



PIFS GVA/15-2020

To : Forum Island Countries (FICs)
Date : 09 April 2020
From : Mere FALEMAKA, PIF Permanent Delegation to the United Nations,
World Trade Organization, and Other International Organizations in Geneva
Subject: PIF-Geneva Update 1/2020

Please find attached, for your records, an update on Trade Negotiations and Aid-for-Trade activities undertaken by the Pacific Islands Forum – Geneva Office (PIF-Geneva) in January-February 2020.

2. For further clarifications or follow-up on Trade Negotiations, please contact me on mere.falemaka@pifs-geneva.ch
3. For further clarifications or follow-up on Aid-for-Trade, please contact Mr. Andrea Giacomelli, Trade Policy and Aid-for-Trade Adviser on andrea.giacomelli@pifs-geneva.ch
4. For further clarifications or follow-up on PTI Europe, please contact Ms. Robyn Ekstrom, Trade Promotion Adviser on robyn.ekstrom@pifs-geneva.ch

Mere FALEMAKA

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**PIF Permanent Delegation to the United Nations,
World Trade Organization, and Other International Organizations in Geneva**

1. BACKGROUND

The Pacific Islands Forum Geneva Office (PIF Geneva) comprises two sections: Trade Negotiations and Aid-for-Trade (Aft). The Trade Negotiations section provides policy and technical advice on multilateral trade issues to Forum Islands Countries (FICs) which are members of the World Trade Organization (WTO), and coordinates their participation in multilateral negotiations. The Aft Section assists FICs, individually and collectively, to make a better use of Aft opportunities provided by Geneva and Europe-based organisations.

In addition, PIF Geneva hosts the Europe desk of Pacific Trade Invest (PTI Europe). The desk focuses on the development and promotion of Pacific Island exports across international markets in Europe and the United Kingdom.

2. REPRESENTATION

In January 2020, Ambassador Falemaka represented the Pacific in the ACP Troika's Opening Panel on Outlook for the WTO Twelfth Ministerial Conference ([MC12](#)) at the ACP Ambassadors' Retreat held in Evian, France.

In February 2020 [Forum Trade Ministers](#) formally endorsed the Pacific Quality Infrastructure Initiative promoted by the PIF Geneva Office, including a Pacific Regional Quality Statement and a medium-term strategy to guide implementation during the next five years.

During this period, the Office intensified preparations for the PIFS-UNCTAD [joint event](#) during [e-Commerce Week 2020](#).¹

3. TRADE NEGOTIATIONS

The Fisheries Subsidies negotiations dominated the work of WTO Members in line with the Work Plan for 2020 envisaging six negotiating clusters between January to May in efforts to conclude a deal by MC12. Two fisheries negotiation clusters were held in January and February and work focused on the three Facilitators' reports tabled in December 2019 on the three main disciplines, namely IUU Fishing, Overfished Stocks (OFS) and Overcapacity and Overfishing (OCOF). Intensive discussions were held on the Facilitators' texts on IUU Fishing and OFS which were more advanced. In February the Facilitator on OCOF issued a textual proposal drawn from the December 2019 report. The Facilitator's text proposed prohibition as the main discipline with complementary approaches on capping and disciplining subsidies contingent on distant water fishing and subsidies to flags of convenience. The OCOF stock pillar is the most complex and where deep divisions amongst Members prevailed in terms of approaches, the scope of subsidies to be covered, and whether exclusions for non-harmful subsidies, the so-called Green Box, should be provided. Limited progress was made on the cross-cutting issues such transparency, special and differential treatment, legal structure, dispute settlement, institutional issues, scope and definitions. Aside from these, some overarching issues remain contentious such whether to discipline non-specific subsidies such as fuel, and the legal structure of the agreement – i.e. whether this should be an Annex to the Agreement on Subsidies and Countervailing Duties or a standalone agreement. While discussions on Special and Differential Treatment (S&DT) has not advanced, many developing countries are pushing for exclusion of small-scale artisanal fishing for food and livelihood security reasons, as well as the need for policy space for those countries that currently lack fishing capacity.

On the other multilateral negotiations, Agriculture was also active, as Members explored what could be delivered at MC12. Discussions focused mainly on domestic support, market access, cotton, public stockholding and special safeguard mechanism. The Chair tabled a comprehensive report in February and proposed to circulate a framework for MC12 to guide the discussions on possible elements that

¹ In light of the development of the COVID-19 virus situation, the e-Commerce Week was eventually cancelled in March 2020

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can be delivered. On Development issues, consultations continued to examine the G90 (ACP, LDC, African Group) proposals aimed at strengthening and making more effective some S&DT provisions in current WTO rules to support developing countries' diversification and industrialization efforts. Little progress was made on Development issues, including due to the substantial divisions surrounding the USA proposal for differentiation between developing countries.

Alongside the multilateral negotiations, the plurilateral discussions also increased in momentum on the Joint Statement Initiatives ([JSI](#)) on E-commerce, Investment Facilitation for Development, Micro, Small and Medium Enterprise (MSMEs), and Domestic Regulation in Services Trade. New initiatives on Trade and Environment and Plastic Pollution were also being initiated for MC12 decisions. Domestic Regulation in Services Trade is the most advanced JSI, with a draft text being refined as a potential deliverable for MC12.

On systemic Issues, the Appellate Body impasse continued with the blocking of Appellate Body (AB) members' appointment by the USA due to procedural and substantive concerns relating to AB's processes and decisions. In December 2019, only one of the seven AB members remain, thus crippling the AB process and the enforcement function of the WTO. In January a number of members agreed to establish a multi-party mechanism outside of the WTO to deal with trade disputes. Many developing countries have raised concerns and called for restoration of the AB process.

During this period the PIF Geneva Office issued four Circulars on Fisheries and Agriculture and six email briefs on Fisheries Subsidies, Agriculture, Domestic Regulations, Investment Facilitation and Plastic Pollution. The Office also initiated preparations for the WTO-PIFS Regional Preparatory Workshop for MC12 to be held in Honiara in April 2020. The Geneva Office worked closely with the [TAF2](#)-funded consultancy team from Adman Smith International, to provide analysis of negotiating issues, assist with technical reports to Pacific WTO Members, and provide technical support during the fisheries negotiating clusters.

During this period, the new TAF2 Coordinator, Mr Kasek Galgal from Papua New Guinea, commenced working at the PIF Geneva Office, together with the new WTO Intern, Ms Raewynn Manuleleua from Samoa.

4. AID-FOR-TRADE

4.1 Projects

3.1.1 Implemented

This period saw finalisation and government approval of the e-Commerce Readiness Assessment for Tonga. The report will be officially launched in Nuku'alofa as soon COVID-19 restrictions are lifted.

In February 2020 a contractor was selected to implement the PIFS-MSG [project on e-Commerce](#) sponsored by [TradeCom](#). The project will initially support national e-Commerce Assessments, based on [UNCTAD](#) methodology, in Fiji, FSM, Niue, and PNG.

PIF Geneva coordinated assistance by the consultants supporting the Pacific Group through the Trade Advocacy Fund ([TAF2](#)). Under output 2 (coordination), a new Geneva Coordinator has started working full-time in the PIF Geneva Office. The sixth quarterly strategy meeting was held in January, and support was also extended for an ACP ambassadors retreat on 30–31st January. Under output 3 (technical advice), fisheries subsidies support has continued through two cluster meetings in January and February, including substantial bilateral engagement. Written updates and briefs were provided on proposals and texts on fisheries subsidies, together with a legal review of the Pacific Group position on IUU. Written briefings were also provided on domestic support in agriculture, and services domestic regulation.

4.1.2 Completed/Secured

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PIF Geneva supported FICs to leverage USD 1.5 million in Aid-for-Trade funds, notably a commitment from the Enhanced Integrated Framework ([EIF](#)) to implement the LDC component of the Pacific Quality Infrastructure Initiative. Finalisation project documents and formal approval are expected in next few months.

4.1.3 Ongoing

Formulation commenced on a regional project proposal for the [Australian Aid-for-Trade Trust Fund on e-Commerce](#). The proposal envisages national e-Commerce Assessments for Nauru and Cook Islands, and the development of a Regional e-Commerce Strategy and Roadmap drawing upon the national assessments undertaken so far.

4.2. Apply! Demand-driven Aid-for-Trade facilities accepting applications

(1) [Standards Trade and Development Facility](#) (2) [Global Alliance for Trade Facilitation](#) (3) [Trade Facilitation Agreement Facility](#) (4) **LAST FEW DAYS!** [ACP EU Culture – Call for Proposals Supporting the Cultural and Creative Sectors in ACP Countries](#)

5. PTI EUROPE

5.1 Projects

5.1.1 Implemented

PTI Europe activities undertaken in this period include the facilitation of contact conversion and linkages obtained by exhibitors at WorldFood Moscow 2019 and the project management of the Pacific Islands Trade booth at FoodExpo Greece which has been re-scheduled from the original March date to May 2020.

The office disseminated four (4) market intelligence reports as well as linkages to free trade development/marketing webinars to 197 FIC private and public sector recipients in over 131 FIC organisations, businesses and government agencies.

5.1.2 Completed/Secured

During this period, PTI Europe clients reported AUD 32,000 in new sales directly attributable to the work of PTI Europe.

5.1.3 Ongoing

Client-specific research, product sourcing, profiling and introductions are ongoing to develop links between Pacific producers and exporters and European clients. Technical assistance and facilitation is being provided to Geneva and EU based Multilateral Organisations for project and in-country missions.