



PIFS GVA/48-2020

To : Forum Island Countries (FICs)
Date : 09 October 2020
From : Mere FALEMAKA, PIF Permanent Delegation to the United Nations,
World Trade Organization, and Other International Organizations in Geneva
Subject: PIF-Geneva Update 4/2020

Please find attached, for your records, an update on the activities undertaken by the Pacific Islands Forum – Geneva Office (PIF-Geneva) in July-August 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.

Some non-trade work commenced in 2019, and is currently limited to support advocacy on selected regional priorities.

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 represented the Pacific in the ACP Troika strategy meeting and in the UNCTAD SIDs Group discussions on preparations for UNCTAD XV.

3. WTO NEGOTIATIONS

During this period WTO Members continued to focus in various WTO Committees on the trade impact of COVID 19 including monitoring the trade measures imposed by Members in response to the pandemic. Most of the measures related to export restrictions on medical supplies and equipment and some related to food exports. Other measures related to technical standards, sanitary and phytosanitary measures and trade facilitation measures some of this were trade relaxation measures to facilitate trade. Members continued to call for trade measures to be transparent, targeted, proportional and temporary so as not to disrupt trade and global value chains.

Fisheries subsidies negotiations continued to be the priority focus as WTO Members aimed to conclude the negotiations by December 2020 to meet the deadline of the SDG 14.6. On 25 June the Chair (Colombia) of the Negotiating Group on Rules (NGR) circulated a Draft Consolidated Text (DCT) based on the work of six Facilitators up to March. The DCT included the three pillars of the disciplines under negotiations namely subsidies to IUU Fishing; Overfished Stocks; and Overcapacity and Overfishing. Other elements included are Scope, Definitions, Special and Differential Treatment, Special provisions for LDCs; and Technical Assistance and Capacity Building. Additional elements such as Transparency and Notification; Institutional Issues and Dispute Settlement were under placeholders as issues were not yet mature. In July Members reacted to the DCT and while concerns were raised on different parts of the Text, Members were willing to use this as basis for negotiations. A range of contentious issues are still on the table including IUU fishing determination, due process and proportionality for minor violations, benchmarks for sustainable levels in Overfished stocks and how to treat unassessed stocks. The most difficult issues are in the OCOF pillar where hybrid approaches to prohibition based on lists of harmful subsidies and effects seem to be taken, disciplines on areas beyond national jurisdiction covering the high seas and other Members' EEZ. For developing countries the treatment of small scale and artisanal fishing which provide livelihood security for many and special and differential treatment to support their fishing industries are major issues. Aside from these, some horizontal issues which remain unresolved are making progress difficult such whether to discipline non-specific subsidies such as fuel should be included, and the legal structure that is, whether this Agreement should be an Annex to the Agreement on Subsidies and Countervailing Duties or a standalone agreement. Outside of the negotiation process, Members were analysing the DCT, and various consultations were held bilaterally, within and between Groups of Members to clarify technical issues, test ideas and explore solutions for possible landing zones. In July Members also agreed to a work program after the summer break comprising four negotiating clusters in the weeks of 14 September, 5 October, 2 November and 30 November.

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On Agriculture, consultations on the elements of the negotiations that can be advanced for MC12 began following the appointment of the new Chairperson (Costa Rica) for the negotiating Group on 21 July. These consultations were based on the framework circulated by the previous Chair in March 2020 as well as lessons learnt from the COVID 19 pandemic. Key elements that are under consultation including domestic support or production subsidies, market access, public stockholding for food security and special safeguard mechanism (SSM). The pandemic has also raised the need to clarify the use of export restrictions during times of crisis as export restrictions not only disrupts trade but on agricultural products can threaten the food security of many Members that rely on imported food.

On Development (S&DT) issues, consultations continued on the ten G90 (ACP, LDCs, African Group) proposals which are seeking flexibilities to various WTO rules for developing countries and LDCs. Amongst these are proposed flexibilities to tariff modifications and investment requirements in the TRIMS agreement to support industrialization and trade and LDC-specific proposals that relate technology transfer under the TRIPS agreement, customs valuation and LDC preferences. At the same time the US at the General Council in July tabled again its proposal from 2019 on differentiation of developing countries for the purpose of applying S&DT with the aim of excluding developing countries that have industrialized. This issue remains highly sensitive.

Apart from the multilateral negotiations, discussions under the Joint Statement Initiatives (JSIs) also picked up again after the COVID 19 lockdown. Discussions on Domestic Regulations on Services are by the most advanced and modalities for integrating these commitments in the WTO Agreement through their GATS schedules under way. Discussions on ecommerce and investment facilitation for development have also broadened and deepened. At the same time discussions on trade and environment initiatives include trade and environment sustainability, plastic pollution and fossil fuels subsidies are getting back on track after the lockdown. All these initiatives are aiming at delivering concrete outcomes at MC12.

The WTO's appellate body remains inactive, blocked by the USA due to procedural and substantive concerns relating to AB's processes and decisions. In July the 24 Members of the alternative appeals mechanism, the Multi-Party Interim Arbitration (MPIA) Arrangement, appointed the pool of ten standing arbitrators to hear appeals under the Arrangement. The MPIA was established in accordance with arbitration provisions in Article 25 of the WTO Dispute Settlement Understanding.

During this period the PIF Geneva Office issued six Circulars on Development issues (S&DT), TRIPS, Trade impact of COVID 19 on the Pacific and Fisheries subsidies and ACP positions. In addition, the Pacific Office coordinated five Pacific Group statements that were delivered in the Council on Trade in Services, Council on Trade and Environment on plastic pollution, on Fisheries Subsidies, Small Vulnerable Economies and on the State of play of the negotiations at the Heads of Delegations meeting.

4. AID-FOR-TRADE

4.1 Projects

4.1.1 Implemented

Good progress was made with the [TradeCom](#) PIFS-MSG project on E-commerce: the second draft of the national E-commerce Assessments for Niue and Fiji were received and reviewed; moreover, an outline was agreed for a Regional E-commerce Assessment.

Further steps were undertaken towards implementation of Phase 2 of the [Pacific Quality \(QI\) Infrastructure Initiative](#), including progressing recruitment of a Pacific Quality Infrastructure Coordinator, and promoting coordination with planned QI-related activities by [UNCTAD](#) and [UNIDO](#).

On [Trade Facilitation](#), one of the five priorities of the Pacific Aid-for-Trade Strategy, preparations commenced for the holding of a virtual workshop in October 2020.

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At national level, significant assistance was extended to Tonga, including operational support for the launching of the country's [Trade Policy Framework and the E-commerce Assessment](#); and technical support for the country's [WTO Trade Policy Review](#) through recruitment of an international expert.

PIF Geneva coordinated assistance by the consultants supporting the Pacific Group through the Trade Advocacy Fund ([TAF2](#)). Under output 2 (coalition-building and coordination), the eighth quarterly strategy meeting was convened on 24th July, again in virtual format, and an outcomes document was circulated. Under output 3 (technical advice), a brief was provided on the impact of COVID-19 on Pacific trade. On fisheries subsidies, following the chair's circulation of his consolidated text on 23rd June, an analytical brief was provided on the content of the text, and the team supported a direct consultation with the chair as well as plenary discussion at heads of delegation level. Support has also been provided for engagement with the LDC Group concerning our shared interests in the protection of access agreements.

4.1.2 Completed/Secured

This period saw formal approval of two major projects supporting implementation of the [Pacific Aid-for-Trade Strategy](#), namely:

- the USD 1.5 million [EIF](#) Tier 2 Regional Project on [Quality Infrastructure](#); and
- the USD 350,000 project submitted to the [Australian Aid-for-Trade Trust Fund on e-Commerce](#) to support the development of a [Regional e-Commerce Strategy and Roadmap](#).

Implementation of both projects is expected to commence in the last quarter of 2020.

4.1.3 Ongoing

None

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.