

VIRTUAL WTO AGRICULTURE SYMPOSIUM 2020 - AGRICULTURAL TRADE AND
FOOD SYSTEM TRANSFORMATION

*"Big Take-Aways – Session Four - AGRICULTURAL TRADE,
PATHWAYS TO ENVIRONMENTAL SUSTAINABILITY"*

- Exactly 25 years transpired since the creation of the WTO and the entry into force of the WTO's AOA. The session explored whether and how agricultural trade has contributed to environmental sustainability, and can better do so in future.
 - The panel discussed the "policy space" available to WTO Members under the WTO agreements to pursue environmental goals. It was noted that the Preamble to the *Agreement Establishing the WTO* states: "Recognizing that their relations in the field of trade and economic endeavor should be conducted with a view to raising standards of living while allowing for the optimal use of the world's resources in accordance with the objective of *sustainable development*, seeking both to *protect and preserve the environment*". It was always the intention therefore of the WTO founding fathers to pursue international trade with a view to achieving sustainable development. It was also noted that the AOA itself refers to the environment in its preamble, and allows Members to pursue environmental objectives through a Green Box of agricultural subsidies and other tools.
 - The Panel stressed the importance of effective environmental regulations as a basis for trade. Absent the internalization of environmental externalities, unregulated trade could hurt the environment, leading for instance to deforestation or excessive energy use. However, international trade in food is trade in embedded resources, land, energy and water. Panellists concurred therefore that international trade could allow for a more efficient use of natural resources if properly regulated, and that trade barriers such as food export restrictions could hamper that efficient allocation.
 - The issue of agricultural subsidies was debated, with a panellist pointing out that of the USD 700 billion of agricultural subsidies that were given out each year, only a small percentage was going towards research and development, food safety and environmental protection. Many of subsidies were hurting the environment as well as distorting trade, with the panellist arguing that even Green Box subsidies were failing, on occasion, to deliver green outcomes.
 - Members of the panel pointed out that governments were being called upon to balance multiple interests, food security, livelihood security, nutrition and sustainability goals, and that it would be important to continue to look for win-win solutions. In Africa, consumers remained focussed on the price and quality of their food, with sustainability goals still needing to be brought to center stage.
 - The notion of a Planetary Health Diet was explored during the session, with the panel arguing that the concept was nuanced, and not meant to dictate which foods can or cannot be consumed or traded, but rather was intended to sensitize policy-makers and consumers to the need to live in harmony with the environment as food systems are transformed.
 - It was pointed out that several WTO Members have indeed started to pursue strong and ambitious environmental and climate policies, with China declaring its objective to achieve carbon neutrality by 2060 and the EU to become the first carbon-neutral continent. The EU representative walked the panel through recent EU environmental policies in agriculture, including Farm to Fork, which calls for less fertilizer use, fewer antibiotics, and takes out 10% of agricultural land from production to protect biodiversity (amongst other things).
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