New Framework for Trade and Investment in Agriculture

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Draft Mapping of Alternative Proposals

The Quaker UN Office (QUNO) would like to invite you to join us in stepping back from the WTO agriculture negotiations to explore some questions at the heart of defining the purpose, structure and directions of agriculture trade governance.

QUNO believes that by placing people’s livelihoods and dignity alongside sustainability and food security as the central objectives of agriculture trade, it is possible to envision a new framework of agricultural trade and investment rules that would better enable countries to meet peoples’ long-term food security needs and objectives.

Many agree that current WTO and other international rules relating to agriculture trade and investment do not contribute to a sustainable, equitable, people-centred food system. This provides us now with an opportunity for governments and civil society to think anew about what the global governance of agriculture trade and investment should look like.

QUNO will work on this over the next four years, believing that a multilateral framework is necessary to implement and administer a set of rules related to agricultural trade and investment. We believe that sharing expertise and experience, we can jointly propose a new, credible and robust framework for agriculture trade and investment.

This document is a draft mapping of some of the alternatives already proposed. Please continue after the visuals to read the accompanying narrative to the draft mapping.

We are happy to receive your feedback and comments on this work. Please contact us at nftia@quno.ch
Mapping of existing proposals

Agricultural Investment

Regulate and limit investment funds' access to food products.

CFS Guidelines on Responsible Agricultural Investment (2014)

Sustainable Development and Human Rights consistent investment contracts

International Agreement on investment

IISD model investment treaty

Eco-Fair Trade Report recommendations 2007

European Alternative Trade Mandate (ATM)

IAASTD

Expert panel to analyze the compatibility of existing WTO rules and international food security strategies

CFS Voluntary Guidelines on Governance of Tenure 2012

AU Land Policy initiative

National land moratoriums

States affected by transnational interests

changes within existing framework

adjustments

radical

Level of departure from current system

Potential impact

broad

medium

narrow

established international law and guidelines

ongoing policy proposals

civil society and academic initiatives

national government initiatives

other proposals

DRAFT Mapping of Alternative Proposals
QUNO New Framework for Trade and Investment in Agriculture
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New Framework for Trade and Investment in Agriculture
Mapping of proposals for alternatives to the current framework

In 2012, the Quaker UN Office (QUNO) started four years of work in which we are inviting others to join us in stepping back from the WTO agriculture negotiations to explore some questions at the heart of defining the purpose, structure and directions of governance of trade and investment in agriculture.

QUNO believes that by placing livelihoods and dignity alongside sustainability, resilience and food security as the central objectives of trade and investment for agriculture, it is possible to envision a new framework of agricultural trade and investment rules that would better enable the world to meet peoples’ long-term food security needs.

As one step in this process, we have undertaken a mapping of various alternatives to the current framework that have been put forward. This exercise is one early step in our work to explore what kind of trading and investment arrangements can promote a sustainable, equitable, people-centred food and agriculture system. Many factors affect food and agriculture systems, of which trade and investment and the rules that govern them are only a small part. Yet, given the potential of these to affect countries’ and peoples’ long-term food needs and objectives we believe it is worth considering what a new framework for trade and investment in agriculture should look like, and whether it should draw on existing proposals for alternatives.

The criteria for inclusion in our “alternatives mapping” is that the proposal put forward an idea different to what is currently in the framework of rules for trade and investment in agriculture. In some cases, the proposals emphasize better implementation of what already exists, but put public interest concerns (such as food security, sustainability or human rights) at the centre of their objectives. Other proposals would imply a significant departure from what is currently practiced – and to be included in our mapping, also have public interest objectives at their heart.

We have organized the proposals in five categories, ranging from “Changes within the existing framework of rules” to “Radical proposals not present in the current framework.” Inclusion in one category rather than another does not imply a judgement on the quality or the political likelihood of realization of any of these proposals.
We have also indicated whether the impact of the proposal will be likely to be broad or narrow – this means, will it impact on one single area of policy (narrow impact) or have a broad range of policy implications. Again, this is our subjective assessment of the proposal and does not reflect value-judgement or our view about the political likelihood of the proposal achieving practical impact.

We offer this mapping as a starting point for discussion. It is a work-in-progress: proposals will need to be added as time passes, and others could be expanded upon or classified differently. We invite feedback and comments on this document in a constant bid to improve it.

Our identification and presentation of the alternatives in this document has been greatly enriched by those who participated in discussions on earlier drafts. We thank in particular Aftab Alam, Jacques Berthelot, Aldo Caliari, Christine Campeau, Christine Chemnitz, Nikolai Fuchs, Frank Galtier, Ronnie Hall, Sophia Murphy, Tobias Reichert, Carin Smaller, Sanya Reid Smith and Ruchi Tripathi. We are grateful to them all for their feedback and input. Responsibility for opinions expressed, as well as any errors that remain, lies entirely with QUNO.

In the coming months, we will be publishing other background materials on the New Framework for Trade and Investment in Agriculture process. These will include a mapping of current institutions and processes relating to trade and investment in agriculture, and the findings of a survey on the adequacy of the current trade and investment framework to meet food security and public interest needs. You can find these, and other related documents, at www.quno.org/areas-of-work/food-sustainability

To share your views on this mapping, or if you would like further information on this process, please contact us by email at nftia@quno.ch
New Framework for Trade and Investment in Agriculture:
Mapping of proposals for changes or alternatives to the current framework

1. Changes within the existing framework of rules

Clarifying WTO rules on (food) export restrictions

In response to restrictions on food imports in various countries in the World Trade Organization (WTO) (Korea, Japan, Switzerland, Philippines, Egypt, etc) have supported limiting food export restrictions. In 2011, a proposal by the NFIDC group (led by Egypt) on limiting export restrictions to NFIDCs was submitted to the WTO’s Agriculture negotiating Committee.

Scope of potential impact: Narrow.

Full implementation of existing WTO provisions and flexibilities provided for in the AoA

Many observers and participants in the multilateral trade system observe that the WTO agreements already offer what is needed to ensure food security in developing countries. This should include implementation of Article 20 of the Agreement on Agriculture (AoA), reduced industrialized countries’ support to their agriculture sectors, increased market access for developing country agriculture exports, and when necessary implementation of the 1994 Marrakesh Ministerial Decision on negative effects of the WTO reform programme on least developed and net food-importing developing countries.1

Scope of potential impact: Broad.

Monitoring Impacts of Trade Liberalization on Food Prices2

As proposed by the UN Special Rapporteur on the Right to Food and others.

Scope of potential impact: Narrow.

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Sustainability standards

Scope of potential impact: Narrow-Medium.

G33 Food security proposal (2012)
(supported by G20+) seeks approval for new provisions allowing government stockholding and purchases from poor farmers at supported prices to be excluded from calculations of the type of domestic support whose use has to be limited because it distorts markets. The G33 has requested consideration to be given to special treatment for ‘domestic support disciplines in order to enhance food security by supporting poor farmers’. This proposal seeks new ‘green box’ provisions that would allow developing country governments greater scope to purchase commodities from small farmers at favourable prices for subsequent stockpiling. This topic is a candidate for agreement at the Bali WTO Ministerial (December 2013).

Scope of potential impact: Medium.

Possibilities for developing States to insulate domestic markets from international price volatility (including through SSM + SPs)
These measures are important in the current WTO negotiations, and important for defining an agenda for net-food importing developing countries. Some note that a Special Safeguard Mechanism (SSM) would have to be quite broad to be effective, and exporting countries are resistant to anything too broad. And some say that it will be a challenge to define Special Products (SP) if the country concerned still has a significant share of its working population engaged in agriculture.

Scope of potential impact: Medium.

Declaration of the 1st Ministerial Meeting of Latin American States Affected by Transnational Interests
This group of States, established during a Ministerial-level meeting held in Ecuador in April 2013, has agreed to establish a permanent Conference of States to deal with challenges posed by transnational companies, especially legal suits taken by them against governments under the bilateral investment treaties. The States that adopted this Declaration are Ecuador, Bolivia, Cuba, Nicaragua, Dominican Republic, St. Vincent and Grenadine and Venezuela.

Scope of potential impact: Narrow.

Recognizing farmers’ investment in agriculture
The fact that farmers are the largest investors in developing country agriculture is often overlooked. Ensuring that farmers’ investments, including of time, in agriculture are given a proper place in strategies aimed at improving agricultural investment.

Scope of potential impact: Narrow.

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4 For some proposals, and WTO Members’ positions as at July 2013, see Chair updates on farm issues proposed for Bali meeting: talks continue on key differences, www.wto.org/english/news_e/news13_e/agng_18jul13_e.htm
Voluntary Guidelines on the Responsible Governance of Tenure
The Voluntary Guidelines on the Responsible Governance of Tenure or Land, Forests and Fisheries in the Context of National Food Security were adopted by the CFS in May 2012. The guidelines include a reference to local recognition and allocation of tenure rights and duties, including Indigenous peoples and other communities with customary tenure systems; administration of tenure, including records of tenure rights, valuation, taxation and resolution of disputes over tenure rights; responses to climate change and emergencies, including conflicts in respect of tenure of land, fisheries and forests.
Scope of potential impact: Narrow.

2. Small adjustments to the existing framework

Food Reserves
Proposals for Food or Grain Reserves.
Scope of potential impact: Medium.

Priority to Smallholder farmers
Various countries, authors and organizations propose this. These include the G33 food security proposal (discussed in section 1. above) and the Framework for Action on Food Security in the Pacific, and the Alternative Trade Mandate (see below). One that includes useful analysis linking various policy options with WTO rules is set out in Olivier De Schutter, UN Special Rapporteur on the Right to Food, The WTO and the Post-Global Food Crisis Agenda – Putting Food Security First in the International Trade System, 2011. Another is the initiative supporting family farming. This favours active policies to support agricultural systems based on farmer families, communal units, indigenous groups, cooperatives and fishing families, with the aim of combatting

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7 www.fao.org/docrep/016/i2801e/i2801e.pdf
8 See also WTO, Farm trade talks to examine information on stockholding, February 2013, www.wto.org/english/news_e/news13_e/agng_15feb13_e.htm
poverty and hunger and promoting rural development based on respect for the environment and biodiversity. The UN General Assembly has declared 2014 to be the International Year of Family Farming (IYFF).

Scope of potential impact: Medium.

Food Security Waiver (“exception alimentaire”)
This idea has been put forward by Olivier De Schutter and the Lascaux research programme.

Scope of potential impact: Narrow-Medium.

Draft Declaration on agricultural trade and food security
Recognizes inter alia the special needs of net food importing developing countries, emphasizes the importance of increasing investment in agriculture, enabling better access to natural resources for small-scale food producers, says in bilateral or regional trade agreements, no concessions should be demanded from developing countries that exceed the concessions they make in the WTO, calls for measures against excessive concentration in global food chains.

Scope of potential impact: Medium.

FLEGT Approach
Forest Law Enforcement, Governance and Trade.

Scope of potential impact: Medium.

Regional Food Security Policies
Such as the SAARC 2007 Food Bank Agreement.

SAARC is the South Asian Association for Regional Cooperation and its Member States include Afghanistan, Bangladesh, Bhutan, India, the Maldives, Nepal, Pakistan and Sri Lanka.

Scope of potential impact: Narrow.

12 See for instance the International Year of Family Farming campaign, www.familyfarmingcampaign.net
13 See www.fao.org/family-farming-2014/home/en
14 Olivier De Schutter, The WTO and the Post-Global Food Crisis Agenda – Putting Food Security First in the International Trade System, 2011
15 www.droit-aliments-terre.eu
16 Unpublished document – 2012 draft on file with QUNO.
17 Forest Law Enforcement, Governance and Trade, Action Plan of the European Union, www.euflegt.efi.int/portal/home/flegt_intro
18 www.saarc-sec.org/userfiles/FoodBank.doc
Committee on World Food Security (CFS) Principles on Responsible Agricultural Investment
From November 2012, CFS started a two year process to achieve principles on responsible agricultural investment. They will involve two years of global consultation with a high level of multi-stakeholder input, in line with CFS standards of public participation. 
*Scope of potential impact: Narrow.*

### 3. Adjustments to the current framework

Rebuilding the AoA on food sovereignty
*Scope of potential impact: Medium.*

Third way: learning from commons management for food security
See for instance, Caring food commons 3.0 article by Nikolai Fuchs, 2012.
*Scope of potential impact: Medium-Broad.*

Regulating use of food commodities for energy production.
*Scope of potential impact: Narrow.*

Global (or coordinated national) anti-trust regulation.
*Scope of potential impact: Medium-Broad.*

**Human Rights Frameworks**
Human rights law and practice does not prescribe any particular form of economic or political system. Rather it emphasizes the need for policies to be truly targeted towards the needs of the population, taking particular account of the most vulnerable. It also requires countries to assess, for any given proposed policy, whether that is the best way of meeting its human rights obligation, thus imposes an obligation to monitor, on States. The right to food framework

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provides a useful angle from which to shape food and other related policies. The right to food emphasizes a focus on vulnerable groups and on sustainability. It also requires States to take deliberate, concrete and targeted steps towards realization of the right to food. Other particular groups to which human rights law pay special interest include Indigenous peoples, rural women.\textsuperscript{23} Human rights law also has some extraterritorial reach. For the above reasons, the right to food framework might be situated anywhere on the level of departure from current system axis on the visual pages of this mapping document, between the “small changes within existing frameworks” and the “radical.”

\textit{Scope of potential impact: Broad.}

\textbf{Sustainable Development- and Human Rights-consistent Investment Contracts}\textsuperscript{24}

Two recent frameworks present each present 10 key steps or principles to follow when negotiating an investment contract, to ensure the contract meets sustainable development and/or human rights criteria. The two frameworks contain some differences and overlaps. Their proposed steps and principles include: conducting impact assessments, allocating land and water tenure rights, ensuring physical security for the project, ensuring community engagement, avoiding clauses that require the government either to preclude new or changed domestic laws that might affect investments, or to compensate investors for such new or changed laws, ensuring monitoring and evaluation, and providing grievance mechanisms for non-contractual harm to third parties.

\textit{Scope of potential impact: Narrow-Medium.}

\textbf{IISD Model International Agreement on Investment}\textsuperscript{25}

There are several important civil society and NGO initiatives which aim to adjust the current multilateral framework towards a more transparent, food-security and livelihood focused model\textsuperscript{26}. The IISD Model International Agreement on Investment was launched in 2005 after 18 months of consultation and drafting, has been one of the most ambitious. It looks at the links between investment and sustainable development, to reconsider the purpose of international investment agreements and refocus the balance of rights and obligations of investors, host States and home States.

\textit{Scope of potential impact: Medium.}

\textsuperscript{23} Recently, the UN Human Rights Council has also starting considering “the rights of peasants and other people working in rural areas, see \url{www.ohchr.org/EN/HRBodies/HRC/RuralAreas/Pages/FirstSession.aspx}.


\textsuperscript{25} \url{www.iisd.org/investment/capacity/model.aspx}.

\textsuperscript{26} For example, IIED work at \url{http://pubs.iied.org/17147/IIED.html?c=invest/trade}. 
Supply management schemes and marketing boards and other mechanisms to expand the choices of smallholders discussed, for instance in Olivier De Schutter’s ‘Agribusiness and the right to food’ and the Böll Foundation’s recommendations on the future of the EU Common Agricultural Policy.

Scope of potential impact: Medium.

Proposals for a Fairer EU’s Common Agricultural Policy

There have been different calls for fairer, more people-centred or more sustainable EU Common Agricultural Policy. The Böll Foundation’s recommends that the main tools of a sustainable Common Agricultural Policy should include (1) prices that take into account the full climatic impact of agricultural production; (2) compensation for ecological system services through public payments; (3) strengthening of farmers in the marketing chain; (2) effective legal guidelines governing wages and working conditions of farmworkers; and (4) an European agricultural trade policy that does not rely on higher exports, and that reduces the import of environmentally and climate-damaging products.

Scope of potential impact: Medium-Broad.

Convention of Farmers and Breeders (CoFaB)

This is a Convention proposed by Indian groups in 1999, to be an alternative international framework to the International Union for the Protection of New Varieties of Plants (UPOV). It provides for a system of plant variety protection (PVP) that gives due recognition to farmers, particularly in the germplasm-owning countries of the South.

Scope of potential impact: Narrow-Medium.

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4. Significant changes to the current framework

Lascaux Project 29
Includes defining “un droit agroalimentaire” (agrarian and food law) and endowing this body of law with sufficient content to give it legal and academic recognition, demonstrating the shared and non-market values to which this branch of law is or should be a key contributor, in order to define various legal models for international food trade law, adapted to different cultures and legal systems. Also includes establishing a legal framework for no longer treating food and land as ordinary merchandises and ensuring that agrarian and food law respects non-market values.

*Scope of potential impact: Medium-Broad.*

Eco-Fair Trade Report recommendations 30
Includes seven principles for the design of an agricultural trade architecture, including multi-functionality (recognizing that farming is embedded in social and natural webs; Human Rights; Environmental Integrity; Democratic Sovereignty; Extra-territorial Responsibility (expressing the global responsibility of all not to inflict harm on citizens beyond their borders); Economic Subsidiarity (implying that exchanges in the food system should preferably be carried out at the local and national level, while exchanges on the continental or global level should have only a complementary function; and Trade Justice (reversing present asymmetries to favour of the weak). It also sets out a description and functions of a multilateral body for governing trade.

*Scope of potential impact: Broad.*

European Alternative Trade Mandate (ATM) 31
The alternative trade mandate is a process initiated by civil society groups. It advocates for a new trade mandate for the European Union. Amongst other things, it seeks trade and investment policies that allow European trade policy to respect the right of countries and regions to develop – and give priority to local and regional over global trade in the food sector. The ATM appeals *inter alia* for a move away from multilateral, bilateral and regional free trade agreements that distort prices for farmers and lead to unequal access to natural resources, improve – not abolish – the current EU supply management system for dairy and sugar, and explore the possibilities for extending the principles of supply management to other basic products such as meat and grains, strengthen environmental and animal welfare standards for European farmers and take measures to ensure that European agribusiness and retail cannot buy cheap products on the world market that have lower production standards.


31 www.alternativetrademandate.org
Scope of potential impact: Broad.

National land Moratoriums

A handful of national governments have responded to large-scale foreign investment in land by creating various legal limits to large scale international land acquisitions. National land moratoriums banning foreigners from owning land have been proposed in Algeria, DRC, Hungary and Uruguay.\(^{32}\)

Scope of potential impact: Narrow.

Sustainable agriculture

Including agro-ecology, sustainable round tables and other approaches, as set out in many of the alternatives described in the different sections of this mapping exercise and elsewhere.\(^{33}\)

Scope of potential impact: Narrow – Broad (depending on the vision and content of the particular scheme.)

IAASTD

The 2007 International Assessment of Agricultural Knowledge, Science and Technology (AKST) for Development (IAASTD) was a result of a three-year collaboration assessing AKST for reducing hunger and poverty, improving nutrition, health and rural livelihoods and facilitating social and environmental sustainability. It was co-sponsored by FAO, GEF, UNDP, UNEP, UNESCO, the World Bank and WHO. It focused on eight themes: bioenergy, biotechnology, climate change, human health, natural resource management, trade and markets, traditional and local knowledge and community-based innovation, and women in agriculture. Amongst its 22 key findings, it notes the negative impact of international agricultural trade (opening national agricultural markets to international competition can lead to long term negative effects on poverty alleviation, food security and the environment) and the unsustainable nature of export agriculture (intensive export oriented agriculture has adverse consequences such unsustainable soil or water management, or exploitative labour conditions). It also called for more and better-targeted AKST investments, explicitly taking into account the multifunctionality of agriculture.

Scope of potential impact: Medium-Broad.

Bolivarian Alternative for Latin America and the Caribbean (ALBA)

Venezuela, Ecuador, Bolivia, Cuba, Nicaragua, Antigua and Barbuda, Dominica, St Vincent and the Grenadines, St Lucia and Suriname. Includes the people’s trade treaty (ECOALBA-TCP), intended to promote more economic integration, cooperation and “fair trade” between members, and containing provisions

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\(^{32}\) [www.grain.org/article/entries/4655-land-ceilings-reining-in-land-grabbers-or-dumbing-down-the-debate](http://www.grain.org/article/entries/4655-land-ceilings-reining-in-land-grabbers-or-dumbing-down-the-debate)

to promote the strengthened role of the State and promote sovereignty. The treaty calls, for instance, for “the execution of joint investments in trade issues that can adopt the form of Grand National companies – the association of State companies or different countries to impel a sovereign development and of mutual benefit.”

Scope of potential impact: Broad

**Internalisation** of all costs, including environmental costs, of production and transport

Scope of potential impact: Medium.

5. **Radical proposals not present in the current framework**

Establishing an expert panel to analyze the compatibility of existing and proposed WTO rules with national and international food security strategies and policies

Scope of potential impact: Medium.

**Nyéléni Declaration - Forum for Food Sovereignty 2007**

The Declaration’s trade recommendations include that the formulation of trade policies and practices serve the rights of peoples to safe, healthy and ecologically sustainable production, and seeks a radical change in the rules that govern food and agriculture at the international level.

Scope of potential impact: Broad.

**Deglobalization**

Walden Bello sees deglobalization as radically reducing the powers and roles of the WTO and Bretton Woods institutions, and formatting new institutions helping to devolve the greater part of production, trade and economic decision making to national and local level.

Scope of potential impact: Broad.

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35 See for instance *The Economics of Ecosystems and Biodiversity* (TEEB), a global initiative that draws attention to the economic benefits of biodiversity, [www.teebweb.org](http://www.teebweb.org), Alternative Trade Mandate, A new mandate for the Agricultural Trade policy of the EU, draft 3, 2012.


37 See [www.nyeleni.org/?lang=en](http://www.nyeleni.org/?lang=en)

38 See [www.fpif.org/articles/the_virtues_of_deglobalization](http://www.fpif.org/articles/the_virtues_of_deglobalization)