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Trade negotiations and discussions

Changes to the rules of trade require the agreement of WTO members, who must reach a decision through negotiations.





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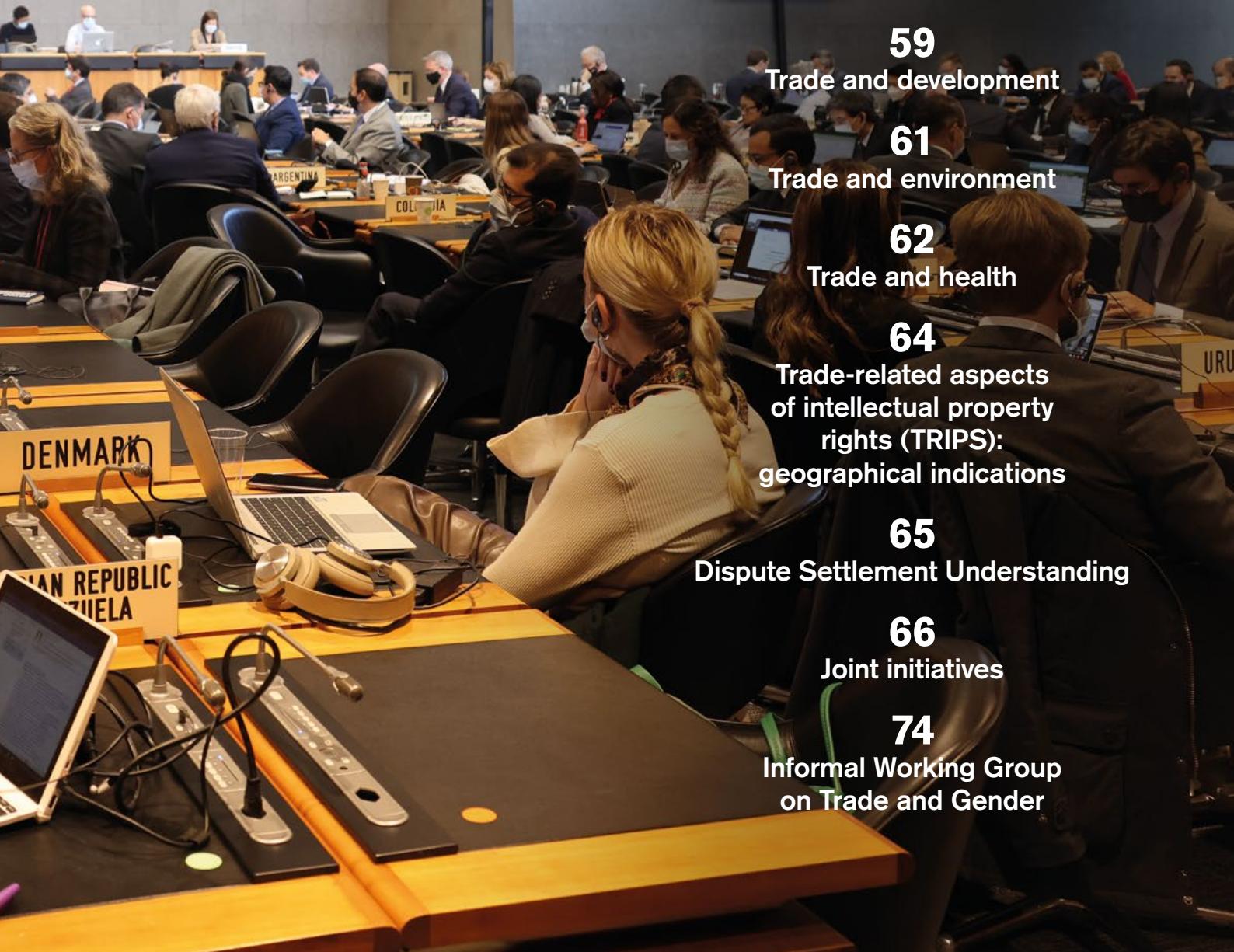
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Trade negotiations and discussions in 2021

- DG Okonjo-Iweala told WTO members at her first Trade Negotiations Committee meeting as Chair in March 2021 to focus on what the WTO was created to do – improve the living standards of ordinary people.
- At a meeting of WTO delegation heads on 23 July, the DG called on members to bring focus and flexibility to intensive negotiations scheduled for the autumn and strike meaningful agreements ahead of the 12th Ministerial Conference (MC12), scheduled for end-November, but subsequently postponed until June 2022.
- Throughout the year, delegations viewed the WTO's pandemic response as a priority, including addressing inequities in the production and distribution of vaccines and enabling a more inclusive global economic recovery.
- Despite the postponement of MC12 because of COVID-19, negotiations continued with an eye to achieving meaningful outcomes in the pandemic response, fisheries subsidies and other issues.

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.

During her first formal meeting in March 2021 as Trade Negotiations Committee (TNC) Chair, DG Okonjo-Iweala told WTO members they should focus on people, which is the central essence of what the WTO was created to do. They should, she said, concentrate on creating jobs, increasing incomes and supporting sustainability. If members were to focus on serving people, it would help them to overcome differences they had in their negotiations on freer trade and other issues.

As TNC Chair, the DG anchored her approach on the principles of transparency, inclusivity and pragmatism. At a meeting with heads of delegations in May, the DG said three concrete deliverables from the negotiations stood out: an agreement to curb harmful fisheries subsidies (see page 56); outcomes on agriculture, with a focus on food security (see page 53); and a framework that would better equip the WTO to support efforts against the COVID-19 pandemic and future health crises (see page 82).

During her first four months as Chair, members moved the 20-year-old fisheries subsidies negotiations further than ever before on the issues of disciplines to eliminate subsidies for illegal, unreported and unregulated (IUU) fishing and to prohibit some subsidies that contribute to overcapacity and overfishing. The Chair of the Negotiating Group on Rules, Ambassador Santiago Wills (Colombia), issued a revised consolidated negotiating text on 30 June (see page 56).

Members also situated the WTO squarely as a key player in the search for solutions to the COVID-19 crisis and in doing so strengthened WTO ties with other international organizations (see page 179). Work intensified in other negotiating areas ahead of MC12, which was set for 30 November to 3 December after the originally scheduled meeting in Kazakhstan was cancelled in 2020, and was subsequently





DG Okonjo-Iweala chairs a meeting of the Trade Negotiations Committee in May 2021.

postponed to 12 to 15 June 2022. Apart from fisheries, members worked hard on agriculture, special and differential treatment for developing countries (see page 59) and services (see page 58), among other areas.

At a meeting of WTO delegation heads on 23 July, DG Okonjo-Iweala called on members to bring focus and flexibility to intensive negotiations scheduled for the autumn and to strike meaningful agreements ahead of MC12. The chairs of various negotiating groups set out their plans for taking talks forward. She urged members to focus on "two, three or four" areas. "Either we continue to bring everything to the table, or we see what we can realistically achieve. To the extent we are on the same page, with a shared game plan, the likelier we are to get to meaningful outcomes," she said.

Delegates spent long hours, including weekends, negotiating with the objective of reaching convergence on meaningful outcomes at MC12. However, on 26 November, the deterioration in the COVID-19 situation and new travel restrictions led General Council Chair Dacio Castillo (Honduras) and the DG to recommend the postponement of MC12, a suggestion to which members agreed.

Although members were disappointed, the DG highlighted that they were united in support of this necessary albeit difficult decision. She reminded delegations that they were all working towards the same goal of reaching meaningful outcomes for people, particularly as lives and livelihoods across the globe continued to be at risk. The objective was clear.

– to ensure that the WTO delivered for all. Despite the postponement of MC12, members continued work to achieve outcomes in the negotiations.

Ministerial meeting on fisheries subsidies

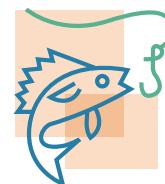
A virtual formal TNC meeting at ministerial level on fisheries subsidies (see page 56) was convened by the DG as TNC Chair on 15 July 2021. More than 100 ministers and heads of delegation, with several representing regional groups, participated in the discussions, emphasizing the high importance they attached to successfully concluding the fisheries subsidies negotiations.

At the end of the meeting, the DG said she felt new hope because of the strong commitment ministers demonstrated to moving forward and to empowering negotiators to get the fisheries subsidies negotiations to the finish line. After intense work in the negotiating committee, a draft Agreement on Fisheries Subsidies was distributed on 24 November as a basis for work by ministers at MC12. Work continued in December 2021, with the aim of concluding the negotiations as soon as possible (see page 56).

Pandemic response

Throughout the year, members viewed the WTO's pandemic response as a priority, including addressing vaccine inequities and enabling a more inclusive global economic recovery. They reiterated in sessions of the General Council, the TRIPS Council (see page 62) and the TNC the need to reach a comprehensive pandemic response and acknowledged this demanded a holistic approach for both the trade-related and intellectual property (IP) aspects (see page 64), aspects as one could not move without the other.

The DG highlighted that the WTO was squarely in the middle of the debate as the world sought to scale up COVID-19 vaccine production and rollout. She regularly updated members on the WTO's efforts, undertaken at various levels and with several stakeholders. These included trade policy monitoring, working with manufacturers and international organizations to increase production and investment, particularly in developing countries, and issues related to IP and the transfer of technology and know-how. She also referred to the important contributions the WTO had already made, particularly the valuable work by the Secretariat on supply chain issues and members' efforts on transparency and monitoring.



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More than 100
ministers and
heads of delegation
participated in a
ministerial meeting
on fisheries subsidies
in July 2021.



A draft Agreement on Fisheries Subsidies was circulated to WTO members in November.



The TRIPS Council devoted much time to discussing two proposals on COVID-19: South Africa's and India's call for a waiver of certain provisions of the TRIPS Agreement and a European Union proposal that included limiting export restrictions on COVID-19 vaccines and therapeutics (see page 62). DG Okonjo-Iweala also started discussions with the Quad (the European Union, India, South Africa and the United States) on how to simplify ways for governments to override patent rights, under certain conditions, to improve access to COVID-19 vaccines.

WTO reform discussions

During TNC and heads of delegation meetings, members expressed the desire to work on WTO reform. Some highlighted the need to set clear timelines and objectives. Several members reiterated the need to resolve the issues surrounding dispute settlement (see page 138) and called for clear ministerial guidance.

The DG said that members needed to come to a common understanding of what was meant by WTO reform and agree on the elements of what would constitute this.

Throughout the year, members viewed the WTO's pandemic response as a priority, including addressing vaccine inequities.

She acknowledged the discussions on this matter within the MC12 outcome document process under the leadership of the General Council Chair.

Updates on joint initiatives and other work

In 2021, groups of members continued their work in various areas, including on e-commerce (see page 66), domestic regulation in services (see page 71) where negotiations were successfully concluded on slashing administrative costs, investment facilitation for development (see page 68), micro, small and medium-sized enterprises (MSMEs – see page 69) and trade and gender (see page 74).

The co-convenors and coordinators of the initiatives provided updates on their work at all informal heads of delegation meetings. Members also received updates from groups discussing plastics pollution and environmentally sustainable plastics trade (see page 72) and trade and environmental sustainability (see page 73). These processes remained transparent and inclusive, with meetings open to all members, who also received all proposals and reports.

Agriculture

- Negotiations intensified during 2021, with a view to reaching an agricultural outcome at the 12th Ministerial Conference (MC12) scheduled for 30 November-3 December 2021 but then postponed.
- Committee Chair Gloria Abraham Peralta continued during the first half of the year the facilitator-led process initiated in 2020. She issued draft negotiating texts in July and November, the first in over a decade.
- In total, 35 meetings open to all WTO members were held, in addition to around 50 consultations in various formats and numerous bilateral and small group meetings. Over 30 submissions were made by members.

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.

The Chair of the Special Session of the Committee on Agriculture, Gloria Abraham Peralta (Costa Rica), continued in the first half of the year the facilitator-led process that was launched in October 2020. She held intensive consultations throughout the year, with the aim of narrowing the gaps between members' positions and preparing the ground for an outcome on agriculture at MC12.

A total of 35 meetings open to all members took place. In addition, about 50 consultations in various formats were held by the Chair and facilitators along with numerous bilateral and small group meetings. Over 30 submissions were made in 2021 by members.

Based on the input from the facilitator-led process, the facilitators' report and her own consultations, and taking into account submissions by members, the Chair issued a first draft text on 29 July aimed at facilitating members' quest for a ministerial outcome. After listening to comments on the initial draft, and following additional intensive consultations, the Chair issued a second draft text on 23 November covering all areas under the negotiations. These were the first such negotiating texts in over a decade.

The intention of the texts was to offer the best possible starting point for ministers to negotiate a balanced, realistic and meaningful package at MC12. "This text reflects the reality of where we are today. It acknowledges the current state of play in members' positions and the difficulties we face in building convergence or narrowing the gaps on some key issues," the Chair said. Nevertheless, at the opening committee meeting of 2022 in January, members expressed diverging views. Some wanted more ambition on specific issues, while others wanted less.

➤ **The Chair issued draft texts in July and November covering all areas under the negotiations, the first in over a decade.**



Tea picking in a plantation in Gicumbi, Rwanda.





Public stockholding for food security purposes

Public stockholding for food security purposes remained a priority issue for developing country proponents, who have stressed its importance for food security and rural livelihoods. The proponents have also pointed out that the deadline for the adoption of a permanent solution at MC11 in 2017 was missed. They urged members to find a solution by MC12.

The issue gained further attention with the COVID-19 pandemic as several members revived, enhanced or expanded purchases at market or administered (official) prices under public stockholding programmes for food security or increased procurement prices.

However, non-proponents remained concerned about potential production and trade distortions and unlimited market price support beyond the Uruguay Round commitment levels as well as excessive accumulation of stocks. If released on world markets, the stocks could depress prices and affect trade flows and the

food security of others. Given the persistent wide gaps in members' views, this question turned out to be the most difficult issue in the agriculture negotiations.

Domestic support

Domestic support (subsidies) remained at the heart of the agricultural negotiations. Numerous submissions and other inputs were made by members emphasizing the shared objective of addressing trade-distorting domestic support. It is also the area where the expectations for an outcome at MC12 were the highest.

The issue of subsidies attracted even more attention due to the adoption of new domestic support measures or increased support during the COVID-19 pandemic by many members to help their farmers cope with the economic consequences of the pandemic.

The negotiations focused on strengthening existing disciplines while at the same time leaving sufficient space for members to pursue legitimate policy objectives, such as food security, supporting small-scale and resource-poor farmers, and fostering a resilient agricultural sector. Numerous calls were also made for ensuring a "level playing field".

Members' positions remained divergent on issues such as the target, the timeframe, the scope, the potential of different support categories to distort trade, and the sequencing of reform steps. Given these differences, it became apparent that members would be unable to reach a substantive outcome by the end of 2021. As a result, the negotiations focused on delivering a useful step forward in the domestic support reform process that would set the direction for work post-MC12.

Cotton

Members took part in "Cotton Days" in July and November, consisting of back-to-back dedicated discussions on trade-related developments on cotton and the Director-General's Consultative Framework Mechanism on Cotton on aspects of development assistance.



35
meetings open to all
WTO members were
held across the year.



Cotton harvesting in Maharashtra, India.

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. The framework mechanism tracks development assistance programmes for cotton and acts as a forum for the exchange of information on the linkages between cotton, trade and development.

Members celebrated the third edition of World Cotton Day on 7 October 2021. The WTO hosted the Prime Minister of Mali, Choguel Kokalla Maïga, who said: "Some 4 million people in Mali depend directly on cotton production for their livelihood. ... Cotton is a commodity, a generator of growth and a provider of jobs and revenue that is able

to help our countries fight poverty more effectively, particularly in rural areas and within disadvantaged communities". Members warmly welcomed the United Nations General Assembly proclaiming 7 October as an official international day for cotton.

The WTO Secretariat released the main results of a study titled "Impacts of the COVID-19 pandemic on cotton and its value chains: the case of C-4 and other LDCs", prepared at the request of the Cotton-4 – Benin, Burkina Faso, Chad and Mali. The study shows that export revenues in 2020 decreased by 34 per cent in the 10 LDC cotton producers that were the focus of the study, representing a drop of over US\$ 500 million in export value compared to the previous year.

Cotton-related negotiations in 2021 mainly focused on the issue of trade-distorting domestic support for cotton and on ways to enhance transparency through an evidence-based process.

Market access

Discussions in 2021 targeted two specific components for an outcome at MC12, namely a work programme on market access negotiations post-MC12 and a decision on some transparency-specific elements. Applied tariff predictability and the treatment of consignments already *en route* when tariffs change, and the calculation and reporting of *ad valorem* equivalents of bound non-*ad valorem* agricultural tariffs dominated the transparency discussions. There was no serious engagement among members on tariff reduction commitments.

On a possible post-MC12 work programme on market access, a group of members, comprising Argentina, Brazil, Ecuador, Paraguay, Ukraine and Uruguay, proposed a set of principles for such work. Similarly, a written contribution by Australia, Canada, Brazil and Ukraine (and later joined by the European Union) anchored the applied tariff transparency discussions. A proposal on transparency by a group of members also included some market access elements targeting improvements in tariff quotas and safeguard notifications.



Cotton is a generator of growth and a provider of jobs and revenue that is able to help our countries fight poverty more effectively.

Choguel Kokalla Maïga
Prime Minister of Mali

Special safeguard mechanism

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

Export prohibitions and restrictions

The negotiations continued on the two topics identified in previous years. On a possible exemption from export prohibitions or restrictions of foodstuffs purchased for non-commercial humanitarian purposes by the UN's World Food Programme (WFP), members continued to search for compromise language, taking into account the questions raised by some countries about where foodstuffs are purchased. Nevertheless, in January 2021, a group of nearly 80 WTO members pledged not to impose any export restrictions on foodstuffs purchased by the WFP.

Under the second topic, members explored ways to enhance the transparency and predictability of export prohibitions and restrictions, including by clarifying the relevant provisions of the Agreement on Agriculture.

Export competition

The pre-MC12 negotiations focused on ways to increase transparency, while taking into account the capacity constraints faced by some developing countries.

Transparency

In the second half of 2021, members also addressed the issue of transparency across the board in a way complementary to the topic-by-topic negotiations, including the possible adoption of a work programme aimed at reviewing and streamlining transparency requirements.

Market access for non-agricultural products

➤ The Negotiating Group on Market Access did not receive any papers or proposals in 2021 and did not meet during the year.



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.

Rules negotiations: Fisheries subsidies, other WTO rules

- **Fisheries subsidies remained the focus of work of the Negotiating Group on Rules.**
- **Throughout 2021, the Group worked intensively to develop draft disciplines on fisheries subsidies in line with the mandate in the UN's Sustainable Development Goals and the Ministerial Decision on Fisheries Subsidies of 2017.**
- **The Chair, Santiago Wills, introduced a revised consolidated draft of disciplines in mid-2021, which was used as the basis for work leading to a draft Agreement on Fisheries Subsidies distributed to ministers in November.**
- **Following the postponement of the 12th WTO Ministerial Conference (MC12), WTO members continued to work on the basis of the draft Agreement, with the aim of concluding the Agreement as soon as possible.**

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) call for agreement in the WTO 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.

Santiago Wills chairs a meeting of the Negotiating Group on Rules.

As set out in Target 14.6 of the UN Sustainable Development Goals and the Ministerial Decision on Fisheries Subsidies from the WTO's 11th Ministerial Conference, the objective of the negotiations on fisheries subsidies is to agree disciplines to eliminate subsidies that contribute to illegal, unreported and unregulated (IUU) fishing and to prohibit certain forms of fisheries subsidies that contribute to overcapacity and overfishing, with special and differential treatment integral to the negotiations.

Under the chairmanship of Ambassador Santiago Wills (Colombia), the Negotiating Group on Rules worked intensively towards concluding new disciplines on fisheries subsidies, with many meetings in a variety of formats. As in 2020, the COVID-19 pandemic meant that almost all meetings were in virtual or hybrid mode. While the use of virtual technology facilitated participation by



capital-based delegates, the lack of full physical presence reduced the opportunities for delegates to meet and discuss informally with each other.

Work in the first part of the year was structured around week-long clusters of meetings but in practice it was virtually continuous in various formats including bilateral consultations with the Chair, small groups, larger groups of interested members and full plenary meetings.

On 11 May 2021, the Chair issued a consolidated negotiating text accompanied by a detailed explanation of the origin and intention of each clause. Immediately after distribution of the text, work continued in various formats to further reduce differences among members. A revised version of the draft along with a revised explanatory addendum was distributed on 30 June.

On 15 July, at a virtual meeting of the Trade Negotiations Committee at ministerial level, ministers agreed to use the text as the basis for further work. Although many ministers stated that they found the text to be unbalanced, the perceptions of imbalance varied depending on the perspective of the members concerned.

Based on the comments made by ministers, work resumed in September in two phases. The first was to address perceived imbalances. This resulted in a further revision and addendum distributed on 8 November. The second phase was a detailed clause-by-clause negotiation in preparation for MC12. To assist him, the Chair appointed three "Friends" to look at specific issues that required further detailed work:

- Ambassador Athaliah Molokomme (Botswana) on dispute settlement relating to the new disciplines.
- Ambassador Tan Hung Seng (Singapore) on how the dispute settlement process would address issues that might arise relating to territorial claims or claims relating to maritime boundaries where more than one member asserted such claims.



- Ambassador Stephen de Boer (Canada) on whether the scope of the fisheries subsidies disciplines should include non-specific fuel subsidies and, if so, how they would be addressed.

In parallel, work continued under Ambassador Wills on other aspects of the text using various formats. These included two drafting groups made up of interested members and led by Benedicte Fleischer, Deputy Permanent Representative of Norway. The groups worked to develop precise language on some parts of the disciplines on subsidies contributing to IUU fishing and on draft provisions on issues relating to territorial claims and maritime boundaries.

The Negotiating Group completed its review of the draft text on 21 November, and a draft Agreement on Fisheries Subsidies was distributed on 24 November as a basis for work by ministers at MC12. However, on 26 November, the General Council postponed the Ministerial Conference because of the COVID-19 pandemic.

Work on fisheries subsidies continued in December 2021, with the aim of finalizing the Agreement as soon as possible. The Chair said that the draft text was based on the collective efforts of WTO members and represented the most likely way to build consensus after more than 20 years of negotiations. "Although MC12 has not yet been held, the text remains on ministers' desks, and we thus need to apply a high standard and discipline as we continue the work of the Negotiating Group," he said.

Processing a catch of fish on the outskirts of Bangkok in Thailand.



SDG 14: Conserve and sustainably use the oceans, sea and marine resources for sustainable development.



Services

- The special session continued exploratory discussions on market access in a range of services sectors on the basis of submissions from members.
- Discussions highlighted the impact of COVID-19 in services sectors of interest to developing countries.
- In the lead-up to the 12th Ministerial Conference (MC12), members discussed text on services negotiations for inclusion in a ministerial outcome document.

Background

The General Agreement on Trade in Services mandates WTO members to progressively open up trade in services. The negotiations are overseen by the Council for Trade in Services, meeting in special session.

The special session of the Council for Trade in Services continued exploratory discussions on market access, which have aimed since 2018 to foster an exchange of views among WTO members about their current areas of interest.

An expansion in market access for environmental services was discussed by WTO members in the Council for Trade in Services.

Members exchanged views on a communication from the African, Caribbean and Pacific (ACP) Group that aimed to promote discussions on the impact of the COVID-19 pandemic on priority services sectors of ACP states. These include tourism, information and communication technologies and other digital services, air transport, retailing, and performance, professional and education services.

The ACP Group said that greater trade opportunities in those sectors were important for economic recovery and highlighted some trade barriers and other obstacles that it would like to see addressed.

Members also continued their exchanges on sectors on which communications were put forward by members in 2020, namely environmental, financial, logistics and agriculture-related services. Australia, Canada, the Republic of Korea, Mexico, New Zealand, Switzerland and the United Kingdom circulated a new communication on environmental services that aimed to capture, in summary form, the different interests expressed by members on improved commitments.



The discussions cast light on the role of services sectors in supporting economic recovery from the COVID-19 pandemic.

Zhanar Aitzhanova (Kazakhstan)

Special session Chair Zhanar Aitzhanova (Kazakhstan) said in her report to the Trade Negotiations Committee that the discussions had contributed to a better understanding of members' trade interests in services. They had also cast light on the role of those sectors in today's economic and trade environment, including in supporting economic resilience and recovery from the COVID-19 pandemic. In addition, discussions had brought out a number of key development considerations.

In the lead-up to MC12, planned for late November but postponed due to the pandemic, various members expressed interest in seeing trade in services and the work of the special session addressed in the ministerial outcome document. Various groups put forward text proposals, and members engaged in work to converge on a common text.

Domestic regulation

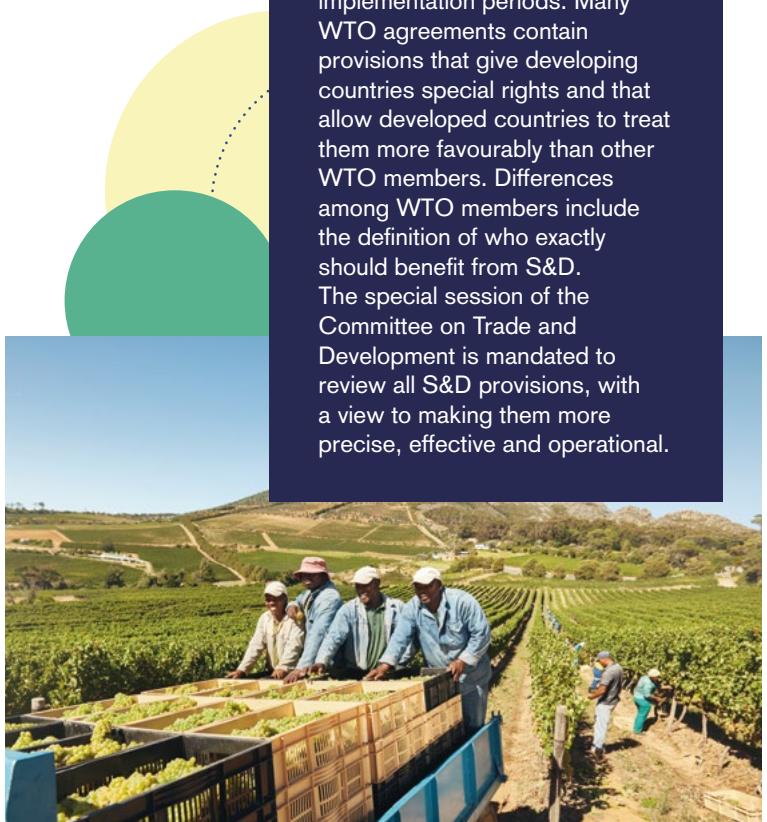
No substantive work on the development of disciplines took place in the Working Party on Domestic Regulation. In June, at the only meeting, delegations exchanged views on the status of the Joint Initiative on Services Domestic Regulation (see page 71), possible outcomes of the negotiations there and the implications for the multilateral mandate entrusted to the Working Party. Questions were also raised as to whether certain disciplines under negotiation in the joint initiative would amend, interpret or dilute existing obligations under the General Agreement on Trade in Services.

Trade and development

- Special session Chair Kadra Ahmed Hassan (Djibouti) held five informal meetings at the start of 2021 to explore how to advance on 10 Agreement-specific proposals on special and differential treatment from the G90.
- The Chair told the Trade Negotiations Committee in September that she had not detected any shifts in members' positions.

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.



The Chair of the special session of the Committee on Trade and Development, Kadra Ahmed Hassan (Djibouti), held five informal, open-to-all meetings between February and June to explore how to move forward on the G90 group of developing countries' 10 Agreement-specific proposals on special and differential treatment (S&D).

The proposals relate to S&D provisions, over 100 in all, contained in WTO agreements and decisions, including on transfer of technology, technical barriers to trade and the accession of least-developed countries (LDCs) to the WTO. The G90's proposals aim at making S&D provisions for developing countries more precise and effective.

Each meeting focused on two proposals. For each proposal, WTO members were asked for their views on where convergence could be found. They were also asked to consider where the difficulties lay and why, and how they could be overcome. "As difficult as these negotiations have been, I believe it is in the interest of members – and the organization – to find a way to move forward," the Chair said.

The Chair reported to the Trade Negotiations Committee (TNC) in July that, over the course of the five meetings, she had not seen the level of engagement she had hoped on the substance of the proposals. Members that had concerns were not willing to engage in discussions on substance, stating that the proposals had already been considered. On the other hand, the G90 – along with some other members – continued to believe that the proposals provide a good basis for taking the discussion further.

Following a formal meeting of the special session, the Chair reported to the TNC in September that she had not detected any significant shifts in members' positions on the G90 proposals. She subsequently held several bilateral meetings with members and then began a series of informal consultations in small groups. The purpose of these meetings was to discuss how members could arrive at an outcome on S&D at the 12th Ministerial Conference (MC12) and what this outcome might look like.

At a heads of delegations meeting in December, the Chair said that the level of engagement during the informal consultations had been conducive to some frank and open discussions. She also noted that, despite the difficulties and the challenges, members had been able to reach an understanding on a paragraph on S&D in the draft MC12 outcome document.

Cultivation of roses in Lusaka, Zambia, for export to Europe.





Trade and environment

Wind turbines in Lake Ijssel, the Netherlands.

► The Chair, Leopold Samba, continued to encourage WTO members to keep ambition on trade and environment and climate change high while making sure least-developed countries (LDCs) are not left behind.

In his various interactions with WTO members, the Chair of the special session of the Committee on Trade and Environment, Ambassador Leopold Samba (Central African Republic), continued to lend his support to discussions taking place on crosscutting trade and environment issues, even in other forums. However, no new consultations took place or proposals were made in 2021. Environmental services are being discussed in the WTO services negotiations (see page 58).

In November, at the request of Ambassador Samba, the WTO Secretariat organized an information session for the LDC Group on the nexus between trade and the environment. The session focused on the institutional role of the Committee on Trade and Environment, members' initiatives, the Trade and Environmental Sustainability Structured Discussions, the Informal Dialogue on Plastics Pollution and Environmentally Sustainable Plastics Trade and the Fossil Fuels Subsidies Reform (see page 72).

Representatives from the LDC Group welcomed the briefings and requested more regular information sharing targeted at LDCs on trade and environment issues.

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.

Trade and health

Since the outbreak of COVID-19, WTO members have endeavoured to deliver an effective trade response to the pandemic.

Since the outbreak of COVID-19, WTO members have been working hard in various WTO bodies on formulating an effective trade response to the pandemic that takes account of the exceptional character of the current crisis – in terms of the loss of human lives and the economic and social challenges.

Speaking to a “Global COVID-19 Vaccine Supply Chain and Manufacturing Summit” in March 2021, DG Okonjo-Iweala said: “We must make sure that in the end we deliver so that the millions of people who are waiting for us with bated breath know that we are working on concrete solutions.”

In June 2021, General Council Chair Dacio Castillo (Honduras) named Ambassador David Walker of New Zealand to be a facilitator responsible for leading members in finding a multilateral response that covered all the relevant trade aspects that members deemed necessary for a solution, including intellectual property (IP), market access and supply chain issues (see page 79).

In the TRIPS Council, convergence was sought on how best to use the global IP system to tackle COVID-19. Throughout the year, members discussed a proposal, first introduced by India and South Africa in 2020, requesting a waiver from certain provisions of the TRIPS Agreement (see page 118) for the prevention, containment and treatment of COVID-19.

Although all delegations remained committed to the common goal of providing timely and secure access to high-quality, safe, efficacious and affordable vaccines and medicines for all, disagreement persisted on whether a waiver was the appropriate and most effective way to address the shortage and inequitable

Members remained committed to the common goal of providing timely and secure access to high-quality and affordable vaccines and medicines for all.



distribution of, and access to, vaccines and other COVID-19-related products.

The European Union issued an alternative proposal in June for a draft General Council declaration on the TRIPS Agreement and Public Health. It called for limiting export restrictions, supporting the expansion of production, and facilitating the use of current compulsory licensing provisions in the TRIPS Agreement (see page 117).

Over the final months of 2021, Ambassador Walker worked closely with members in different configurations, leading a solutions-oriented, text-based discussion. While some members noted encouraging exchanges which helped to identify points of possible accord, others said the TRIPS





Council needed to focus more on evidence-based and pragmatic solutions.

At an informal General Council meeting on 10 January 2022, called following an Indian proposal to hold a virtual ministerial conference on the WTO's response, DG Okonjo-Iweala urged members to act quickly. "We at the WTO now have to step up urgently to do our part to reach a multilateral outcome on intellectual property and other issues so as to fully contribute to the global efforts in the fight against COVID-19," she declared.

Following weeks of conversations with delegates, the General Council Chair called a meeting on 27 January 2022 to discuss the way forward, looking at cross-border trade flows and the proposed IP protections waiver. He acknowledged the differences between WTO members not only on substance but also on how to advance the discussions.

"But I believe that a path forward can still be found and that these divergences should not stop us from progressing," the Chair said.

DG Okonjo-Iweala stressed that most delegations see the facilitator's text as the basis to proceed despite the existing divergences. She said that "with goodwill those who have difficulties with it will be able to get their views in and get this resolved".

DG Okonjo-Iweala also began a series of discussions with four WTO members (European Union, India, South Africa and the United States), known as the Quad, for an IP response to COVID-19. The aim of the discussions was to identify practical ways of clarifying, streamlining and simplifying how governments can override patent rights, under certain conditions, to enable diversification of production of COVID-19 vaccines. The outline of a draft proposal was agreed by the Quad in early March 2022 for further elaboration and discussion with the wider WTO membership.

Trade-related aspects of intellectual property rights (TRIPS): geographical indications

► The Chair of the TRIPS Council special session, Ambassador Alfredo Suescum (Panama), convened informal consultations with the most active WTO members in the negotiations on a register for geographical indications.

The Chair, Ambassador Alfredo Suescum (Panama), convened consultations in January 2021 with the WTO members that had been most active in the negotiations on creating a register of geographical indications (GIs) for wines and spirits to facilitate the protection of GIs.

Background

Negotiations on a multilateral system for notifying and registering geographical indications (GIs) for wines and spirits are carried out in the special session of the TRIPS Council. The purpose of the register is to facilitate the protection of GIs for wines and spirits. These are indications (including place names or other terms or signs associated with a place) used to identify products whose place of origin contributes to their special qualities, reputation or other characteristics.

He invited delegations to share their views on three suggestions made by members.

The first was that the special session should share information and experiences on the diverse ways in which GIs have been protected through bilateral and/or regional agreements.

The second called for the WTO Secretariat to conduct a study on the relationship between the TRIPS Agreement and the Geneva Act of the World Intellectual Property Organization's Lisbon System of geographical indications registration, which came into force in February 2020. The international registration system provides protection for names identifying the geographic origin of products such as coffee, tea, fruits, wine, pottery, glass and cloth.

Finally, members had suggested that the WIPO Secretariat brief delegations on the state of play with the WIPO international registration system.

In his report to the Trade Negotiations Committee in November, the Chair said that “significant efforts will be necessary on the part of all delegations to overcome persistent disagreements on the mandate and the substance of these negotiations”.

Members continue to 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 are also divided on, among other issues, product coverage and 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.

The purpose of creating a register is to facilitate the protection of geographical indications (GIs) for wines and spirits.



Dispute Settlement Understanding

- The Dispute Settlement Body (DSB) did not meet in special session in 2021.
- The Chair, Yackoley Kokou Johnson (Togo), said he remained available to hear members' views about future work.



The DSB last met in special session in November 2019. At that time, members expressed concern that resuming intensive work in the special sessions might not be fruitful as participants were focused on more pressing issues, including discussions in other WTO bodies on the functioning of the dispute settlement system. In the absence of indications from delegations that the work should resume, the negotiating group did not meet in 2021.

In his report to the Trade Negotiations Committee in November 2021, the Chair of the DSB in special session, Ambassador Yackoley Kokou Johnson (Togo), stated that the circumstances around the work of the special session remained largely unchanged. His understanding was that members still considered that discussions were unlikely to be productive while issues with the overall functioning of the dispute settlement system remained unresolved and were under discussion in the context of preparations for the 12th Ministerial Conference (see page 78).

The Chair concluded that he continued to be guided by members and remained available to hear any views they may have about the work within the special session.

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.

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 advanced negotiations in small group meetings on specific topics.
- In September, the co-convenors circulated a revised consolidated negotiating text reflecting progress made.
- Negotiators achieved convergence on eight of the 10 areas being discussed in the small groups.



Background

At the 11th Ministerial Conference in December 2017, groups of WTO members announced initiatives to advance talks on e-commerce, investment facilitation for development, micro, small and medium-sized enterprises, and domestic regulation in services trade. Groups of members have also launched three environmental initiatives – on trade and environmental sustainability, plastics pollution and environmentally sustainable plastics trade, and fossil fuel subsidies reform. An additional group of members is seeking to intensify efforts to increase women's participation in global trade. The groups are open to all WTO members.

In 2021, participants in the Joint Statement on Electronic Commerce continued to advance negotiations through small group meetings on specific issues aimed at delivering on their goal of substantial progress by the 12th Ministerial Conference (MC12).

Negotiations are based on members' textual proposals and are discussed under six broad themes: enabling e-commerce; openness and e-commerce; trust and e-commerce; cross-cutting issues; telecommunications; and market access.

New small groups on electronic invoicing, an electronic transactions framework and cybersecurity were established. Ten plenary meetings were held in 2021. In addition to reporting on the small group discussions, participants held dedicated discussions on other issues, including telecommunications, data flows and data localization, legal architecture, services market access and technical assistance.



86

A total of 86 WTO members are participating in the initiative.



The work undertaken promises more stability and predictability for consumers and businesses in a fast-growing sector of the digital economy.

DG Okonjo-Iweala

and authentication; unsolicited commercial electronic messages (spam); open government data; electronic contracts; transparency; paperless trading; and open internet access.

At a press conference held on 14 December, the co-convenors issued a joint statement acknowledging the progress made and highlighting the need for continued engagement to secure convergence on most remaining issues by the end of 2022.

DG Okonjo-Iweala said the progress achieved by negotiators participating in the joint statement would bring important benefits to smaller businesses and to women entrepreneurs. "The work undertaken promises more stability and predictability for consumers and businesses in a fast-growing sector of the digital economy," she said.

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.

The negotiations grew out of a joint statement issued by 71 trade ministers at MC11 in December 2017. Participation is open to all WTO members. The initiative had 86 WTO members by the end of 2021, accounting for over 90 per cent of global trade and representing all major geographical regions and levels of development.



In September, the co-convenors of the initiative, Ambassador George Mina (Australia), Ambassador Yamazaki Kazuyuki (Japan) and Ambassador Tan Hung Seng (Singapore), released a revised consolidated negotiating text, reflecting the progress made in the talks. The first had been issued in December 2020.

By December 2021, members had achieved convergence on eight of the 10 articles being negotiated in small groups: online consumer protection; electronic signatures

DG Okonjo-Iweala welcomes progress achieved by members of the Joint Statement on Electronic Commerce at a meeting in December 2021.

Investment facilitation for development

- The joint initiative negotiations on an agreement on investment facilitation for development made substantial progress in 2021.
- In December, over 110 WTO members co-sponsored a joint statement acknowledging this progress and stating the aim to conclude the text negotiations by the end of 2022.

The joint initiative on investment facilitation for development, coordinated by Ambassador Mathias Francke (Chile), aims at achieving a multilateral agreement that will facilitate foreign investment flows and ensure a more transparent, efficient and investment-friendly business climate.

Originally backed by 70 WTO signatories to a ministerial statement in December 2017, by the end of 2021 the number of participants had risen to over 110. The negotiating process is open to all WTO members, and much emphasis is put on outreach efforts.

In November 2019, 98 members signed a follow-up 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. The participating members launched the negotiations in September 2020.

In December 2021, in spite of the postponement of the 12th Ministerial Conference, the members of the initiative – over two-thirds of the WTO's membership – adopted a renewed Joint Statement on Investment Facilitation for Development.

The statement welcomed the advances in the negotiations, notably in key pillars and provisions mandated in the 2017 and 2019 joint statements. These included



The December 2021 joint statement marked an important milestone in the negotiations. This year, I encourage you to keep up the positive momentum.

Ambassador Mathias Francke (Chile)

ensuring the publication and transparency of investment measures, streamlining and speeding-up administrative procedures affecting investments, and enhancing international cooperation, information-sharing and the exchange of best practices to facilitate investment flows.

Participating members stated their aim was to conclude the text negotiations by the end of 2022. They also emphasized that the agreement's core objective was to facilitate greater participation by developing and least-developed members in global investment flows. They underlined the importance of technical assistance and support for capacity building.



110

The number of participants in the joint initiative on investment facilitation for development has risen to over 110.

The initiative does not address market access, investment protection and investor-state dispute settlement.

Participants engaged in intense negotiations throughout 2021, with over 10 plenary negotiating meetings and nearly as many intersessional ones. Small discussion groups gathered to advance on some complex issues, such as the scope of the future agreement. The objective for the end of 2021 was to achieve a negotiating text as advanced and clean as possible although not a "final" text.

The question of how to integrate the future agreement on investment facilitation for development in the WTO legal structure was also discussed.

Addressing the opening meeting of 2022 in January, Ambassador Francke said: "Last year, we made significant progress on the negotiating text, and the resulting December 2021 joint statement marked an important milestone in the negotiations. This year, I encourage you to keep up the positive momentum."

Mathias Francke chairs a meeting of the joint initiative on investment facilitation for development.



Micro, small and medium-sized enterprises

- In 2021, the Informal Working Group on Micro, Small and Medium-sized Enterprises (MSMEs) worked on implementing a package of six recommendations and declarations designed to help MSMEs trade more.
- In response to one of the recommendations, the WTO Secretariat launched a new database of information related to MSMEs contained in WTO members' trade policy reviews.
- The Group launched the Trade4MSMEs platform, with guidebooks and links to useful trade resources for MSMEs and policymakers.
- A draft ministerial declaration highlighting progress made by the Group was prepared for the 12th Ministerial Conference (MC12).

Members of the MSME Informal Working Group took steps to implement a package of six recommendations and declarations they endorsed in December 2020 to help MSMEs trade more internationally.

The first recommendation calls on WTO members to provide, on a voluntary basis, information on policies related to MSMEs during their trade policy reviews (TPRs). In response, a new database of MSME references in TPRs was developed by the WTO Secretariat to enhance transparency and disseminate good practice. A database of MSME-related information in regional trade agreements was launched in 2019.

The Group worked closely with the Global Trade Helpdesk team to review information relevant to MSMEs. The platform is a joint online resource of the International Trade Centre (ITC), the UN Conference on Trade and Development (UNCTAD) and the WTO.

Several members reported on actions to help keep the WTO's Integrated Database (IDB), the WTO's official source of tariff and trade-related information, up to date, with the aim of ensuring MSMEs have access to reliable and comprehensive information on tariffs and other market access data.

Group members also raised MSME-related discussions in the WTO Committee on Trade Facilitation and the Working Group on Trade, Debt and Finance.

In December, the Group launched the Trade4MSMEs platform, which features a road map for MSMEs on how to trade goods and services. It offers guides to policymakers on key MSME trade issues, with related descriptions and data sources, together with a list of other international support organizations. The website also includes searchable libraries of related content for MSMEs and policymakers. It was developed with the financial support of the United Kingdom's Trade and Investment Advocacy Fund (TAF2+) and UK Aid Direct.

In preparation for MC12, which was scheduled for the end of November, but had to be postponed because of COVID-19, the Informal Working Group met regularly to draft and finalize a MSME Group Declaration. The declaration welcomes the Group's December 2020 package of recommendations, the launch of the Trade4MSMEs platform and the establishment of the MSME regional trade agreement and trade policy review databases. Members also expressed support for MSMEs in their efforts to manage the impact of COVID-19. The Group will continue to monitor the pandemic's impact on MSME trade, promoting tools for MSME resilience, such as platforms that facilitate access to information.

The Group, together with the International Trade Centre and the International Chamber of Commerce, launched the "Digital Champions for Small Business" initiative in June 2021. Open to chambers of commerce, industry associations and non-governmental organizations, the initiative called for proposals aimed at supporting MSMEs in going digital to increase their participation in international trade.

The four winners, announced in December, were the Economic Chamber of North Macedonia, the Lima Chamber of Commerce (Peru), the Taiwan External Trade Development Council (Chinese Taipei) and TofaraOnline (Zimbabwe). They will receive training on the use of digital technologies from the initiative's partner organizations, including Zoom and Google. "Going online has allowed many MSMEs to survive during the COVID-19 pandemic. Those that did best were digitally prepared," DG Okonjo-Iweala told a virtual event to announce the winners.

Membership of the MSME Informal Working Group, launched at MC11 in December 2017 by 88 WTO members, has increased to 94, representing all levels of development and all regions of the world. Members account for more than 80 per cent of world exports. The Group, which is open to all members, continues to be chaired by Uruguay.

Gloria Abraham Peralta gavels the successful conclusion of negotiations on services domestic regulation.



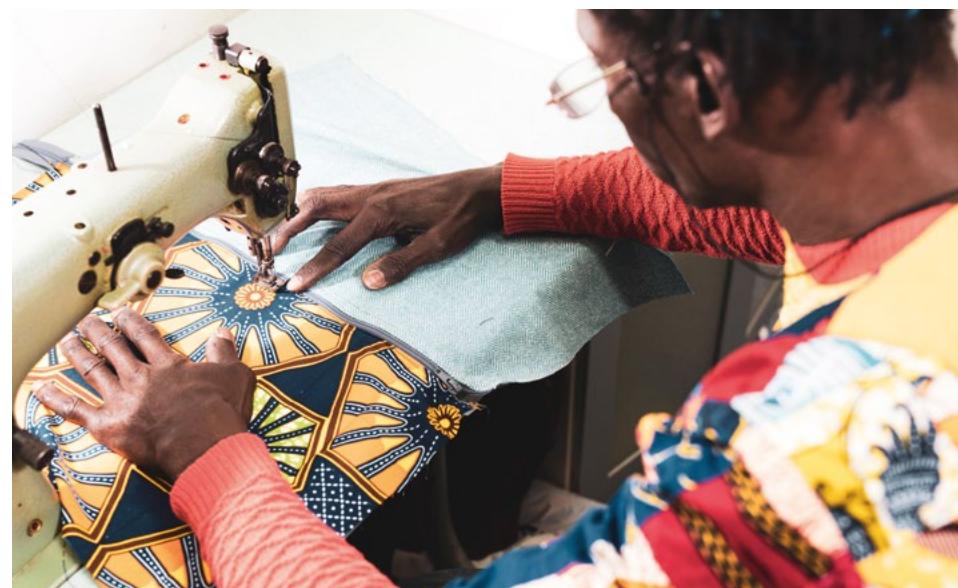
94

A total of 94 members participate in the MSME Informal Working Group.



Going online has allowed many MSMEs to survive during the COVID-19 pandemic. Those that did best were digitally prepared.

DG Okonjo-Iweala





Domestic regulation of trade in services

- Members participating in the Joint Initiative on Services Domestic Regulation successfully concluded negotiations on new disciplines launched in Buenos Aires in 2017.
- The agreement is the first set of rules on services approved at the WTO for 24 years.
- The new disciplines seek to make domestic processes regulating authorizations to supply a service clearer, more predictable and transparent, without being unduly burdensome.
- According to research by the WTO and the OECD, the services pact will save businesses, especially small businesses, US\$ 150 billion a year globally.

On 2 December 2021, 67 WTO members participating in the Joint Initiative on Services Domestic Regulation announced the successful conclusion of negotiations aimed at slashing administrative costs and creating a more transparent operating environment for service providers hoping to do business in foreign markets.

The agreement, which should produce huge cost savings for businesses large and small, is the first set of rules on services to be approved at the WTO in 24 years.



67
67 members participate in the joint initiative on services domestic regulation.

DG Okonjo-Iweala praised the achievement of participants, who account for about 90 per cent of world services trade. The deal "addresses a dynamic and fast-growing segment of global output. It will save businesses, especially small businesses, US\$ 150 billion annually in costs according to WTO and Organisation for Economic Co-operation and Development (OECD) research. It upgrades WTO rule-making. It shows the WTO is up and moving," she said.

The accord, for which negotiations were launched in Buenos Aires in 2017, lays down a set of disciplines to mitigate the unintended trade-restrictive effects of measures relating to licensing and qualification requirements and procedures, and technical standards.

The disciplines focus mainly on the transparency, predictability and effectiveness of procedures that businesses have to follow. They apply to all sectors where participants have undertaken commitments in their schedules for trade in services as well as to any other sectors that individual participants have designated.

The participants intend to incorporate the new disciplines as "additional commitments" in their WTO schedules. Services suppliers from all WTO members will be able to rely on these new commitments. Participants aim to submit their draft schedules incorporating the disciplines for certification by December 2022.

Members of the joint initiative intend to continue holding regular meetings, open to all WTO members and observers, to reflect on the way forward, including certification procedures. 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.



The deal will save businesses US\$ 150 billion annually in costs.
DG Okonjo-Iweala



Trade and environment initiatives

- Three WTO environment initiatives – Trade and Environmental Sustainability Structured Discussions, Plastics Pollution and Environmentally Sustainable Plastics Trade and Fossil Fuel Subsidies Reform – issued ministerial statements at a joint event in December.
- DG Okonjo-Iweala called the event “truly a historic moment for the WTO”.
- Participating ministers and high-level representatives stressed the multilateral trading system must contribute to a global response to the climate crisis and other environmental challenges.

Following the postponement of the 12th Ministerial Conference (MC12), co-sponsors of three WTO environmental initiatives issued ministerial statements at a joint event on 15 December at which they vowed to put environmental concerns at the heart of trade discussions. The initiatives are Trade and Environmental Sustainability Structured Discussions, Plastics Pollution and Environmentally Sustainable Plastics Trade and Fossil Fuel Subsidies Reform.



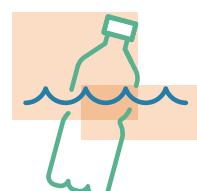
**The co-sponsors of these three ministerial statements are taking an important step forward on addressing key trade and environmental sustainability issues at the WTO.
DG Okonjo-Iweala**

In her keynote address, DG Okonjo-Iweala described the event as “truly a historic moment for the WTO”. “The co-sponsors of these three ministerial statements are taking an important step forward on addressing key trade and environmental sustainability issues at the WTO,” she said.

Participating ministers and high-level representatives stressed that the multilateral trading system and the WTO need to contribute to a global response to the climate crisis and other environmental challenges. Heads of international organizations and representatives from business and civil society welcomed the initiatives and the strong political signal of the statements.

Plastics pollution and environmentally sustainable plastics trade

The ministerial statement on the informal dialogue on plastics set out shared understandings for work in support of global



67

WTO members are participating in the informal dialogue on plastics.

efforts to reduce plastics pollution and to transition towards environmentally sustainable plastics trade.

The informal dialogue, launched at the WTO Trade and Environment Week in 2020, aims to complement and enhance existing discussions within the Committee on Trade and Environment (CTE) and other fora on plastics pollution. Open to all members, it had 67 co-sponsors at the end of 2021, accounting for around 68 per cent of global trade and 75 per cent of plastics trade.

The statement listed actions such as sharing experience on collecting data on plastics trade flows and supply chains, strengthening regulatory cooperation with other international bodies, identifying environmentally sustainable trade policies and mechanisms, and strengthening technical assistance for vulnerable economies.

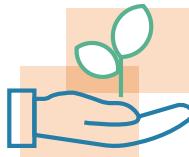
The informal dialogue explores how improved trade cooperation, within the rules and mechanisms of the WTO, can contribute to domestic, regional and global efforts to reduce plastics pollution and the transition to a more circular (see page 72) and environmentally sustainable global plastics economy.

Participants focused on six topics during the year: improving transparency and monitoring trade trends; promoting best practices; cooperating with other international processes and efforts; identifying the scope for collective approaches; strengthening policy coherence; and assessing capacity and technical assistance needs.

Trade and environmental sustainability

The ministerial statement on trade and environmental sustainability, issued by the initiative's 71 co-sponsors, sets out future work in areas such as trade and climate change, trade in environmental goods and services, the circular economy and sustainable supply chains. It also fixes a roadmap for advancing discussions in 2022.

Ambassadors Stephen de Boer (Canada) and Gloria Abraham Peralta (Costa Rica) jointly coordinate the discussions, which are open to



71

WTO members are participating in the discussions on trade and environmental sustainability.



45

WTO members signed the fossil fuel subsidies ministerial statement.

all members. Co-sponsors account for around 84 per cent of global trade and represent all regions and all levels of development. China and the United States joined the initiative at the end of 2021.

As with the plastics initiative, the discussions were launched during Environment Week 2020 to intensify work on important environmental challenges at the WTO. They aim to complement the work of the CTE and other WTO bodies and involve relevant international organizations, the business community, civil society and academic institutions.

Participants discussed trade-related climate measures, sustainable supply chains, trade in environmental goods and services, the circular economy, green aid for trade, fossil fuel subsidy reform and sustainable food and agriculture in five meetings in 2021. Opportunities and challenges for sustainable trade for developing countries and least-developed countries were cross-cutting themes.

Fossil fuel subsidies reform

Forty-five WTO members signed the fossil fuel subsidies ministerial statement, which cites inefficient fossil fuel subsidies as encouraging wasteful consumption and disadvantaging renewable energy. Such subsidies have continued to steadily increase in the past decade and were estimated at approximately US\$ 500 billion in 2019, it notes.

Proponents call for the rationalization and phase-out of subsidies along a clear timeline. However,



they recognize that reform needs to take fully into account the specific needs and conditions of developing countries and minimize the possible adverse impacts on their development.

The initiative, which builds on a 2017 ministerial statement urging “ambitious and effective disciplines on inefficient fossil fuel subsidies”, emphasizes that the WTO can play a central role in the reduction of trade and investment distortions caused by fossil fuel subsidies by achieving effective disciplines.

In concluding remarks at the joint event in December, DDG Jean-Marie Paugam said: “By joining hands across these three environmental endeavours, developing and developed countries can develop new and constructive trade solutions that can work for all and bridge any geopolitical divide or lack of trust.”



By joining hands across these three environmental endeavours, developing and developed countries can develop new and constructive trade solutions that can work for all.

DDG Jean-Marie Paugam



Informal Working Group on Trade and Gender

- The Informal Working Group on Trade and Gender approved a ministerial declaration to be adopted at the 12th Ministerial Conference. It is the WTO’s first formal declaration on trade and gender equality.
- The declaration instructs the Informal Group to draw up a two-year work programme and report to the General Council and the Ministerial Conference on progress.



127

The Informal Working Group currently has 127 proponents.

The Informal Working Group on Trade and Gender prepared a ministerial declaration on women’s economic empowerment within trade, which was set to be adopted at the 12th Ministerial Conference (MC12) in November until the meeting was postponed because of COVID-19. It is the first



formal declaration on trade and gender equality by the full WTO membership, underlining the organization's commitment to strengthening women's participation in trade.

The declaration instructs officials to formulate a two-year work plan with concrete action points, review work after a year and inform the General Council and the Ministerial Conference on progress. The Working Group is to continue to discuss the effect of the COVID-19 pandemic on women and explore avenues for an inclusive recovery that strengthens women's economic resilience.

The declaration calls for an increase in the breaking down by gender of data collection and analysis and for research initiatives to develop trade policy instruments and programmes aimed at increasing women's participation and leadership in trade. The declaration also calls for women's economic empowerment issues to be considered in the work of the WTO and for the mainstreaming of gender equality into Aid for Trade.

The Informal Working Group was launched in September 2020 to intensify WTO efforts to increase women's role in global trade. It followed on from an initiative, the Joint Declaration on Trade and Women's Economic Empowerment, launched on the margins of MC11 in Buenos Aires in 2017. It currently has 127 proponents among members and observers. The Working Group, whose meetings are open to all WTO members, is led by Botswana, El Salvador and Iceland.

The group's work focuses on four key elements: experience-sharing; considering the concept and scope for a "gender lens" to apply to the work of the WTO; reviewing analytical work undertaken; and contributing to the Aid for Trade work programme. In 2021, members discussed various trade instruments, policies and programmes in support of women in 12 different policy areas, such as the impact assessment of trade agreements on women, the promotion of female entrepreneurs and traders, and capacity-building and support schemes for women entrepreneurs and traders.



CASE STUDY

Trade supports women's economic empowerment in the Amazon

With the support of national and international organizations, the Government of Ecuador has developed an e-Commerce National Strategy which helps women entrepreneurs create websites to sell products internationally. All the income comes back to the communities.

One such community – the Association of Waorani Women in the Ecuadorian Amazon, with 160 members – supports women's economic empowerment while preserving the ecosystem and indigenous culture. Created by the National Women's Council in 2005, its projects are key to improving the economy and well-being of Waorani women and families and for the conservation of forests, especially, the Yasuní Biosphere Reserve.

Their projects are based on responsible agroforestry practices and environmental care and reforestation in areas affected by extractive industries. The Association focuses on capacity-building for products handmade from chambira palm fibre and for organic chocolate production.

In 2018, the Association started to export, aided by Ecuador's e-Commerce National Strategy, which provided assistance to create a website. The Association is planning to get a Fairtrade certification for its growing exports, for which the main market is Europe.

"As our grandmothers taught us to weave and protect the forest, to walk freely and happily, to sing like birds, so we will raise our daughters as our grandmothers taught us" – Waorani traditional song.