to share opportunities and challenges they had faced or perceived in trying to place food security as a central concern in agriculture trade and investment rules and policy.

The meeting was off-the-record. Some general understandings emerged from the consultations, including:

- Food democracy is a possible organizing tool or set of principles to guide work.
- The goal is food security for all: developed and developing countries, rural and urban.
- Diversity is critically important for resilience and adaptability: diversity of agricultural systems, knowledge,

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<sup>4</sup> Topics covered included the financialization of food, energy, employment, climate change and the upward trend in bi- and plurilateral trade agreements.

## “QUNO asked participants to share opportunities and challenges they had faced or perceived in trying to place food security as a central concern in agriculture trade and investment rules and policy.”

techniques, crops and other agricultural biological diversity.

- Processes should be participatory and transparent.
- National and international policies should support and provide space for local systems and decision-making
- Farmers should have the right to choose whether to join the global or the local food system; choice is key.
- More emphasis is needed on the current and potential innovations of small- scale farmers.
- Agricultural trade must be a tool for development and not solely market-oriented.
- Efficiency should not be judged solely by market efficiency but by a broader notion of human well-being.
- The power of transnational corporations (TNCs) and corporate concentration is problematic for food security and needs to be regulated.
- The dominant narrative that upholds

the current system must shift. Means to do this include:

- \* Challenging it directly; demonstrating why food security must be the central concern and that trade is but one tool that needs to be supportive of that concern.
- \* Telling compelling stories about the impact of trade on food security, being cognizant that the stories resonate with different audiences.
- \* Show casing evidence about the relationship between food security and trade rules and policy and making it more widely available.
- \* Creating more experience and evidence of food security taking primacy over trade rules and policy.

Some general concerns about possible obstacles to change also arose from the discussions. One obstacle to reshaping trade policies and rules is the dependence of many countries, or

populations within countries, on cheap, imported food. It is hard to reform a system without addressing this dependence in the short-term while transitioning to a different, healthier and more sustainable system in the long-term.

Another obstacle mentioned was the interdependence amongst countries. This means that change will need to be systemic and cannot be undertaken by one country acting alone.

There was also concern about how many trade delegates have come to view trade as an end in and of itself. Instead of measuring the success of a trade policy or set of policies by its impact on a broader set of goals, success is more often defined as a greater degree of liberalization.

The power and concentration of TNCs, that largely sit outside global governance yet are hugely influential on it, was also considered an obstacle. It was noted that TNCs largely trade with one another and often control entire global value chains, something that is largely outside of the regulatory

mandate of multilateral bodies that govern trade and investment. Meanwhile, states are creating the trade policies and the rules. It was also noted that high levels of corporate concentration is the antithesis of a free market and of efficiency – both ideas are at the heart of arguments by advocates for increased trade liberalization (see Annex I to this report).

Finally, the first consultation provided some guidance to NFTIA in terms of what the program might produce. Participants noted that whatever NFTIA creates should be useful in catalyzing actual change (e.g. go beyond statement of principles). They also suggested that the target audience be national policy-makers and negotiators, and if possible the CSOs that seek to influence them. This should be done with the goal of supporting policymakers in putting food security as a central concern in agricultural trade and investment rules and ensuring these policies and rules do not undermine food security.



Photo credit: QUNO

## II. Details and Purpose of the Second Expert Consultation

On May 22-23, 2014, QUNO convened a small expert consultation in Geneva to advance the work of NFTIA.<sup>5</sup> Present were representatives of State trade delegations, farmers organizations from different parts of the world, and trade and food security experts, academics and researchers. The 17 participants contributed to the consultation in their personal capacity with agreement that comments and understandings emerging would not be attributed to individual participants.<sup>6</sup>

The purpose of the meeting was to advance on the direction provided from the first, and larger consultation (as above). In addition, QUNO sought to gather more specific ideas of the contours of a framework, tool or process that could meaningfully catalyze the change needed to ensure food security

measures are not impeded, and in fact are supported by, trade policy and rules. To move towards this goal, QUNO felt it was important to understand how these two broad areas of policy, study and action intersect with one another. The group was intentionally kept small to foster intimacy and trust. Trade delegates, small-scale farmer representatives and experts from research institutions and academia from different parts of the world were selected to represent a diversity of situations.

The first consultation stressed the need to shift the narrative around trade policies and rules, to challenge the paradigm. Many of the understandings that arose also directly or indirectly raised the importance of small-scale farmers as the foundation of a transition to more sustainable food systems.

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<sup>5</sup> It was decided that the second consultation would focus on trade. It is recognized that trade and investment are linked but the technical differences between the two requires some separate focus before deciding how to link the subjects in the process.

<sup>6</sup> The 'Chatham House Rules': see <http://www.chathamhouse.org/about/chatham-house-rule#sthash.22PyRZqh.dpuf>



Three research presentations were prepared for the second consultation, in order to build on information gaps identified in the first consultation:

1. Examining the dominant narrative and underlying economic assumptions applied to trade in agriculture and the relation to food security in particular<sup>7</sup>
2. Reports from research in eight developing countries (three from Latin America, two from Asia and two from Africa) on food security measures taken, noting in particular what, if any, measures were directed at small-scale farmers in agro-biodiverse systems
3. An assessment of food security-related measures taken by intergovernmental bodies<sup>8</sup>

By challenging the dominant narrative, and examining measures taken nationally and internationally, we hoped to get a better understanding of:

- The relationship between trade and food security, conceptually and in practice

- What the opportunities and obstacles for alignment are
- If there is more we need to know to act
- If there is more we can catalyze or facilitate to understand the relationship and demonstrate how trade policy and rules can and must align with food security needs

The consultation noted that action is needed both inside and outside the current regimes that govern trade. It is important to maintain or even expand policy flexibility or space within the system, but equally, if not more important, is the need to build the capacity to actually occupy that space with “non-trade concerns” like food security.<sup>9</sup> It was generally agreed this occupying of the policy space was of urgent concern because change was unlikely to come from within current trade regimes. On the other hand, it was also recognized that the existing institutions that have a mandate for food security are probably not going to be enough to achieve this aim, partly due to the political nature of the governance

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7 This presentation was drawn from a paper written for QUNO by Professor Jennifer Clapp, which can be found here: [http://quno.org/sites/default/files/resources/QUNO\\_Food%20Security\\_Clapp.pdf](http://quno.org/sites/default/files/resources/QUNO_Food%20Security_Clapp.pdf)

8 These will be published as companion pieces by QUNO.

9 The sixth paragraph of the Preamble to the Agreement on Agriculture (AoA) notes non-trade concerns “including food security and the need to protect the environment.”

of trade. Alliances with others with related mandates (such as employment,

nutrition and health) are therefore likely to be important.

Outside the trade system	Inside the current system
Changing the narrative	Changing the narrative
Building capacity to occupy the policy space: evidence, analysis, declarations, tools, stories, briefings etc.	Maintain or strengthen current policy space
Strengthen the public sector (to assert itself into the policy space in the public interest)	Influence others to occupy the policy space; e.g., CFS, International Treaty for Plant Genetic Resources for Food and Agriculture, WHO etc.
Creation of a policy assessment tool: necessary or desired measures to support small-scale farmers in agro-biodiverse systems	Capacity to support delegations and building alliances (widening the circle)

It was also agreed that if the goal is sustainable food systems<sup>10</sup> then there is a need for trade policies and rules to allow for, and preferably enable,

measures that promote resilience and support what is at the heart of resilience: small scale farmers in agro-biodiverse systems.

<sup>10</sup> One participant noted the importance of the term “food systems” as a counterpoint to the frequently invoked narrative of “market systems” as the means to resolve most food security concerns.

“We don’t necessarily know what the next food crisis will be, or whether an extreme weather event, civil strife, or a new, virulent pest will cause it, but we do know there will be a next crisis.”

We don’t necessarily know what the next food crisis will be, or whether an extreme weather event, civil strife, or a new, virulent pest will cause it, but we do know there will be a next crisis. Resilience is the ability to respond to many different scenarios. In agriculture, much of this equates to small-scale farmers maintaining and developing agricultural biodiversity and managing biodiversity-rich systems. But it also

means that in investing in small-scale farmers and making this transition, it is important to take care of the impact this may have on other vulnerable populations in the short-term.

General understandings from the second consultation emerged around some main themes, as described in Section III below.

## III. General Understandings Organized by Theme

This informal report does not attempt to reflect the depth, breadth and nuance of the discussion, but rather to give a general sense of the direction of the dialogue.

### A) Policy space in the WTO Agreement on Agriculture (AoA) and occupying that space

It was generally agreed that State trade delegations and CSOs need support in maintaining the policy space that already exists in the WTO AoA. In the face of pressure to close this space, it is critical to have a better understanding of whether or not there is a need for more expansive flexibility. Trade delegations that may not be using all the flexibility currently allowed are often pressured to make decisions that may reduce the flexibility. However, with price volatility, climate change and in general within an increasingly unpredictable world, giving up flexibility is a cause for deep concern, even if the space allowed within this flexibility is not presently used. In terms

of policy space, it was noted that some countries are more constrained than others. The following policy areas were flagged:

- The allowance of an adequate level of food self-production
- The allowance of an adequate level of public stockholding (i.e. physical reserves of food) for food security purposes
- Policies to provide food safety nets
- Policies to revitalize and/or support the rural sector

In relation to the allowance of an adequate level of food self-production, it was noted that this production should

“...with price volatility, climate change and in general within an increasingly unpredictable world, giving up flexibility is a cause for deep concern.”

focus on small-scale farmers and the right to produce domestically in their own countries.

There is a need to occupy the policy space that currently exists with measures that promote food security. Occupying the policy space may be one of the more effective ways of keeping the policy space open. Tools that help countries and CSOs in creating national policies and measures to occupy that space are arguably as important as support to keep the space open at the multilateral level. Moreover, if there is a continued focus on the defensive maintenance of policy space without proactively stating the types of food security measures that cannot be trumped by trade rules, other more powerful interests are likely to occupy that space. To some extent that might be what is happening with the continuing negotiation of regional trade agreements that tend to have less

flexibility than the AoA and which often appear to have been more overtly influenced by TNCs.

It was agreed that governments need to more proactively occupy the policy space with national food security measures and with strengthened measures in other intergovernmental fora. However, with the increasing influence of TNCs and other pressures, it was not clear how to support this reassertion of governments' role in protecting the public interest (see Section III D below). Some talked of the need for a rights-based approach to these measures and policy. The importance of anti-trust law as a means of curbing corporate concentration was also mentioned.

## B) Particular lens of small-scale farmers and development

One area that cuts through the mystification of complex trade rules is a focus on small-scale farmers. There was a general feeling that trade rules have decimated this population in some countries and will continue to do so in others if other measures of support (in particular, ensuring access to assets like land, seed and credit) are not put in place.

With the classic economic view of comparative advantage and efficiency, trade policy and rules tend to undermine small-scale farmers. They are further unlikely to be made visible in policy terms unless their role in food security is appreciated and reflected in food security measures as a “non-trade” concern.<sup>11</sup> Without discounting the effect of trade policies and rules from farm to fork, small-scale farmers in agro-biodiverse systems are the foundation of a global sustainable food system. This type of producer may yet be irreversibly affected by current

trends in trade rules without more conscious policy attention.

The impact of climate change was mentioned many times during the consultation and this in turn raised the global importance of small-scale farmers and agricultural biological diversity. The impact of trade rules and policies on small-scale farmers matters to everyone: North, South, urban or rural. Their activities provide the foundation for a resilient, sustainable food system in a world increasingly characterized by more extreme and unpredictable weather events, virulent pests and diseases that move more easily around the globe.

Small-scale farmers develop and maintain the crop and genetic diversity that provide the basis for artificial and natural selection to respond to global change. Ex situ collections such as the Svalbard Global Seed Vault are important to protect an actual body

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<sup>11</sup> See footnote 9 supra

“...ex situ collections are important to protect an actual body of genetic diversity, but they cannot replace the processes undertaken by small-scale farmers that continually create genetic diversity.”

of genetic diversity, but they cannot replace the processes undertaken by small-scale farmers that continually create genetic diversity. A diversity of innovators in a diversity of systems is desirable in these processes and cannot be replaced by centralized research and development. In addition, the management practices and the plant, animal and associated biological diversity being developed by these farmers are also central to global food security. Small-scale farmers are at the front lines of protecting the global food system. Understanding how trade rules and policies may or may not affect this stakeholder group is therefore of global importance.

Furthermore, small-scale farmers are important for local food security and economic development. Small-scale farmers often account for about 75% of

agricultural production and over 75% of employment.<sup>12</sup> For many, there is no viable alternative choice of employment if small-scale farming is displaced. It was noted that the agricultural sector is one of the most inflexible in terms of “shifting factors of production.” The unemployment and migration caused by the displacement of small-scale farming (and human rights abuses that often result) are not discussed at the WTO. This can therefore be seen as the WTO taking a narrow view of the multifaceted dimensions of trade and investment in agriculture.

An additional problem is that the positive externalities of small-scale farmers in agro-biodiverse systems (e.g. maintenance of genetic diversity, provision of ecosystem services such as nutrient cycling) are unrecognized. Conversely, the negative externalities

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12 IFAD. 2012. “Smallholder Farmers Key to Lifting Over One Billion People Out of Poverty.” Press Release, June 4. Online at: <http://www.ifad.org/media/press/2013/27.htm>.

(e.g. monocultures, pollution, greenhouse gas emissions) of industrialized agriculture are not accounted for. This approach also challenges the trade myth of specialization, derived from comparative advantage: that each country should specialize in the production of that which they can produce at a lower opportunity cost than other countries. Under this theory, other goods are received via trade with other countries who produce according to their own comparative advantage. The reality is the richest countries have highly diversified agricultural sectors that work as a protection mechanism, against pests or price shocks in certain products, for example.

Diversity in food security operates at many levels. Small-scale farmers provide the world with a diversity of goods and services, using a diversity of resources, in a diversity of agro-ecosystems and therefore better enable us to face unknown and different scenarios in the future. To take a classical economic term out of context, this is a comparative advantage of small-scale farmers and it produces a global public service.

One challenge is the mismatch between an easy fix of importing cheap calories and the longer-term need to invest in small-scale farmers. One has to think in terms of steps that need to be taken in this transition to a more resilient food system. This system should be based on increased local production, with likely some mix of large- and small-scale farming. The steps taken will need to include investment in small-scale farming in agro-biodiverse systems while paying close attention to those who will need support during the transition, often the urban poor.

Notably, there is a need to make clear that supporting small-scale farming does not equate to divestment from other kinds of development and other sectors of the economy. It is not a trade-off. Investment in small-scale farming can contribute to rural development and the development of livelihoods in the non-farm sector.



“The message is not that trade is bad, rather that the rules and policies which govern trade and investment in agriculture need to be adjusted so that they are a tool for food security and do not undermine it.”

## C) Challenging the dominant narrative in trade discussions

The concept of food security has evolved significantly since it appeared in the 1970s. Since then, the world has changed and our understanding of the impact of agricultural trade policies and rules on food security has grown too. Food security initially focused on production and is now understood to be far more complex involving access, availability, health and nutrition, cultural preferences, not to mention the human right to food.<sup>13</sup>

In discussing the need to challenge the dominant narrative, which allows the trade system to continue in its current form,<sup>14</sup> it was clear that the solution

to unwanted impacts of trade on food security is not about making markets more perfect or “free”. The need is for a paradigm shift from that of the dominance of market systems to one with an entry point of food systems. It was agreed that whatever NFTIA produces should contribute to this shift. The message is not that trade is bad, rather that the rules and policies which govern trade and investment in agriculture need to be adjusted so that they are a tool for food security and do not undermine it.

Some of the challenges to the dominant paradigm will need to come from inside

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<sup>13</sup> Though some would say that much of the intergovernmental action taken towards achieving food security still retains a productionist focus.

<sup>14</sup> See Jennifer Clapp’s paper, written for QUNO, ‘Trade Liberalization and Food Security: Examining the Linkages’, at [http://quno.org/sites/default/files/resources/QUNO\\_Food%20Security\\_Clapp.pdf](http://quno.org/sites/default/files/resources/QUNO_Food%20Security_Clapp.pdf)

trade discussions (see section II above). For example, when “efficiency” is used as an argument to support increased liberalization it can be countered by:

- 1) Challenging whether the rule or proposal is indeed “efficient”, even in the classic economic understanding of that term, under the circumstances
- 2) Asserting that the concept of “efficiency” should be judged by

a broader notion of human and environmental well-being, and not limited to the efficiency of markets

Other challenges will need to come from outside trade discussions, for example, in the creation of sustainable food systems and by increasing awareness of measures that enable the transition.

## D) The role of the public, private and civil society sectors

The increasing need for a vibrant public sector was recognized. While there has been renewed interest and public sector investment in agriculture generally in the last decade, the role of the public sector has often been limited to protecting the private sector from risk and creating market opportunities. These are roles that the public sector can usefully play in economic development. There was concern, however, over the often-seeming abdication of government’s role as a promoter of the public interest and in setting boundaries, not only in terms of market regulation but also around

areas where the market should not be the allocating factor. If markets directly benefit those who can afford to buy into them, markets cannot be the sole determinant of food security.

A vibrant private sector is important to economic development and to sustained investment flows. But particularly in an area as critical as food security, a vibrant private sector needs a vibrant public sector that is paying attention to need. With high corporate concentration and ownership of assets, the public sector can be vulnerable to “corporate capture.” Anti-trust and

“...in an area as critical as food security, a vibrant private sector needs a vibrant public sector that is paying attention to need.”

competition law are tools to help keep this from occurring. The discussions made clear that even if there is policy space in trade policies and rules, if a government is not robust; this is a risk of this space becoming irrelevant if more powerful, private interests fill it. Given the constraints facing the public sector in many countries, the importance of the role of civil society organization was recognized. One participant talked about the possibility of a “C20” (Civil Society 20) to complement the G20 and B20 (Group of 20 and Business 20 respectively).

A related issue is the high coalition costs for small-scale farmers compared to concentrated corporate interests. This needs long-term public sector investment. Any tool produced by the NFTIA program, that can raise understanding of the importance of this sector, would therefore be valuable.

Public procurement was raised as a means to invest in and strengthen small-scale farmers. Trade policies and rules should not diminish the ability of the public sector to give preference to local procurement. Developing countries giving priority to local procurement are finding themselves challenged in several WTO committees.

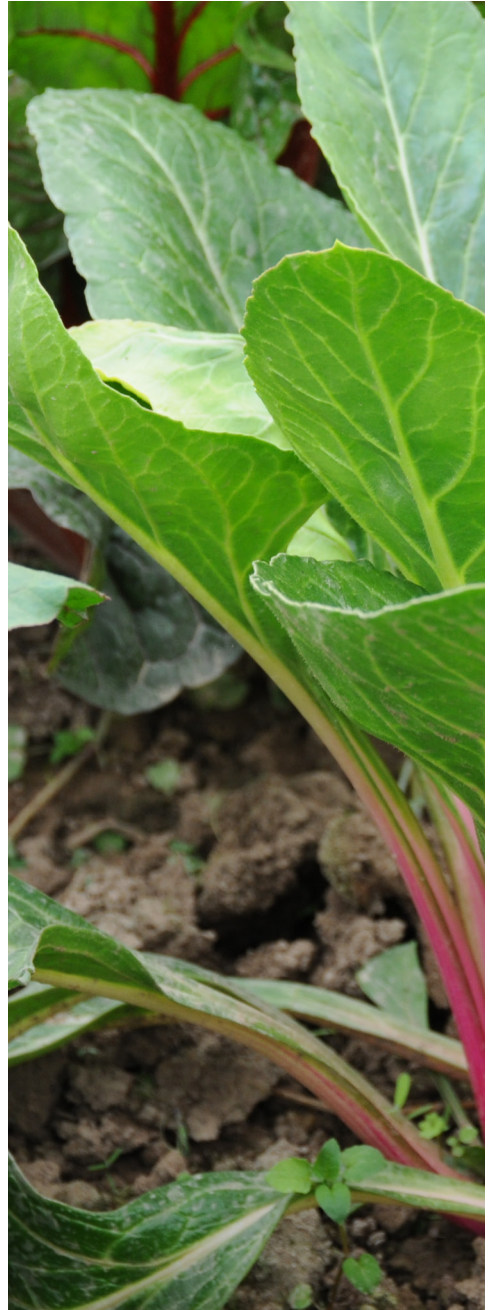
The tension often felt between consumers and producers was mentioned. The distance in the value chain between the producer and consumer is long and is increasingly controlled by fewer corporate players. Governments are often unsure of how to protect both producers and consumers and often lack the infrastructure to support the former. Government policy has often protected the urban consumers by importing cheap calories but of questionable quality (see Section III E below).

## E) Health and Nutrition

The group discussed the need to promote availability and access to more diverse foods. There is a need to better connect the health and agriculture worlds, particularly in consideration of the role of small-scale farmers in the production of diverse foods.

The “cornification” of diets was mentioned and seen as resulting from a combination of trade rules and policies, corporate concentration and the resulting industrialized monoculture agriculture. Over the past two decades, food production and trade in agricultural products both increased, but so did malnourishment.<sup>15</sup> The connection between dietary simplification and the increase in non-communicable diseases was noted.

NFTIA might therefore consider how it can help connect the dots between small-scale farmers growing in agriculturally biodiverse systems, nutrition and trade rules. This was discussed further in the conversation about strategic alliances (see III. F below).



**Photo credit: QUNO**

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<sup>15</sup> When discussing decreased nutrition, it was noted that both malnutrition and obesity have been features of this phenomenon

“Alliances amongst the food security community have thus far been insufficient to shift the dominant trade narrative to better support food security..”

## F) Strategic Alliances

There was a wide-ranging discussion about strategic alliances at the multilateral level as well as important leverage points to try to move the issues forward with more coherence in global governance.<sup>16</sup>

It was noted that alliances amongst the food security community (CSOs, UN agencies and other intergovernmental institutions) have thus far been insufficient to shift the dominant narrative in agricultural trade in order to better support food security and sustainable food systems. It was recommended that NFTIA look for potential partnerships with those who share common interests but are not necessarily in the food and agriculture sector. For example, the World Health Organization was mentioned,

particularly on issues of nutrition and dietary simplification. The International Labour Organization was also suggested because of its interest in unemployment, decent work and the connection with the displacement of small-scale farmers and ensuing unemployment in countries where there are not other sectors or jobs to absorb them. The importance of regional bodies was also noted, as fora to which these discussions could be taken and which often play an important coordinating role between farmers’ organizations and government bodies.

The Committee on World Food Security (CFS) was discussed, in particular due to the role it is playing in policy making for investment in agriculture. The CFS has not put trade on its agenda although it is the global body charged with food

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<sup>16</sup> See Annex I to this report for a list of organizations discussed.

security.<sup>17</sup> There was discussion of the need to de-politicize the issue, to see food security a non-trade concern that trade rules must respect, and to support getting trade on the CFS agenda. While the Food and Agriculture Organization of the UN (FAO) has produced technical studies on trade and agriculture, it has not been influential at the WTO and thus far the WTO has not seemed to seriously take food security as an issue. It was agreed that it would be useful for QUNO to present NFTIA's vision and work at a side event at the CFS in October 2014.

The Governing Council of the International Foundation for Agriculture and Development (IFAD) meets at the same time as the Farmers' Forum, an event that gathers influential members of small-scale farmer organizations in interaction with IFAD and member states. This could provide an opportunity for alliances to support small-scale farmers (see connection to section IV C below).

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<sup>17</sup> One participant suggested that if there were a World Investment Organization like the World Trade Organization, the CFS would not have put investment on its agenda either



Photo credit: Martin Kunz/QUNO

## IV. Possible NFTIA products

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Based on the discussions of the prior day and a half, a session on possible NFTIA outputs was held. This session aimed to get a sense of what would be the most helpful tools/processes/frameworks to support national decision-makers and negotiators (and where possible, civil society) in ensuring that food security measures are not undermined by trade policies and rules and in fact support them.

### A) General Thoughts

It is a goal that the tools either by their development or in their use will lead to some guiding principles on trade and food security. It was said that trade policies and rules need to allow for policies that:

- Promote resilience
- Invest in small-scale farmers in agro-biodiverse systems so as to develop the capacity, locally and globally, to respond to different scenarios (particularly, in light of climate change)
- Are aware of and support those affected in the short-term by the policy

change (e.g. people dependent on cheap imported food.)

Whatever is created, it should be clear the goal is sustainable food systems and food security and that trade rules and policies must not trump necessary food security measures.

It is important when attempting to change the narrative, that the unintended consequence is not a further limiting of flexibility. On the one hand, flexibility could be further limited by those arguing that the core of the



“Whatever is created, it should be clear the goal is sustainable food systems and food security, and that trade rules and policies must not trump necessary food security measures.”

issue is not excessive trade liberalization, rather, it is that trade has not been liberalized enough. In this argument, if trade were fully liberalized, food security issues would be resolved. On the other hand, those who believe there is a food security exemption via the Green Box in the AoA<sup>18</sup> could limit flexibility because, if food security is exempt as a “non-trade concern”, flexibilities within the current rules which are used to this end could

be deemed unnecessary, and therefore removed.

Several suggestions for products for NFTIA were made by participants. These were discussed during the consultation and further, by a steering committee which was established for the consultation, the following day. These suggestions are presented in sections IV B-E below.

## B) Informal Think Tank Group

One idea was for QUNO to create an informal think tank group – to host lunches or meetings with the kind of open conversation amongst diverse perspectives that was experienced at the consultation. Those involved in the two consultations of this report, or through widening that circle directly or indirectly,

could raise topics. QUNO could also flag issues and assess interest or concern in particular areas. This could also be a venue to discuss the NFTIA work and get input into its progress.

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<sup>18</sup> This was stated by a developed country at the March 2014 meeting of the Committee on Agriculture

## C) Food vulnerability indicators and index

Another idea that generated a lot of excitement and discussion was the creation of food vulnerability indicators and an index. This would build upon and move beyond what exists (for instance, food security assessments) to deliver a wider analysis of a country's vulnerability to food insecurity.<sup>19</sup>

Though there is likely an overlap with existing assessments, the approach is conceptually different and provides a longer- term view. To be useful to negotiators at the WTO, the indicators would need to also be simplified, for instance, into an index format. For instance, during negotiations, delegations could use the index to show that while they might not utilize particular policy flexibility at present, their food security vulnerability index shows that they may or are likely to need it in the future.

QUNO will now undertake a scoping exercise to see what of relevance has already been done and how effective

they are. Are there already existing indicators that can be built upon? Are there indices or other indicators that can be used as proxies for the vulnerability indicators that may be created under the NFTIA program?

It will be important in the exploration of the potential usefulness of this tool, to link with other actors who have developed and worked upon such indices, which can help to build necessary alliances in this area.

The indicators and index could also be useful to national decision-makers in assessing their vulnerability. If properly done, it could also be used by CSOs to inform national decision-makers about the situation in country.

The index could also be used as a funding tool. Referring back to the discussion of strategic alliances, IFAD's Farmers' Forum was mentioned. A high index score might attract support

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<sup>19</sup> Annex II contains a preliminary list of possible indicators. Participants in the consultation have been asked to look at it to add other things they think belong as an indicator.

“The food security vulnerability index could be used by delegations during negotiations to show that they may require a particular policy flexibility in the future.”

directly to small-scale farmers. Alternatively, a lower score might also attract funds if used by governments to demonstrate the need for policy change to affect vulnerability.

After completion of the scoping exercise and getting input on indicators and data that exists or

proxies for it, QUNO will refer back to the steering committee and the participants with the information. Based on this information, QUNO will seek advice from this group on the desirability of continuing to create the indicators and the process, including identifying the appropriate partners in the work.

## D) Identifying issues that belong in the policy space to support food security: the “bubbles of safety” diagram

A lot of discussion revolved around both the policy space that existed in the WTO AoA but also the need to fill that policy space. It was agreed that it would be helpful to identify categories of food security policies that belong in the space and should not be touched or impinged upon by trade rules. Annex IV contains

an example of what this might look like, with the bubbles being like bubble wrap in packaging around the vulnerable center labeled food security and rural livelihoods.

The ultimate goal might be the creation of an interactive diagram so that each

bubble can be clicked on and reveal more specifics about this category of policies, why they are important to food security and specific trade threats that might exist. The image of a pin popping the bubble and leaving food security issues that much more vulnerable was compelling.

Next steps include getting wider input on what bubbles (the “untouchable” food security measures) should be on the diagram, partners in creating the diagram and gathering the necessary information on measures (including perhaps examples) and trade threats (consulting with G33 and other trade delegates).

## E) Identifying specific policy supports necessary for small-scale farmers in agriculturally biodiverse systems

Another image that was raised was that of small-scale farmers in the middle of a wheel and identifying the ‘policy spokes’ of that wheel without which it would not turn. This conveyed the idea that small-scale farmers will have trouble prospering in their agrobiodiverse farming systems (and supporting wider ranging economic development) if specific policy supports were not in place. Annex IV contains a preliminary image of what this might look like, with the individual ‘spokes’ needing to be identified.

Participants liked this idea and identified that this is an area worth exploring by QUNO. Therefore, QUNO will also carry out a scoping exercise in this theme, to see if there is a comprehensive guide or analysis of policy measures that specifically support small-scale farmers in agriculturally biodiverse systems.

QUNO’s scoping exercise will assess if there is a need for an analysis or synthesis of this kind. This would then feed into at least one of the bubbles that need to be protected in the policy space of trade rules and policies.

# Annex I

## List of Related Institutions and Initiatives

### International Institutions

<b>CBD</b>	Convention on Biodiversity
<b>CFS</b>	Committee for World Food Security
<b>FAO</b>	Food and Agriculture Organization of the United Nations
<b>G8</b>	The Group of Eight
<b>G20</b>	The Group of Twenty
<b>UNCTAD</b>	United Nations Conference on Trade and Development
<b>UPOV</b>	International Union for the Protection of New Varieties of Plants
<b>WIPO</b>	World Intellectual Property Organization

### Non-traditional International Institutions

<b>ILO</b>	International Labour Organization
<b>ITPGRFA</b>	International Treaty on Plant Genetic Resources for Food and Agriculture
<b>UNDP</b>	United Nations Development Programme
<b>UNESCO</b>	United Nations Educational, Scientific and Cultural Organisation
<b>UNFCCC</b>	United Nations Framework Convention on Climate Change
<b>WHO</b>	World Health Organization

## International Human Rights Instruments

<b>CEDAW</b>	Committee on the Elimination of Discrimination Against Women
<b>EMRIP</b>	Expert Mechanism on the Rights of Indigenous Peoples
<b>SRRTF</b>	Special Rapporteur on the Right to Food

## Current discussions on the establishment of the:

Declaration on the rights of peasants and other people working in rural areas

Declaration on a legally binding instrument for transnational corporations

Post-2015 Development Agenda

In addition, regional bodies such as ASEAN were flagged as useful fora for discussion

# Annex II

## Examples of possible indicators for Food Vulnerability Index

### Food Security Vulnerability/Resilience v2

#### **Food Security Outcomes**

- Hunger measures (food inadequacy?)
- Nutrition (Stunting? Other?)
- Poverty measure (income? Multidimensional? Food?)
- Inequality (Gini?)

#### **Access to wage income**

- Employment
- Share of EAP in informal employment
- Share unemployed/underemployed
- Wage levels (min wage? In relation to food basket?)
- Oversight of contract farming/agric labor

#### **Social protection**

- Social security (% covered)
- Health (access to health services)
- Targeted food programs (school lunch; subsidized food; other)
- Emergency preparedness emergency food reserves, etc)
- Reliability of Fiscal resources

#### **Reliability of Supply**

- Domestic production
  - Share of consumption for key staple crops
  - Diversity of staple crops

- Variability of production for key crops
- Climate vulnerability
- Domestic infrastructure (storage, transport)
- Imports
  - Dependency ratio by crop
  - Reliability of supply by crop
  - Diversity of import sources
  - Foreign Exchange Constraints

### **Price Vulnerability**

- Vulnerability to domestic speculation
- Vulnerability to international volatility
  - Food reserves for price stability?

### **Government Policy for rural and agricultural development**

- Support for smallholder sector
  - Quantity of support (share of budget)
  - Quality of support (smallholders, sustainable farming methods, food vs export crops, gender-sensitive policies, etc.)
  - Appropriate levels of protection
  - Extension; R&D
  - Climate adaptation
- Support for rural development (infrastructure, services, productive public investments)
- Land tenure, access to productive resources
- Land security – measures to comply w/VGs, RAI
- Biofuel regulations – competition for food/land/water etc.
- Public procurement – food reserves, other

### **Trade Agreement Constraints on Food Security**

- WTO – bindings, policy space
- FTAs – constraints, policy space

### **Social organization**

- Farm sector
- Labor sector; others



- Participation/access to policy-making

### **Institutions for Food Security**

- Food security policy/norm? Implementation of same?
- Market failures/responses
  - Credit access – private and government
  - Crop insurance – private and government
- Market concentration/competition
  - Domestic anti-trust enforcement
- Regulation of TNCs

# Food Security Vulnerability/Resilience v1

### **Food security**

- Hunger
- Poverty
- Employment/unemployment
- Share of workforce in informal sector

### **Social protection**

- Social security
- Health/nutrition
- Targeted food programs
- Emergency preparedness

### **Import dependence**

- Dependency ratio by crop
- Reliability of supply
  - Domestic supply
  - Climate vulnerability
  - Diversity of imports
  - Import vulnerability
- Foreign exchange constraints

## **Trade**

- WTO – bindings, policy space
- FTAs – constraints, policy space

## **Social organization**

- Farm sector (commercial? small-scale?), other sectors
- Participation in policy making

## **Government Policy**

- Food security policy/norm?
- Implementation of same?
- Support for smallholder sector
  - Quantity of support
  - Quality of support
  - Climate adaptation
- Support for rural development
- Food reserves
  - Price supports?
  - Emergency? or buffer stock for volatility?
- Price Volatility protections
- Gender-sensitive policies
- Land tenure, access to productive resources
- Oversight of contract farming/agric labor
- Land grabs/RAI (VG compliance)
- Biofuels – competition for food/land/water/etc
- Public procurement

## **Market failures and responses**

- Credit
- Crop insurance
- Market concentration/competition
- Others to track?

# Annex III

## Preliminary Draft to Give an Idea of Examples of Policy Bubbles Needed to Support Food Security and Rural Livelihoods



# Annex IV

## Preliminary Draft to Give an Idea of Examples of Policy Supports

**Small-scale farmers at the centre of the wheel, the spokes identifying policy measures needed to support their ability to thrive in agro-biodiverse systems**

