



Note

Towards a WTO Package of Solutions for NFIDCs in Times of Food Crisis

War in Ukraine Makes it High Time

By Julien Grollier and Kensington Speer

Summary

The war in Ukraine is threatening to become the spark that started the fire of an already looming global food crisis. Food and grain prices are soaring, to an extent possibly leading to a rise in global malnutrition by 8 to 13 million people this year. This situation is of particularly high risk for Net Food-Importing Developing Countries (NFIDCs), where cereal grains comprise over half of the per capita dietary energy supply. For them, domestic policy options will not suffice, and the WTO must support an adequate response. This note proposes possible options for a WTO Package of Solutions for NFIDCs, at and beyond its 12th ministerial conference.

Introduction

While the world is still grappling with the consequences of a global pandemic, the outbreak of conflict in the Black Sea region is now adding significant pressure to already high inflation in food, energy and other economic sectors worldwide. The war in Ukraine is threatening to become the spark that started the fire of an already looming global food crisis.

Already, 2020 saw an extra 97 million people thrown into poverty,¹ and food import bills for Low-Income Food Deficit Countries (LIFDCs) increased by over 20% between 2020 and 2021.² With the war in Ukraine, the FAO estimates that international food and feed prices could further increase by 8 to 22 percent in the 2022/2023 year, from their baseline levels that are already elevated due to COVID-19.³

Indeed, Russia accounts for 18% of global wheat shipments and Ukraine accounts for 10%.⁴ Combined, Russia and Ukraine account for about 63% of the world export share in sunflower oil. They are also key exporters of maize, barley, and rapeseed and soybean oil.⁵ Additionally, Russia is a world leader in fertiliser exports.⁶ The International Grains Council's Grains and Oilseeds Index saw a 32% increase in prices in the past year, hitting its peak at the onset of the war in Ukraine.⁷ Wheat prices have been the most affected, seeing a 63% increase in the last year and rising about 20% at the onset of the war in Ukraine in February.⁸

According to FAO, the current soaring of prices

could lead to an increase in global malnutrition by 8 to 13 million people in 2022/23, with least developed countries (LDCs) and net food-importing developing countries (NFIDCs) in Asia-Pacific, sub-Saharan Africa, and North Africa and the Middle East (MENA) likely to be hardest hit.⁹

High Risk for Net Food-Importing Developing Countries

In many NFIDCs, cereal grains comprise over half of the per capita dietary energy supply, more than all other food groups combined, while developed countries tend to have more balance in their diets between the different food groups;¹⁰ NFIDCs depend much more on cereal grains, as well as oilseeds for their caloric and nutritional needs. Wheat comprised 42.1% of NFIDC imports from Ukraine and Russia in 2020. Corn (4.25%), oil seeds (2.28%), barley (1.41%), and dried legumes (1.26%) were other considerable agricultural imports from Ukraine and Russia to NFIDCs.¹¹

The combination of dependency on cereals grains in MENA diets and poor environments for growing such crops, has led to MENA countries becoming increasingly dependent on international imports to meet country demands. In many MENA countries, wheat products like bread and pasta are "a huge part of their diet."¹² Many heavily food aid-dependent countries, like Yemen and Sudan, also consume large amounts of staple grains, like wheat, via the World Food Programme, which sources a considerable amount of wheat from the Black Sea region now affected by the Ukraine-Russia conflict.¹³

¹ Headey, Derek; Kalle Hirvonen. 2022. "A food crisis was brewing even before the Ukraine war - but taking these three steps could help the most vulnerable." *International Food Policy Research Institute*. <https://www.ifpri.org/blog/food-crisis-was-brewing-even-ukraine-war-%E2%80%93-taking-these-three-steps-could-help-most-vulnerable>

² FAO, IFAD, UNICEF, WFP and WHO. 2021. *The State of Food Security and Nutrition in the World 2021. Transforming food systems for food security, improved nutrition and affordable healthy diets for all*. Rome, FAO

³ Ibid:2.

⁴ FAO. 2022. "The importance of Ukraine and the Russian Federation for global agricultural markets and the risks associated with the current conflict." p.6. <https://www.fao.org/3/cb9236en/cb9236en.pdf>

⁵ Ibid.

⁶ Ibid:1.

⁷ International Grains Council. 2022. "IGC Grains and Oilseeds Index (GOI)." <https://www.igc.int/en/markets/marketinfo-goi.aspx>

⁸ Ibid.

⁹ FAO. 2022. p.3.

¹⁰ Our World in Data. 2013. "Diet compositions by food groups." <https://ourworldindata.org/diet-compositions>

¹¹ Ibid.

¹² CSIS. 2022. "Agriculture and Food Security: Casualties of the War in Ukraine." <https://www.csis.org/analysis/agriculture-and-food-security-casualties-war-ukraine#:~:text=Russia's%20war%20in%20Ukraine%20is,which%20are%20already%20food%20insecure.>

¹³ Ibid.

The Middle East and North Africa (MENA) region accounted for 50% of Ukraine's wheat exports in 2020.¹⁴ Egypt is the world's largest wheat importer, and "combined, Russia and Ukraine cover more than 70 percent of Egypt's imported wheat demand."¹⁵ According to the World Food Programme, as of March 31, 2022, the price of cooking oil is up 36 percent in Yemen, and the prices of wheat flour is up 47 percent in Lebanon, 15 percent in Libya and 14 percent in Palestine since the onset of the war in Ukraine.¹⁶ The cost of a basic food basket – the minimum food needs per family per month – registered an annual increase of 351 percent in Lebanon (the highest in the region), which along with other countries reported sharp currency depreciation. The global food price hikes and the Ukraine conflict have resulted in WFP facing an additional cost of US\$71 million per month for global operations compared to 2019 – a 50% rise.¹⁷

Currency devaluations of NFIDCs during COVID-19, made "servicing debts and paying for necessary imports more onerous,"¹⁸ which continues to affect NFIDCs today. Paying for higher prices for food imports and implementing policies that mitigate the effects of price increases are simply too expensive for some NFIDC governments to implement, and borrowing money to do so is becoming more difficult. The Tunisian government has already been unable to pay for incoming wheat shipments,¹⁹ and many NFIDCs cannot afford to purchase agricultural inputs like fertiliser at higher prices.²⁰ Projections on the economic effects of the current crises also seem to point to longer lasting consequences than occurred after 2008, which saw a relatively

quick economic rebound.²¹

Unfortunately, national policy options for NFIDCs to deal with external unpredictable and high food prices are limited, as most do not have access to government subsidised insurance or some sophisticated financial instruments (e.g. futures and options, over-the-counter risk management products, and international compensatory finance mechanisms). Available trade response options like reducing import tariffs or imposing export restrictions also come with their own shortcomings.

A WTO Package of Multilateral Solutions is Needed

Price spikes on world markets for basic foodstuffs, as occurred in the past, are likely to recur in the future, and existing domestic policy options do not suffice to mitigate the effects, as seen above. The WTO, at its 12th Ministerial Conference and beyond, should support an adequate response and adopt concrete decisions in this area.

In particular, this is a momentous time to effectively improve the operational effectiveness of the Marrakesh Decision on "Measures Concerning the Possible Negative Effects of the Reform Programme on Least-Developed and Net Food-Importing Developing Countries" (NFIDC Decision), and to take steps towards ensuring adequate policy space for them to produce for their own food security.

¹⁴Duggal, Hannah; Mohammed Haddad. 2022. "Infographic: Russia, Ukraine and the global wheat supply." Al Jazeera Media Network. <https://www.aljazeera.com/news/2022/2/17/infographic-russia-ukraine-and-the-global-wheat-supply-interactive>.

¹⁵Ibid.

¹⁶ World Food Program. 2022. "War in Ukraine pushes Middle East and North Africa deeper into hunger as food prices reach alarming highs." <https://www.wfp.org/news/ukraine-pushes-middle-east-and-north-africa-deeper-hunger-food-prices-reach-alarming-highs>.

¹⁷ Ibid.

¹⁸ WTO. 2021. "G90 Declaration on Special and Differential Treatment." <https://docs.wto.org/dol2fe/Pages/SS/directdoc.aspx?filename=q:/WT/GC/234.pdf&Open=True>

¹⁹ Osterlund, Paul Benjamin. 2022. "MENA faces a crisis as the world's key wheat producers are at war." Al Jazeera Media Network. <https://www.aljazeera.com/news/2022/3/1/mena-region-faces-crisis-as-worlds-key-wheat-producers-at-war>

²⁰ CSIS, 2022.

²¹ Headey and Hirvonen, 2022. , FAO report, other reports

Towards a WTO Package: Improving the Operational Effectiveness of the NFIDC Decision

The NFIDC Decision recognised that NFIDCs and LDCs may experience negative effects in securing adequate basic food supplies from external sources on reasonable terms and conditions, “including short-term difficulties in financing normal levels of commercial imports of basic food types”. In order to address this concern, Members through the NFIDC Decision committed to take a number of measures in the areas of: (i) food aid; (ii) technical and financial assistance; (iii) differential treatment within the framework of any agreement on agricultural export credits; and (iv) a provision regarding access to the resources of the international financial institutions.

Yet, little concrete action has been taken at the WTO to adequately implement this decision despite various proposals by NFIDCs including for the establishment of a work programme as well as a compensatory financing mechanism²², following which the African Group proposed the establishment of a revolving fund for normal food imports. Unfortunately, these proposals were not given proper attention and the discussion stopped in 2006.²³

Meanwhile, the food security situation in NFIDCs and LDCs has reached concerning levels. Between 2014 and 2018, levels of severe food insecurity in LDCs were about 10% higher than the world average, with Sub-Saharan Africa being the most affected region of the world.²⁴ Similarly, LIFDCs had about an 18% undernourishment rate, almost 10% higher than the world average;²⁵ LDCs were impacted the most by malnourishment and were about 14% higher than the world

average.²⁶

Today, improving the operational effectiveness of the NFIDC Decision has become more urgent than ever in a context when successive crises are putting a heavy burden on NFIDCs’ food import bills and threatening their food security. When combined, NFIDCs and LDCs are home to about 1.7 billion people, almost one fourth of the world’s population.²⁷

The 12th WTO Ministerial Conference should adopt concrete decisions to improve the operational effectiveness of the NFIDC Decision. In particular, actions could be taken with regard to improved access to the resources of the international financial institutions, for which a clear mandate was given by the NFIDC decision but has been sidelined for over fifteen years. The cost of inaction has been high, and a renewed effort is necessary to translate the good intentions of the international community into functional instruments.

Regarding “access to the resources of the international financial institutions” in particular, it has long been acknowledged that many LDCs and NFIDCs have balance of payments difficulties, even in normal times, and that these can create very high risks on their food security when world food prices soar. Among other challenges arising from such situations, private importers in NFIDCs face more difficulties to access import finance and related guarantees from banks, which tend to tighten their conditions due to the higher risk environment. While facilities available with international financial institutions (e.g. IMF, World bank) could be part of the solution, shortcomings remain up to this day for NFIDCs to efficiently use them as a rapid response to food shocks.²⁸

To address this problem in line with the NFIDC decision, compensatory financing solutions were

²² G/AG/W/49 and Corr.1

²³ G/AG/16/add.1, para. 12

²⁴ <https://ourworldindata.org/hunger-and-undernourishment#how-many-people-are-undernourished>

²⁵ *ibid*

²⁶ *ibid*

²⁷ <https://worldpopulationreview.com/>

²⁸ While in the past conditionality was identified as a main bottleneck to access IMF’s most relevant facility, the Compensatory Financing Facility (CFF), the more recent Exogenous Shocks Facility (ESF) and other IMF instruments (SCF, RCF, PCDR) have adopted more concessional terms. Nevertheless, while several countries received support under the ESF, accessing the facility remains subject to conditionalities and the process is complex for NFIDCs and LDCs.

explored by WTO members in the past at the initiative of NFIDCs and other members.²⁹ With the contribution of FAO and UNCTAD, discussions culminated in the conceptualisation in 2003 of a possible Food Import Financing Facility (FIFF).³⁰ The proposed facility was seen favourably by many countries³¹, and was conceived as a market-based instrument to provide credit guarantees to importing firms from LDCs and NFIDCs, helping them meet the cost of excess food import bills. By 2006 however, world food prices had stabilised to reasonable levels thereby eroding political momentum for establishing the facility. Yet, prices have repeatedly soared again since then (2006/08, 2010/12, 2022), and the idea might have been buried too quickly.

Towards a Food Import Financing Guarantee Mechanism (FIFGM)

Building on the concepts and rationale which underpinned the originally proposed revolving fund (FIFF), WTO members should seriously reconsider how to establish an adequate compensatory financing facility which would help LDCs and NFIDCs finance their import bills at times of future price surges. Taking into account the modern trade landscape, such a facility could take the form of a “**Food Import Financing Guarantee Mechanism (FIFGM)**”.

In addition to addressing concerns related to import financing risk through mechanisms inspired by the FIFF concept, the FIFGM could also offer solutions to certain counterparty performance risks (e.g. exporter default, failure to deliver) which came to the fore during some recent price spikes.³² Solutions to the latter aspect and updated approaches to the former should be devised with the contribution of relevant international institutions, and placed

under the WTO Committee on Agriculture.

The FIFGM would be meant to complement established financing sources of food importers from NFIDCs and LDCs when needed, to help maintain usual levels of quantities of imports in the face of price shocks (as per the NFIDC Decision). It would help finance food importing agents by providing guarantees to the financial institutions already involved in financing their transactions (mainly commercial banks, by mitigating their exposure to risk). The FIFGM would guarantee increases in credit limits (under trigger conditions to be defined), rather than provide direct finance. A main advantage of the concept is that the FIFGM would come in only as a top up for the “excess” part of the transaction, rather than the whole food import bill, and most importantly would be able to take action on very short notice. Moreover, such a functioning structure would allow it to be established and operate at a minimal cost for WTO members.³³ While it was estimated in the past that the guarantee financing needed for the FIFF would be in the range of USD960-1937 million³⁴, updated estimates would be required based on the mechanism eventually agreed.

Establishing a Work Programme

In order to ensure the long-overdue effective operational implementation of some key elements for the NFIDC decision, a dedicated work programme could be established under the WTO’s General Council via the Committee on Agriculture. Such a “**WTO Work Programme on trade-related responses to the Impact of Food Market Price Spikes and Volatility on WTO Least Developed, Net-Food Importing and Vulnerable Developing Economies**” should be comprehensive, fact-based, result-oriented and

²⁹ G/AG/W/49, G/AG/W/49/Corr.1, G/AG/W/49/Add.1

³⁰ FAO (2003). “Financing Normal Levels of Commercial Imports of Basic Foodstuffs in the context of the Marrakesh Decision”, Commodities and Trade Division, FAO, Rome. <https://www.fao.org/3/y5109e/y5109e00.htm>

³¹

[\[policy-responses-to-food-price-volatility-in-poor-net-food-importing-countries.pdf\]\(https://www.fao.org/3/y5109e/y5109e00.htm\)](https://ictsd.iisd.org/sites/default/files/research/2012/06/trade-</p></div><div data-bbox=)

³² <https://iatrc.umn.edu/wp-content/uploads/2009Dec-Sarris.pdf>

³³ <https://www.farm-d.org/app/uploads/2019/05/Sarris-Chp-11-Global-Food-price-volatility-and-DC-import-risks-2011.pdf>

³⁴ *ibid.*

time-bound.

The mandate of the Work Programme could comprise, inter alia, the following elements: (i) investigate the impacts that the disciplines agreed in the Nairobi Decision on Export Competition might have on the import bills of NFIDCs and LDCs, and provide a forum for members to discuss ways to mitigate adverse impacts that may be identified; (ii) explore the possibility of developing rules to exempt purchases of LDCs and NFIDCs, authorised by their governments under conditions to be defined, from quantitative export restrictions invoked under Article XI.2(a) of the GATT 1994 by other WTO Members, which are major exporters of the specific foodstuffs concerned; and (iii) any other issues brought up by LDCs and NFIDCs to effectively operationalise the NFIDC Decision.

What Could be Proposed: A Summary

Based on the above, the below provide a summary of what could be proposed to the WTO membership to improve the operational effectiveness of the NFIDC Decision:

● *Work Towards Establishing Food Import Financing Guarantee Mechanism (FIFGM)*

As a stand-alone decision or as part of a larger Work Programme to be established on issues of relevance to NFIDCs (see below), WTO members should explore ways to establish a Food Import Financing Guarantee Mechanism (FIFGM) meant to complement established financing sources of food importers from NFIDCs and LDCs when needed, to help maintain usual levels of quantities of imports in the face of price shocks (as per the NFIDC Decision). The FIFGM would help finance food-importing agents by providing guarantees to the financial institutions financing their transactions, e.g. guaranteeing increases in credit limits under trigger conditions to be defined.

● *Establish a “WTO Work Programme on trade-related responses to the Impact of Food Market Price Spikes and Volatility on WTO Least Developed, Net-Food Importing and Vulnerable Developing Economies”*

The General Council could be instructed to develop a comprehensive, fact-based, result-oriented and time-bound work programme, via the Committee on Agriculture, with the following mandate: (i) investigate the impacts that the disciplines agreed in the Nairobi Decision on Export Competition might have on the import bills of NFIDCs and LDCs, and provide a forum for members to discuss ways to mitigate adverse impacts that may be identified; (ii) explore the possibility of developing rules to exempt purchases of LDCs and NFIDCs, authorised by their governments under conditions to be defined, from quantitative export restrictions invoked under Article XI.2(a) of the GATT 1994 by other WTO Members, which are major exporters of the specific foodstuffs concerned; and (iii) any other issues brought up by LDCs and NFIDCs to effectively operationalise the NFIDC Decision.

Towards a WTO Package: Solutions in Agriculture Negotiations

Besides the solutions discussed above, members vulnerable to global food market volatility should also be able to reduce their food import dependence as a complementary risk mitigation strategy. In LDCs and NFIDCs, food productivity levels have remained low, partly from lack of domestic and foreign investment in agriculture and its modernisation. They have untapped potential for bridging the gap between their growing food needs and domestic production. In this regard, redressing existing imbalances in the WTO’s agricultural trade rules would be important for NFIDCs and LDCs, who should be given adequate policy space to develop their agriculture and ensure their food security.

Also, while AoA rules have generally helped discipline measures leading to depressed world prices, they do little to regulate those which have the opposite effect of leading to price spikes. While they were designed at a time of low (sometimes too low) world food prices, the reality of price levels in the future may be different. Among other factors, the effects of climate change can be expected to drive food prices up. Trade rules need to be adjusted, taking into account the challenges ahead for NFIDCs and LDCs.

In particular, domestic support rules should be reformed towards making such support non-trade distortive, while preserving the food security for those countries which depend on food purchases. This latter aspect is important in light of the food security concerns caused when food prices spike, as currently experienced since the start of the War in Ukraine but also likely in future crises. Also, reforming domestic support should not be made synonymous with reduction commitments only, but should also be interpreted so as to provide (on a legitimate basis) for food insecure countries to intervene and produce enough food for their local consumption. Besides domestic support, other decisions in the areas of, *inter alia*, export competition and export restrictions could contribute to mitigating the food security related challenges faced by LDCs and NFIDCs.

Below, possible approaches in different areas of WTO agriculture negotiations are suggested for consideration by the WTO membership:

Article 6.2

- *Article 6.2 should remain intact*

Many developing countries, and in particular LDCs and NFIDCs, are not in a position to give away the essential policy tools granted by article 6.2. to develop their agriculture production. Given the particular situation, sensitivity and small global market share of LDCs and NFIDCs, maintaining this article would not have trade-distorting effects.

- *Consider broadening the scope of Article 6.2*

Besides flexibilities to provide input and investment subsidies, other types of support pursuing food security as a legitimate development objective could be considered for inclusion in article 6.2 for use by NFIDCs and LDCs.

De Minimis (Article 6.4)

- *Updating the reference price used by the AoA to calculate AMS and price support.*

Related to the above, WTO members should work towards updating the reference price used by the AoA in order to ensure that the measurement of support is not artificially inflated. In this regard, members could build upon the proposal by the Africa group (JOB/AG/204) which suggests using a moving average of the prior three years, as well as other options.

- *Adopt a peace clause for NFIDCs breaching their de minimis limit, if they meet certain conditions*

Such a peace clause is currently in place for existing Public Food Stockholding programmes, but other types of support policies/programmes aiming to protect food security may also be in place by certain NFIDCs and are faced with similar challenges as PSH (e.g. back-dated reference price). Such food security related support should also benefit from a similar peace clause, which is recommended to extend not only to existing programmes but also future programmes by NFIDCs, meeting certain criteria to be agreed.

Public Stockholding for Food Security Purposes

- *Exempting Public Stockholding Programmes (PSH) of developing countries from Amber Box calculations, if they meet certain conditions*

Even if exceeding the ‘Amber box’ ceiling, such programmes which do not have trade-distorting impacts should be exempted from domestic support calculations (be considered as Green Box support). The “non trade-distorting” effect should be the condition. This would be for instance when stocks remain within the domestic market; or when the NFIDC maintaining the programme has a minimal global market share and hence negligible impact on world prices.

Export Competition

- *Extension of Article 9.4 flexibilities for LDCs and NFIDCs until at least 2040*

As long as members meet the criteria for being least developed countries or net food-importing developing countries, their measures to cover the marketing and transport costs of agricultural exporters will continue to have only negligible impacts on global markets while remaining an essential tool for ensuring adequate food supply from external sources for their citizens. Therefore, it is proposed that the flexibility enshrined in Article 9.4 be extended until 2040 for NFIDCs and LDCs, to be then reconsidered for extension at subsequent ministerial conferences.

Export Restrictions

- *Shielding LDC and NFIDCs’ food purchases from export restrictions by other members*

WTO members should explore the possibility of developing rules to exempt purchases of LDCs and NFIDCs, authorised by their governments under conditions to be defined, from

quantitative export restrictions invoked under Article XI.2(a) of the GATT 1994 by other WTO Members, which are major exporters of the specific foodstuffs concerned. This could possibly be integrated into the proposed larger Work Programme on issues of concern to NFIDCs.

- *Agree on an operational definition of “critical food shortage”.*

While Article XI.2(a) allows export restrictions on foodstuffs in situations of “critical food shortage”, no operational definition of this term exists to date. This leaves room for diverging interpretations of what may constitute a “critical shortage”, and its questionable use as justification for applying such quantitative export restrictions (potentially at the expense of consumers in food-importing countries).

- *Adopt the Ministerial Decision on “WFP Food Purchases Exemption from Export Prohibitions or Restrictions”*

At a moment when the number of undernourished people is growing again, which risks worsening in light of the ongoing conflict in the Black Sea region and the resulting higher food prices, WTO members should adopt a multilateral decision not to impose export prohibitions or restrictions on foodstuffs purchased for non-commercial humanitarian purposes by the World Food Programme.

- *Adopt the proposed “Ministerial Decision on Trade, Food and Agriculture”*

WTO members should adopt the proposed “Ministerial Decision on Trade, Food and Agriculture”, with due consideration for paragraph 29 exempting from 30-day notice any least developed country or net food-importing developing country (NFIDC) Member instituting new temporary export prohibitions or restrictions on foodstuffs.

Conclusion

Price spikes on world markets for basic foodstuffs, as occurred in the past, are likely to recur in the future, and existing domestic policy options do not suffice to mitigate the effects. Therefore, the WTO, at its 12th Ministerial Conference and beyond, must support an adequate response and adopt concrete decisions in this area, particularly for NFIDCs.

In the area of agriculture negotiations and flexibilities therein, such decisions could for instance be taken with regard to: (i) Article 6.2, which should remain intact or its scope be broadened; (ii) Article 6.4 on *de minimis*, by updating the reference price used by the AoA and/or adopting a peace clause for NFIDCs breaching their *de minimis* limit; (iii) Public food stockholding, by exempting NFIDCs' programmes from Amber Box calculations, if they meet certain conditions; (iv) Export competition, by Extending Article 9.4 flexibilities for LDCs and NFIDCs for a longer period; (iv) Export restrictions, by shielding NFIDCs' food purchases from export restrictions by other members, agreeing on an operational definition of "critical food shortage, and adopting the Ministerial Decision on "WFP Food Purchases Exemption from Export Prohibitions or Restrictions". WTO members should also adopt the proposed "Ministerial Decision on Trade, Food and Agriculture", which envisions flexibilities for LDCs and NFIDCs instituting new temporary export restrictions on foodstuffs.

But more can be done, and it is a momentous time to be ambitious. It is high time that members concretely deliver on the mandate of the WTO's Marrakesh Ministerial Decision on NFIDCs to improve access to the resources of the international financial institutions. While compensatory financing solutions were explored by WTO members in the past, culminating in the conceptualisation of a possible Food Import Financing Facility (FIFF), discussions have been

sidelined for over fifteen years. The cost of inaction has been high, and a renewed effort is necessary to translate the good intentions of the international community into functional instruments.

In fact, FAO at a recent G20 meeting called for a global Food Import Financing Facility (FIFF) to help poorer countries deal with surging prices as a result of the war in Ukraine. This would complement existing UN system mechanisms, be strictly based on urgent needs of NFIDCs, and promote future resilience by prioritising investments in sustainable agri-food systems. Already, the FFIF has been stress-tested by FAO for its impact on the global markets, and would be convenient to administrate and scale up.³⁵

It is time for the WTO to fulfil the commitment to NFIDCs and LDCs under the Marrakesh Ministerial Decision of 1994 and join hands with FAO to operationalise the FIFF at the earliest.

³⁵ [FAO \(April 20, 2022\)](#)



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