## Permanent Delegation of the Pacific Islands Forum



## Délégation Permanente du Forum des Iles du Pacifique

PIFS GVA/3-2024

To : Forum Island Countries (FICs)

Date: 6 May 2024

From: Mere FALEMAKA, PIF Permanent Delegation to the United Nations, World

Trade Organization, and Other International Organizations in Geneva

Subject: PIF-Geneva Update 3-6/2023

Please find attached, for your records, an update on the activities undertaken by the Pacific Islands Forum – Geneva Office (PIF-Geneva) in May-December 2023.

- 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 <a href="mailto:andrea.giacomelli@pifs-geneva.ch">andrea.giacomelli@pifs-geneva.ch</a>
- 4. For further clarifications or follow-up on PTI Europe, please contact Ms Jodie Stewart, PTI Trade Commissioner to Europe on <u>Jodie.Stewart@pacifictradeinvest.com</u>

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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 (<u>PIF Geneva</u>) 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 Island Countries (FICs) which are members of the World Trade Organization (WTO) and coordinates their participation in multilateral negotiations. The AfT Section promotes the establishment of regional initiatives in the priority areas of the <u>Pacific AfT Strategy</u> and assists FICs, individually and collectively, to make better use of AfT opportunities.

Some non-trade work commenced in 2019 and is limited to support advocacy on selected regional priorities such as climate change, oceans, and COVID-19.

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

#### 2. REPRESENTATION

Ambassador Falemaka presented at three panel discussions during the 2023 WTO Public Forum (12-15 September) on Services Trade for Development, Sustainable Trade and Targeting Unsustainable Fisheries Subsidies, and Harnessing the Digital Creative Economy in Small Economies Towards Services-led Diversification. Ambassador Falemaka also spoke at the 10<sup>th</sup> Anniversary of the Geneva Peace Week during the Pacific-focussed event on Conflict prevention in the context of climate change, lessons from the Pacific held on 2 November. In addition, she presented during the UNCTAD's eWeek in December, particularly at the Donor roundtable focussed on Enabling impact at scale in supporting inclusive and sustainable digital economies and the event focussed on A regional approach to ecommerce and digital trade in the Pacific.

Dr Giacomelli presented Pacific perspectives on <u>services</u> and <u>e-commerce</u> at the PACER Plus regional <u>workshop</u> on Trade in Services in Samoa in May; on <u>trade facilitation</u> at the UNCTAD's Multi-year Expert Meeting on Transport, Trade Logistics and Trade Facilitation in July; on <u>apiculture</u> at the WTO Public forum in September; on <u>regional Aid-for-Trade</u> at the WTO Committee on Trade and Development in November; and on <u>statistics</u> and <u>digital MSMEs</u> at the UNCTAD's eWeek in December.

#### 3. WTO NEGOTIATIONS

During this period, the Chairs for the Negotiating Group on Rules (NGR) and the Committee on Agriculture – Special Session (COA-SS) held formal and informal meetings to advance discussions towards finalising draft texts for the WTO Members to consider for adoption at the 13<sup>th</sup> Ministerial Conference to be held in Abu Dhabi in the first quarter of 2024.

On <u>Fisheries Subsidies</u>, six cluster weeks of fish meetings were held in June (5-9), July (10-14), September (18-22), October (9-13), November (6-10) and December (4-8) focused on advancing discussions on a textual basis following the conceptual discussions held in March-April period.

In May, the Chair (Iceland) invited proposals from Members on elements that could complement or strengthen W/5 and W/20 which were close to clinching a deal at MC12. By July, nine proposals were tabled by Members including three from or co-sponsored by the Pacific – the ACP, Australia/NZ/Vanuatu and Fiji proposals. Following extensive discussions and questions posed on each proposal, none of the nine garnered the support of most Members. The Chair mapped out elements in the nine proposals where there were common or similar ideas as well as new elements being proposed. In the end, there were divergences on key elements relating to the discipline, the special and differential treatment (SDT) provisions and additional transparency obligations proposed.

In early September, the Chair issued a Draft Text (Chair's Text) for Members' initial feedback in the Fish Week starting 18 September. With the Chair's initial Text circulated, it was understood that the Membership would move to an intensive phase of text-based negotiations in the last four Fish Weeks

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from September to December. The Chair had urged Members to complete negotiations by December 2023 and this was supported by many including the Pacific Group. In October, Members including the Pacific Group submitted their proposed amendments to the Chair's Text which they considered would improve or strengthen the disciplines. There were clear divergences among Members' interests as evident in their proposed modifications and positions stated. The Senior Officials Meeting (SOM) in October was also an opportunity to provide political guidance. In the end, Members expressed their strong commitment to paragraph 4 of the MC12 Ministerial Decision to ensure a comprehensive agreement on fisheries subsidies and the call to finalise a Text by December.

In the November-December period, Members further considered the practicality of the OCOF disciplines with thematic sessions on the two-tier and the SDT relating to the discipline held intersessionally. Bridging proposals were also tabled in an attempt to bridge or show compromise made among Members or to introduce ideas that may lead to convergence. Despite the extensive work, divergences were still evident especially concerning the approach to be adopted for the OCOF discipline and the SDT provisions. Despite the diverging positions still entrenched, the Chair and Members were expectant of concluding by MC13. Members were encouraged to continue bilateral consultations to socialise their ideas and identify possible compromises to be made. It is envisaged that the Chair would circulate a work plan for a possible 'fish month' in January 2024 to complete negotiations before MC13 at the end of February 2024.

Regarding Fisheries Subsidies Agreement adopted in 2022, by the end of December 2023 55 Members had ratified the Agreement including Fiji in October. 110 Members (i.e. two-thirds of the 164 WTO Members) would need to ratify the Agreement for it to enter into force.

On Agriculture, there were 6 Committee on Agriculture Special Sessions (COA-SS) and 6 Dedicated Sessions on Public Stockholding (PSH), and the Special Safeguard Mechanism (SSM) held from May to November. There have been wide areas of divergence amongst WTO Members throughout the Agriculture Negotiations (outlined below) mainly on domestic support, PSH and SSM. As a result, there has been a continued lack of progress in the negotiations. There were 8 proposals (excluding revisions) and 5 discussion papers tabled by members during this period. Small group consultations were held in July between the proponents of JOB/AG/242 tabled by the African Group and JOB/AG/243 tabled by the Cairns Group to 'bridge the gap' between the two main proposals under consideration on domestic support but this proved unsuccessful. The subsequent COA-SS session, due to take place in September, was cancelled whilst the Chair (Türkiye) attempted to understand what the potential outcome for MC13 on Agriculture could be. In this regard, Members looked to the SOM held in October for guidance, however the path towards and outcome remained unclear.

As a result, a Mini-Ministerial on Agriculture was held in November to provide a 'political push' towards possible convergence, however this also proved unfruitful. The two main approaches where divergent views are most evident are: for negotiations to have a sequenced approach of addressing one issue at a time and harvest any low-hanging fruit(s); or for negotiations to have a holistic approach by taking all issues forward together. An outcome on Export Restrictions (ERs) and/or Transparency were referred to by some Ministers as possible low hanging fruits to deliver at MC13. Other Ministers stressed that such low-hanging fruit should be part of a comprehensive outcome on Agriculture negotiations. All Ministers noted the importance of addressing the food insecurities of countries such as LDCs and NFIDCs, although the approach to address such an issue continues to vary.

Due to the entrenched positions, this led to the cancellation of December's COA-SS. Alongside these negotiations, the Work Programme on the Emergency Response to Food Insecurity pursuant to paragraph 8 of the MC12 decision concluded its work in October. A Report by the Working Group on Food Security was prepared which would provide some guidance and recommendations for Members. However, the adoption of the draft report by the Working Group Coordinator was not possible due to one Member's reservations and therefore its status remains in limbo. Members have been given the

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opportunity to resume negotiations in January 2024 to find a potential outcome for MC13 and agree on modalities for the negotiations by MC14.

On the TRIPS waiver, the TRIPS Council held six informal and formal meetings from June to December which included discussions on whether the scope of the MC12 TRIPS Decision would be extended to COVID-19 diagnostics and therapeutics. In light of the views to undertake evidence-based discussions, the TRIPS Council also held a thematic session in September and also welcomed a briefing by the US on the report on COVID-19 therapeutics and diagnostics and TRIPS flexibilities in October. Despite the numerous engagements and consultations held on this issue, no consensus among members was reached. At the General Council (GC) meeting in December, TRIPS Council Chair (Thailand) reported that the item on paragraph 8 of the TRIPS Decision remained open on the TRIPS Council's agenda for when Members would be in a position to reach a conclusion on this issue.

On the e-commerce work programme and moratorium, the Facilitator (Mauritius) held one workshop and six dedicated discussions from May to December. The workshop held in June with international organizations enabled WTO Members to discuss international efforts that have been achieved or ongoing relating to consumer protection, the digital divide, the moratorium on customs duties for electronic transmissions, and legal frameworks for e-commerce. dedicated discussions. The dedicated discussions focussed on: facilitating digital trade and electronic transactions (16 May); digital industrialization for economic growth (23 June); intensifying discussions on the e-commerce moratorium (18 July); e-commerce and technology transfer (21 September); and the last two discussions focussed on how to proceed in the remaining months in the lead up to MC13 (18 October) and consideration of the three textual proposals for a ministerial decision at MC13 tabled by Switzerland+22, South Africa and the ACP Group (8 December). The SOM in October also addressed the issue of e-commerce and recognised that this would be an important issue at MC13. A Mini-Ministerial was also held on 11 December whereby participating ministers committed to build on the discussions, with a view to delivering an outcome at MC13.

Through the nine dedicated meetings held in 2023, the Work Programme had been reinvigorated with robust discussions taking place in the Facilitator led process under the GC. Many developing countries and regions including the Pacific Group made statements and presentations in the discussions to highlight development challenges faced by them. The Pacific Group also pointed to the Regional Strategy on E-commerce which was to respond to the challenges faced by the Pacific in development of coherent policies, soft infrastructure including legislation on data and consumer protection, e-payment systems, access to finance and increasing access to and affordability of internet services to the Pacific.

The three proposals considered in December held commonalities in addressing progress under the Work Programme, the development dimension of e-commerce and the inclusion of next steps for the moratorium which was considered the most contentious issue. At the December GC, the Facilitator advised that more work would be needed to achieve middle ground on the moratorium and informed that she would hold consultations ahead of a dedicated discussion scheduled for 25 January to deepen discussions on Members' proposals for a MC13 ministerial decision.

On <u>WTO Reform</u>, the GC Chair (Botswana) held two informal meetings/retreats during this period to focus on deliberative function and institutional matters (June), and trade and industrial policy (September). The SOM in October also attached great importance to the WTO Reform and reiterated that the work continues to be transparent, inclusive, and Member-driven. The reform-by-doing work continued throughout this period to improve the daily functioning of WTO Councils, Committees and Negotiating Groups (WTO Bodies) with the aim of facilitating the participation of Members, especially small delegations. An updated <u>Secretariat report</u> on the reform by doing work was circulated on 11 December.

On Dispute Settlement (DS) Reform, the discussions continued within an informal process that was facilitated by the DPR of Guatemala. At the SOM in October, many Members reiterated that DS Reform

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remains a high priority area with several Members and groupings also stressing the need for the ongoing informal process of negotiations to be formalised well in advance of MC13. At the last Dispute Settlement Body meeting for 2023 held on 18 December, Members were informed that the ongoing informal discussions on reforming dispute settlement in the WTO is close to their conclusion. Further discussions, including on the formalisation of these talks, would be undertaken in January 2024.

<u>Technical Support</u>. During this period, PIF Geneva Office prepared 11 official circulars and over ten informal email briefs on various issues and ACP positions and to prepare and consult the Pacific Group for key meetings. These meetings included the six weeks of fisheries subsidies negotiations, consultations with WTO DG and NGR Chair, IGC negotiations under the World Intellectual Property etc. The Office also prepared an estimate of forty Pacific Group statements and talking points for key meetings held during this period including for bilaterals and consultations: GC meetings held in May, July, November and December; meetings of the Trade Negotiations Committee and Heads of Delegation in July and December; fisheries subsidies plenary and bilateral meetings held in May-July and September-December; SOM in October; WIPO General Assemblies in July; WIPO IGC meetings and bilaterals from May to September etc. The Office also provided support to the Pacific Group in their engagement in ACP Group as well as noting that the Coordination was designated to Samoa from August 2023.

PIF Geneva Office also contributed as well as presented two Papers to the Pacific ACP Trade Ministers Meeting on 5 October and three Papers to the Forum Trade Ministers Meeting on 6 October. The focus of the papers were on: the WTO Negotiations with special focus on fisheries subsidies; the WIPO IGC Negotiations with special focus on the Diplomatic Conference to be held in the first half of 2024; and a paper on Trade and Environment. All papers including the recommendations were adopted by both PACP and Forum Trade Ministers.

During this period, the Office also coordinated two Workshops: a virtual regional workshop on the Draft Texts negotiated in the WIPO Intergovernmental Committee (IGC) on Intellectual Property and Genetic Resources, Traditional Knowledge and Folklore in July, and an in-person regional workshop on fisheries subsidies in September. In addition, thirteen Pacific Briefings (including informal briefings) to prepare the Pacific Group for the six fish weeks, the SOM held in October and the WIPO IGC negotiations held from June to September. The Office also held an informal meeting with Pacific Delegates in the margins of the 47th Session of the IGC held in June as well as a regional meeting with Australia and New Zealand in August to further discuss the IGC negotiations.

The PIF Geneva Office organised five Pacific Ambassadors Meetings (both regular and special) in June, July September, October and November to discuss issues that are of priority to the region in the WTO and UN institutions such as HRC, ILC, WIPO, WHO etc. In terms of coordinating the participation of capital-based officials to the WTO negotiations, a total of fifteen capital officials attended the SOM in October and the three fish weeks held from October to December through financial support from TAF2+ and Australia.

#### 4. AID-FOR-TRADE

#### 4.1 Projects

#### 4.1.1 Implemented

The <u>Pacific E-commerce Initiative</u> saw major progress, though the delivery of important products and enhanced efforts on coordination. Key highlights include:

- Completion and technical validation of the Tuvalu e-commerce strategy pending Cabinet approval.
- Progress in the development of the PNG e-commerce strategy, with finalization expected in early 2024.

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- Launching of the <u>second annual course</u> on e-commerce rules for Pacific policymakers, with the new cohort of participants expected to graduate in May 2024.
- Co-hosting and co-organising a regional <u>workshop</u> on e-commerce rules with ComSec, ADB, and UNCTAD.
- Progress in the development of two E-commerce Business Toolkits in Tuvalu, to be completed in the first quarter of 2024.
- Development and announcement of the first <u>E-BIZ workshop</u> for MSMEs on 16-18 January 2024, leveraging insights from the PIFS e-commerce business <u>toolkits</u> and reserved to businesses from FSM, Samoa, Tuvalu, and Vanuatu.
- Addition of 20 indicators to the <u>Pacific E-commerce Database</u>, with direction for further development approved by the Pacific Statistics Methods Board (PSMB).
- Upgrade of the Pacific E-commerce <u>Portal</u>, with key new features to be revealed in the first quarter of 2024.
- <u>UNCTAD, UNESCAP</u>, and <u>ComSec</u> join the Pacific E-commerce Alliance.

Under the <u>Pacific trade Facilitation Initiative</u>, Forum of Trade Ministers officially endorsed the Pacific Regional Trade Facilitation Strategy in October 2023. Recruitment is underway for a Pacific Trade Facilitation Coordinator, expected to be deployed in February 2024.

A <u>Pacific Trade in Services Initiative</u> was also endorsed by the Forum of Trade Ministers in October 2023, and its first steps will take place early next year through the piloting of a Rapid Trade in Services Assessment (RTiSA) for Vanuatu.

In the realm of <u>trade negotiations</u>, three new projects supported the Pacific Group, with one focussing on <u>WIPO IGC</u> and two on WTO. Within the WIPO framework, the consultant recruited by the Geneva Office analysed IGC texts and contributed to inform Pacific positions on the treaty that will be agreed upon at the Diplomatic Conference of May 2024 - the International Legal Instrument Relating to Intellectual Property, Genetic Resources, and Traditional Knowledge Associated with Genetic Resources. The most substantive WTO project allowed the Pacific Group to benefit from expert advice from a team contracted through the <u>TAF2+ program</u>. The TAF2 team provided continuous and high-quality assistance on the various negotiations whose outcomes will find their way into the WTO MC13 package. A second, smaller project, provided essential logistical support for Pacific capital-based officials to attend the last round of fisheries negotiations in Geneva.

## 4.1.2 Completed/Secured

Overall, the PIF Geneva Office leveraged about <u>USD 1.4 million</u> during the course 2024 to support its activities. A split of the funding sources is provieed below:

Organisation	Donor	AFT leveraged (USD)	Initiative
Standards and Trade Development Facility	Multiple	50,000	Quality Infrastructure – apiculture
Trade and Investment Advocacy Fund	UK	20,760	Trade Negotiations
Canadian Trade and Investment Facility for Development	Canada	57,000	Trade Negotiations
UNCTAD	Multiple	15,000	E-commerce
WTO	Multiple	160,000	Trade Negotiations
WBG	Multiple	100,000	Trade Facilitation
Australia	Australia	785,500	Geneva Office, Trade Negotiations, E-commerce

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PPIU	Australia and New Zealand	201,000	E-commerce
TOTAL		1,389,260	

#### 4.1.3 Ongoing

Discussions are ongoing with partners on several areas, including but not limited to core support to the Geneva Office, strengthening coordination of the Pacific E-commerce initiative, expanding the E-commerce Business Toolkit (E-BIZ) program, and supporting the Pacific agriculture value chain.

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

(1) <u>Standards Trade and Development Facility</u> (2) <u>Global Alliance for Trade Facilitation</u> (3) <u>Trade Facilitation Agreement Facility</u>

#### **5. PTI EUROPE**

Activity-wise, this was a very busy period for PTI Europe. There is a growing number of Pacific businesses that are interacting with this office as an extension of their sales team, and in this arrangement, commercial progress is being made. Over the course of this period, three Pacific businesses with retail-ready products (two from Fiji and one from PNG) have reached **agreements** to work with UK distributors. This is an extremely pleasing outcome and a reward for significant ongoing work on pitches, pricing, identifying the best-fit distributors, and negotiations.

PTI Europe has also been assisting in following up leads and coordinating the sending of samples to prospective European coffee importers following the **World of Coffee** trade show that was attended to support six PNG specialty coffee exporters.

In addition to specialty coffee, specialty cocoa, and ginger remain big focus industries for the PTI Europe office, which is well connected with European buyers for these products and confident that growth can continue to be achieved in Europe.

In September, PTI Europe attended the **Speciality Fine Foods** show in London with five Pacific businesses (three from Fiji, one from PNG, and one from Samoa). Here, businesses met with buyers from across the retail, hospitality, foodservice, manufacturing, import & export, and wholesale sectors. Good contacts were made, and follow-up discussions are now taking place.

In October, PTI Europe participated in the **Anuga** trade show in Cologne, Germany, which is one of the largest food trade shows in Europe held bi-annually. While PTI Europe covered the costs of the booth, six Pacific businesses fronted their own travel costs to attend, which with the current cost of travel from the Pacific to Europe and unfavourable exchange rates is not a small commitment. The businesses were selected to attend based on a mixture of criteria. Three were already exporting to Europe and ready to expand their sales with new clients. For these businesses, a total of six new contracts have been pursued, with two already confirming. The other three Pacific businesses who attended have suitability for this market but are still considering complete feasibility, and the trade show was an important step in that process. While one always wishes for a more even spread of results across the businesses to report, overall, the results were at the favourable end of what could have been anticipated. [Link to Anuga trade show: <a href="https://www.anuga.com/trade-fair/anuga/">https://www.anuga.com/trade-fair/anuga/</a>]

Also in October, PTI Europe attended the **Olympia Beauty** trade show in London to support seven Pacific skincare businesses who attended. This is an activity fully funded by ITC; however, PTI Europe has worked very collaboratively on this project, both with ITC in recommending the structure and

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inclusions, as well as supporting the businesses to be retail/salon ready for the UK market. [Link to Olympia Beauty trade show: <a href="https://www.olympiabeauty.co.uk/">https://www.olympiabeauty.co.uk/</a>]

The Trade Commissioner was invited to attend the **PNG/EU business conference** in Port Moresby in November as a guest speaker and further took this opportunity to re-engage with clients and key stakeholders in both PNG and Australia.

November also saw attendance at the **Food Ingredients** trade show in Frankfurt, Germany. Again, this was fully ITC sponsored and an excellent opportunity for businesses to meet buyers from across the foodservice, manufacturing, and wholesale sectors. Good contacts were made, and follow-up is currently underway. [Link to Food Ingredients trade show: https://visitor.fieurope.com/event/fieurope-2023]

Over this period, PTI Europe provided 72 services to Pacific businesses and was involved in assisted sales of a value of **AUD 3,473,000**.

PTI Europe has closed above its targets for 2023 and is informed by the learnings of the year when formulating the 2024 workplan.