



PIFS GVA/13-2021

To : Forum Island Countries (FICs)
Date : 03 May 2021
From : Mere FALEMAKA, PIF Permanent Delegation to the United Nations,
World Trade Organization, and Other International Organizations in Geneva
Subject: PIF-Geneva Update 1/2021

Please find attached, for your records, an update on the activities undertaken by the Pacific Islands Forum – Geneva Office (PIF-Geneva) in January-February 2021.

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 Jodie Stewart, PTI Trade Commissioner to Europe on Jodie.Stewart@pacifictradeinvest.com

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 [LDC graduation and Trade](#) at a webinar organised by UN-ESCAP in January. Preparations continued towards the Australian Department of Foreign Affairs and Trade (DFAT) - PIFS Session of the WTO's [Aid-for-Trade Stocktaking Event 2021](#), focussing on regional Aid-for-Trade approaches, including confirmation of speakers and publication of the session's [webpage](#). In the meantime, an [UNCTAD publication](#) on E-Trade Readiness showcased, *inter-alia*, the strong partnership with PIFS.

3. WTO NEGOTIATIONS

The main achievement during this period was the appointment of Dr Ngozi Okonjo-Iweala as the Director General of the WTO at the 15 February General Council Meeting. This injected a lot of optimism in the WTO and broke the deadlock from November 2020. Since the WTO Twelfth Ministerial Conference (MC12) was deferred to 2021, many negotiations started their preparations during this period. The exact date of MC12 would be decided at the General Council in March 2021.

The [Fisheries Subsidies](#) negotiations started early with two clusters in January and February. This is one of the top priorities for MC12 following the missed SDG 14.6 deadline of 2020. The basis of the negotiations was the second revision of the Negotiating Group Chair's Draft Consolidated Text (Rev.2) which was issued on 18 December 2021. The Rev.2 Text built on the Rev.1 Text of 2 November 2020 which consisted of the three core disciplines on subsidies to Illegal, Unreported and Unregulated (IUU) fishing; Overfished Stocks; and Overcapacity and Overfishing (OCOF). The January cluster focused on non-violation situations in dispute settlement, standard for biologically sustainable level in footnote 13 and small-scale artisanal fishing (SSAF) exemption from the disciplines. In February, discussions focused on access agreements, special and differential treatment (S&DT) in Article 5.7, standard of review for determinations of IUU fishing and stock assessment under the dispute settlement, and the approaches and scope of prohibitions for subsidies to overcapacity and overfishing in Articles 5.1, 5.2 and 5.3. Huge differences prevail amongst Members on the hybrid approach to overcapacity and overfishing; on what S&DT should be granted and on the standard of review. Some Members insisted that determinations made by Members on IUU fishing and stock assessment should not be unraveled in the WTO. Differences were also shown on footnote 13 and on whether exemption for SSAF would be extended to all Members or limited to developing countries and whether it should be exempted from some disciplines - e.g., from IUU fishing. Discussions will continue at the March and April clusters.

On [Agriculture](#), 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

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restrictions on agricultural products, especially on food products, continued to be the focus as this affects food security of many importing Members. One element that gained momentum was a Draft Decision on World Food Program (WFP) purchases which would commit Members not to impose export restrictions on WFP purchases to assure food supply and alleviate hunger. There was no consensus on this proposal in December 2020. However, the proponents issued a Joint statement on this proposal in February 2021.

On Development ([S&DT](#)) issues, the Chair started on a new approach for 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. This new approach involved discussions on two proposals at a time in order to deepen discussions and help Members better understand the challenges faced by developing countries and LDCs. One meeting was held in February which focused on Proposal 8 on the enabling clause and proposal 10 on LDC accelerated accession. Members continued to be divided on the two proposals. The G90 has continued to stress the importance of these proposals to enable them to increase their trade and better integrate them into the multilateral trading system. The Chair will continue discussions in March on the other proposals.

On TRIPS, the TRIPS Council continued to discuss 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 called for evidence on how intellectual property can be considered a barrier to production in view of the flexibilities already in the TRIPS Agreement. They believe that a waiver 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. On [Domestic Regulation on Services](#) proponents are continuing to work on implementation through incorporating their new commitments in their GATS schedules. The JSIs on [E-commerce](#) and [Investment Facilitation](#) for development have continued to advance with meetings of the proponents. These JSIs are expected to deliver some milestones 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 five technical Circulars on Fisheries Subsidies, Development, MSMEs and the General Council Report. In addition, the Office coordinated six Pacific Group statements that were delivered in various WTO meetings such as on Fisheries Subsidies, Development, and at the Trade Negotiations Committee. In February the Office also organized a Briefing for Pacific Trade and Fisheries Officials as well as a Briefing for Pacific Ambassadors based in Geneva, Brussels and London on Fisheries subsidies.

4. AID-FOR-TRADE

4.1 Projects

4.1.1 Implemented

The [Pacific E-commerce Initiative](#) progressed towards the delivery of its key milestones. Graphic layout was developed for the E-commerce reports finalised in 2020, with publication expected in March 2021; the initiative's [webpage](#) was published in the PIFS' website; and the consultancy contract to support the development of the Pacific Regional E-commerce Strategy and Roadmap was assigned to [TradeWorhty](#), an Australian company.

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The PIF Geneva consultant continued assisting Tonga with its [WTO Trade Policy Review](#). The Tonga Government report was finalised and submitted to the WTO Secretariat.¹

PIF Geneva coordinated assistance by the consultants supporting the Pacific Group through the Trade Advocacy Fund ([TAF2](#)). Under output 2 (coordination), a virtual discussion on fisheries subsidies was held in February with regional agencies and capital-based officials, focusing on changes in Rev.2 of the consolidated text and priority outstanding issues. For the first time, these changes include new text put forward by the Pacific Group. Under output 3 (technical advice), fisheries subsidies support was provided through the January and February clusters of meetings. Substantial legal analysis was provided on Rev.2 and ACP positions, and a briefing was provided on domestic transfer of access rights. Written reports and talking points were provided for each cluster. A written update was also provided on the Joint Statement Initiative on MSMEs. Importantly, this period saw the publication of the [free masterclass in fisheries negotiations](#) for Pacific countries produced by the TAF2 team. The first video starts at an introductory level and would be suitable for officials or ministers that are unfamiliar with the negotiations. Later videos are intended to be helpful even to officials that have been following negotiations for some time.

4.1.2 Completed/Secured

During the first two months of 2021 the Geneva Office leveraged about USD 750,000 of trade-related assistance, including USD 150,000 from the [World Bank](#) for the Pacific Trade Facilitation Initiative; USD 150,000 from the [International Trade Centre](#) for the Niue Export Strategy, and; (in partnership with the PIFS Trade Team in Suva) USD 500,000 from the Pacific Digital Economy Program for the Pacific E-commerce Initiative.

4.1.3 Ongoing

Dialogue with development partners intensified on options to support the WTO [Pacific Group](#) on trade negotiations, noting that the assistance provided by [TAF2](#) since 2018 is due to expire on 31 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

Ms Jodie Stuart was appointed as PTI Europe Trade Commissioner in late February 2021, and will take her duties in March. She can be reached on Jodie.Stewart@pacificttradeinvest.com

¹ Document WT/TPR/G/409, restricted to authorized WTO Documents Online users until 16 April, freely accessible after 19 April. See: