



PIFS GVA/35-2020

To : Forum Island Countries (FICs)
Date : 5 August 2020
From : Mere FALEMAKA, PIF Permanent Delegation to the United Nations,
World Trade Organization, and Other International Organizations in Geneva
Subject: PIF-Geneva Update 3/2020

Please find attached, for your records, an update on the activities undertaken by the Pacific Islands Forum – Geneva Office (PIF-Geneva) in May-June 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. Glynis Miller, PTI Coordinator and Acting PTI Trade Commissioner New Zealand on GlynisM@forumsec.org

Mere FALEMAKA

Ambassador

**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

During this period Ambassador FALEMAKA was invited to represent Pacific views at two major webinars, namely the Enhanced Integrated Framework ([EIF webinar](#)) focussing on the linkages between LDC graduation and COVID-19, and the United Nations Industrial Development Organisation ([UNIDO webinar](#)) focusing on the linkages between Quality Infrastructure and COVID-19 response

3. TRADE NEGOTIATIONS

With cancellation of the June 2020 Twelfth Ministerial Conference (MC12), consultations on the dates and venue for MC12 continued following the offer from Kazakhstan in May to host MC12 in June 2021.

Various meetings including two General Council meetings (15 and 29 May) were held and discussed the COVID-19 impact on trade. This followed the WTO's forecast in April of a global trade decline of between 13% to 32% for 2020 and noting the increasing number of trade measures imposed by Members in response to COVID 19. By the end of May over 220 measures were in place which included trade restrictions such as export restraints on essential goods such as medicines, medical products and equipment and food. Many important-dependent members especially in developing and least developed countries (LDCs) raised concerns relating to access for essential goods to combat COVID-19 and to meet domestic food security. Members stressed the importance of keeping supply chains open and ensuring that new trade measures must be targeted, proportionate and temporary. Members also called for prompt notification to WTO of any new trade measures, in compliance with their transparency obligations. In June as some Members began to relax their restrictions to support economic recovery, the WTO had revised its forecast of the trade decline of 18.5%.

Due to the lockdown, no negotiations were held as Members were hesitant to negotiate in virtual mode. However, Members continued to examine and assess new proposals that were tabled and to meet bilaterally and in Groups to discuss proposals and new ideas.

On Fisheries Subsidies, the Chair of the Negotiating Group on Rules (NGR), Ambassador Santiago Wills (Colombia) presented his draft consolidated text on the Fisheries Subsidies Agreement to Members on 25 June. This text is expected to be the basis for advancing the negotiations which Members are aiming to conclude by December 2020. While Members disagree on the details, the draft consolidated text was seen as positive as it tried to reflect a balance of interest of Members with the inclusion of the three main subsidies disciplines (IUUF, Overfished stocks, Overcapacity/Overfishing) and special and differential treatment (S&DT) provisions, apart from the scope and definitions. The main approach to the disciplines in the text is through prohibition although there is a placeholder on capping should Members wish to complement the prohibition as well as a list of non-harmful subsidies and other cross-cutting issues namely transparency, institutional issues and dispute settlement. A meeting of the RNG Heads of Delegations (HODs) was planned for 21 July to hear Members' responses to the consolidated text.

On Agriculture, the negotiating group met on 25 May and much of the discussion focused on the impact of COVID 19 in particular the trade measures imposed on agriculture products by Members.

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The meeting recognized that the pandemic was likely to influence negotiating priorities and positions as well as the need for reforms in WTO rules. Food security concerns in response to export restraints were particularly highlighted by food import-dependent countries. Members pushed for food security, export restraints, public stockholding and domestic support as priorities for negotiations in Agriculture and others suggested market access as well as cotton. Members also called for COVID-19 trade measures to be targeted, transparent, proportionate and temporary. Members also considered the 16 March paper by the Chair of Agriculture negotiations could be a basis to move forward.

On Development, the revised G90 proposals which were circulated to Members in April solicited some questions and comments. The G90 provided its response to these questions on 19 June and this was circulated to all Members. The Chair of the negotiation on Development issues will convene a meeting after the summer break to discuss the G90 response. The G90 (ACP, LDC, African Group) submission consists of 10 proposals which are seeking flexibility in various WTO rules to support diversification and industrialization as well as to enhance access to markets.

The proponents of the Joint Statement Initiatives (JSIs) on Ecommerce, Investment Facilitation for Development (IFfD) and Services Domestic Regulations also continued their discussions to advance their draft texts. Services domestic regulation is by the far the most advanced and is likely to be a deliverable at MC12. Current discussion is focusing on how these commitments will be implemented in those Members' GATS schedules noting that these commitments are intended to apply on a most-favored nation (MFN) basis to all Members. Ecommerce and IFfD are aiming to have substantial progress on texts by MC12.

During this period the PIF Geneva prepared delivered four Pacific Group statements delivered at the two General Council meetings and Committee on Agriculture (Special Session) meetings in May as well as an intervention at the TRIPS Council meeting in June. PIF Geneva also issued nine Circulars on Agriculture, Ecommerce, Multi-Party Interim Arbitration (MPIA) Agreement, ACP Fisheries Subsidies analysis, SIDs COVIUD 19 Response proposal, and ITC 9-point Plan for MSMEs COVID-19 recovery. In addition, PIF Geneva continued to co-ordinate meetings of the Geneva-based technical team to analyse fisheries subsidies proposals and texts, bilateral meetings on fisheries subsidies and coordinated Pacific inputs to the ACP and LDC positions.

The TAF2-funded consultancy team from Adman Smith International, continued to provide technical analysis on negotiating issues, assist with technical reports to Pacific WTO Members, and provided technical support during the bilateral meetings on fisheries subsidies negotiations. During this period, the TAF2 Coordinator, Mr Kasek Galgal from Papua New Guinea, assisted PIF Geneva in coordinating TAF2 support and WTO Intern Ms Raewynn Manuleleua (Samoa) assisted in preparation of meeting reports and analysis of issues on fisheries subsidies and agriculture.

4. AID-FOR-TRADE

4.1 Projects

3.1.1 Implemented

This period saw good progress with the [TradeCom](#) PIFS-MSG project on e-commerce. The project implementation strategy was partly redesigned to adapt to the COVID-19 situation. Draft reports for Niue and Fiji were received, and extensive feed-back was provided to consultants to inform subsequent drafts.

Further steps were undertaken towards the launching of the [Pacific Quality Infrastructure Initiative](#) Phase 2, including preparation of the tender dossier for the recruitment of a Pacific Quality Infrastructure Coordinator to be based at the PIFS.

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PIF Geneva coordinated assistance by the consultants supporting the Pacific Group through the Trade Advocacy Fund ([TAF2](#)). Under output 3 (technical advice), meeting support was mostly provided by virtual means. Virtual bilateral meetings on fisheries were held with the US and UK. A presentation was made to the LDC Core Group on the economic importance of access arrangements to coastal African LDCs. In other areas, the TAF2 consultants supported inputs by the Pacific Group into the ACP response to the Chair of the Committee on Agriculture in Special Session (CoA-SS)'s negotiating proposals. Draft talking points on negotiating priorities during COVID-19 were provided for the General Council, and a draft statement was provided for the to the CoA-SS on agricultural priorities during COVID-19.

4.1.2 Completed/Secured

This period saw the signing of a new 3-year [Grant Funding Agreement](#) (GFA) between the PIFS and the Australian Department of Foreign Affairs and Trade ([DFAT](#)) to support activities of the PIF Geneva Office. AUD 2 million were committed for the first year of the GFA, which is about double the amount committed under the previous agreement, and signals the trust of Australia in the Office's ability to deliver results for its members. PIF Geneva also secured a 4months extension of the TAF2 support to Pacific negotiations in WTO to January 2021 and a 4 months extension for the WTO internship of Ms Manuleleua to December 2020.

4.1.3 Ongoing

The PIFS project proposal submitted to the [Australian Aid-for-Trade Trust Fund on e-Commerce](#) to support the development of a Regional e-Commerce Strategy and Roadmap was shortlisted for approval. Drafting of a full project is ongoing and will be finalised in in July.

The Global Alliance for Trade Facilitation (GATF)'s [Steering Group](#) agreed to support those FICs which submitted a request for assistance with the help of the PIF Geneva Office. Work is ongoing in Fiji, Solomon Islands, PNG, and Vanuatu to identify and agree the specific projects which will be supported by the Alliance.

Significant progress was recorded on development of the EIF project proposal on Quality Infrastructure. A revised proposal was submitted to the EIF Secretariat towards the end of June.

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](#)

5. PTI EUROPE

The position of PTI Europe Adviser is now vacant. The next update will be provided after the new PTI Europe Adviser is recruited.