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COUNCIL

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Council

PROPOSED REVISION OF THE MANDATE OF THE COMMITTEE FOR AGRICULTURE

(Note by the Secretary-General)

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1. In 2004, the Council agreed in the framework of its Decision regarding a sunset clause for all Committees, that the mandate of the Committee for Agriculture would “expire, at the latest, on 31 December 2008, unless the Council decides otherwise” [C/M(2004)5].

2. It is proposed in this document to revise the current mandate of the Committee for Agriculture. The original mandate was granted in 1961 and has not been revised since that date. Although formally its mandate has not changed, the Committee has, over the intervening years, made full use of the flexibility which its original mandate contained to adjust or expand its area of endeavour as the issues facing the sector changed, to adjust the institutional setting within which it worked, and to adjust to the broader institutional, economic and political changes that were occurring around it. Ministerial meetings played a key role in several of the de facto changes that have occurred in the Committee’s mandate and the Communiqués of these meetings have served to guide the work of the OECD in the area of food and agriculture for the last decades. Among the most pertinent were the Ministerial meetings of 1982, 1987, 1992 and 1998.

3. At its 13-15 May 2008 meeting, following an interactive process involving an enlarged Bureau, the Committee for Agriculture approved a revision of its mandate [TAD/CA/M(2008)1]. This draft revised mandate is based, inter alia, on the preliminary In-depth Evaluation Report, on the conclusions of an Independent Review Panel [TAD/CA(2008)1] providing a high-level client view of the work of the Committee, in light of emerging challenges and future needs of Member countries, as well as on the outcome of the discussions engaged in the Committee’s subsidiary bodies on their mandates’ renewal.

4. In its In-Depth Evaluation of the Committee for Agriculture [C(2008)82], submitted to the Council on 16 October 2008, the Evaluation Committee noted that the interactive process launched to revise the Committee’s mandate had “successfully resulted in the elaboration of a draft mandate that clearly identifies what the Committee aims to achieve in terms of policy impacts in the coming mandate period”.

5. It is proposed that the revised mandate, as set out in the draft Resolution in Annex I hereto, should remain in force for a period of five years, until 31 December 2013, unless the Council decides otherwise. The draft Resolution would supersede all previous provisions concerning the mandate of the Committee. The Committee would, of course, return to the Council to propose a revision to its mandate should there be any major developments that warrant such a change.

6. At its 149th, 150th, and 151st sessions respectively, the Committee considered, in accordance with the provisions of Rule 21 of the Rules of Procedure, the role of its subsidiary bodies and agreed to the revised mandates of the Working Party on Agriculture Policies and Markets, the Joint Working Party for Trade and Agriculture, the Joint Working Party for Agriculture and Environment and the Commodity Groups (merged into one Group on Commodity Markets) [TAD/CA/M(2007)2; TAD/CA/M(2008)1 and TAD/CA/M(2008)2]. Concluding this process of mandates’ renewal, at its 151st Session on 18-19 November 2008, the Committee, in a general evaluation of its substructure, agreed that it supported the achievement of its objectives as defined in its Programme of Work and Budget, provided an effective framework for addressing current and new issues and ensured clarity about the responsibilities of different bodies in the structure (see Annex II hereto). The Committee therefore agreed that its substructure was of continuing relevance and should be maintained.

Proposed Action

7. In the light of the preceding, the Secretary-General invites the Council to adopt the following draft conclusions:

THE COUNCIL

- a) noted document C(2008)182;
- b) adopted the draft Resolution concerning the mandate of the Committee for Agriculture as set out in the Annex I to document C(2008)182, which will enter into force from 1 January 2009.

ANNEX I
DRAFT RESOLUTION OF THE COUNCIL
REVISING THE MANDATE OF THE COMMITTEE FOR AGRICULTURE

THE COUNCIL,

Having regard to the Articles 1 and 2 of the Convention on the Organisation for Economic Co-operation and Development of 14 December 1960;

Having regard to the Rules of Procedure of the Organisation;

Having regard to paragraphs 21, 22, 23, 26 and 89 of the Report of the Preparatory Committee concerning the creation of a Committee for Agriculture;

Having regard to the Communiqués of the meetings of the Council at Ministerial level in 1982 and 1987;

Having regard to the Communiqués of the meetings of the Committee for Agriculture at Ministerial level in 1992 and 1998 and the Chair's summary of the 2005 High level meeting of the Committee for Agriculture;

Having regard to the proposed revision of the mandate of the Committee for Agriculture C(2008)182;

Considering the need for further domestic agricultural policy reform and integration of the agriculture and food sector into the multilateral trading system; and

Considering the need for maintaining the productive capacity and effective use of natural resources to satisfy future demand for food and non-food products;

DECIDES:

A. The Committee for Agriculture has the following mandate:

1. To provide a forum for the discussion of issues related to all aspects of agricultural, agro-food and agricultural trade developments and policies with a view to promoting mutual understanding of these developments and to improving the effectiveness of policies, at both the domestic and the international levels, as they affect agriculture and the agri-food sector, in ways consistent with the overall mission of the OECD.

Specifically,

- To define guidelines and promote best practices for a positive policy reform agenda with the purpose of helping governments to achieve their objectives for their agriculture and agri-food sectors in ways that are efficient, effective and no more trade distorting than necessary.
- To define and promote policy and market approaches that improve agriculture's contribution to sustainability in all its aspects, and improve its overall environmental performance against a background of global issues that will be important for the sector concerning resource use (particularly water) and climate change, in Member and non-Member countries.

- To provide forward looking policy information, analysis and advice, that considers the perspectives of both Member and non-Member countries, so as to facilitate growth and development and the integration of the agriculture and agri-food sectors into the international trading system.
 - To monitor and analyse structural, economic and policy developments throughout the supply chain from farm to consumer, their implications for the farm sector and for farm sector policies.
2. Agricultural and agricultural trade developments and policies should be regularly monitored, using the best available qualitative and quantitative tools, and the impacts of structural change and policies on a range of sectoral performance criteria should be continuously evaluated.

In fulfilling this mandate the Committee for Agriculture will:

- Define the work to be undertaken during each programming period. Following the processes and schedules set for the Organisation as a whole, participate in all required reporting and evaluation mechanisms in place at OECD level, and manage the substantive and analytical work delegated to its subsidiary bodies.
- Work in close co-operation with other relevant committees, notably with the Trade Committee, the Environment Policy Committee, the Development Assistance Committee and the Territorial Development Policy Committee, striving for a full sharing of knowledge and expertise in pursuit of improved policy coherence.
- Engage with selected non-Member countries with a view to sharing experiences and expertise in policy development and evaluation and encouraging them to apply relevant OECD guidelines and recommendations. In this respect, Observers to the Committee will play a key role.
- Work in close co-operation with other international organisations notably the FAO, the World Bank and the WTO to share expertise, to provide mutual support, while avoiding overlap or duplication in the respective tasks undertaken.
- Develop close working relationships with international commodity organisations (ISO, IGC, IDF, IMS)* in monitoring international commodity markets and developments to ensure that we benefit from their expertise and that our work programmes are mutually reinforcing.
- Involve non-governmental organisations in its work through consultation/advisory mechanisms such as BIAC, IFAP** and TUAC and by engaging with relevant civil society organisations representing a broad cross-section of relevant interests.
- Undertake communication activities in Member countries, in light of the needs and interests in capitals and the availability of substantive policy relevant outputs from its work programme.

B. The mandate of the Committee for Agriculture shall remain in force until 31 December 2013, unless the Council decides otherwise.

* ISO: International Organisation for Standardisation; IGC: International Grains Council; IDF: International Dairy Federation; IMS: International Meat Secretariat.

** IFAP: International Federation of Agricultural Producers.

ANNEX II

EVALUATION OF THE COMMITTEE FOR AGRICULTURE'S SUBSIDIARY BODIES [Extract from TAD/CA(2008)22]

1. The revised Rules of Procedure of the Organisation call for an "evaluation of the continuing relevance" of a committee's sub-structure prior to submitting to the Council a request for its mandate renewal (article 21c). As a result, prior to preparing the request to Council for renewing the Committee for Agriculture's mandate that was agreed by the Committee in May 2008, the Committee is invited to confirm that its substructure is of continuing relevance.

Main functions of the substructure

2. The Committee was created in 1961 and within the overall Committee structure there are three sub-committees. The Working Party on Agricultural Policies and Markets was created in 1987, and it is supported in its work by the Group on Cereals, Animal Feeds and Sugar and the Group on Meat and Dairy Products. The Committee has institutionalised horizontal linkages to the Trade Committee (TC) and the Environment Policy Committee (EPOC) in the form of the Joint Working Party on Agriculture and Trade and the Joint Working Party on Agriculture and the Environment, respectively. The former was created shortly after the COAG and the Trade Committee were established, while the latter was created in 1993.

3. The framework in which the substructure operates is defined within the Committee's draft new mandate (yet to be endorsed by Council). The Committee *"provides a forum for the discussion of issues related to all aspects of agricultural, agro-food and agricultural trade developments and policies with a view to promoting mutual understanding of these developments and to improving the effectiveness of policies, at both the domestic and the international levels, as they affect agriculture and the agri-food sector, in ways consistent with the overall mission of the OECD"*. The Committee defines the work to be undertaken during each programming period and manages the substantive and analytical work delegated to its subsidiary bodies.

Working Party on Agricultural Policies and Markets (APM)

4. Reporting to the Committee, the APM provides a forum for exploring the domestic implications of policies and policy reform, as well as for assessing the implications of agricultural policies for international trade and markets. The APM is mandated to *"undertake the preparatory studies required for the work of the Committee in accordance with the priorities as defined in the programme of work"*. It has two major and on-going activities. First, it monitors and evaluates policy developments, including both their effects on markets and trade and progress in achieving agricultural policy reform, as defined in various Ministerial communiqués. It also approves publication of the annual *Monitoring and Evaluation* report. Second, the APM oversees preparation of the medium term outlook, via the commodity groups (see below), and approves the annual OECD/FAO *Agricultural Outlook*.

5. The APM also oversees the maintenance and the development of the analytical tools applied in these analyses, i.e. the PSE/CSE database, and the AGLINK and PEM models. It undertakes studies related to the various means and instruments which could contribute to the achievement of the objectives of agricultural policy reform and evaluates these in terms of their effectiveness and efficiency. Another important undertaking is to analyse and outline guidelines on good policy practices, in order to assist governments in defining and implementing cost-effective policies that allow them to achieve their evolving objectives. Finally, it extends policy analysis upstream and downstream to assist governments in

understanding and monitoring structural, technological, supply and demand side changes affecting the entire agrofood sector and in designing coherent policy responses.

6. It is under the auspices of this group that the contribution of the Committee to horizontal work on Innovation and on the Political Economy of Reform is carried out.

Joint Working Party on Agriculture and Trade

7. Reporting to the Agriculture and Trade Committees, the Joint Working Party on Agriculture and Trade (JWPA/T) provides analytical support to the process of agricultural and food trade liberalisation. The JWPA/T undertakes analyses of the potential effects of agricultural trade liberalisation, globalisation of the food economy, and new agricultural trade and trans-boundary policy issues. The focus is on examining the trade effects of agricultural support policies and regulatory frameworks, and on identifying the characteristics of efficient and effective policies that are minimally trade distorting. Links between the OECD and WTO Secretariats, both formal and informal, are strong at both working and senior management levels. Frequent contact and co-operation demonstrate the important complementarities between the analytical work done by the JWPA/T and the negotiation process at the WTO.

8. Furthermore, it is useful to recall that closer relations between trade and agriculture issues have been greatly facilitated as a result of the merger two years ago of the former ECH and AGR directorates. In particular, preparation of both Committees' programmes of work for 2009-10 has exploited a number of complementarities as regards the choice of policy issues of mutual interest, the selection of methods of analysis, the acquisition and use of various sources of data, the approach to policy dialogue within the Committees, and the scope of public communication efforts. The Secretariat, and the respective Committees, now work better together to ensure close coordination and cooperation where relevant.

Joint Working Party on Agriculture and the Environment

9. Reporting to the Agriculture and Environment Policy Committees, the Joint Working Party on Agriculture and the Environment (JWPA/E) provides a forum to exchange information and to analyse alternative policy and market approaches for achieving environmentally sustainable agriculture, in the context of technological change, agricultural policy reform and multilateral trade and environmental agreements. Major activities include the monitoring of agriculture's environmental performance and developments in agri-environmental policies, quantifying the effects of agricultural policies on the environment, and identifying guidelines for good agri-environmental policies. The aim is to contribute to the design and implementation of policies to facilitate sustainable management of natural resources in agriculture. The JWPA/E identifies and analyses policy relevant domestic and trans-boundary issues at the interface between agriculture and the environment and undertakes in depth thematic studies on areas of importance, such as water, climate change, and provision of environmental amenities in rural areas. The work in the JWPA/E facilitates policy dialogue between delegates from both agriculture and environment ministries, the sharing of experiences in OECD countries, and the analysis of cross-boundary policy issues.

10. It is under the auspices of this group that the contribution of the Committee to horizontal work on sustainable development, water, and climate change is carried out.

Group on Commodity Markets

11. This Group provides expert advice on the structure, content, policies and outlook for national and world meat, dairy and crop markets, providing the foundation of the annual OECD-FAO *Agricultural Outlook* publication. This work, in turn, provides the reference point for further analyses of alternative economic and policy scenarios of interest to governments. An increasing number of countries are also

being provided access to, and training in the use of, OECD's AGLINK model, which enables individual countries to undertake their own analyses of national and global market and policy scenarios.

Global Forum on Agriculture (GFA)

12. Although Global Fora are not considered as sub-bodies of the Committee per se, they are regarded as a network that meets under the responsibility of the Committee and are therefore included in the evaluation of the Committee's sub-structure. In addition, since May 2008, their mission statements have been approved by the Committee and their work proposals will be incorporated in the 2009-10 PWB.

13. The GFA supports the Committee in fulfilling its mandate of providing forward looking information, analysis and advice that considers the perspectives of both Member and Non-Member Economies, in particular by sharing national policy experiences. The focus of the GFA is on global agricultural policy issues, and topics of mutual interest to OECD countries and non-member economies. In addition, in its efforts to inform policy making, the GFA works through and with experts in the relevant countries to develop policy relevant data, information, analysis and advice, based on the specific situation in these countries. Such investments in building a better knowledge base of the specific situations encountered in selected Non Member Economies add value to policy dialogue and are pre-requisite to sustaining meaningful policy dialogue.