Trade negotiations and discussions

Changes to the rules of trade require the agreement of WTO members, who must reach a decision through negotiations.
Trade negotiations and discussions in 2020

The COVID-19 pandemic forced WTO negotiating bodies to adopt a variety of formats for work, including virtual meetings.

WTO members advanced negotiations on fisheries subsidies, although progress was insufficient to secure a deal in 2020. A high degree of engagement was seen in the agriculture negotiations.

The joint initiatives continued to draw interest from an increasing number of members in 2020. Their processes remained transparent and inclusive.

In February 2021, Dr Ngozi Okonjo-Iweala of Nigeria was selected as the WTO’s Director-General to succeed Roberto Azevêdo, who stood down as DG and Chair of the Trade Negotiations Committee at the end of August 2020.

COVID-19 pandemic

In mid-March 2020, in line with the Swiss Government’s recommendations, the then Director-General and Chair of the Trade Negotiations Committee (TNC), Roberto Azevêdo, suspended all meetings at the WTO, in coordination with the General Council Chair, until the end of April because of the COVID-19 pandemic. In the months that followed, the WTO continued its meetings through a variety of formats – in-person (with limited numbers of delegations), fully virtual or hybrid.

In April, May and July, DG Azevêdo reported to heads of delegation on the WTO Secretariat’s efforts to respond to the pandemic and his outreach activities. He pointed out that international cooperation on trade would be critical to helping all countries.

Background

Trade negotiations take place under the Trade Negotiations Committee (TNC) and its subsidiary bodies, which are councils and committees meeting in special session or other bodies especially created for negotiations. The TNC supervises the overall conduct of negotiations.
to build back better, and keeping markets open to trade would be part of achieving a post-COVID-19 economic recovery that was strong, sustainable and inclusive.

While the immediate challenge was to fight the pandemic and save lives, WTO members emphasized the importance of keeping international trade flowing. Concerns were expressed about export restrictions on medical supplies and food. All delegations stressed that international cooperation and coordination of responses were important. Various members and groups issued declarations, statements and proposals on trade and COVID-19 – highlighting challenges faced, actions needed or actions they had taken in response to the pandemic.

Members continued to emphasize the critical importance of transparency and information-sharing on trade-related COVID-19 measures. As part of its longstanding monitoring and transparency mandate, the WTO Secretariat continued to track trade measures related to COVID-19 – both trade-facilitating and trade-restrictive. A Secretariat task force was set up to monitor how the pandemic was affecting international trade, and a dedicated area on the WTO website was created to provide up-to-the-minute trade-related information on COVID-19.

The WTO worked closely with other intergovernmental organizations, including the UN Food and Agricultural Organization (FAO) and the World Health Organization (WHO), and with international business organizations to encourage effective policy responses to the COVID-19 crisis. The WTO also brought together six multilateral development banks to issue a joint statement in support of trade finance markets (see page 131).

Several new initiatives or proposals by groups of members were highlighted and discussed at TNC meetings. These included an initiative on trade and health (see page 69) and a waiver to certain provisions of the Agreement on Trade-related Aspects of Intellectual Property Rights (TRIPS) for the prevention, containment and treatment of COVID-19 (see page 113).

Negotiating work in 2020

In 2019, WTO members had looked to the 12th Ministerial Conference (MC12) as the new target date for reaching agreement on eliminating subsidies to illegal, unregulated, unreported (IUU) fishing and prohibiting certain subsidies that contribute to overfishing and overcapacity, giving due consideration to special and differential treatment (S&D) for developing countries. MC12 was due to be held in Kazakhstan in June 2020 but it was postponed due to the pandemic until the end of 2021.
The joint initiatives continued to draw interest from an increasing number of WTO members in 2020. Their processes remained transparent and inclusive, with open meetings and all proposals and reports made available to all members.

Work on the joint initiatives

The joint initiatives continued to draw interest from an increasing number of WTO members in 2020. Their processes remained transparent and inclusive, with open meetings and all proposals and reports made available to all members.

Some participants said that the imperative for initiatives in e-commerce, domestic regulation in services, investment facilitation for development, and medium-sized enterprises (MSMEs) had been strengthened by the pandemic, and that the WTO needed to show that it could respond to crises and 21st century issues.

The co-convenors and coordinators of the initiatives provided updates on their work. The initiatives cover electronic commerce (see page 57), investment facilitation for development (see page 58), domestic regulation in services (see page 61) and MSMEs (see page 59). Members also received updates on trade and women’s economic empowerment (see page 64). In November, two groups of members launched initiatives to intensify discussions on important environmental challenges at the WTO (see page 62).
WTO members pointed out that efforts towards effective and inclusive reform had to continue and accelerate. A key challenge was the different perspectives on what was required. Building a solid economic recovery and restoring confidence in the WTO system required members to achieve outcomes at, if not before, MC12. Only through ongoing trade reform could members build a more resilient trading system.

Many members said that reaching a solution on the Appellate Body impasse (see page 142) had to be a top priority. Some delegations stressed that WTO reform should promote inclusivity, address historical balances, enhance the integration of developing countries in global trade and deliver on the development mandate.

Dr Ngozi Okonjo-Iweala selected as DG

On 14 May 2020, DG Azevêdo told Heads of Delegation (HoDs) that he was stepping down as Director-General and Chair of the Trade Negotiations Committee on 31 August 2020 – one year earlier than his mandate. His early departure would reduce the chances that the process to appoint his successor in 2021 would divert attention and energy from preparations for MC12, he said.

In October, the Chair of the General Council said until a new Director-General was in place (see page 28), it would be important to follow a “no-surprises” approach. This included continuing to provide transparency and inclusiveness through the meetings of the TNC/HoDs ahead of General Council meetings. Two TNC/HoDs meetings – in October and December – were convened by the four Deputy DGs (Yonov Frederick Agah of Nigeria, Karl Brauner of Germany, Alan Wolff of the United States and Yi Xiaozhun of China) in coordination with the General Council Chair.

On 15 February 2021, WTO members made history when the General Council agreed by consensus to select Dr Ngozi Okonjo-Iweala, a former Nigerian finance minister and senior official at the World Bank, as Director-General. Dr Okonjo-Iweala becomes the first woman and the first African to hold the post.
Agriculture

- Agriculture negotiations resumed in September after being halted in March 2020 due to the COVID-19 pandemic.
- The Committee Chair, Gloria Abraham Peralta, named facilitators to help narrow gaps in negotiating positions and to identify negotiating options for the topics under discussion.
- The pandemic heightened WTO members’ interest in negotiations in issues such as domestic support, public stockpiling and export restrictions.
- The WTO celebrated the first anniversary of World Cotton Day on 7 October.

The process initiated by the Chair of the Special Session of the Committee on Agriculture, John Deep Ford (Guyana), to identify potential meaningful outcomes for the 12th Ministerial Conference (MC12) was halted in March 2020 because of the COVID-19 outbreak. The Chair held a virtual meeting in May on how the agriculture negotiations should proceed in view of the pandemic and the postponement of MC12 (see page 69).

Following Ambassador Ford’s departure in June, Gloria Abraham Peralta (Costa Rica) was appointed as Chair of the Special Session of the Committee on Agriculture and the Sub-Committee on Cotton in July 2020.

Negotiations resumed in September despite COVID-related constraints. Several new submissions were presented by members and examined. Members notably discussed how to factor in lessons learnt from the COVID-19 crisis. Enhancing transparency was also a cross-cutting issue.

The new Chair put in place in October a facilitator-led process on the various topics. The facilitators assist the Chair with technical work to clarify and enhance understanding of the issues and concerns, to narrow gaps in positions and to help identify the different options available. The facilitators held numerous consultations in various formats.

Public stockholding for food security purposes

During the pandemic, several members revived, enhanced or expanded purchases at market or administered (official) prices under their public stockholding programmes for food security or increased procurement prices. Discussions on public stockholding for food security continued in dedicated sessions. The issue has remained a priority for developing country proponents, who have demanded a permanent solution to guarantee their food security.

Background

The broad objective of the agriculture negotiations is to reduce distortions in agricultural trade caused notably by high tariffs and domestic support measures as well as export subsidies and equivalent measures and export restrictions. The negotiations take place in the WTO Committee on Agriculture, meeting in special session. They are also to take into account the needs of developing countries.
Other members warned of the potential for production and trade distortion, as well as for excessive accumulation of stocks under these programmes; if released on world markets, the stocks could depress prices and affect trade flows and the food security of others. They continued to call for stronger safeguards, anti-circumvention provisions and enhanced transparency.

The G-33 (a coalition of developing countries) has called for a permanent solution on the issue to be agreed at MC12. The group wants to avoid transparency and other obligations that would be too burdensome. A previous deadline for agreement was missed at MC11.

**Domestic support**

Domestic support (subsidies) was considered to be the priority issue by the overwhelming majority of WTO members, who continued to call for disciplining trade-distorting support and securing an outcome at MC12. Many members adopted domestic support measures or increased support under existing programmes during the year to help their farmers cope with the economic consequences of the pandemic, which heightened interest in the issue.

Several new submissions were made by members. The Cairns Group of agricultural exporters proposed a framework for negotiations on domestic support aiming to agree on a numerical target for a reduction in trade-distorting support entitlements by 2030. Russia introduced a new submission on its formula approach to further discipline trade-distorting support. Canada updated its analytical tool on domestic support, which allows countries to do their own analysis. The United States drew attention to different methodologies used to calculate market price support.

Several members continued to argue that aggregate measurement support (AMS) entitlements (i.e. final bound total AMS) that allow certain members to provide support above their de minimis levels should be eliminated first to establish a level playing field. *De minimis* refers to minimal amounts of trade-distorting domestic support (expressed as a percentage of the value of agricultural production) allowed for all members.

Others believe that all components of trade-distorting support should be examined concurrently. An increasing number of members called for some kind of proportionality – those with more potential to distort global markets should contribute more to the reform. Many members also continued to call for the negotiations to take account of support provided on a *per capita* basis.
Cotton

Members agreed to focus the facilitator-led process initially on transparency-related issues. They observed “Cotton Days” in July and November, consisting of back-to-back meetings on trade-related developments and the Director-General’s Consultative Framework Mechanism on cotton development assistance.

The framework meetings track development assistance programmes for cotton and act as a forum for the exchange of information on the linkages between cotton, trade and development. The trade-related dedicated discussions on cotton, which focus on transparency and monitoring, benefited from various external contributions, including from the International Cotton Advisory Committee and the International Trade Centre. An information session on COVID-19 and cotton was held in July 2020.

The WTO celebrated the first anniversary of World Cotton Day on 7 October. Most of the activities were held online. The objective was to disseminate information and generate new and enhanced collaboration throughout cotton value chains.

A joint initiative of the WTO, the UN Conference on Trade and Development (UNCTAD) and the International Trade Centre (ITC) on cotton by-products, endorsed by WTO members in November 2018, marked the end of its first phase with the organization in September of five workshops in partner least-developed countries (LDCs). The initiative also saw the completion of feasibility studies containing new data and analysis on the potential to develop the by-products sector in those countries.

A proposal by the Cotton-4 – Benin, Burkina Faso, Chad and Mali – and Côte d’Ivoire for a General Council declaration on support for cotton by-products development was discussed at the December General Council meeting.

Market access

Discussions on market access centred on a few selected issues, targeting an incremental outcome at MC12. These included applied tariff predictability and the treatment of consignments already en route when tariffs change, tariff quota transparency, tariff simplification, and a framework for market access reforms. There was no serious engagement among members on tariff reduction commitments.

A written contribution by Russia on the predictability of applied tariffs and quota transparency and a joint submission by
Intense discussions on the exemption of foodstuffs purchased for non-commercial humanitarian purposes by the UN’s World Food Programme (WFP) from export prohibitions or restrictions took place towards the end of the year. A draft decision was submitted for adoption at the December General Council meeting but consensus could not be achieved.

In January 2021, a group of nearly 80 WTO members issued a joint statement pledging not to impose export restrictions on foodstuffs purchased by the WFP for humanitarian aid. “We recognize the critical humanitarian support provided by the World Food Programme, made more urgent in light of the COVID-19 pandemic and other crises,” the group said.

Export competition

A group of proponents circulated in March 2020 a draft proposal for a decision at MC12 on enhancing transparency in export competition. This document was considered a good reference for technical discussions in the facilitator-led process. While several members supported work towards improved transparency, others expressed concerns that new transparency obligations might be hard to implement due to resource constraints.

Australia and Canada (later joined by Brazil and Ukraine) on consignments *en route* anchored the discussions on these issues.

The negotiations picked up in the latter part of the year, supported by the facilitator-led process. Detailed technical discussions were held on *en route* consignments, during which the proponents presented a set of best practices to improve predictability. Paraguay, Brazil and Ukraine provided a broad outline of their proposed market access reform framework.

Special safeguard mechanism

WTO members continued to discuss a special safeguard mechanism (SSM) in dedicated sessions, as mandated by the 10th Ministerial Conference. A mechanism would allow developing countries to raise tariffs temporarily to address import surges or price declines. Differences among members on the link between market access and an SSM continued to constrain progress on this issue.

Export prohibitions and restrictions

The enhancement of transparency in the imposition of export restrictions and the monitoring of these measures in the WTO attracted renewed interest with the COVID-19 pandemic.
Market access for non-agricultural products

The Negotiating Group on Market Access did not receive any papers or proposals in 2020 and did not meet during the year.

Services

WTO members held exploratory discussions on market access for environmental services, agriculture-related services, logistics and financial services.

The Chair, Zhanar Aitzhanova (Kazakhstan), encouraged delegations to continue engaging and to reflect on how to pursue discussions in 2021.

Background

Non-agricultural products are products not covered by the Agreement on Agriculture. These range from manufactured goods to fuels and fisheries. The negotiations aim to reduce or, as appropriate, eliminate tariffs as well as non-tariff barriers, particularly on goods of export interest to developing countries. The negotiations are conducted in the Negotiating Group on Market Access.

The special session of the Council for Trade in Services discussed four new communications submitted regarding exploratory discussions on market access. The communications covered environmental, agriculture-related, logistics and financial services. These discussions, initiated after the 11th Ministerial Conference in December 2017, aim to foster an exchange of views among WTO members about their current areas of interest.

Australia, Canada, Mexico, New Zealand, Switzerland and the United Kingdom put forward a communication on market access issues related to environmental services, which was originally discussed in 2019. The new communication covered additional environment-related services, including engineering, construction and consulting. The proponents underscored the positive linkages between services trade and environmental protection.

Australia, Canada, Chile, New Zealand and Uruguay highlighted the importance of agriculture-related services to agricultural production and value chains. The liberalization of agriculture-related services, including forestry, veterinary and wholesale trade
services, would help mitigate the challenges of the COVID-19 pandemic by reducing bottlenecks in food value chains and strengthening the resilience of food systems, they said.

China submitted a paper on the economic importance of logistics services. The paper outlined the evolution of the sector, its role in facilitating trade in goods and supply chains, its contribution to e-commerce activities, and the relevance of members’ commitments under the General Agreement on Trade in Services (GATS) in this area.

WTO members also debated a communication by Australia, Canada, Switzerland and the United Kingdom on financial services, which range from insurance and banking to asset management. The paper stressed the sector’s role as a key enabler for economic growth and global trade. It also drew attention to the possibility for improvements to market access commitments, taking into account the economic, policy and technological developments the sector has undergone in recent years.

In discussions, members provided their views on market access, underscored the sectors’ economic and trade contributions, including in the context of efforts to improve economic resilience and support recovery from the pandemic, and highlighted development considerations.

In her concluding remarks at a meeting in December, the Chair, Zhanar Aitzhanova, encouraged members to “continue engaging with one another and to reflect on how best to pursue discussions in the new year”.

Under the Joint Initiative on Services Domestic Regulation (see page 61), participants (currently 63 members) are in the process of negotiating new disciplines to be incorporated in their respective commitments under the GATS.
Trade-related aspects of intellectual property rights (TRIPS)

Alfredo Suescum (Panama) was appointed as Chair of the TRIPS Council special session.

The Chair convened informal consultations with the most active WTO members in the negotiations on a register for geographical indications. An informal meeting open to all was held in October.

Alfredo Suescum (Panama) was appointed Chair of the TRIPS Council special session in July 2020. He convened consultations in October with the WTO members who have been most active in the negotiations on creating a register of geographical indications (GIs) for wines and spirits to facilitate the protection of GIs.

Ambassador Suescum invited members to share their views on changes in their respective position, the steps they would propose to take to fulfil the negotiating mandate and how recent developments in multilateral, bilateral and regional agreements and in domestic systems for the protection of GIs affect the work of the special session.

In October, an informal meeting was held to report to the whole membership on the small-group consultations. The Chair shared with delegations that while there was a common desire to fulfil the existing mandate, members’ positions had not changed. No comments were made at the meeting.

Members disagree on the legal effects the register should have and whether it should create obligations for all WTO members or only those choosing to participate in it. They remain divided on product coverage and on whether, as the negotiating mandate says, the register should be confined to wines and spirits, or whether it could also apply to other products, such as food and agricultural products. Differences also remain over whether linkages should be made between the GI register negotiations and other TRIPS-related implementation issues (see page 113).
The Chair initiated a process of written exchanges on the latest version of the G90’s Agreement-specific proposals on special and differential treatment for developing countries.

The Chair told the Trade Negotiations Committee that reactions to the proposals continued to be mixed. Discussions will continue in 2021.

**Background**

Special and differential treatment (S&D) refers to the special treatment, or flexibility, granted to developing countries in WTO agreements, such as longer implementation periods. Many WTO agreements contain provisions that give developing countries special rights and that allow developed countries to treat them more favourably than other WTO members. Differences among WTO members include the definition of who exactly should benefit from S&D. The special session of the Committee on Trade and Development is mandated to review all S&D provisions, with a view to making them more precise, effective and operational.

In April 2020, the Chair of the special session of the Committee on Trade and Development, Kadra Ahmed Hassan (Djibouti), called for a written exchange on the latest version of the G90 group of developing countries’ ten agreement-specific proposals on special and differential treatment (S&D) for developing countries.

The proposals relate to S&D provisions – over 100 in all – contained in several WTO agreements and decisions on topics including transfer of technology, technical barriers to trade, sanitary and phytosanitary measures, customs valuation and the accession of least-developed countries (LDCs) to the WTO.

The Chair invited WTO members to submit questions or comments. The G90, which includes the Organisation of African, Caribbean and Pacific States (OACPS), the African Group and the WTO’s LDCs Group, was then invited to provide written responses, which were also shared with members. A formal meeting of the special session was held in September to allow discussions to continue.

The Chair reported to the Trade Negotiations Committee (TNC) in October that reactions to the G90 proposals continued to be mixed. Some members were supportive, but others had concerns.

The Chair told the TNC in December that there would be more scope to make progress if further discussions on the G90 proposals were to take place in an informal setting. She informed members that, after a preliminary informal meeting in December, she would hold five informal consultations starting in early 2021 to explore how to move forward on the G90 proposals.

In each consultation, she would invite participants to focus on two proposals. Over the course of the five consultations, participants would be able to have an in-depth discussion on all ten proposals.
Trade and environment

The Chair continued to encourage members to consult him on topics related to the negotiations.

The Chair of the special session of the Committee on Trade and Environment, Leopold Samba (Central African Republic), continued to encourage WTO members to consult with him on topics related to the negotiations on trade and environment. No new consultations or proposals were made in 2020. Environmental services are being discussed in the WTO services negotiations (see page 48).

Following a request by the Least Developed Countries (LDCs) Group, Ambassador Samba asked the WTO Secretariat to organize a workshop on trade and environment for capital-based representatives of LDCs. The workshop had to be postponed due to COVID-19 restrictions and will be held when conditions allow.

Independently from Committee work, two groups of members launched in November new initiatives to intensify discussions at the WTO on certain trade and environment topics. The initiatives establish structured discussions on trade and environmental sustainability and an informal dialogue on plastics pollution (see page 62).

Background

The negotiations cover the relationship between existing WTO rules and specific trade obligations set out in multilateral environmental agreements (MEAs), procedures for regular information exchange between MEA secretariats and the relevant WTO committees, and the reduction or, as appropriate, elimination of tariff and non-tariff barriers to trade in environmental goods and services.
Rules negotiations: Fisheries subsidies, other WTO rules

- Fisheries subsidies remained the focus of work of the Negotiating Group on Rules. The group sought to conclude negotiations on disciplines for harmful fisheries subsidies by the 12th Ministerial Conference (MC12), originally set for June 2020.

- Despite restrictions on meetings and movement due to COVID-19, and the postponement of MC12, work continued throughout the year.

- The Chair introduced a consolidated draft document in mid-2020 which was then used as the basis for the negotiations from that point. A first revision was released in November and a second revision in December.

- WTO members said they were committed to maintaining the negotiating momentum in 2021.

**Background**

The mandate of the WTO Negotiating Group on Rules covers anti-dumping, subsidies and countervailing measures, and fisheries subsidies. The UN Sustainable Development Goals (SDGs) called for agreement in the WTO by 2020 on eliminating subsidies to illegal, unreported and unregulated fishing and to prohibit certain subsidies that contribute to overfishing and overcapacity, with special and differential treatment for developing countries. Due to factors related to COVID-19, an agreement on fisheries subsidies was not reached in 2020 but negotiations are at an advanced stage, with members aiming to reach an agreement as early as possible in 2021.

At the end of 2019, the six facilitators who were assisting the Chair, Santiago Wills (Colombia), presented and finalized working papers on different parts of the negotiations. Work resumed in 2020 drawing on these working papers and other inputs, with a particular – although not exclusive – focus on disciplines to prohibit subsidies that contribute to overfishing and overcapacity.

Following a number of meetings of the Negotiating Group at the level of heads of delegation, the Chair focused on preparing a single consolidated document to be used as a starting point for further work. To begin this process, in early March 2020 the Chair distributed a suggested text on the prohibition element of disciplines on overfishing and overcapacity, based on the group’s previous work in this area.

COVID-19 and measures taken in Switzerland and around the world to address the pandemic made immediate further progress difficult. On 12 March, it was announced that MC12 would not be held in June. At the time, virtual meetings of the Negotiating Group were not possible because of logistical and technical issues. Work continued.
nevertheless, albeit at a slow pace, through a written process of comments, questions and answers on proposals that had been submitted before the lockdown.

The Chair also continued to hold consultations with delegations and groups. At a virtual meeting on 25 June, he introduced a draft consolidated document containing draft disciplines along with a detailed explanation of the origin of each provision.

The draft focused on the core disciplines of prohibitions for subsidies to illegal, unreported and unregulated fishing, to fishing overfished stocks and to overfishing and overcapacity. In addition, the draft included terms for the scope of the disciplines as well as some definitions needed to understand the disciplines. It also included a number of square-bracketed provisions, signifying options or areas where there was no emerging consensus. The document contained several “placeholders” for provisions needed for implementation, such as notifications and transparency and dispute settlement. Heads of delegation agreed that the document was a starting point for resumed negotiations.

“The momentum is there, and we must not waste it. At this critical juncture, we need members to close the gaps and deliver a meaningful agreement soon”. Santiago Wills, Chair of the fisheries negotiations
Work resumed in September after the summer break, essentially in continuous mode, with a week-long meeting cluster each month punctuated by many meetings in various formats – from bilateral consultations to small groups and meetings open to all – at both technical and heads-of-delegation levels. The Chair also enlisted the help of Ambassador Didier Chambovey (Switzerland) as a “Friend of the Chair” for work on special and differential treatment for developing countries, an integral part of the negotiations.

Based on the intensive work of the Negotiating Group, the Chair circulated two revisions of the consolidated draft document, each with an accompanying explanatory note, in early November and in mid-December. These revisions filled certain placeholders and captured progress in the group’s discussions.

Ambassador Wills said in mid-December that, despite difficulties caused by COVID-19-related disruptions to the talks, real progress had been made in 2020 and that members were determined to build on the progress and bring the negotiations to a conclusion. “The momentum is there, and we must not waste it. At this critical juncture, we need members to close the gaps and deliver a meaningful agreement soon,” Ambassador Wills told the Trade Negotiations Committee at the end of the year.

At the first meeting of the Negotiating Group in January 2021, heads of delegations said they were committed to keeping up the momentum. They welcomed the second revision of the draft consolidated document circulated on 18 December by the Chair.

Tuna fishing in Zanzibar, Tanzania.
The Dispute Settlement Body (DSB) did not meet in special session in 2020.

**Background**

In November 2001, at the Doha Ministerial Conference, WTO members agreed to negotiate to improve and clarify the Dispute Settlement Understanding – the rules and procedures governing the settlement of WTO disputes. These negotiations take place in special sessions of the Dispute Settlement Body.

The DSB last met in special session in November 2019 when some WTO members signalled that resuming intense work might not be fruitful. This was because at that time participants were focused on more pressing issues, including broader discussions on the functioning of the dispute settlement system ongoing in other WTO bodies.

The Chair, Yackoley Kokou Johnson (Togo), reiterated his availability to meet with any delegation that wished to discuss the work of the special session. In the absence of indications from delegations that work should resume, the negotiating group did not meet in 2020.

In 2019, the special session concluded focused work on the 12 issues under consideration in the negotiations, which span all phases of dispute settlement proceedings from initiation to completion.
Joint initiatives

- Electronic commerce
- Investment facilitation for development
- Micro, small and medium-sized enterprises
- Domestic regulation of trade in services
- Trade and environment initiatives

Electronic commerce

Members of the Joint Statement on Electronic Commerce focused on small group meetings on specific topics in 2020. Issues covered included online consumer protection, e-signatures and open internet access.

In December, the co-conveners circulated a consolidated negotiating text reflecting progress made. The text will be the basis of negotiations in 2021.

In 2020, members of the Joint Statement on Electronic Commerce focused on small group meetings on specific issues. Topics addressed included unsolicited electronic commercial messages, online consumer protection, trade facilitation in goods, source code, open government data, e-authentication and e-signatures, customs duties, open internet access and services market access. The aim was to reduce the number of options in the negotiating text. Given the restrictions on in-person meetings and international travel due to the COVID-19 pandemic, much of the work was carried out virtually.

Negotiations on trade-related aspects of e-commerce began in 2019, with the objective of achieving “a high standard outcome that builds on existing WTO agreements and frameworks with the participation of as many WTO members as possible”. The initiative is co-convened by Australia, Japan and Singapore.

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Eighty-six WTO members are participating in the e-commerce negotiations.

Background

At the 11th Ministerial Conference in 2017, like-minded groups of WTO members issued joint statements on advancing discussions on e-commerce, on developing a multilateral framework on investment facilitation, on launching a working group on micro, small and medium-sized enterprises (MSMEs), and on advancing ongoing talks on domestic regulation in services trade. Also, over 100 WTO members supported the Buenos Aires Declaration on Trade and Women’s Economic Empowerment, which led to the launch in September 2020 of the Informal Working Group on Trade and Gender. In November 2020, two groups of members launched initiatives to intensify discussions on important environmental challenges at the WTO. The groups are open to all WTO members.
The joint initiative on investment facilitation for development aims at fostering a more transparent, efficient and investment-friendly business climate.

A total of 106 WTO members are participating in negotiations on investment facilitation.

WTO members participating in the joint initiative launched negotiations in September for a multilateral framework on investment facilitation for development.

The aim is to achieve a concrete outcome by the 12th Ministerial Conference scheduled for late 2021.

Currently, 106 WTO members are participating in the initiative, which is open to all members.

Participants in the joint initiative on investment facilitation for development began negotiations in September 2020 on a multilateral framework, with a view to achieving a concrete outcome by the 12th WTO Ministerial Conference scheduled for late 2021.

The joint initiative, which aims at fostering a more transparent, efficient and investment-friendly business climate, was launched by 70 WTO members in a ministerial statement in December 2017. In November 2019, 98 members signed another ministerial statement committing themselves “to intensify work to further develop the framework for facilitating foreign direct investments, and work towards a concrete outcome” at the next Ministerial Conference. There are currently 106 members participating in the initiative, which is open to all WTO members.

The aim of the framework is to improve the transparency and predictability of investment measures and to streamline administrative procedures and requirements. It also aims to enhance international cooperation, information sharing and the exchange of best practices. Facilitating greater participation by developing and least-developed countries in global investment flows is a core objective of the discussions. The initiative does not address market access, investment protection and investor-state dispute settlement.
The start of negotiations had initially been set for March 2020 but was delayed until September by the COVID-19 pandemic. From June to September, participating members completed a thematic review of the informal consolidated text, which incorporates all written proposals submitted by participating members and forms the basis for the negotiations.

Following the launch of the negotiations in September, WTO members made important progress in four negotiating meetings and two intersessional meetings held between September and December. In line with the open, inclusive and transparent nature of the initiative, all WTO members were invited to attend.

The Coordinator, Mathias Francke (Chile), prepared and circulated “revised draft texts” under his responsibility in those areas where discussions were more advanced – notably on transparency of investment measures, administrative procedures and domestic regulatory coherence, and cross-border cooperation. Participants also examined how to insulate a future framework on investment facilitation for development from other international investment agreements, by means of so-called “firewall” provisions.

At the first meeting in 2021, members taking part in the initiative endorsed the work plan for the first half of the year proposed by the Coordinator. He defined two mid-term objectives: circulating around Easter time a text compiling all the revised draft texts put forward by the Coordinator and discussed by participating members; and taking stock of progress and planning for the second half of the year at a meeting in July 2021. The work plan also provides a framework for participants to meet in small groups or “discussion groups” to accelerate progress on some key provisions.

Micro, small and medium-sized enterprises

- The Informal Working Group on Micro, Small and Medium-sized Enterprises (MSMEs) formally endorsed a set of six recommendations and declarations to help MSMEs trade more internationally.
- Recognizing the devastating impact that the COVID-19 pandemic has had on small businesses, members of the Informal Working Group and several non-members issued a statement in support of MSMEs and their participation in trade.
- An MSME web platform, Trade4MSMEs, with useful trade tools for small business and policymakers is expected to be launched in 2021.

In view of the devastating impact that the COVID-19 pandemic has had on small businesses, many members of the MSME Informal Working Group, along with several non-members, issued a statement in May 2020 in support of MSMEs and their participation in trade. It was the first of a series of concrete WTO outcomes specific to MSMEs during the year.

In the statement, the group said that, in cooperation with other international organizations and stakeholders, it will explore solutions and share good practices to facilitate trade for MSMEs, accelerate efforts towards trade digitalization, including access to digital tools, and improve MSMEs’ access to trade finance (see page 131) and to trade-related information through online platforms.
The Informal Working Group, launched in December 2017 by 88 WTO members, comprises 91 members representing all levels of development and all regions of the world. Members of the group account for around 80 per cent of world exports. The group, which is open to all members, continues to be chaired by Uruguay.

The working group met regularly in a virtual format to complete technical work on a draft package of six non-binding recommendations and declarations aimed at addressing challenges smaller businesses face when they trade internationally. This package, the first concrete outcome of the 2017 joint initiative, was formally endorsed in December at the group’s final meeting of the year. The six recommendations and declarations are:

- a recommendation that WTO members provide, on a voluntary basis, information on policies related to MSMEs during their trade policy reviews
- a declaration on access to information through support for the Global Trade Helpdesk (a joint online resource of the International Trade Centre, the UN Conference on Development and Trade and the WTO to simplify market research for companies)
- a recommendation for full implementation of the WTO’s Trade Facilitation Agreement (see page 109) because burdensome customs procedures can be especially hard on MSMEs
- a recommendation to promote MSME inclusion in the development of trade-related regulations
- a recommendation on MSMEs and the voluntary submission of tariff and other trade-related information to this resource
- a declaration addressing the trade-related aspects of MSME access to finance and cross-border payments.

Increasing the availability of online trade information is an important objective. Funding from the UK Trade and Investment Advocacy Fund, financed by the UK Foreign, Commonwealth and Development Office, was secured for a proposed MSME web platform to link to useful trade tools for MSMEs and policymakers. The platform, called Trade4MSMEs, entered the initial stages of development at the end of the year. It is expected to be completed in 2021. In addition, the WTO Secretariat issued a public webpage dedicated to MSMEs as well as a database of MSME-related provisions in regional trade agreements.

The group convened several webinars on MSMEs to inform discussions and to mark the fourth annual United Nations’ MSME Day. Topics included cross-border payments, MSMEs and paperless trade, and supporting small business resilience through digital tools. MSME Day 2020 events included two webinars dedicated to presentations on "Helping MSMEs in the time of COVID-19".

Understanding the needs of the private sector and small business traders is an important element of the group’s work. The group met representatives of MSMEs, Chambers of Commerce and other MSME representative organizations at the end of the year to inform them of the recently endorsed MSME package and to gather inputs for future work. To keep the business community updated on the group’s efforts, the coordinator issued three newsletters, with updates on the group’s work and its response to the pandemic.
Sixty-three WTO members are participating in the negotiations on domestic regulation of services. The Chair of negotiations under the Joint Initiative on Services Domestic Regulation circulated a “far advanced” negotiating text in December.

WTO members aim to finalize negotiations by the 12th Ministerial Conference scheduled for late 2021.

The Chair of negotiations on services domestic regulation, Jaime Coghi Arias (Costa Rica), circulated a “far advanced” negotiating text on 18 December capturing progress made in 2020 on domestic regulation disciplines. Next year will be “crucial” for the talks, he stressed, given the commitment of “all participants to deliver a significant outcome” at the 12th WTO Ministerial Conference, scheduled for late 2021.

The Chair said that the revised text reflects the resolution of remaining drafting issues although a small number of brackets remain where agreement still needs to be reached. Further discussions will be needed before the group can conclude its work.

The disciplines apply to licensing and qualification requirements as well as procedures and technical standards for trade in services. The objective is to create good regulatory practices that help mitigate any unintended trade-restrictive effects of procedures for authorizing the supply of services.

The joint initiative was launched by 57 trade ministers at the 11th Ministerial Conference in Buenos Aires in December 2017. The work is organized outside the WTO Working Party on Domestic Regulation, which is mandated to develop any necessary disciplines to ensure that members’ domestic regulations do not constitute unnecessary barriers to trade in services. Participation in the meetings of the initiative is open to all WTO members and observer governments.

Participants are in the process of submitting indicative draft schedules outlining how the disciplines will be incorporated in their respective commitments under the General Agreement on Trade in Services (GATS). A total of 30 draft schedules (representing 57 WTO members) had been submitted as of end-2020. The additional regulatory disciplines would be binding on all participants, who would apply the improved disciplines to services exporters from all WTO members.

At a meeting on 10 December, participants agreed to clarify in the negotiating text that the disciplines build upon the GATS and do not diminish any obligations contained in that agreement.

In 2020, participation in the initiative grew to 63 members with the incorporation of Thailand, the first member of the Association of Southeast Asian Nations to join. Participating members — both developing and developed countries — account for 73 per cent of world services trade.
Trade and environment initiatives

A group of WTO members began “structured discussions” on trade and environmental sustainability to work on possible “actions and deliverables” in this area.

Another group launched an “informal dialogue” to explore how trade could support domestic and global efforts to tackle plastics pollution.

Two groups of members launched two new initiatives during the WTO’s Trade and Environment Week in 2020 (see page 117) to intensify discussions on important environmental challenges at the WTO.

Plastics pollution and environmentally sustainable plastics trade

Participants in an “informal dialogue” on plastics pollution and environmentally sustainable plastics trade held their first meeting in November. The dialogue, open to all members, aims to complement and enhance existing discussions within the Committee on Trade and Environment and other fora on plastics pollution. The initiative was borne out of the recognition of the need for coordinated global action on the rising environmental, health and economic costs of plastics pollution and the importance of trade to any solution.

The dialogue will explore how improved trade cooperation, within the rules and mechanisms of the WTO, could contribute to domestic, regional and global efforts to reduce plastics pollution and the transition to a more circular (see page 117) and environmentally sustainable global plastics economy.

Among possible subjects for discussion are improving transparency, monitoring trade trends, promoting best practices, strengthening policy coherence, identifying scope for collective approaches, assessing capacity and technical assistance needs and cooperating with other international efforts. Participants plan to work towards a concrete outcome for the 12th Ministerial Conference (MC12) scheduled for late 2021.

“This is a good moment to deepen our dialogue on the role of trade to address pressing global challenges – certainly COVID-19 but also the scourge of plastic pollution,” said Deputy Director-General Alan Wolff.

Australia, Barbados, Cabo Verde, Canada, Central African Republic, China, Ecuador, Fiji, The Gambia, Jamaica, Kazakhstan, Morocco, New Zealand, Switzerland, Thailand and the United Kingdom currently participate in the informal dialogue.

Trade and environmental sustainability

Another group of 53 members began “structured discussions” on trade and environmental sustainability. Stephen de Boer (Canada) and Gloria Abraham Peralta (Costa Rica) jointly coordinate the initiative. The discussions seek to identify areas of common interest and work towards concrete outcomes on trade and sustainability.

The discussions will include promoting transparency and information-sharing.

“This is a good moment to deepen our dialogue on the role of trade to address pressing global challenges – certainly COVID-19 but also the scourge of plastic pollution”
- DDG Alan Wolff
Fifty-three WTO members are participating in the discussions on trade and environmental sustainability. The participants intend to report to ministers by MC12.

Topics could include trade and climate change, the circular economy and fossil fuel subsidies (see page 119). The group meetings will be open to all WTO members. The initiative aims to complement and enhance discussions within the Committee on Trade and Environment and other WTO bodies and to work alongside relevant international organizations, the business community, civil society and academic institutions.

“Climate change and other major environmental crises are not problems that can be solved by governments alone. We need all hands on deck, including businesses, consumers, civil society and other stakeholders,” DDG Wolff said.
The Informal Working Group on Trade and Gender was launched in September 2020 to intensify efforts to increase women’s participation in global commerce. It is the next phase of an initiative, the Joint Declaration on Trade and Women’s Economic Empowerment, launched at the 11th Ministerial Conference in Buenos Aires in 2017. “Today marks an important new phase in moving this work forward on a continued transparent, collaborative and open basis,” said Deputy Director-General Yonov Frederick Agah.

The working group, which is open to all WTO members and observers, was established following requests from WTO members for a more transparent and structured process to deliver concrete elements for further consideration in time for the 12th Ministerial Conference scheduled for late 2021. The Buenos Aires declaration, initially supported by 118 WTO members and observers, counts 127 proponents, who constitute the current membership of the working group.

The working group met on 10 December 2020 for the first time. It will focus on four key elements: experience-sharing; considering the concept and scope for a “gender lens” to apply to the work of the WTO; reviewing gender-related analytical work undertaken by the WTO and other intergovernmental organizations; and contributing to the Aid for Trade (see page 151) work programme.
Members considered a suggestion for the group to organize a session at the Aid for Trade stocktaking event in March 2021 (see page 152) and heard a report from the WTO Trade and Gender Focal Point (see page 164) on research work being undertaken. Members also urged the WTO to work with other organizations with expertise on trade and gender and to continue its research partnerships.

At the meeting, members published a report on the implementation of the Buenos Aires declaration. It compiles 32 best practices and recommendations on trade and gender, ranging from data-collection methods to impact assessments of trade agreements, government procurement and financial inclusion tools for women entrepreneurs. These themes had been discussed in six workshops organized between 2018 and 2019, one of the commitments made in Buenos Aires. The report was produced in collaboration with the International Gender Champions Trade Impact Group and the International Trade Centre.