Water management, biodiversity and climate change: Potential for green box exemptions

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Domestic Support Rules to Promote Food Security, Climate Action, and Healthier Diets
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International Institute for Sustainable Development (IISD)
International Food Policy Research Institute (IFPRI)
Fundamental requirement: at most minimal distortions

Basic and policy-specific criteria and conditions

Support is not included in AMSs which means exempt from limits
(not the same “green” as in common environmental jargon)
Need more effective institutions

Expenditures on General services

- Research
- Infrastructural services
- Also other General services categories

Pressure to offset producers’ loss by Direct payments if change in water policy?

- Role for payments exempted under para. 5 and para. 6 (Decoupled income support)
<table>
<thead>
<tr>
<th>Enhance biodiversity</th>
<th>Mitigate climate change</th>
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<tr>
<td>Clarify green box rules and wording</td>
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<td>Pay producers for results or outcome, not production methods</td>
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- Fundamental requirement and negative production effect
- Production methods, inputs, extra costs, loss of income (para. 12)
- Role for payments exempted under para. 5 and para. 6 (Decoupled income support)
- Payment conditional on achieving the measured results or outcome

Research to enable proper measurement of a producer’s results or outcome: How much enhancement? How much mitigation?
Enhance biodiversity
Mitigate climate change

Avoid distortions in agricultural markets

Concurrent priorities

Design payments to deliver public goods effectively without distorting production and trade

Could mitigating climate change or other sustainability priorities become important enough to merit revising the rules on green box measures?
Thank you for your attention!

Draws on chapter 8 in 2023 book