



PIFS GVA/3-2021

To : Forum Island Countries (FICs)
Date : 19 February 2021
From : Mere FALEMAKA, PIF Permanent Delegation to the United Nations,
World Trade Organization, and Other International Organizations in Geneva
Subject: PIF-Geneva Update 6/2020

Please find attached, for your records, an update on the activities undertaken by the Pacific Islands Forum – Geneva Office (PIF-Geneva) in November-December 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 Dr Andrea Giacomelli (Mr), 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 Trade Commissioner to New Zealand on Glynis.M@pacifictradeinvest.co.nz

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 presented Pacific perspectives on trade facilitation and natural disasters at the WTO's [Trade and Environment Week](#). She also participated at the WIPO Dialogue with Asia-Pacific Group, and represented the Pacific on Small Economies Perspectives at the South Centre Dialogue on Common Issues for Developing Countries in WTO. The Australian Department of Foreign Affairs and Trade and the PIF Geneva Office submitted a request to organise a Pacific session at the WTO's [Aid-for-Trade Stocktaking Event 2021](#), focussing on regional Aid-for-Trade approaches.

3. WTO NEGOTIATIONS

At the December 2020 General Council meeting, Members agreed that June 2021 would not be a practical date for the Twelfth Ministerial Conference (MC12) due to the second wave of the pandemic. Members agreed to decide on a date in March 2021 after further consultations. In November Members concluded the selection process for the new WTO Director General but were unable to reach a consensus on the successful candidate. Consultations would continue on this issue.

During this reporting period, [Fisheries Subsidies](#) negotiations intensified with inter-sessional consultations, bilateral meetings and two negotiating clusters. The Chair (Colombia) issued a first revision to the Draft Consolidated Text (DCT) on 2 November 2020 which was the basis of discussions during the period. The revised DCT (Rev.1) built on the 25 June skeleton text, focusing on the three core disciplines on subsidies to Illegal, Unreported and Unregulated (IUU) fishing; Overfished Stocks; and Overcapacity and Overfishing (OCOF), along with Special and Differential Treatment (SDT) for developing countries and LDCs and technical assistance and capacity building. The Rev.1 also added text for Articles previously under placeholders, namely Transparency and Notifications, Institutional Issues and Dispute Settlement. The November cluster focused on duration of withdrawal of subsidies for IUU fishing, how to treat subsidies for unassessed stocks, dispute settlement and SDT. The December cluster focused on determination of IUU fishing (to trigger the prohibition), due process requirement for IUU fishing determination, the exception for prohibited subsidies in OCOF and SDT. Significant differences on many of these issues remain in all areas and especially on IUU determining entities and the extent of due process required that does not undermine domestic IUU fishing enforcement, and the exception in OCOF that would allow subsidies based on a sustainability test which many developing countries say would disadvantage them as this requires regular stock assessment to a standard that may be reviewed in the WTO. It was clear at the December cluster that much is needed to bridge differences and Members were unable to conclude the negotiations in 2020, the deadline for SDG 14.6. However, to continue the work in 2021, the Chair issued a second revision to the DCT (Rev.2) with incremental changes relating to a new footnote to exempt government to government payments under access agreements, an amended footnote on sustainability test, a

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placeholder for non-recovery of payments under access agreements and a duty of care provision on unassessed stock.

On [Agriculture](#), the Chair (Costa Rica) assisted by the seven Facilitators continued consultations with Members on elements of the Agriculture negotiations that could be potential outcomes for MC12. These elements included domestic support, market access, public stockholding for food security, special safeguard mechanism, export restrictions, export competition and transparency. Domestic support remains a priority for many Members aiming to reduce subsidies and distortions to agriculture trade. The issue of export restrictions on agricultural products, especially on food products, continued to be on focus as this affects food security of many importing Members. One element that gained momentum was a Draft Decision in World Food Program (WFP) purchases which would commit Members not to impose export restrictions on WFP purchases to assure food supply and alleviate hunger. However, Members were unable to agree to this in December. In 2021, the Chair and Facilitators would work to try to identify options and narrow down issues for negotiations.

On Development ([S&DT](#)) issues, the Chair continued consultations with Members on the ten G90 (ACP, LDCs, African Group) proposals which are seeking flexibilities to various WTO rules for developing countries and LDCs. The G90 continued to stress the importance of these proposals to enable them to increase their trade and better integrate into the multilateral trading system. These include the LDC-specific proposals which relate to technology transfer under the TRIPS Agreement, customs valuation, and LDC preferences. Flexibilities to tariff modifications and investment requirements in the TRIMS Agreement are proposed to support industrialization and trade. Members continued to have different views on how to address these proposals. The Chair of the CTD has proposed that in 2021, she would proceed to examine two proposals at a time so that Members can have in-depth discussions. At the same time, at the General Council meeting in December, the US re-tabled its 2019 proposal against the principle of self-designation status by developing countries, proposing a number of criteria to limit S&DT to those developing countries that need it. This remained contentious.

On TRIPS, the TRIPS Council discussed a proposal by India and South Africa that proposed a waiver from TRIPS obligations in order to scale-up production of COVID 19 vaccines and ensure that developing countries have access to vaccines at affordable prices. Those opposing the waiver said this would deter innovation and research and development that would be detrimental to the global community.

Discussions under the Joint Statement Initiatives (JSIs) continued to gain momentum. The [Domestic Regulation on Services](#) is in final form and proponents are working on implementation through revision of their GATS schedules to incorporate the outcome of the negotiations. The JSI on and Micro, Small and Medium Enterprises ([MSMEs](#)) saw considerable progress with a final text virtually completed by November. The JSIs on [E-commerce](#) and [Investment Facilitation](#) for development also gathered momentum and have advanced to consolidated texts in December. These JSIs are expected to be advanced for outcomes at MC12.

On WTO reforms, there was no change to the impasse on the WTO's Appellate Body process, as the US position remains unchanged. Members continued to call for restoration of the Appellate Body. The alternative Multi-Party Interim Arbitration (MPIA) Arrangement established by a group of Members will be used by them to resolve appeals.

During this period the PIF Geneva Office issued eight technical Circulars on Agriculture, Fisheries Subsidies, Trade and Environment and reports of the Informal Trade Negotiating Committee and General Council meetings. In addition, the Office coordinated seven Pacific Group statements that were delivered in various WTO meetings such as on Fisheries Subsidies, Trade and Environment, Small Vulnerable Economies, and in the Trade Negotiating Committee, and General Council meetings.

4. AID-FOR-TRADE

4.1 Projects

4.1.1 Implemented

The Pacific E-commerce Initiative saw remarkable progress. A [regional workshop on E-commerce](#) took place on the 3 November 2020, which was attended by more than 100 representatives of Forum member countries, and 35 representatives of regional and international development agencies and donor partners. The workshop discussed and validated a Regional E-commerce Assessment developed by the PIFS with financial support from [TradeCom II](#), an EU-OACPS facility. The E-commerce Assessments for Fiji, FSM, Niue, and PNG, as well as the Regional E-Commerce Assessment, were finalised in December 2020, with publication expected in March 2021. At the same time, a new tender was advertised to recruit a team of experts who will support the development of an E-commerce Assessment for Nauru and of the Regional E-commerce Strategy and Roadmap.

With the [announcement](#) of the signing of the USD 1.5m grant agreement between the PIFS and the [Enhanced Integrated Framework](#), the Pacific Quality Infrastructure Initiative entered its implementation phase.

The PIF Geneva consultant continued assisting Tonga with its [WTO Trade Policy Review](#). The WTO Secretariat draft report was reviewed for accuracy, and a first draft of the Tonga Government report was developed. The final draft of the Tonga Government report will be circulated to the WTO Secretariat in February 2021.

PIF Geneva coordinated assistance by the consultants supporting the Pacific Group through the Trade Advocacy Fund ([TAF2](#)). Under output 2 (coordination), two virtual discussions on fisheries subsidies were held in November with experts from regional agencies and capital-based officials. During these meetings, officials agreed that the Pacific Group would propose legal text to the membership for the first time. Under output 3 (technical advice), fisheries subsidies support has been provided through two clusters of meetings in November and December, and legal analysis circulated on S&DT and OCOF. In the final cluster of the year, the Pacific Group put forward text that the TAF2+ team had drafted with the help of CROP agencies. In December, the NGR Chair incorporated part of this proposed text into the second revision of his text. Written reports have been provided on each cluster, and legal analysis was circulated on S&DT in OCOF. Beyond fisheries, a written briefing has also been provided on trade and environmental sustainability.

4.1.2 Completed/Secured

During the course of 2020, the PIF Geneva Office mobilised about USD 2,250,000 in Aid-for-Trade assistance to FICs. A breakdown of the assistance is reported below.

Organisation	AfT leveraged (USD)
Enhanced Integrated Framework	1,500,000
Australia Department of Foreign Affairs and Trade	649,000
World Trade Organization	100,000
United Nations Conference for Trade and development	200
TOTAL	2,249,200

4.1.3 Ongoing

Discussions are going with the [World Bank Trade Facilitation Support Program](#) on options to implement the outcomes of the October 2020 [regional workshop](#) which kick-started the Pacific Trade Facilitation Initiative.

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Dialogue continues to extend assistance provided by [TAF2](#) to the WTO Pacific Group beyond March 2021.

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.