



General Council
27-28 July 2021

MINUTES OF MEETING

HELD IN VIRTUAL FORMAT ON 27-28 JULY 2021

Chairperson: H.E. Mr. Dacio Castillo (Honduras)

The Chairman bade farewell to H.E. Mr. Mārtiņš Kreituss (Latvia), H.E. Mr. Syamsul Bahri Siregar (Indonesia), H.E. Mr. Daniyar Mukashev (Kyrgyz Republic), H.E. Ms. Monique Van Daalen (The Netherlands), H.E. Mr. Thay Bunthon (Cambodia) and H.E. Mr. Yuriy Klymenko (Ukraine) and expressed appreciation for their valuable contribution during their time as Permanent Representatives.

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¹ The proposed agenda was circulated in document WT/GC/W/824.

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1 REPORT BY THE CHAIR OF THE TRADE NEGOTIATIONS COMMITTEE AND REPORT BY THE DIRECTOR-GENERAL

1.1. The Chair recalled that an Informal TNC meeting and Informal Heads of Delegation had been convened by the Director-General on Friday, 23 July. He invited the Director-General, as Chair of the TNC, to report on that meeting.

1.2. The Director-General provided the following statement²:

1.3. Since the General Council in May, the TNC has held three meetings on 25 June, 15 July³, and 23 July. My statements in these meetings have been circulated in documents JOB/TNC/93 to 96.

1.4. At the 25 June informal session, Members discussed the modalities for the 15 July Ministerial Meeting and had a focused discussion on where they stood on some of the possible deliverables for MC12 including the WTO's response to the pandemic, agriculture, dispute settlement and other issues they raised. 65 interventions were made throughout the meeting.

1.5. On 15 July, I convened a virtual Formal Session of the TNC at Ministerial Level on Fisheries Subsidies. It was the first of its kind in the WTO's history with 104 Ministers and Heads of Delegation, representing 128 Members and 1 Observer, participating in the discussions.

1.6. Factoring in statements by group coordinators, nearly all Members were represented in these statements. This is a record for the TNC, attesting to Members' commitment to the multilateral trading system, and the high importance attached to successfully concluding the fisheries subsidies negotiations. And I want to sincerely thank all of you and your Ministers and Heads of Delegation for this commitment.

1.7. I know that it was not easy doing it virtually, but we managed to pull it off.

1.8. Last Friday, 23 July, I organized another informal session to take stock of our work across the broad spectrum of issues that Members have been working on and to discuss the next steps from September as we draw closer to MC12.

1.9. We heard reports from the Chairs facilitating Members' efforts on Fisheries Subsidies, Agriculture, Services, Special and Differential Treatment and the DSU negotiations. A total of 50 interventions were made with delegations sharing their views on the way forward.

1.10. From what I have gathered from these discussions: Members see MC12 as an important milestone to deliver meaningful outcomes. However, gaps in all negotiating areas and ambition

² The Director-General's statement was also circulated in JOB/GC/265.

³ The Minutes of the 41st Formal Session of Trade Negotiations Committee – the Virtual TNC Meeting at the Ministerial Level on Fisheries Subsidies – was circulated in document TN/C/M/41.

levels differ – be it in agriculture, in fisheries subsidies, in S&DT or even the WTO's Pandemic Response. They are important gaps.

1.11. In spite of this, a lot of hard work has been put in by Members and Negotiating Group Chairs to move issues forward. There is a willingness to work together to have a successful MC12. I therefore highly commend all delegations and Chairs for this, particularly during the intense processes over the past weeks and days. I don't know about you - we have had so many meetings, so many consultations that finally one is beginning to feel the impact of that. I want to commend all of you because I know that many of you have other responsibilities to other institutions, not only the WTO - so well done.

1.12. Work continues this week – for example the CoA-SS will continue its meeting today and after the General Council on the 29th. I would like to pay tribute to Members and the Chair –Ambassador Gloria Peralta for her leadership and to thank the Agriculture Secretariat team and the delivery unit for supporting her.

1.13. As I said on Friday, while agriculture is a tough issue, and we have a long way to go – the good news is that everybody wants a package. I believe we can come up with something credible for MC12 as the will exists, but the ambition levels are quite different, as we know. We therefore have some work ahead and I look forward to the Chair's draft text this week under her own responsibility.

1.14. On fisheries subsidies, while important concerns remain to be addressed, Members have remained constructively engaged and I have sensed a genuine willingness to move forward. I sincerely thank all delegations and Ambassador Santiago Wills for this. We received political guidance from Ministers and Heads of Delegation to conclude the fisheries subsidies negotiations soon. Again, that does not mean that we do not take cognisance of the views of Members regarding what needs to be done with the existing text.

1.15. Last Friday Santiago outlined a two-stage process aimed at addressing the "Macro-issues" and the perceived imbalances in the text and then embarking on a more detailed line-by-line negotiation to get us to the finish line for a quality and meaningful outcome. I really want to thank him for coming up with this approach which will enable Members to engage, hopefully, substantially all along the process. He is currently further refining the proposed work plan through his outreach to delegations this week – and I look forward to its circulation. I understand that Ambassador Wills will circulate the workplan this week.

1.16. On Friday, I heard the call of some delegations for the release of the minutes of the Ministerial TNC on Fisheries Subsidies along with statements of Ministers. I just want to confirm that the Secretariat is finalizing the record which should be available by the end of the week.

1.17. Discussions are also ongoing on the Concept Note for a WTO Funding Mechanism in fisheries subsidies, and I heard loud and clear the discomfort expressed by some delegations, which I said we will address one-by-one.

1.18. However, let me re-emphasize what I said on Friday. The Funding Mechanism is in no way meant to prejudge the fisheries subsidies negotiations outcome nor be a substitute for structural issues. This capacity support is not intended to be forced on anyone. It is meant for only those who want to use it and will be demand driven. The idea of starting early is to be prepared in case it is needed after the negotiations are completed. As a former Finance Minister, I am mindful of budget cycles and we need to get in early with some countries so that they can integrate it into their budget cycle. I will continue my outreach efforts on this in the coming weeks.

1.19. Another important issue which has been raised is dispute settlement – where at a minimum, a common understanding on the needed reforms is what many are seeking for MC12. I think this is an appropriate level of ambition for this issue. Everyone heard what was said on Friday and I believe the GC Chair will provide a report on his consultations on this under Agenda Item 7.

1.20. WTO Reform is another area with a clear desire by Members for engagement, and the idea of a Working Group is welcomed. However, from what I have heard in my meetings and outreach to different groups of Members, views on what constitutes WTO Reform differ. And I shared this at the

TNC. Therefore, let me repeat a little bit what I said, which is that Members need first of all to come to a common understanding of what is meant by WTO reform before embarking on it. I look forward to the GC Chair's report on this also under Agenda item 7.

1.21. Finally, the WTO's Pandemic Response, where there is unanimous support from Members that the WTO should address this urgently – not only for now, but for the future. Lives are at stake. As Ambassador Parola said on Friday, it would be embarrassing if we did not have a credible outcome here. And I believe that we have the essential ingredients before us to deliver something credible soon – the world is expecting it from us.

1.22. So, let me again commend the GC Chair for the horizontal multilateral process he has initiated, and I look forward to hearing Ambassador Walker's report and the presentation of communications from Members under Agenda Items 7 and 8. Let me again thank and commend Ambassador Spencer and Tan for the work they have done on this which has been integrated into Ambassador Walker's own work.

1.23. I think we also have to step back and give ourselves a little pat on the back. Sometimes we are very hard on ourselves. In the past four months, the WTO has achieved a lot. It has been placed squarely at the heart of the solution to the Pandemic. We have strengthened our ties with other international organizations, and we have reached out to the private sector including manufacturers. So, let's take further concrete steps and deliver a collective and credible outcome for the people we are here to serve by MC12.

1.24. In terms of the way forward, the Chairs facilitating Members' discussions have laid out plans for work in various configurations from September to MC12 – which we heard on Friday. And we will hear more when they release more information on the workplan.

1.25. Delegations are also actively reaching out to each other albeit mostly to coordinate like-minded positions. That is why I have continued to urge you all to reach out to those on the other side – if we are going to deliver meaningful outcomes in the short time left. And I thank you for the efforts you have been making already.

1.26. Chair, a lot of hard work has taken place over the nearly five months since I took office as Director-General and Chair of the TNC. Credit is due to all delegations – both at the HoDs and experts level for their constructive engagement. Special thanks go to all the Chairs, facilitators and the Secretariat teams who have worked very hard to assist Members.

1.27. It is the end of July and much remains to be done. We certainly have a tough road ahead of us.

1.28. Although there are a lot of obstacles on our way, I remain hopeful that everyone is willing to put in the effort for us to deliver high quality results. As I said on Friday, we will continue to reach out with optimism and with smiles. But for us to do that quickly and arrive at mutually agreeable solutions, we need to start building convergence and reaching out to delegations on the other side of the aisle.

1.29. If we are to achieve anything meaningful, we need to focus on a limited number of issues for delivery before or by MC12 – three or four at the maximum and intensify processes from 1 September as laid out by the Chairs or Facilitators.

1.30. Given where we are today – from what I have heard in the past months and last week – intensifying efforts on some areas such as Fisheries Subsidies, Agriculture, the WTO's Response to the Pandemic, WTO reform and dispute settlement – seems reasonable and could take us within the realm of what could be possible for delivery. If we deliver successfully on even two of these – that would be a major outcome for the organization.

1.31. There are other critical areas such as S&DT – a central tenet of the WTO which we must also aim to work hard on. While cognisant of the difficulties involved, I really urge all Members to remain engaged with the Chair and the G90 to see how practically we can move forward the specific proposals that have been put on the table. Members may also have to address this issue in a broader way down the line.

1.32. In addition, other equally important areas of interest to membership are there and work is ongoing either multilaterally or amongst groups. On some of these, converging on a strong, credible political commitment – including by defining meaningful work programmes or work calendars to conclude and continue work – post MC12, might be the most pragmatic route.

1.33. In a Member-driven organization – the ball is in your court. But as Director-General and TNC Chair, you have also entrusted me with the responsibility of facilitating your efforts – together with the Chairs – to deliver credible and meaningful results for the people we are here to serve.

1.34. Chair, before I conclude my report, I would like to ask your indulgence and use this opportunity to update Members on the WTO Secretariat Structural Review. We just got in some results, and I know this is the only opportunity I will have to share what we have before we go so please, if you permit me.

1.35. Delegations will recall that I mentioned this issue at our meeting on 25 June and sent you a short note on the way that McKinsey – who was chosen to undertake the review – was looking to consult with you. I would like to thank all Members who participated and contributed to the process. I understand that it went quite well and there were focus groups of almost 20 Members at a time. Over 60 Members participated in these sessions.

1.36. Insights from the Member Consultation sessions were used to complement the findings from other sources such as staff surveys – again we had very good luck with the staff survey, with a 50%+ response rate – which McKinsey tells me that in their experience was quite high. It is normally 30 – 40% so our staff really engaged in the process.

1.37. Along the different Member consultation sessions, the areas of strength that were identified included that the WTO Secretariat was clearly perceived to have highly capable staff with deep content knowledge and expertise, driven by the purpose of the WTO and by the desire to serve its Members. In addition, a second area of strength was that staff felt comfortable in the ecosystem in which they were working. They found their ecosystem to be favourable and this may be because the Secretariat has made progress in recent years in strengthening its procedures and infrastructure working more efficiently than before, but more remains to be done.

1.38. However, a few recurring improvement areas were identified: First, lack of clarity about the strategic direction and priorities of the Secretariat, with a large majority of Members confirming that there is potential for the Secretariat to amplify the WTO's overall impact by having a clearer vision and strategic priorities;

1.39. Second, regarding the organizational structure, it is perceived there should be more cross divisional collaboration when working on horizontal topics, instead of working in siloes which creates uncoordinated meetings and answers;

1.40. Third, some Members highlighted that they feel the workload across teams and Divisions is distributed in an unequal way and that due to rigid structures no dynamic allocation of staff is possible;

1.41. Fourth, processes are not always perceived to be streamlined or run in the most efficient way, despite some improvements. With some perception of duplicated activities, and not knowing whom to engage on cross-cutting topics. In addition, Members mentioned that the communication process could be strengthened (communication with Members and other senior management as well as external communication relating to meeting outcomes) and that in some cases there was a lack of follow up or integration of Members' inputs;

1.42. Last, on technology some Members mentioned the potential to improve how information is made available – e.g., the need to use multiple different systems to get information.

1.43. So, some weaknesses that have come up when you integrate all the information that has been put together. I will just go quickly through as we don't have time. They are as follows: Lack of a strategic direction; Ineffective structure and siloed ways of working; Rigid resource allocation; Weak approaches to talent management; processes, recruitment and promotion; Inefficient operational processes; Some disconnect between staff and management with respect to the

effectiveness of the organization; Not leveraging data and technology to full potential, and; Lack of outward looking orientation and innovative culture.

1.44. In terms of next steps –based on these findings we will develop an action plan and initiatives for implementation aimed at serving you – the membership better. And at strengthening for the staff the motivation to work in the organization and deliver better.

1.45. In closing my report under this agenda item, I would like to echo the GC Chair's call last week to all delegations to please come back in early September with a solutions-oriented mindset and the energy to constructively engage in the intensified processes ahead to ensure that we can deliver meaningful results before and at MC12.

1.46. I have urged you often to find flexibilities and compromise within your own national positions, which will be necessary to get to 'yes' in the months after the break. In this regard, I was so inspired by the Robert Burns lines that Ambassador Manley quoted on Friday that I looked them up over the weekend. As some of you may know, I like reading poetry – one of my sons is a poet. I was surprised to learn that the poem was actually about resisting and defeating an English invasion! The good news is that the concessions we need to deliver results this year are vastly more modest than defeating the British. So, I want to echo Ambassador Manley, and Burns, by urging you to come back on September 1 with this in mind: "Now is the day, now is the hour!"

1.47. The Chair thanked the Director-General for her report, and for her tireless engagement, efforts, and collaboration. He did not expect a long discussion under this item and noted that statements made at the TNC meeting of 23 July would be reflected in the minutes of this General Council meeting.⁴

1.48. The General Council took note of the report of the Director-General.

2 IMPLEMENTATION OF THE BALI, NAIROBI AND BUENOS AIRES OUTCOMES – STATEMENT BY THE CHAIRMAN

2.1. The Chair recalled⁵ that the item remained on the agenda so that the General Council could continue to follow up, in a horizontal and transparent manner, on the Ministerial decisions adopted in Bali, Nairobi and Buenos Aires. His report that day was based on the information provided by the Chairs of the regular bodies on the implementation work taking place further to Ministerial mandates in their respective areas. For some issues, including the Work Programme on Small Economies and the Work Programme on Ecommerce, there would be separate items later in the agenda.

2.2. Regarding TRIPS non-violation and situation complaints, he understood that there had been no new substantive developments to date. Members had largely reiterated their known positions regarding the applicability of NVCs in TRIPS, and the Chair would continue to seek engagement from Members ahead of the next TRIPS Council meeting.

2.3. There were a few matters to report in the area of Agriculture. In particular, concerning the Ministerial Decision on Public Stockholding for Food Security Purposes, the Committee on Agriculture had reviewed notifications by a Member invoking the Decision for the breach of the de minimis limit for rice for the marketing years 2018/19 and 2019/20, including at its latest meeting in June.

2.4. As regards the follow-up to the Bali TRQ Decision, Members had been engaged to find a solution to the outstanding issue of the future operation of paragraph 4 of the underfill mechanism within the agreed deadline of December 2021. The Chair of the Committee on Agriculture had held consultations on this issue in various formats, and Members had put forward some concrete textual suggestions.

2.5. Regarding the implementation of the Nairobi Decision on Export Competition, the Committee on Agriculture had continued its deliberations on the second triennial review of the Decision at its

⁴ The Director-General's report and the reports of the Chairs of Negotiating Bodies at the 23 July Informal TNC and Informal HODs Meeting were circulated in document JOB/TNC/96. At his request, the report of the Chair of the CTE SS was subsequently circulated in document TN/TE/25. They are reproduced in Annex I to this document.

⁵ The Chair's statement was circulated in document JOB/GC/266.

June meeting. The Secretariat had circulated few days ago the background document that would serve as a basis for the next dedicated discussion on export competition planned during the September 2021 CoA meeting.

2.6. Turning to the LDC Services Waiver, following an initial proposal by the LDC Group, the Council for Trade in Services had held a webinar on "Least Developed Country services export performance and facilitating implementation of preferences notified under the LDC Services Waiver". At the subsequent meeting of the Council, Members had shared their reflections on the event.

2.7. All delegations who intervened had expressed appreciation for the webinar. Many had noted that the event had illustrated the opportunities and challenges faced by LDC suppliers in participating in global services trade, while also highlighting the significant gaps in LDC services trade data. The LDC Group had put forward a number of suggestions for next steps and had indicated that it would submit them in writing, for further reflection.

2.8. In the area of Preferential Rules of Origin for LDCs at the meeting of the Committee on Rules of Origin in May, a number of items related to the implementation of the Ministerial Decisions had been raised. In relation to transparency, almost all preference-granting Members, except two, had notified their preferential rules of origin for LDCs. There had also been some progress on coverage of import statistics. Full notifications had been received from several preference-granting Members. The Chair understood that there were still some important gaps in the statistics, which hindered the ability of the Committee to comprehensively monitor the utilization of those preferences. On this, the Secretariat had continued to examine patterns in the utilization of trade preferences by LDCs and had presented a report analysing trends for a 5-year period. In addition, a webinar had taken place in May on preference utilization. He encouraged delegations to visit the WTO website to review the available materials. Also in May, several Members had updated the Committee on recent developments in their preference schemes.

2.9. Regarding Duty-Free Quota-Free market access for LDCs, at the last CTD meeting, a number of Members had provided updated information on their DFQF schemes for LDCs. At the next meeting in November, the Committee would undertake its annual review of the steps taken by Members to provide DFQF market access to LDCs.

2.10. Regarding the Monitoring Mechanism for S&D, the situation remained the same. The CTD Chair once again had urged Members to come to a common understanding on how to move forward with the Mechanism. He had also indicated his intention to work with Members in informal settings to explore ways to make the Mechanism operational.

2.11. Concerning the Working Group on Trade and Transfer of Technology, he understood that at the May meeting some Members stressed that advancing the work in that area had become imperative because of COVID-19, including in the context of assisting LDCs level-up their development. The Chair had initiated a process of informal consultations to assess how to revive work and what could be done differently to fulfil the mandate.

2.12. 2.13. Regarding Aid for Trade, a formal meeting of the CTD's Aid for Trade session had been held to launch preparations for the 2020-2022 monitoring and evaluation exercise. The CTD Chair had given an overview of the plans for the exercise in terms of themes to be addressed, timelines and survey methods. The Secretariat had prepared draft monitoring and evaluation questionnaires, and Members had been invited to provide comments by the end of August. A further informal session to discuss those comments would be scheduled. The monitoring and evaluation exercise would then be launched, with a deadline for responses at the end of the year. The results of that exercise would be presented at the Eighth Global Review of Aid for Trade, which was envisaged for mid-2022.

2.13. And finally, on Trade Facilitation, the Committee continued its work on the four-year review of the TFA, and aimed to have it completed ahead of MC12. The rate of implementation commitments stood at just over 70% for the entire Membership and at 61% for developing country Members and LDCs. The rate of ratification remained at 94% with 9 Members still to ratify.

2.14. The representative of Chad provided the following statement:

2.15. We reiterate the importance of the implementation of the decisions in favour of LDCs, with the aim of accelerating and increasing our integration into global trade, with positive outcomes on the creation of employment and the reduction of poverty. An effective operationalization of previous decisions taken in favour of LDCs is more than ever crucial at this time of financial crisis, when our economies are particularly affected and the diversification of our productive capacity and of our export potential is ever more necessary. The LDC Group will publish its proposal on the implementation of decisions in favour of LDCs in order to share our expectations with Members just after the summer break.

2.16. The LDC Group would like to thank Members who have notified their preferences and will call on those who have not done so to do it for market access, DFQS and for the services waiver. We need to notify more if we are to ensure the implementation of these decisions. As far as work on notifications is concerned for the implementation of the services waiver, the LDC group has co-organized a workshop with the Council for Trade in Services that took place in June. We would like to thank the Chair, the Secretariat and the Members for the success of that workshop and we note that in the future and in the context of the preparations for MC12, that we will be able to take stock of the outcomes of the workshop and of any upcoming recommendation. The surveys can be conceived or designed to provide indications with regard to the services exports of LDCs through digital intermediary platforms, in line with the OECD, WTO, IMF handbook to measure digital trade, published in 2020. Furthermore, we think it is useful for Members who are notifying to be aware every year of the initiatives taken by LDCs in order to provide guidance for LDC exporters with regard to how to use preferences and also to provide information about consumers within their market who actually use the LDCs' services. The WTO should also put into place a LDCs' services online portal which would look at the obstacles and challenges and also the best practices in operationalizing the preferences.

2.17. We intend to present recommendations at the 12th Ministerial Conference to look at the stocktake of the situation from here to the 13th Ministerial Conference. That could include exploring any improvement with regard to the level of services exports from LDCs. Additional preparation can be done to improve preferences in order to allow the growth of LDCs' participation in trade in services within preference-granting Members requesting LDCs' services, as well as an assessment of the options beyond the preferences themselves, in order to facilitate the utilization of these preferences, and an assessment of any change in information about the rebound of LDC services or new opportunities since the pandemic and if the waiver should be made permanent, given the difficulties in collecting data, the complexities with regard to information as well as the fluctuating capacities in LDCs.

2.18. As far as preferential rules of origin for LDCs are concerned, we welcome the work undertaken up until now within the Committee on Rules of Origin with the implementation of the Ministerial Decisions of Bali and Nairobi. We also call on Members to examine our submissions which have been made within the Committee on Rules of Origin, identifying best practices and the areas which perhaps need reform in terms of rules of origin, if we are to ensure that they align their regimes on preferential rules of origin within our Ministerial Decision.

2.19. Finally, with regard to the 12th Ministerial Conference, the LDC Group will submit a draft text on preferential rules of origin for LDCs, so that Members can review it and integrate it into the Ministerial Declaration, placing emphasis on relaunching the work of the Committee on Rules of Origin, looking to assess the links between requirements in terms of origin and utilization of trade preferences, whilst also identifying and recommending best practices to Members.

2.20. The representative of Indonesia provided the following statement:

2.21. During my time in Geneva, I witnessed the Appellate Body becoming dysfunctional, multilateral mandates being atrophied and pushed under the carpet, changes in language and a growing indifference to the concerns of developing countries and LDCs. The pandemic is a classic example where we could have collectively provided a credible response to the pandemic with some new ideas and initiatives out of the toolbox. I am saddened by the constant business-as-usual approaches and this long-established tradition of working together for the global public good, like equitable access to vaccines, appear to be floundering. However, I remain optimistic and hope that there will be a turnaround for the better in the near future.

2.22. Indonesia continues to reiterate its priority and need to deliver the mandated issues in agriculture and fisheries subsidies for MC12, based on the Bali, Nairobi and Buenos Aires outcomes. On agriculture, we believe that MC12 should not leave without a meaningful outcome towards the establishment of a permanent solution on public stockholding for food security and a comprehensive and balanced outcome on the Special Safeguard Mechanism. Agriculture reform is urgently needed to create a fair discipline that addresses the current pandemic challenges and its impact on food security. Indonesia welcomes Members' proposals that provide options for the conclusion of the permanent solution on PSH, such as the one submitted by the African Group, to help provide a common basis upon which further negotiation on the development of new rules on PSH can proceed. In this regard, Indonesia with cosponsoring Members also has presented a draft permanent solution for PSH. We hope it is a realistic and viable proposal that could work as a basis for discussion towards MC12. Indonesia requests all Members to sincerely consider the proposal during the upcoming CoASS on 29 July.

2.23. On fisheries subsidies, we urge Members to remain in line with the Buenos Aires mandate in prohibiting subsidies that contribute to overfishing and overcapacity, while reserving special and differential treatment. Respecting the principle of common but differentiated responsibility in this discipline is a key ingredient to achieve a balanced discipline. We note that much work needs to be done to resolve imbalances and other technical issues to move forward with this negotiation, but we are optimistic that we would resolve those imbalances in our upcoming negotiation after the summer break.

2.24. The representative of Tanzania provided the following statement:

2.25. I would like to align my statement with the statement of the LDCs Regarding the Nairobi Decision on Preferential Rules of Origin for LDCs, my delegation commends on the work undertaken so far by the Committee on Rules of Origin. The Committee assessed the utilization by LDCs of a number of preferential programs of preference-granting Members. In all the assessments done, the results indicate that the utilization of preferences by LDCs still stand low and rules of origin applicable to LDCs' imports from the respective preference granting members are not yet aligned to the Nairobi Decision. Therefore, it is correct to assert that there hasn't been a substantial progress in implementing the requirements of the Nairobi Decision such as to allow 75% of None Originating Materials of inputs used by LDCs, flexible cumulation, simplification of rules on Change of Tariff Classification (CTC) and documentary requirements.

2.26. It is high time for preference-granting Members to seriously consider reforming their rules of origin applicable to LDCs' imports based on the Nairobi Decision and best practices identified in the Committee on Rules of Origin (CRO). Preference-granting Members also need to share in the Committee on Rules of Origin, the experience of administering their respective rules of origin in relation to the utilization of preferences by LDCs.

2.27. In our view, the MC12 Ministerial Declaration should ensure that Members reaffirm their commitment to expeditiously implement in full the Bali and Nairobi outcomes in favour of LDCs, particularly on preferential services and rules of origin.

2.28. The representative of the European Union provided the following statement:

2.29. The Nairobi Ministerial Decision on Export Competition was adopted in December 2015. The European Union continues to urge the remaining Members that have not yet submitted their revised schedules, to make the necessary schedule modifications to eliminate export subsidy commitments as soon as possible and indeed in time for MC12.

2.30. The 2021 Export Competition Questionnaire was the first occasion on which developing countries were required to submit replies. The European Union is disappointed with the low response rate. We will be interested to discuss this further in the regular Committee on Agriculture in September. The European Union also looks forward to the discussion in the Committee on Agriculture regular meetings on the triennial review of the Nairobi Decision. We count on Members' active participation on how to enhance disciplines and ensure no circumvention of commitments.

2.31. The European Union notes that India has invoked the Bali Ministerial Decision on public stockholding for the second time in its DS:1 notification submitted on 8 April 2021. This notification

was examined in the June Regular Committee on Agriculture together with the remaining questions from last year's notification to which India still has to reply in full. We look forward to further engagement in the next regular Committee on Agriculture meeting.

2.32. On the Bali Ministerial Decision on Tariff Rate Quota (TRQ) administration, the European Union is pleased to see the progress made in the last regular Committee on Agriculture on the Bali TRQ review, and in particular the text on changing the wording for the under-fill mechanism, which was proposed by Costa Rica. We are optimistic that further progress can be made in the coming regular Committee on Agriculture. We urge the membership to engage on this issue and work constructively. We would underline that the result of the discussion on this in the regular Committee on Agriculture should lead to a decision by Ministers at MC12.

2.33. The representative of India provided the following statement:

2.34. As we work towards outcomes for MC12, we would like to reiterate the Ministerial mandates from Bali and Nairobi regarding an effective, permanent outcome on public stockholding for food security purposes. The Ministerial mandate for PSH is clear, that the PSH negotiations have to be on an accelerated, separate track, any effort to link these discussions with other pillars is undermining the Ministerial mandate. If the WTO membership cannot deliver on the mandated issues of the past Ministerial meetings, then first, its competency comes under question, second, it leaves a doubt in the mind whether it will honour in the future the outcomes of MC12, if any. In a nutshell, the credibility of the WTO hinges on the outcomes of the Bali and Nairobi Ministerial mandates, especially when food security issues have become pronounced due to the ongoing pandemic. The scale and its continuous resurgence over different parts of the world indicate that the pandemic may not be easing anytime soon. In these unprecedented times, the WTO should get out of the self-imposed impasse and redeem itself by delivering a permanent solution on the PSH.

2.35. Pursuant to the Bali Ministerial Decision on Public Stockholding for Food Security Purposes and the General Council Decision of 2014, as contained in document WT/L/939, India notified the Committee on Agriculture that it has exceeded the de minimis level of market price support for rice for the marketing year 2018-2019 and 2019-20. India's public stockholding programmes for food security purposes, covering rice and several other commodities, have been consistently reported in its Table DS:1 notification since 1995. India has been constructively engaging on this issue with other Members in the meetings of the Committee on Agriculture and the Committee on Agriculture in Special Session. We do not support linking PSH outcomes with outcomes in other pillars. A simple, efficient, and permanent solution on extending PSH for food security purposes to new programs and new products is therefore a key deliverable. In this regard, I suggest that the new submissions by the Africa Group and the proposal being worked upon by G33 are a good basis for CoA SS to take the process forward.

2.36. The proponents calling for transparency should lead by example. It is seen that this one flag bearer of transparency submitted DS:1 Notification for the marketing year 2018-19 in May 2021 many months past the deadline of 30 September 2019. (Table DS:1 for the Marketing Year 2018-19 was notified on 17 May 2021 via G/AG/N/EU/69). The Member has not submitted its DS:1 Notification for 2019-20, which is due for more than 10 months now. The Member gave its reasons in the past to explain the delay. While it feels it can have reasons not to notify on time, it is ironical, it does not see others can also have genuine reasons for not notifying on time. As a responsible member of the WTO, India is conscious of its notification obligations and has been making consistent efforts to comply with them. Our Domestic Support and Market Access notifications are up to date. Our track record with meeting our transparency obligations has been much better than that of several Members pressing for enhanced transparency at the WTO.

2.37. The representative of the United Kingdom provided the following statement:

2.38. Proposals for a new UK Developing Countries Trading Scheme will replace the GSP and we have invited colleagues' views on the scheme. This is due to come into effect next year. It will be more sustainable, pro-growth and simpler. We are looking to be best of class. Live consultations are underway until 12 September and we welcome Members' feedback.

2.39. The representative of South Africa provided the following statement:

2.40. In Bali, Ministers instructed the Trade Negotiations Committee to work on the remaining Doha Development Agenda issues, particularly on agriculture, development and LDC issues. This work remains outstanding and is even more important in the context of the COVID-19 pandemic that will have a disproportionate impact on developing countries. COVID-19 will have significant implications on food security. Already 174 million people across 58 countries are grappling with serious food consumption gaps or above-usual acute malnutrition, i.e. serious levels of food insecurity. The WTO will need to prioritise agriculture and deliver a food and livelihoods agenda at MC12.

2.41. The General Council took note of the Chairman's statement as circulated in document JOB/GC/266 and of the statements by Members.

3 WORK PROGRAMME ON SMALL ECONOMIES – REPORT BY THE CHAIRMAN OF THE DEDICATED SESSION OF THE COMMITTEE ON TRADE AND DEVELOPMENT

3.1. The Chair recalled that in line with the agreement in the General Council in 2002, the Work Programme on Small Economies was a standing item on the agenda and the Committee on Trade and Development reported regularly on the progress of work in its Dedicated Sessions. In Buenos Aires, Ministers had reaffirmed their commitment to the Work Programme and instructed the CTD to continue its work in Dedicated Sessions under the overall responsibility of the General Council. He invited Ambassador Piracha to provide his report.

3.2. Ambassador Muhammad Mujtaba Piracha (Pakistan), Chairman of the Dedicated Session of the CTD, provided the following report:

3.3. I am pleased to inform Members that a meeting of the CTD's Dedicated Session on Small Economies was held on July 6th. The meeting was convened to discuss the economic and trade impact of natural disasters on small economies. As part of this discussion, presentations were made by experts from the FAO, the ITC, UNCTAD and the WTO. Presentations were also made by Ecuador, and Saint Vincent and the Grenadines – members of the Group of Small, Vulnerable Economies – on their national experiences in this regard. The presentations, and the subsequent discussion, pointed to the difficulties faced by small economies in coping with natural disasters. Some ideas were shared on what could be done to allow small economies to be in a better position to deal with the negative effects of these disasters. Overall, I believe the meeting proved very useful and instructive.

3.4. The Dedicated Session will have some work to do in preparation for MC12. In particular, going by past practice, the Dedicated Session will need to approve a report to the General Council, which would contain a summary of the work undertaken since the last Ministerial Conference. This report, in the past, has also contained the elements of an agreed text for a decision on the Work Programme on Small Economies, particularly the possible elements of future work. As I mentioned in my intervention at the General Council meeting of 5 May, I have been given to understand that the SVE Group Coordinator will be consulting with Members on this matter. The objective of the SVE Group would be to eventually table a proposed text for a Ministerial Decision on the Work Programme on Small Economies in the Dedicated Session, for approval by Members. I shall remain in touch with the SVE Group Coordinator, as well as with other Members, in this regard, and will be convening a meeting of the Dedicated Session after the summer break.

3.5. The representative of Guatemala provided the following statement:

3.6. After several consultations with different Members, my delegation is very pleased that the session on the economic and trade effects of natural disasters on small economies has finally taken place. This session is of utmost importance as many small and vulnerable economies, such as Guatemala, are subject to extreme weather events and natural disasters. During the session, important participants from international organizations such as the FAO, UNCTAD, the WTO, and the ITC presented data and information on the devastating effects of such disasters on small economies. During their presentations they shared valuable information on their experiences and recommendations for measures to help small economies to improve their resilience in order to offset the adverse effects of such disasters. In addition to these presentations, several small and vulnerable economies took the floor to share their national experiences.

3.7. My delegation concludes from these discussions that natural disasters have a serious impact on infrastructure, logistics and communications in affected countries and, as a consequence, in many

cases hinder the flow of goods and services that are necessary to maintain a stable economy. It is important to continue to discuss how the WTO can help small economies, particularly when they are affected by disasters such as these. During the meeting, the importance of measuring the impact of such disasters on world trade was highlighted, as it is important to establish the factual basis in order to work on possible ways and solutions to reduce the impact that such disasters can have on small economies. Given that the WTO already monitors trade flows globally, we believe that it could work with international organizations such as the FAO to measure the effects of natural disasters on trade.

3.8. The representative of Barbados, on behalf of CARICOM, delivered the following statement:

3.9. CARICOM was particularly pleased with the convening of the CTD's Dedicated Session on small economies on 6 July, which specifically addresses economic and trade impacts of natural disasters on small economies. We welcome the presentations by FAO, ITC, UNCTAD and the WTO Secretariat. We are also gratified that Saint Vincent and the Grenadines, members of CARICOM, were able to make a presentation which demonstrated the reality of many small vulnerable economies that are exposed to natural disasters of many varieties. The case of Saint Vincent and the Grenadines includes having to deal simultaneously with volcanic eruption and also Atlantic hurricanes. We are also highly appreciative of the hard and dedicated work of the permanent delegation of Guatemala and the WTO Secretariat in making the dedicated session a reality and a success.

3.10. Most of the populations of CARICOM countries live in high-risk areas. They are exposed to sea level rise, weak infrastructure and heavy reliance on climate sensitive sectors such as tourism, agricultures and fisheries. We anticipate that, as climate change compounds the problem of natural disasters in making them more severe and frequent, the impact on the economies of our countries could consequently be more severe. Natural disasters undermine our ability to attain macroeconomic and development goals and to break free from the vicious cycle of low-growth and high-debt prevalent in the Caribbean region. The high costs incurred by climate-induced events have also contributed to the region's high public debt, with as much as 15% of the debt accumulated by some countries over the previous decade being attributable to post-disaster reconstruction and investment in building disaster resilience. These problems also limit our fuller integration into the multilateral trading system. Therefore, even as we seek to find solutions combatting the deadly global public health pandemic which we are currently facing, we cannot afford to relegate the susceptibilities of SVEs to other exogenous shocks, natural disasters and the effects of climate change to the background. It is, therefore, incumbent upon us to keep these issues alive. Moving ahead towards MC12, our aim is to gain a renewal commitment for Ministers to reaffirm the Work Programme on Small Economies in the form of a Ministerial Decision.

3.11. I now deliver a brief statement on behalf of Barbados. The Work Programme on Small Economies continues to be of particular importance to Barbados. The topic that will be open for discussion today is one which speaks to the core of our vulnerabilities. Barbados thanks the Chair of the CTD for his report and for convening the Dedicated Session on small economies, which focused, as I mentioned before, on the economic and trade impact of natural disasters on small economies. Small economies are susceptible to natural disasters and over the last years many have been exposed to meteorological and geophysical hazards. These hazards range from hurricanes and cyclones in the Pacific to volcanic eruptions, droughts and flooding. Inherent vulnerabilities of small vulnerable island economies have been exacerbated by greater threats such as extreme weather events and climate change. As I said earlier, this is something that cannot be overstated. On 2 July, for the first time in 67 years, Barbados was hit by a major storm. Whilst the extent of damages is still being assessed, it caused disruptions to our tourism sector through the closure of our airport and stagnating commercial activity in the entire country.

3.12. The impact of the eruption of the Soufriere volcano on Barbados is evidence that natural disasters do not need to have a direct or immediate impact on a country to have a significant impact on that country. Our dependence on trade and our ability to influence shipping goods or large shipping liners entails that supply chain disruptions caused by natural disasters have a knock-on impact on food security for small vulnerable economies like Barbados, whose container volumes are incredibly small. Like other small vulnerable economies, Barbados is highly dependent on trade, food security and inputs into other sectors including the tourism sector. As such, given Barbados is dependent on interregional trade, and the country's ability to trade – mainly through the import and export goods – is therefore curtailed for some time during this period.

3.13. In light of the impact of natural disasters, we would like to continue to discuss the situation relating to the high levels of debt. Vulnerable economies consider it to be timely to have wider discussions on this issue at the WTO, particularly in the lead up to the Ministerial. We truly believe that it is time for us to examine the role of the organization and to examine the nexus between trade and natural disasters. I say that particularly having been the Chair of the CTE for one year where these issues were being fleshed out, and how it can assist small economies in this regard. Therefore, we hope we will be able to build upon the body of work which has been started in the WTO and other international organizations. It must not be all for naught. We look forward to the commencement of discussions and to the text of the Draft Decision on the Work Programme on Small Economies, for adoption by our Ministers at the Ministerial, and also to participating in the consultations to finalise this important text for the WTO Ministerial agenda.

3.14. The representative of Mauritius provided the following statement:

3.15. Mauritius would like to thank the Chair of the CTD for holding the Dedicated Session on small economies on trade and economic effects of natural disasters. I think that the discussions highlighted that small economies continue to pay the highest price for the damage which has been done to the planet. Erratic and extreme weather conditions, rising sea levels and the pandemic have caused, and will continue to cause, significant loss for small economies. Whilst all countries in the world face natural disasters from time to time, the impact on small economies is always disproportionately high. I recall the case of cyclone Hugo, which is quoted all the time as having in three days set back the GDP of Jamaica by 500%. But beyond the natural disasters, changing weather conditions are also destroying our ocean resources, on which many small island developing states rely, but which also hold potential for future economic development. Whilst we encourage discussions on how to support small and vulnerable economies at the CTD, we also believe that it would be good to try and find some meaningful solutions long-term on how the small economies may best be assisted. I look forward to a discussion at the CTD on whether the rules we have carved out at the WTO are fair on the small economies and, if not, what changes should be brought when we look at the reform of the WTO on this issue.

3.16. The representative of Vanuatu, on behalf of the Pacific Group, provided the following statement:

3.17. Our Group aligns with the SVE statement made by Guatemala. Small Vulnerable Economies face significant challenges. We are very small open economies, dependent on a very few exports, are highly susceptible to external economic shocks, and are uncompetitive due to high trade costs that we face, owing to our remoteness, smallness and geographical fragmentation. These structural characteristics are exacerbated by climate change and natural disasters. These disasters are growing in frequency and intensity and which often wipe away a significant proportion of our economy. COVID-19 has further exacerbated these vulnerabilities as our major economic sectors such as the tourism industry collapses and exports and remittances decline. The Pacific Group therefore welcomed the Dedicated Session held on 6 July which focussed on the Economic and Trade Impact of Natural Disasters on Small Economies and how to build resilience. Many useful lessons and experiences were discussed. The next step is how to translate these into framing responses for the fuller integration of small, vulnerable economies into the multilateral trading system, as required by paragraph 35 of the Doha Agenda. We therefore encourage Members to engage constructively to facilitate meaningful responses for integrating SVEs into the multilateral trading system. The Pacific Group also supports a Draft Decision for MC12 to continue this important work.

3.18. The representative of Fiji provided the following statement:

3.19. Fiji wishes to commend you for your report in particular for the meeting conducted by the Committee on Trade and Development Session - Dedicated to Small Economies which had been pending for a while. In this regard, we wish to register our gratitude to the delegation of Guatemala for its leadership and dedication to the SVE Group and who was instrumental in this milestone progress. The session was highly rewarding and beneficial in view of the trade effects posed by natural disasters on small economies. The session was bolstered with the presence of partner organizations who shed light on the effects of natural disasters on small economies including recommendations on the way forward to mitigate the current circumstance faced by our small island economies. From the knowledge sharing session it became very clear that natural disasters have serious disastrous effects on our economies, that impinges on our ability as a small island developing state like Fiji to contribute effectively in the global value chain. As a way forward, it is important to

gauge the trade effects of natural disasters on small economies. The WTO should also envisage appropriate mechanisms that would assist small economies withstand such challenges and to build back stronger in view of the revolving nature of natural disasters. Finally, Fiji aligns its intervention with the statements delivered by Vanuatu for the Pacific Group

3.20. The General Council took note of the report of the Chairman of the CTD and of the statements.

4 TRIPS COUNCIL MATTERS

4.1 Status Report on the Considerations by the TRIPS Council on the "Proposal for a Waiver from Certain Provisions of the TRIPS Agreement for the Prevention, Containment and Treatment of COVID-19" (IP/C/W/669) – Statement by the Chair of the Council for TRIPS

4.1. The Chair recalled that this item related to a status report by the TRIPS Council Chair on the revised "Proposal for a Waiver from Certain Provisions of the TRIPS Agreement for the Prevention, Containment and Treatment of COVID-19" in document IP/C/W/669/Rev.1. Since the May meeting, the Council for TRIPS had considered the request again at its informal and formal meetings in May, June and July. He therefore invited Ambassador Sørli to provide a status report on the TRIPS Council's consideration of the matter.

4.2. Ambassador Dagfinn Sørli (Norway), Chair of the TRIPS Council, delivered the following report:

4.3. At the meeting of the TRIPS Council on 15-16 October 2020, India and South Africa introduced document IP/C/W/669, requesting a waiver from certain provisions of the TRIPS Agreement for the prevention, containment and treatment of COVID-19, which had been circulated on 2 October 2020 and has since been co-sponsored by the delegations of Kenya, Eswatini, Mozambique, Pakistan, Bolivia, Venezuela, Mongolia, Zimbabwe, Egypt, the African Group, the LDC Group, the Maldives, Fiji, Namibia, Vanuatu, Indonesia and Jordan. Since the introduction of the document, discussions took place in various formal and informal TRIPS Council meetings. Delegations exchanged views, asked questions, sought clarifications and provided replies, clarifications, and information, including through documents IP/C/W/670, IP/C/W/671, IP/C/W/672, IP/C/W/673 and IP/C/W/674, on the waiver request. Since the last status report to the General Council on 5-6 May 2021, the co-sponsors issued a revised proposal on 21 May 2021, which was circulated in document IP/C/W/669/Rev.1. The revised waiver request was presented at an informal open-ended meeting of the Council on 31 May and introduced at its formal meeting on 8-9 June 2021. Following the arrangement of a text-based process, discussions continued in small-group consultations, at informal open-ended meetings on 17 and 30 June, and 6 and 14 July, and at a formal meeting of the Council on 20 July.

4.4. In the context of the text-based process, delegations held focused discussions on the topics of scope, both from the perspective of products and of IP rights, on duration, implementation and on protection of undisclosed information. Delegations engaged positively and their detailed substantive exchanges helped clarify various aspects and nuances of positions. While delegations remain committed to the common goal of providing timely and secure access to high-quality, safe, efficacious and affordable vaccines and medicines for all, disagreement persists on the fundamental question of whether a waiver is the appropriate and most effective way to address the shortage and inequitable distribution of and access to vaccines and other COVID-related products.

4.5. In addition, a proposal for a draft General Council declaration on the TRIPS Agreement and Public Health in the circumstances of a pandemic, issued by the European Union on 21 June 2021 and circulated in IP/C/W/681, has also been discussed in those meetings. Delegations exchanged views, asked questions, sought clarifications and provided replies, clarifications, and information. Disagreement persists on the fundamental question of whether this proposal is the appropriate and most effective way to address the shortage and inequitable distribution of and access to vaccines and other COVID-related products.

4.6. This means that the TRIPS Council has not yet completed its consideration of the revised waiver request. The TRIPS Council will therefore continue its consideration of the revised waiver request, including through small-group consultations and informal open-ended meetings, and report back to the General Council as stipulated in Article IX:3 of the Marrakesh Agreement. In addition, the TRIPS

Council will also continue in the same manner its consideration of the other related proposals by Members. This concludes the Council's status report.

4.7. The Chairman thanked Ambassador Sørli for his report on the discussions in the TRIPS Council, and noted that the TRIPS Council would continue its work on that matter.

4.8. The representative of South Africa provided the following statement:

4.9. We support the statement from the Africa Group and the ACP. We thank the Chair of the TRIPS Council for his status report. The report is an objective assessment of progress up to this point. We are however disappointed that we could not reach consensus on the waiver once again. The cost of our deliberations is measured in lives. As of 26 July 2021, 4.2 million people have died from this virus. A total of 3.6 billion vaccine doses have been administered. But so far, approximately 75% of these have gone to people in high-income and upper-middle-income countries. To put it into perspective, only 13% of the world population is fully vaccinated, with much of the vaccination focused on higher income countries.

4.10. Approximately 2% of Africans have been fully vaccinated. And even the African Union's modest goal of getting 20% of the population vaccinated by the end of 2021 seems out of reach. Around 11 billion doses are needed to fully vaccinate 70% of the world's population against COVID-19. There is little room for African countries to buy doses on their own. Almost all of the vaccines forecast to be made in 2021 have already been sold, according to data from Airfinity. This data shows that rich nations have bought up most doses long into the future, often far more than they could conceivably need. This situation must greatly worry all of us, for it shows that the current production, supply and distribution is only working for a small percentage of countries.

4.11. While we welcome progress from the voluntary mechanisms including the launch of the vaccine mRNA technology hub in South Africa and partnerships between South African companies and IP holders towards the production of vaccines in South Africa, much more needs to be done to scale-up production. The WHO reports that in the week of 12 to 18 July 2021, there was a 12% increase of cases compared to the previous week, and many countries across the six WHO regions continue to experience surges in COVID-19 cases. Many jurisdictions are entering a third wave with a drastic increase of infections and mortality due to new variants of concern. The urgency of passing the Waiver has not abated.

4.12. Since our last discussion, the TRIPS waiver proposal has been discussed extensively and the co-sponsors have responded to questions and requests for clarification from WTO Members. The European Parliament recently approved a resolution "calling for support for proactive, constructive, and text-based negotiations for a temporary TRIPS Waiver of the WTO TRIPS Agreement, aiming to enhance global access to affordable COVID-19-related medical products and to address global production constraints and supply shortages". The waiver also received support from over 100 IP academic experts in an open letter. While we recognize that IP rights are important for innovation, we must recognize that they must serve the public interest. It is in the global public interest to provide access to vaccines and the technologies to produce them in the regions that need them. The urgency of passing the TRIPS waiver remains, given the continued loss of life which is perfectly preventable.

4.13. The co-sponsors have argued that the TRIPS waiver is a necessary, targeted, time-limited and proportionate legal measure directed at addressing intellectual property barriers in a direct, transparent and efficient fashion, which is consistent with the WTO legal framework. Passing this waiver allows companies the freedom to operate and to produce covered COVID-19 health products and to use health technologies without the fear of infringing another party's IP rights and the attendant threat of litigation. Furthermore, passing a TRIPS waiver acts as an important political, moral and economic lever towards encouraging solutions aimed at global equitable access to COVID-19 health products and technologies, including vaccines, therapeutics and diagnostics, which is in the wider interest of the global public. While vaccines are important, saving lives necessitates access to diagnostics, treatments, oxygen and personal protective equipment, to prevent, treat and combat COVID-19. It is likely that millions more people will contract COVID-19 and would need treatment and care in the years to come, as the realities of vaccine production makes it difficult to replicate and ramp-up production in all countries at the same time. Many products related to the prevention, containment and treatment of COVID-19 are potentially patent-protected, so a TRIPS

waiver could promote and enhance access to better care for sick people, even if the vaccines are not imminently available.

4.14. One of the major gaps exposed during this pandemic has been the lack of international solidarity and sharing: the sharing of pathogen data, epidemiological information, resources, and technology. It has also revealed the profound gap in the tools that every nation needs to keep its people safe, especially Africa that imports 99% of its vaccine needs.

4.15. As the DG of the WHO said at the 138th International Olympic Committee Session in Japan: "The global failure to share vaccines, tests, and treatments – including oxygen – is fuelling a two-track pandemic: the haves are opening-up, while the have-nots are locking down. The longer this discrepancy persists, the longer the pandemic will drag on, and so will the social and economic turmoil it brings."

4.16. If there was a time when faith in humanity is tested, it is now. I am however reminded by Tata Mandela quote when he said: "I am fundamentally an optimist. Whether that comes from nature or nurture, I cannot say. Part of being optimistic is keeping one's head pointed toward the sun, one's feet moving forward. There were many dark moments when my faith in humanity was sorely tested, but I would not and could not give myself up to despair. That way lays defeat and death." In his well-known autobiography "Long Walk to Freedom", Tata Nelson Mandela reminds us that he was born in a year in which humanity faced challenges similar to the current challenges that the world is confronted by, specifically that of the COVID-19 pandemic. He remarks, and I quote: "The year of my birth, marked the end of the Great War; of the outbreak of an influenza pandemic that killed millions throughout the world." If he were alive today, having been born in the midst of such challenges and into a life of struggle that was given momentum by global solidarity, he would most certainly urge us as humanity to rise together in solidarity to save lives everywhere, because none of us are safe until all are safe.

4.17. The WTO has the policy tools to contribute towards universal access of COVID-19-related medical products and technologies. We must deploy all policy tools. All proposals and initiatives aimed at addressing barriers to production are not substitutes, but contribute from different perspectives and should be welcomed with a view to find landing zones on all. A WTO response to COVID-19 is fundamental to a meaningful outcome at MC12. I hope we can work together in solidarity to ensure that the WTO is on the right side of history.

4.18. In conclusion Chair, the previous cycle of small group and informal meetings of the TRIPS Council were very useful and informative and should continue to revisit some of the issues that require further discussion.

4.19. The representative of Nigeria provided the following statement:

4.20. We wish to refer to our statement at the last General Council meeting on this issue and further underscore the urgency for Members to move to constructive text-based negotiations on this proposal in the TRIPS Council. We thank the European Union for their proposal to the TRIPS Council titled "Urgent Trade Policy Responses to the Covid-19 Crisis: Intellectual Property" contained in document IP/C/W/680 and the Draft General Council Declaration on the Trips Agreement and Public Health in the Circumstances of a Pandemic, contained in document IP/C/W/681. We note that these proposals are centred on the activation of existing TRIPS flexibilities to deal with the pandemic. We wish to state that the TRIPS Agreement constitutes a barrier to ramping-up of production in developing countries, and existing limited and restrictive voluntary licenses provisions have not helped the situation. Furthermore, existing flexibilities of the TRIPS Agreement, especially Article 31 and Article 31bis are not sufficient, given that they are not designed to address the challenge of global health emergencies such as that posed by the COVID-19 pandemic.

4.21. It is for these reasons that we believe the EU proposal cannot effectively address the current precarious situation which is exacerbated by huge and ever-increasing therapeutics and vaccines supply-demand gap. The solution lies in rapid access by every country to affordable diagnostics, therapeutics, and vaccines to combat this COVID-19 menace. This can only be achieved by ramping-up the production of these products in developing countries. We look forward to constructive text-based negotiations on the proposal contained in document IP/C/W/669/Rev.1 in the TRIPS Council, so we can achieve a balanced outcome on this issue.

4.22. The representative of Argentina provided the following statement:

4.23. Since the last meeting of the General Council, at which the Proposal for a Waiver from Certain Provisions of the TRIPS Agreement for the Prevention, Containment and Treatment of COVID-19 (IP/C/W/669/Rev.1) was discussed, the proponents have submitted a revised version and several meetings have been held to clarify views. As previously noted, Argentina considers it of utmost importance that significant and effective joint action to address the pandemic be agreed to at the forthcoming MC12. The current health crisis and poor vaccine distribution, especially in developing countries, forces us to consider solutions focused on equitable access to vaccines. Argentina supports the proposal to waive intellectual property rights, on the understanding that extraordinary situations require responses that go beyond the current regulatory tools. We must therefore continue the discussion and text-based negotiations, with a commitment to finding common ground. Argentina will continue to participate actively and constructively to reach consensual solutions, with a focus on improving access to vaccines, treatments, and medicines to combat COVID-19.

4.24. The representative of Barbados, on behalf of CARICOM, provided the following statement:

4.25. I am speaking on behalf of the CARICOM Group, and we also align with the ACP statement under this agenda item. CARICOM recognizes that the COVID-19 pandemic is far from over. We are still counting the costs of pandemic lives, socio-economic dislocation and the degradation of our health system. If there was any doubt before regarding our interconnectedness, the pandemic has certainly put this to rest. As variants emerge and spread faster, it is clear that no country is safe until all countries are safe. In this context, equitable access to preventive, containment and treatment measures for COVID-19 for all becomes even more critical. CARICOM takes note of the text-based process which is ongoing. We further take note that the TRIPS Council will continue its consideration of the waiver request, including through small group consultations. We encourage Members to remain diligent, constructive, transparent and inclusive in their deliberations on this important topic. We also look forward to further reports to the General Council.

4.26. I now take the floor on behalf of Barbados. We believe that the work over the last few weeks has been instrumental in forging constructive engagement amongst WTO Members. We believe that this will be key to delivering meaningful outcomes on the prevention, containment and treatment of COVID-19. The pandemic continues to be challenging in terms of health and the economy. The number of positive cases and deaths continue to increase. There are more troubling fears regarding new variants, which can still affect any positive response and recovery that we have been making over the last year. Furthermore, importantly, access to vaccines and life-saving medical supplies continues to be uneven and inequitable and I really want to emphasize this point. We continue to be uneven and inequitable across many countries in the world. It is, therefore, very clear that the WTO has a role to play in the response to and recovery from the pandemic.

4.27. Barbados strongly welcomes the revised proposal that has been submitted by the proponents of the waiver. The discussions on this issue have been encouraging and have certainly given us a better understanding of Members' positions, both proponents and non-proponents alike. Barbados continues to urge Members to engage in text-based discussions with the hope that we can reach consensus and an outcome which incorporates the interests of all Members, including Barbados. We align with the statements delivered on behalf of the CARICOM and ACP Groups.

4.28. The representative of the Central African Republic provided the following statement:

4.29. Like the African and LDC Groups, we support the Chair's report and hope that following the discussions, we will be able to agree on a text catering to the interests of developing countries as regards technology transfer, that will promote increased production capacities with a consistent mechanism, guaranteeing the equitable distribution of COVID-19 vaccines and pharmaceutical products.

4.30. In this international environment marked by the effects of the COVID-19 pandemic, an agreement encouraging technology transfer is very much needed and would strengthen trade measures adopted at the WTO level, while contributing to the promotion of herd immunity and global economic recovery. Today, we have a global responsibility to offer appropriate solutions to the challenges facing the world. Now is the time for us to assume this responsibility in order to leave a legacy for future generations and show everyone what the WTO multilateral trading system is

capable of. This pandemic has shown the limits of our system, but also the strategies that we must adopt in order to improve the way we work and ensure that, going forward, we are proactive and able to prevent rather than cure.

4.31. The representative of Colombia provided the following statement:

4.32. I would like to take this opportunity to reiterate Colombia's commitment to the search for a coordinated response to the global health crisis caused by COVID-19 and the economic effects arising from measures taken to contain it. We are convinced that the WTO will be instrumental in ensuring a concerted response, from the technical level, necessary for overcoming bottlenecks in global production and distribution chains for vaccines and medicines. As we have reiterated on various occasions, this concerted response should contain elements in the areas identified as priorities: intellectual property, export restrictions and direct dialogue with producers in the pharmaceutical industry.

4.33. The representative of China provided the following statement:

4.34. We are glad to witness Members' active and constructive engagement in the text-based discussion since this June, which provided opportunities to clarify each other's positions and concerns, and enable relevant parties to have deeper consultations on the key issues in the proposals. However, diverging views still exist over some key elements, such as the scope and duration of the waiver, the relationship between the waiver and ramping up the production of vaccines, etc. It is clear that time is not on our side. The spread of Delta variants recently has put developing Members with insufficient vaccination rate in greater danger. It is a common challenge as well as an urgent call for the international community to expand the COVID vaccine manufacturing and to ensure fair and equitable access to COVID vaccines for developing Members. The WTO, by exploring a possible landing zone on the TRIPS waiver, could demonstrate its value and make its contribution in the fight against the pandemic. Therefore, we call upon all Members to actively engage in all forms of discussions after the summer break with an aim to reach a balanced and effective solution as early as possible. Though facing the challenges of its own mass vaccination program, China has provided more than 500 million doses of vaccines to other developing countries, and will provide another USD 3 billion in international aid over the next three years to support the COVID-19 response and economic and social recovery in other developing countries. Recently, two Chinese vaccine manufacturers, Sinopharm and Sinovac, signed advance purchase agreements with Gavi and will provide 550 million COVID-19 vaccines to the COVAX programme. We will continue to do our best to contribute to the global fight against pandemic.

4.35. The representative of Chad provided the following statement:

4.36. The recent trend of the pandemic is very concerning, the economic recovery will be very difficult according to all the projections, and rapid affordable effective and efficacious access to vaccines and to therapeutics for all vulnerable citizens in the world is now the absolute priority. Currently, there are 4.14 million deaths linked to COVID-19, however according to several researchers the number of deaths is more than double than what has been officially declared. Recent statistics show that 2% of LDCs, which as you know represent 14% of the global population, have received at least one injection up to the end of June 2021. In comparison, 43% of developed countries, which represents 16% of the global population, have received at least one injection during the same period, that is up to the end of June 2021. In 2021, the production was estimated to be between 10 and 14 billion, but up until the end of June 2021 approximately 3.5 billion doses have already been produced. Up to mid-July, the establishment of COVAX, managed by the WHO, only managed to deliver 5.3% of the 2 billion doses scheduled for 2021. A temporary time-limited waiver will help a number of countries produce vaccines if they can obtain the appropriate technology, unrestricted supply of raw materials and the legal security from the point of view of intellectual property rights. Vaccines for treatment of COVID-19 and the different variants should be declared global public goods. Our group sincerely hopes to be able to effectively engage in textual negotiations.

4.37. The representative of Bangladesh provided the following statement:

4.38. With all the cosponsoring Members, including the LDC group, Bangladesh attaches high importance and welcomes the discussion of the proposal contained in the revised version

(IP/C/W/669/Rev.1). In many previous occasions, as my delegation has already emphasised, Members should engage in text-based discussion as soon as possible.

4.39. We are facing an unprecedented public health emergency. The priority now is to ensure unconditional, affordable, equitable and timely access to vaccines, therapeutics, required medical equipment to stop the pandemic. The TRIPS Council's objective on this specific discussion, under this waiver proposal, is to overcome barriers in order to achieve equitable and timely access.

4.40. May I point out that the high-income countries that make up 16% of the world population have pre-booked the majority of the vaccines till 2025. On the other hand, the majority of developing countries and particularly the LDCs are left in absolute uncertainty on accessing the vaccine against the virus. There is an urgent need to expand manufacturing globally and to diversify supply, for vaccines, therapeutics and other health products needed in 2021 and beyond. Immediate and unhindered supply of the vaccine to these countries is the priority. The TRIPS Agreement or any other regulatory process should not be brought as a hindrance to the most urgent needs of humanity today.

4.41. We welcome any initiative by Members that aim to address the challenges of unhindered supply of vaccines, therapeutics and other medical equipment for the treatment of COVID-19. The current time-limited waiver proposal is with us from October 2020. Let us redouble our efforts in reaching a consensual outcome as early as possible. If we just invest our time only on the legitimacy of the proposals and not on the substance, we are leading to nowhere. We must act quickly and collectively to remove the barriers to production and supply of affordable and effective vaccines for all, irrespective of our development status.

4.42. The representative of Nepal provided the following statement:

4.43. My delegation wishes to associate with the statement delivered by Chad on behalf of the LDC Group and with South Africa and India on behalf of the proponents. A wide range of discussions has been conducted in both formal and informal modes of the TRIPS Council in this matter. A large proportion of the memberships is in favour of concluding text-based negotiations based on the revised proposal. I reiterate Nepal's full support to the revised proposal and urge all Members to conclude negotiations at the earliest possible to save millions of lives across the globe.

4.44. The representative of Malaysia provided the following statement:

4.45. Malaysia would like to join other Members in highlighting the common goal of providing timely and equitable access to affordable vaccines and medicines for all. Malaysia wishes to urge strengthened collaboration on this front among the key stakeholders towards equitable, affordable and accessible COVID-19 vaccines for all. In view of the pressing global needs to prevent the spread and mitigate the COVID-19 pandemic, we wish to stress the importance of undertaking all measures necessary to expand and diversify the supply of vaccines and related goods. We must act sensibly to ensure that no Member is left at the end of the COVID-19 vaccines line. Vaccine-nationalism and vaccine stockpiling are counter-productive in our effort to increase the global vaccination rate and clear the path for a recovery across all our economies. As of 25 July 2021, Malaysia has recorded more than 1 million cumulative confirmed cases and close to 8,000 cumulative deaths, with only 16.5% of the population having been administered two full doses – significantly lower than most advanced nations. Malaysia wishes to underscore our continued support for Members to engage in meaningful text-based negotiations and finding the appropriate landing zone that will be mutually acceptable by all Members ahead of MC12.

4.46. The representative of Tanzania provided the following statement:

4.47. I would like to align myself to the statement of the African Group as delivered by the delegation of Mauritius. Regarding the proposed waiver enshrined in document IP/C/W/669/Rev.1, my delegation, like other cosponsors, is looking forward to an early conclusion of the text-based negotiations. My delegation believes that the long-held discussions in the TRIPS Council prior to the commencement of text-based negotiations, have already exhausted most of the key concepts and questions of Members on the proposed waiver. COVID-19 has already done enough damage to the world, we greatly depend on vaccines to survive the pandemic. However, the low pace of distribution of vaccines is concerning as it is not adequate to attain the desired herd immunity in a short period

of time. On the other hand, the mutating pace of the COVID-19 variants is worrisome, rendering the efficacy of the current vaccines to fade away. The production and distribution of vaccines needs to be scaled up, and we believe that the proposed waiver will attract more participants in the production and distribution when the onerous procedures of compulsory licensing are temporarily lifted. At this point, my delegation is prioritising the waiver above all other WTO issues that are currently being discussed. According to the Preamble of the WTO Marrakesh Agreement, all other WTO Agreements are for raising standards of living and ensuring full employment of people, but this waiver is for saving the lives of millions of people around the world. Therefore, we urge the membership to exercise flexibility in the text-based negotiations process, with a view to conclude the waiver soon.

4.48. The representative of Vanuatu, on behalf of the Pacific Group, provided the following statement:

4.49. The Pacific Group supports the ACP statement and considers this matter as a priority for an outcome at MC12, for the simple reason that human lives matter. We are seeing the onset of a third wave for countries and regions that had brought COVID-19 under control, while others are still struggling from the previous waves of the pandemic. Infections are rising and so are deaths, while vaccine shortages continue to be critical. Vaccine inequity cannot continue. How many more lives need to die before we take action? We must place people at the centre of the solutions, not profits. The TRIPS Waiver in our view provides an effective solution to scale up needed supplies of vaccines. The Pacific Group therefore supports urgent work in the TRIPS Council on text-based discussions, and urges Members to engage constructively, in good faith, and in a solutions-seeking mode so that agreement on an outcome can be reached well before MC12. We also believe this should form part of the overall package on WTO's COVID-19 response.

4.50. The representative of Morocco provided the following statement:

4.51. There is a sense of urgency regarding the current situation with a serious deterioration on the epidemiological front, and not just in Africa. Our duty is to act collectively and in a timely fashion to conclude our discussions on a waiver for intellectual property rights relating to COVID-19 vaccines. We think that the WTO has a major role to play in this regard. We thank the Director-General for her engagement and her mobilization, particularly for having brought in other international organizations, in particular WIPO and the WHO. We therefore call for maximum flexibility on behalf of all the actors in this process. We reiterate the importance of efforts towards R&D. This must be done fairly and equitably. It should not be done at the cost of human lives, whilst we continue to tackle a global crisis with very serious health, economic, social and other consequences. We therefore would like to underline that the Kingdom of Morocco has launched a comprehensive vaccination program which aims at assisting our brother African countries with a view to producing COVID-19 vaccines prior to the end of this year and in the future to tackle other illnesses through a range of different technologies.

4.52. In conclusion, I would like to recall that many high-level scientists, political figures and non-state actors who fully understand the situation have all called us to tackle this waiver in a positive way to the benefit of all. They also called on us to ensure that particularly the most vulnerable amongst us have access to tools that would allow them to tackle COVID-19 given they are currently limited and, in some cases, have zero access. It is through our efforts and given the absolute urgency of the situation that the WTO must act.

4.53. The representative of Kenya provided the following statement:

4.54. Kenya aligns with the statement that was delivered by Mauritius on behalf of the African Group. We believe that the proposed waiver will be handy in enhancing prevention, treatment, and containment of COVID-19, by scaling up production of and increasing access to vaccines, therapeutics, and diagnostics. We therefore urge Members to focus on the ongoing text-based process at the TRIPS Council, with a view to expediting the conclusion of the discussions. As the world is now focused on vaccination, which is the most effective way to control the pandemic, we must also appreciate that the coronavirus continues to ravage many people as countries, especially in Africa, battle with the new and more lethal variants. The demand for diagnostics and therapeutics has therefore increased exponentially and no one knows how long this pandemic will last. On the other hand, many developing countries have barely vaccinated their populations due to limited access to the vaccines, occasioned by supply side constraints, as well as restrictions imposed by

some vaccine producing countries. The WTO therefore has a role to play in ensuring fair and equitable access to the vaccines. The TRIPS waiver will certainly be helpful in ensuring this access.

4.55. The representative of Mauritius, on behalf of the African Group, provided the following statement:

4.56. Nine months have elapsed since the proposal was initially submitted and we all know of the excruciating effects of the pandemic on public health conditions of developing and least developed countries. The death toll continues to rise, and our economies are being crippled. Yet, only four percent of the population of African countries have been vaccinated as compared to nearly forty-five percent in developed countries – what a contrasting tenfold disparity! With such a backdrop, the African Group is pleased that we have now moved to text-based negotiations. However, we deal extensively on scope, duration, implementation and on protection of information. The negotiation by itself is not an achievement as our people are still deprived of vaccinations. Furthermore, access to products and technology in the manufacturing of vaccines remain critical and the WTO membership must expeditiously come together to achieve the desired outcome in favour of the TRIPS waiver. The WTO and its membership need to have a response to the COVID-19, and there must be both policy and action coherence globally, involving the WTO, WHO and other international organizations to find solutions to the global pandemic seriously affecting developing countries, including African countries which do not have access to vaccines and therapeutics.

4.57. The representative of Sierra Leone provided the following statement:

4.58. My delegation would like to endorse the statement by the African Group and to add a few points. On vaccine distribution, we are not begrudging securing vaccines for the needs of the population. This is what all governments do to protect their population. We are extremely grateful for some of the vaccine donations that we have received from wealthier nations. We are in the midst of the third wave, and we all keep saying that less than 2% of the population in Africa have been vaccinated. In some regions it is probably less than 1%, in our region for example. Thousands of people continue to be infected and to die, and there is absolutely no end in sight without more vaccines being made available. We are simply asking to be given a chance to be able to secure more vaccines. Donations will not do the trick. We need the TRIPS waiver in order to ramp up supplies that will pick up the slack, and there is a huge slack. This is much more than a moral appeal, this is enlightened self-interest. The pandemic will not end in pockets, you cannot create isolated islands of fully vaccinated citizens and leave out a whole sea of unvaccinated people. Travel bans will not do the trick either, mutations of the virus are likely to defeat any vaccine and unless we are able to vaccinate all populations around the world, this pandemic will not end. We appeal for a conclusion of the TRIPS negotiations and for actions to be taken as soon as possible.

4.59. The representative of Jamaica, on behalf of the ACP Group, provided the following statement:

4.60. The small groups' meetings and the informal meetings of the TRIPS Council have provided the opportunity for further deliberations and robust exchanges on the matter. We appreciate the constructive spirit of delegations in these meetings and request continued engagement as well as a greater level of flexibility amongst Members. As a group of developing countries, the ACP Group can attest to the devastating social and economic impacts brought on by the COVID-19 pandemic. The rate of vaccination in ACP Group and developing countries is very low due to limited access to vaccines with some countries having as low as only 1% of the total population vaccinated. This is noteworthy as it means that economic recovery for many Members of the ACP Group and other developing countries will not be possible in the near future. This is being further compounded by the emergence of new strains which are being reported as more contagious. Vaccination of individuals across the world, therefore, has to be a priority particularly for those living in developing countries. We all know that no one is safe until everybody is safe. Furthermore, the recovery of the global economy should not be at the expense of the poor and vulnerable. Therefore, we should all strive to have a response from the WTO in dealing with the pandemic. This sentiment is shared by all WTO Members based on the discussions within the Council over the past weeks and months.

4.61. The ACP Group welcomes the discussions on specific elements of the proposals such as scope, duration, implementation and regulatory data. There should also be continued structured discussions on specific elements of the proposal with a view to concluding the discussions way ahead of MC12. In closing, the ACP Group wishes to reiterate its willingness to continue engaging on this matter and

is committed to ensuring that the WTO is a part of the solution and effectively contribute to the fight against this pandemic as well as the global economic recovery. Our response should also, to the extent possible, foresee the contribution of the WTO to future pandemics.

4.62. The representative of the Maldives provided the following statement:

4.63. It has become increasingly clear that market-based approaches alone are insufficient to effectively respond to the demands of the COVID-19 pandemic, including the equitable and affordable access to vaccines and therapeutics. The current system of production and supply is failing to mobilize the demand for global production capacity. It is for this reason that we need to move forward constructively on text-based negotiations and achieving a meaningful outcome with regard to the proposed TRIPS waiver in a timely manner. We believe the proposed waiver would enable the utilization of resource capacity and facilitate scaling-up production and enable equitable access to vaccines for everyone. Given the relatively small proportion of the population in many poorer countries that have been vaccinated, further delays in access will be devastating for all. As we all know, "no one is safe, until everyone is safe". The next few months will prove to be both important and challenging, as we move forward to achieve deliverables for MC12, including on this important issue. This would also be the time to engage constructively and build consensus among us for a better and healthier future for all.

4.64. The representative of Zimbabwe provided the following statement:

4.65. We align ourselves with the statements delivered by Mauritius and South Africa on behalf of the African Group and the co-sponsors of the TRIPS waiver, respectively. Zimbabwe is currently grappling with the tragic impact of a third wave of COVID-19 infections and deaths, the consequence of a recent major upsurge in the Delta variant cases across many parts of our country. Although we have fared relatively well in terms of both the steady implementation of our national vaccination roll-out programme and the sourcing of vaccines for our people - for which we must once again express profound gratitude to China, the Russian Federation and India for their partnership and generous cooperation - we have a great deal of ground to cover if we are to attain our target of 60% of our population to be fully vaccinated before the end of 2021, and, with that target, of course, the hope of an effective herd immunity and a safer pathway back towards normality. As we all know, global vaccine shortages are partly attributed to manufacturing capacity constraints, vaccine nationalism, vaccine export restrictions and a range of other factors. The Proposal for a Waiver from Certain Provisions of the TRIPS Agreement for the Prevention, Containment and Treatment of COVID-19 remains one of the most obvious remedies towards addressing those shortages, and towards rapidly increasing manufacturing capacity, wherever possible and practical, thereby ensuring enhanced supply and with it, enhanced safe, equitable, and timely access to COVID-19 vaccines and therapeutics. Zimbabwe commends Members for agreeing to move to text-based negotiations of the revised TRIPS waiver proposal, and hopes these negotiations will continue in good faith. Let us remind ourselves that when we reached agreement to move to text-based negotiations, we had just recorded 3 million Covid-related deaths - up from the 1 million recorded deaths at the time when India and South Africa first tabled the waiver proposal. We have now surpassed 4 million recorded deaths. We therefore urge Members to be cognizant of the urgency involved, and of the need for both collaboration and flexibility in the search for a practical way forward - one that contributes both to minimizing further loss of human life from COVID-19, and to the steady recovery of economies and livelihoods.

4.66. The representative of Turkey provided the following statement:

4.67. We very much value discussions at the TRIPS Council and other WTO bodies on how to respond and contribute to the global fight against COVID-19 pandemic. There are divergent views among Members with respect to the possible advantages and shortcomings of two different approaches presented to the TRIPS Council. We believe that further clarifications and constructive discussions are needed on both proposals. Addressing the concerns raised by Members in a swift manner and striving to bridge the gap is crucial to provide a timely response to the pandemic.

4.68. The representative of Botswana provided the following statement:

4.69. Botswana aligns itself with the statement delivered by Mauritius on behalf of the African Group. Due to the inequitable access to COVID-19 countermeasures in particular vaccines, countries

in our region, including Botswana, are now experiencing a third wave of new infections with high mortality as hospitals are stretched beyond capacity. As of 15 July 2021, the Africa region has managed to secure supplies to fully vaccinate only 1.19% of its eligible population. This situation is deeply concerning. The low vaccination coverage and the emergence of new deadly variants means that we will struggle to end the pandemic and re-build our societies and economies. The faster we can scale up global vaccine supply, the faster we can contain the virus and end the pandemic. This therefore needs our concerted effort to work together in good faith to reach an agreement on the waiver proposal. We believe that the way forward is to remove barriers towards the development, production and approval of vaccines, therapeutics and other medical technologies necessary for the prevention, containment and treatment of COVID-19, so that more manufacturers, especially from developing countries, may independently contribute to the global supply. While we acknowledge that there are other key factors that will contribute to addressing the pandemic, such as access to technologies and productive capacities, we believe that the TRIPS waiver is the first step. Timely conclusion of these discussions will lead us in the direction we are all moving towards - ramping up the global manufacturing capacity to address the dire supply shortage we are currently facing. I wish to reiterate that while conclusion of the discussions on this matter are stalled, we continue to record preventable deaths. As such, temporarily waiving relevant intellectual property will indeed demonstrate the important contribution that the WTO as a rule-based multilateral institution can make on this matter in the pandemic.

4.70. The representative of Pakistan provided the following statement:

4.71. Pakistan would like to recall all its previous statements on this issue in the General Council and the TRIPS Council at its formal and informal sessions. With mortality officially crossing 4 million and real numbers estimated to be much higher, the situation of the pandemic has worsened considerably. More lives are being lost to the new Delta variant at greater speed. At the same time, availability of vaccines, diagnostics and therapeutics is also worsening. 76% of global vaccination has been carried out only in 10 countries and only 1% and 10% of the populations are vaccinated in Africa and Asia respectively. COVAX, C-TAP and other facilities have fallen a long way short of expectations and desired results. In fact, it is astonishing to observe in recently presented data by an analytics firm, that of the much hyped 11 billion doses of vaccines that are to be available by the end of 2021, more than 10 billion have already been purchased mostly by the advanced countries; leaving less than 1 billion doses, only of the Chinese vaccine to be purchased by poor countries. A "shocking imbalance in distribution", a "moral failure", a "human catastrophe", an "economically self-defeating" situation. These are a few of the many expressions used by the Director-General of the WHO for the stark vaccine inequity across the globe. Cosponsors have indicated that we are open to all and even a combination of solutions that would help the efficient scaling up of production and provide equitable and affordable access to everyone. Each proposal must be evaluated on its merit. However, as we are witnessing, reliance merely on voluntary licenses cannot produce desired results. Also, due to the myriad problems associated with the grant of compulsory licenses in individual countries, and the huge scale of the pandemic, that option also provides an improbable and grossly inadequate solution. While we appreciate the proposal by the European Union for clarifications on compulsory licenses under the TRIPS Agreement, we find that the proposal alone, by itself, cannot address the enormity of the task at hand. Therefore, the TRIPS waiver proposal is a necessary component for saving precious lives and must be an integral part of any fight or response by this organization against the pandemic. We urge all Members to engage meaningfully and earnestly in text-based discussions with a view to improving the text and granting the waiver.

4.72. The representative of the European Union provided the following statement:

4.73. The European Union is strongly committed to achieving our common goal: to continue ramping up production, to share COVID-19 vaccines and medicines more widely and faster, and to ensure equitable access to these products for low- and middle-income countries.

4.74. The European Union is making every effort to fight the pandemic. The European Union is the biggest producer of mRNA vaccines and is therefore at the forefront of deliveries of vaccines to the rest of the world: so far, more than 500 million doses have been exported from the European Union and similar amounts have been delivered to Europeans.

4.75. The European Union and its member States have also been the largest donor to the COVAX facility: EUR 3.2 billion have been committed to support the equitable distribution of vaccines.

4.76. We already see enormous progress in the total global production of COVID-19 vaccines: according to Airfinity, a billion doses were produced by 12 April, another billion were produced by 26 May and the third billion by 22 June. It is clear that production is accelerating, and it is therefore realistic to expect that some 10 billion doses will be produced by the end of 2021. By comparison, the total global output of all vaccines before COVID-19 was only 5 billion doses.

4.77. To support short-term actions for ramping up vaccine production, the European Commission set up a vaccine task force in the European Union whose objective is to match supply with demand and to lift bottlenecks. Its main tasks are to promote partnerships through matchmaking events. And this has brought tangible results: we have seen that so far technology transfer is working well with a number of high-level partnerships announced recently. Fifty-three (53) EU manufacturing sites are already engaged in relation to COVID-19 vaccines, based on voluntary partnerships.

4.78. Important partnerships are forged also outside of the European Union. Just to give an example, recently Pfizer has signed a letter of intent with the South African company Biovac, to manufacture the Pfizer-BioNTech COVID-19 vaccine for distribution within Africa. Technology transfer, on-site development and equipment installation activities will begin immediately. It is expected that the facility will be brought into the supply chain by the end of this year. Biovac will obtain drug substances from BioNTech's facilities in Germany, and manufacturing of finished doses will commence in 2022. At full operational capacity, the annual production will exceed 100 million finished doses annually. All doses will exclusively be distributed to the fifty-five (55) Member States of the African Union.

4.79. Beyond the current crisis, it is also necessary to build resilience of the health systems in those countries which do not have their own manufacturing capacity and are overly reliant on imports. To this end, the European Union and its member States are launching an initiative to develop vaccine production in the African continent, entailing investment in infrastructure and production capacities as well as skills development, supply chains management, and the necessary regulatory framework in order to create conditions for technology transfer. The objective is to develop a number of regional hubs distributed across the African continent, and we have already identified promising projects in South Africa, Senegal and Rwanda. EUR 1 billion has already been allocated from the EU budget and the EU finance institutions to deliver on this goal.

4.80. On 9 July, the European Union signed in Dakar a EUR 6.7 million grant in support of Institut Pasteur de Dakar, in Senegal, to produce the anti-COVID-19 vaccine by early 2022 with a production capacity of 300 million doses of vaccines per year. Rwanda is also receiving EU support to enhance its manufacturing capacities and strengthen regulatory frameworks.

4.81. These are only examples showing the range of efforts and actions that are taken – it is clear that the response must go beyond the matters related to trade. But trade may and should play a role in enhancing access to COVID-19 vaccines and medicines.

4.82. The intense discussions in various fora have demonstrated that limited manufacturing capacity, restricted access to raw materials and other inputs as well as complex supply chains are the main bottlenecks as regards the production and distribution of COVID-19 vaccines. In addition, having the required know-how is key due to the complexity of the production process of these vaccines. Last week, the WTO published information on the bottlenecks regarding critical products to combat COVID-19 that confirms these findings.

4.83. Trade-related measures, if agreed swiftly, could address some of the bottlenecks and make a real difference. We need to look into export restrictions, minimise barriers to trade and put forward trade-facilitation measures. We will further discuss these issues in a separate point of our agenda today.

4.84. Given the nature of the identified bottlenecks and the need for the sharing of know-how, the European Union does not believe that the proposed suspension of the TRIPS Agreement by the waiver proposed by South Africa, India and a number of other WTO Members, is an appropriate and effective response. The proposed waiver will not increase production of COVID-19 vaccines and medicines, as it will not address any of the existing bottlenecks that have been identified. It rather risks having counterproductive effects on our common efforts to enhance access to such vaccines and medicines. In particular, it will undermine the ongoing collaborations, which are based on the

well-established platform of intellectual property protection and will have a chilling effect on future such collaborations.

4.85. In addition, the waiver may have harmful effects going forward when it comes to fighting future pandemics, and more generally on incentives for research and innovation. The European Union has provided details on these risks in the discussions in the TRIPS Council.

4.86. The intellectual property system is not an obstacle to access COVID-19 vaccines and medicines. To the contrary, it has played a key role in the development of these products and can play an enabling role in deploying existing capacity or creating new capacity for the production of COVID-19 vaccines and medicines. The European Union believes that it is possible to enhance the role of the IP system while at the same time maintaining the protection required for incentivising technology transfer and investment in innovation, so that we can fight against new strains of COVID-19 and any future diseases. It is to this end that the European Union has put forward an alternative proposal to the proposal on the waiver – the European Union proposal focuses on the clarification and facilitation of the use of compulsory licensing system.

4.87. The compulsory licensing system provides for tools that can be used in times of the pandemic to overcome potential IP-related obstacles. It also provides enough legislative space to apply the system in a swift manner. The proposal is meant to clear any doubts that may persist about the use of the system and to indicate ways in which the system can be used in a fast and simple manner that is fully adapted to the challenges of the pandemic.

4.88. We have proposed clarifications on the elements that we find most relevant for the situation of the pandemic, that is the fast-track procedure that omits negotiations with right holders; the support for manufacturers wishing to supply to low- and middle-income countries at discount prices; and the simple single notification to be made by the exporting country to speed up exports. We have also emphasized that the European Union remains open to discuss other aspects of the compulsory licensing system that merit clarification and facilitation. This discussion has already started in the TRIPS Council.

4.89. In our view, clarifications on the proposed aspects would provide the necessary legal certainty to Members to intervene and swiftly grant compulsory licences including for purposes of export to countries that are lacking manufacturing capacity. Our approach would also promote production and supply of those products to low- and middle-income countries at affordable prices, including via the COVAX Facility.

4.90. Given the stalemate we are experiencing in the TRIPS Council, we encourage all WTO Members to try to find convergence on the basis of the European Union proposal as the one that is pragmatic, targeted and effective in responding to the current needs, while keeping intact the necessary incentives for innovation. It is through the targeted approach proposed by the European Union that we believe we can advance in our discussions on the intellectual property element of the WTO response to the COVID-19 crisis and finally pave the way for advancing on the other parts of the needed comprehensive approach.

4.91. We are ready to discuss all the requirements of the compulsory licensing system, requirement by requirement, to see what issues there are, how they can be addressed and how we can make the system function. We thank all Members for their engagement on our proposal and for their contributions, questions and thoughts on it so far. We have received valuable feedback and we are pleased to see the interest of various delegations on this approach. We look forward to our continued discussion and hope to be able to agree on an outcome in advance of the November Ministerial Conference.

4.92. The representative of Brazil provided the following statement:

4.93. As my delegation has reiterated on several occasions, Brazil wants meaningful, timely and comprehensive solutions that empower all Members in their response to the challenges we are currently facing. We are confident that, if we approach these negotiations with the necessary combination of flexibility, sense of urgency and pragmatism, we will be able to find common ground. You can count on our engagement to work to that end in the months ahead. We want to thank the DG for organizing, together with the Director-General of the WHO, the High-Level Dialogue on

"Expanding COVID-19 Vaccine Manufacturing to Promote Equitable Access", held on 21 July. The event provided a useful stocktaking of prospects for vaccine production and distribution, with an enhanced focus on how we could promote equity. We invite all actors to continue to invest in this concerted effort to provide meaningful solutions to end the pandemic.

4.94. The representative of Norway provided the following statement:

4.95. Norway would like to thank the TRIPS Council Chair for his report. Norway welcomes the proponents' revised proposal. We had, however, hoped that the revised proposal to a larger degree would have reflected the comments and concerns raised by many Members in our deliberations. Norway also welcomes the submission from the European Union as a valuable contribution to our deliberations on how the IP system can best contribute to our common objective. Norway would like to appeal to all parties to search for a common ground as a basis for a pragmatic compromise that can achieve consensus, and we look forward to continuing our deliberations within the framework of the TRIPS Council.

4.96. The representative of Afghanistan provided the following statement:

4.97. We welcome the revised proposed decision text and support it. The pandemic continues to affect society and the economy worldwide and has caused a massive human catastrophe. The pandemic's effects on the health sector, especially in LDCs, are horrific. While some developed country Members are easing pandemic restrictions, many other countries, including Afghanistan, are experiencing a problematic situation and new phases of the pandemic. Aside from the impact of the virus itself, the secondary effects of the pandemic are continuing to hit communities that had not yet recovered from the previous waves. While we are thankful for receiving some COVID-19 vaccination doses, based on the data from our capital, unfortunately, only 1.92% of our population has received the vaccine. While we are happy that Members are moving closer to a text-based negotiation process to improve the international response to COVID-19 and achieve the common goal of providing global equitable access to vaccines and other medical products, we are concerned by the pace. Therefore, we urge all Members to consider the severity of this crisis, take a solution-finding approach, and move to text-based negotiations soon. It is the proper time to put practical measures to ensure the availability and accessibility of affordable and timely vaccines and the required medical products to all worldwide Members to combat this pandemic. Finally, Afghanistan associates itself with the statement delivered by Chad on behalf of the LDC Group.

4.98. The representative of Cabo Verde provided the following statement:

4.99. My delegation aligns itself with the statements delivered by Mauritius on behalf of the African Group and by Jamaica on behalf of the ACP Group. We support the statement made by our colleague from South Africa. Over the last few months, we have seen substantial progress in the number of vaccines distributed. However, the majority of those went to richer countries. Thanks to bilateral agreements with production companies, these countries have accumulated doses for their own populations and have left poorer countries aside. We all know that in order to stop this global pandemic, a global response is needed. The pandemic will not come to an end whilst significant reservoirs of the virus remain, and the world remains in danger given that new variants are emerging. The temporary waiver is essential if we are to avoid this pandemic. Some developing countries who have production capacity should have access to the technology and the products to provide a generic version, which would reduce the cost of the vaccines and increase production. The appearance of new variants such as Delta add difficulties for countries with scarce resources. As the Director-General of the WTO has declared, we are living in exceptional times and we need to overcome this challenge. We cannot repeat the painfulness of the first years following AIDS, where the richer countries had access to medication while millions in developing countries were dying because they had no treatment available.

4.100. The representative of Indonesia provided the following statement:

4.101. Regrettably, the discussion was supposed to be in the context of a text-based process. Constant repeated questions have slowed down such text-based process, but of course we profoundly appreciate the constructive engagement made by all Members during the course of this discussion, guided skilfully by the Chair of the TRIPS Council. Indonesia would like to reiterate that for us the TRIPS waiver proposal is the WTO top priority at this moment. We consider this proposal

as a main element of the holistic WTO response to the COVID-19 pandemic. It is inevitable that we immediately pursue and conclude the TRIPS waiver to address such obstacles and to scale up the production of all COVID-19 related health products and technology, to save people from the worsening pandemic. IP rights are not absolute, they are subject to public interest and such public interest exists now. The TRIPS waiver should be our way, the Members' way, to uphold public interest and the livelihood of so many.

4.102. The representative of the United Kingdom provided the following statement:

4.103. We all recognize the scale of the challenge as the pandemic continues to rage in so much of the world and pay tribute to the eloquent testimony to its human effects by South Africa and others. We all agree that our objective should be - to use the phraseology of the G7 at Carbis Bay - to vaccinate the world. The question is how. Sitting on the UK's Vaccine Taskforce board last year, we faced many challenges in developing and deploying vaccines, including potential bottlenecks and the resilience of our supply chains. IP was not the problem, nor is it. In fact, it is the IP regime that has enabled the extraordinary scientific advances of the last year, including the development of an unexpected number of safe and effective vaccines. Scaling up the production and delivery of vaccines has been at the heart of our G7 Presidency, including the commitment to share a billion doses within the next year and our national financial contribution to COVAX of £548 million (three quarters of a billion dollars) as well as our forthcoming sharing of doses through COVAX. We will continue to encourage voluntary licensing and technology transfer, support COVAX and look to identify solutions to production bottlenecks and weaknesses in the supply chain. In that respect, we very much welcome efforts to bolster public/private and international collaboration in this area, such as the WTO-WHO Symposium last week, and also the new World Bank/COVAX financing mechanism.

4.104. The representative of Switzerland provided the following statement:

4.105. Members share the objective of ensuring global, equitable and timely access to vaccines and medicines against COVID-19. However, they do not agree on the means to achieve this. Switzerland has been committed since the beginning of the pandemic to ensuring rapid and equitable access to health technologies, including vaccines. We do not consider a waiver of the TRIPS Agreement to be an effective way to rapidly increase the manufacture of vaccines against COVID-19. On the contrary, such a waiver risks undermining the efforts of the more than 300 international partnerships that are currently working to build production capacity. These production partnerships are based on the international regulatory framework, of which the TRIPS Agreement is a key element. This is particularly true when it comes to the sharing of innovative technologies and know-how. Such sharing is a prerequisite for increasing the production of COVID-19 vaccines. Today, voluntary technology transfer is taking place on a considerable scale, as illustrated by the manufacturing partnerships between Astra Zeneca and the Serum Institute of India, or the more recent partnership announced between Pfizer/BioNtech and the South African manufacturer Biovac. A waiver of the TRIPS Agreement would suspend the international regulatory framework for intellectual property. Existing production partnerships would face a legal vacuum. Such legal uncertainty could disrupt or even jeopardise ongoing partnerships to increase global production as quickly as possible. Intellectual property protection is not the problem, but part of the solution. This is the message that practitioners, women and men in the field - who toil day and night to keep complex production chains running - gave us at the 21 July symposium organized by the WTO and WHO. It also became clear at this event that supply problems and regulatory barriers were the main obstacles to the optimal functioning of production units. This is why Switzerland is actively involved in the work on trade and health in the WTO context. We support a holistic approach, which is the only way to solve the problems faced by supply chains. It goes without saying that international programmes such as the ACT Accelerator and COVAX also have a crucial role to play in the fight against the pandemic. On 28 April, Switzerland made available an additional CHF 300 million to support the ACT Accelerator, on top of the CHF 400 million already made available to support international pandemic initiatives. In addition, the Swiss Federal Council decided on 30 June to transfer 4 million doses of vaccine to the COVAX programme. Switzerland remains committed to continuing discussions on the proposals made in the context of the TRIPS Council, including those of the EU, in the hope of reaching a mutually acceptable outcome.

4.106. The representative of the Plurinational State of Bolivia provided the following statement:

4.107. We believe that we are extending the discussion, which is preventing us from achieving real results, while this is an urgent issue. The lack of agreement amongst Members undermines the

WTO's ability to act, particularly when the proposed extension and waiver has received large support around the world. It is clear that there is real inequality in terms of access to vaccine, we have seen this in terms of death rates. The number of deaths around the world is up to 4 million, around the world and it is clear that we have an urgent need to increase production and diversify existing vaccines and medicines. This means lifting legal barriers to production, which come in the form of intellectual property law. We recognize that this is not the only obstacle, however it is the most significant one. The waiver is a necessary tool, a temporary tool, to lift intellectual property barriers and allow to increase production. Bolivia would like to see a waiver which allows us to address urgent situations such as this one. This example is only showing the great inequalities in the current system, which cannot be addressed in the short term. We would urge all Members of the WTO to show real interest and political will to participate in the text-based negotiations without diverting or extending the discussions unnecessarily before the Ministerial Conference.

4.108. The representative of Eswatini provided the following statement:

4.109. My delegation aligns itself with the statement of the ACP Group and the Africa Group. The Kingdom of Eswatini is pleased that, while the initial proposal of the waiver was first introduced nine months ago, there is finally an agreement to advance this proposal to text-based negotiations. We welcome this move and we are also sensitive to the urgency of these negotiations to reach a solution to the catastrophic effects of the COVID-19 pandemic, especially in developing countries, where vaccine access continues to be elusive. We note with concern the continued inequality that has characterized the distribution of medical products including vaccines and therapeutics required to curb the pandemic, resulting in high mortality rates and loss of livelihoods. We cannot overemphasize the urgent need to ameliorate the current dire situation, in order to save lives and livelihoods. It is also clear that it is necessary to achieve herd immunity through vaccination globally, in order to prevent the COVID-19 from continuing to mutate, becoming more resistant to current vaccines and causing more periods of mass fatality. In the last few months, we have witnessed the virus continue to mutate into new variants. This means if there are large populations waiting to be vaccinated, the virus will continue to mutate and affect the poorer countries even more. The lack of access to medical products, including vaccines and therapeutics, will not just lead to more deaths, but will also cause a raft of economic, social, and health effects, both in developing countries and to the rest of the world. This means we are not safe until we are all safe. Ensuring equitable access and distribution of the vaccine is in the interest of all. In this regard, we urge that these text-based negotiations are done expeditiously, in good faith and in a transparent manner, with the aim of a results-oriented solution in order to save lives and livelihoods. We also urge that the negotiations not just focus on the supply and distribution of vaccines but also cover a range of COVID-19-related health products and technologies, including access to information on their materials and components and their methods and means of manufacture, as per the revised waiver proposal.

4.110. The representative of the Kingdom of Saudi Arabia provided the following statement:

4.111. We recall our previous statements and emphasize that the situation is extremely serious. What we are facing now is the urgent need to take an action. In this regard, we welcome the report of the TRIPS Council Chairman, Ambassador Sørli. We think his report is a useful and good basis for us to continue our discussions. We urge all Members to cooperate and to show the necessary flexibility to provide timely and secure access to safe and affordable vaccines for all.

4.112. The representative of Cameroon provided the following statement:

4.113. We associate ourselves with the statements made by the African Group and the ACP Group and thank the Chair of the TRIPS Council for the quality of his report. There is no need for us to mention again the importance of finding a quick and consensual outcome to the proposal on the lifting of certain intellectual property rules for the purpose of facilitating the production of vaccines and pharmaceutical products needed for combating the COVID-19 pandemic. We therefore invite all parties to actively engage in the search for concrete and effective solutions to overcome the various obstacles we are facing. We welcome the willingness shown so far, and stress that only a quick and effective Council decision on this issue will provide solid evidence of our goodwill. The world is watching, and the threat posed by the emergence of new variants is right outside the door. There is merit in the development of innovation and research, just as it makes sense to give appropriate consideration to commercial interests and investors' rights. However, intellectual property and investment security aspects are not incompatible with common sense and cannot override the public interest. Only comprehensive medical coverage that meets the needs of all countries will enable this

pandemic to be tackled effectively. It is indeed necessary to show solidarity and that is why we welcome the COVAX facility and the multi-faceted donations made to Cameroon and other states. Such donations are a gesture that reflect international solidarity and are necessary, but the question is whether they are sufficient to meet the needs of States. In its latest report, the WHO welcomes this surge of solidarity, but expresses concern over existing disparities in access to vaccines. This is to underline the urgent need to include other mechanisms in the current framework of solidarity that can increase technical and technological access with a view to significantly increasing the production of vaccines and other pharmaceutical products. Hence it is up to us to adopt a response that takes account of all possible approaches, limiting the pitfalls while making the most of the merits. We have no doubt regarding our capacity to do so. Let us show more determination and take resolute action in the consensus-based search for a pragmatic, effective solution that responds to the current emergency with an eye to any future pandemics.

4.114. The representative of Japan provided the following statement:

4.115. To achieve equitable access to vaccines, our government co-hosted the COVAX AMC Summit with Gavi in June, and we have already pledged approximately USD 1 billion of financial resources to COVAX. In addition, Japan intends to provide around 30 million doses of vaccines manufactured in Japan to other countries and regions, including through the COVAX Facility. Japan will also make steady progress on our "Last One Mile Support" initiative to ensure vaccination is delivered down to the last person in the supply chain all over the world. We believe such a framework for multilateral cooperation is the most effective way to achieve timely, fair and equitable access to medical products. With regard to technology transfer, we will encourage the voluntary transfer of vaccine production technologies on mutually agreed terms as per the APEC Economic Leaders' Statement on 16 July. In this context, Japan supports the WTO Director-General's continuous initiatives, such as promoting dialogues with pharmaceutical industries and pragmatic cooperation among capable manufacturers. We will engage in the discussion in various formats at the TRIPS Council, listening to the views of Members on how intellectual property, including the existing TRIPS flexibilities, can contribute to achieving our common goal of providing timely, fair and equitable access to high-quality, safe, efficacious and affordable vaccines and medicines for all.

4.116. The representative of the Republic of Korea provided the following statement:

4.117. In light of the divergent views expressed by Members at the TRIPS Council, the deliberations on the proposals on the table need to be continued. IP-related issues at the TRIPS Council should be approached keeping in mind the need to explore the best pragmatic way to secure the increased production of and equitable access to vaccines in a timely manner at this urgent time of crisis. I also would like to reiterate that along with IP-related measures, a broad based and holistic approach should be taken, such as encouraging technology transfer, facilitating the supply of raw materials and strengthening the operation of COVAX Facilities. For the COVAX Advanced Market Commitment, Korea plans to increase its contribution to USD 200 million over two years.

4.118. The representative of Singapore provided the following statement:

4.119. Allow me to make three points on this agenda item. First, like all WTO Members, Singapore continues to share the common objective of scaling up vaccine production and ensuring its equitable distribution. In this context, Singapore fully supports the continuum consideration of all possible means to scale up vaccine production and distribution. Singapore has participated actively in the text-based process of the TRIPS waiver proposal and will continue to do so. However, the main challenges of increasing vaccine production and distribution remain complex and demand a holistic approach.

4.120. Second, while Members share the same objective, there are serious differences in approaches. The fundamental difference voiced out and questioned of whether IP has been hindered to scale up vaccine production at the WTO-WHO High Level Dialogue on Expanding COVID-19 Vaccine Manufacturing to Promote Equitable Access last week, the unequivocal answer that we have heard from the horse's mouth was that IP has hindered production. The common refrain we heard from vaccine manufacturers is that vaccine supply chain bottlenecks, lack of regulatory harmonization and export restrictions pose greater challenges. On the contrary, there was unanimity that IP has enabled vaccine developers to confidently invest in research and development, that enabled them to produce effective COVID-19 vaccines in record time.

4.121. Third, it is time for Members to focus on the real question at hand, which is "how do we work together in a practical and pragmatic manner to scale up vaccine production and ensure more equitable distribution?" Taking reference again from the 21 July WTO-WHO High Level Dialogue, it is heartening to learn about Pfizer and BioNTech collaboration with the Biovac Institute in South Africa to manufacture and distribute COVID-19 vaccines. This collaboration will involve technical transfer, on-site development and equipment installation activities to develop South Africa's manufacturing capability. Furthermore, all the vaccines produced will be for the 55 member states of the African Union. Another encouraging announcement from the same event was that Pfizer will produce 3 billion doses of vaccines by 2021 and up to 4 billion doses by 2022. Similarly, AstraZeneca said that it is on track to deliver 2 billion doses and Moderna will deliver between 800 million to 1 billion doses by the end of the year. What these developments clearly illustrate is that there are existing pathways and modalities to enable public-private partnerships and collaborations that are capable of scaling-up vaccine production and more importantly getting vaccines into the arms of as many people around the globe as possible. What WTO Members must do is to focus on taking the most practical and pragmatic steps to reach our common objective.

4.122. The representative of Fiji provided the following statement:

4.123. The first revision to the proposal in document IP/C/W/669/Rev.1 has the necessary ingredients to pave the way forward for the WTO to contribute to the trade and health agenda. Despite the current roll out of COVID-19 vaccines, therapeutics and related tools, many gaps remain to be resolved. The COVAX Facility as we have noted is unable to deliver despite its initial plans, due to the production constraints and other restrictions in light of global demand. Above all, the virus continues to mutate with the current Delta variant being more pernicious and replicating itself faster. We therefore should expect similar trends in the future, whereby new variants will continue to mutate given the current trend of access delay. The critical way to address this dilemma is to ensure that all States have access to the vaccine and therapeutics as a starting point. Therefore, Members who have the capacity to produce should be equipped with the necessary tools and know how to do so. The waiver of certain provisions of the TRIPS Agreement in this pandemic time is therefore relevant and a step in the right direction. Every avenue must be explored to get people vaccinated in good time, both to save lives and to save our economies.

4.124. The representative of India provided the following statement:

4.125. While we continue our protracted deliberations on this proposal on a waiver from certain provisions of the TRIPS Agreement, for the past ten months more than 4 million people have succumbed to this virus - these lives could have been saved had we agreed to the proposal and given it a chance. With less than 1% of vaccines administered in low-income nations, increasingly we see that a two-track pandemic developing, with countries having deep pockets having access to vaccines while poorer nations are being left behind. Each nations' interests are entwined with that of the other, while developed countries have outpaced developing and LDCs in vaccinations and have also secured supplies for future doses, such a lopsided approach will only prolong the pandemic and exacerbate its aftereffects.

4.126. Members have argued that the waiver is not a response to enhancing supplies because the constraints are varied. They have repeatedly claimed that voluntary approaches will deliver. But the current situation clearly reveals that waiting for pharmaceutical companies to voluntarily license their know-how to manufacturers world over, to supply developing countries, including LDCs, has not delivered equitable access at affordable prices. There is, thus, an urgent need for the WTO Members to take action, to use existing tools for improving access. Limitations and shortcomings of voluntary approaches has already cost us many a lives and livelihoods and impacted economies, especially in the developing world. In the 21 July event, three areas were identified by Director-General of the World Health Organization in order to increase manufacturing, and these were technology transfer, supply chain resilience and IP waiver. These are not areas that are mutually exclusive, because each area responds to a particular aspect of the crisis and therefore must be looked at independently and comprehensively. Even if we were to assume that as per some recent estimates that we could manufacture 11 billion doses by the year end, significant issues surrounding equitable access and affordability of these vaccines would continue to persist and would need to be addressed.

4.127. The strength of economic recovery across countries is being driven by three key factors, namely, the extent of public health interventions including the vaccination programme, domestic

policy and government stimulus and the reliance of the economy on high contact sectors like tourism. Trade plays a key role in this recovery, and while global trade volumes saw a resurgence by April 2021, such recovery has been skewed with trade in goods leading the resurgence and services lagging behind. In the recent WTO Report, it has been highlighted that global services trade, that marked a decline of 21% last year, remained sluggish in the first quarter of 2021, falling 9% year-on-year owing to continued weakness in resumption of travel services among others. The continued uncertainty due to new variants and subsequent waves hitting various parts of the world, restrictions on movement of people, lack of retail spending, less consumer spending on services than goods, will continue to slow down the recovery and should be of concern to us all. This will continue to have devastating effect on small and vulnerable economies that are heavily reliant on services.

4.128. All Members reiterate their commitment to a shared objective of saving lives, and the need to ramp up global manufacturing, and with that goal and understanding, the cosponsors engaged during the text-based negotiations process. However, to our dismay, a few Members refuse to engage in the text-based negotiation. These few Members ensured that we are unable to meet the deadline set by the TRIPS Council Chair for reaching the necessary landing zone by end-July. While these Members emphasise the need for a comprehensive solution, it appears that the understanding of the term comprehensive is to be aligned with the priorities of these few Members. We continue to hear importance of a rules-based organization, what we are witnessing though is that the rules and procedures are conveniently and selectively interpreted. It would be worthwhile for Members to ponder over the kind of precedence these selective interpretations of rules are creating. The proposed waiver will enable the temporary suspension of the relevant TRIPS rules, providing manufacturers around the world the freedom to operate and scale up the production of vaccines. It is, thus, a necessary ingredient of a multi-pronged approach to combat the pandemic. The writing on the wall is clear, though we may choose to turn a blind eye. A differential approach to combat the pandemic will not only fail but also be counterproductive to the recovery. We must as an organization rise to the occasion and deliver, and save the people we are here to serve. Therefore, it is high time this organization prioritizes saving human lives and livelihoods over all other priorities. Needless to say, a decision on this critical proposal is absolutely crucial to the relevance of this organization in these trying times.

4.129. The representative of Saint Lucia, on behalf of CARICOM, provided the following statement:

4.130. We are also aligned with the ACP statement under this agenda item. CARICOM recognizes that the COVID-19 pandemic is far from over. We are still counting the cost of the pandemic in lives, socio-economic dislocation, and the degradation of our health systems. If there was any doubt before regarding our interconnectedness, the COVID-19 pandemic has certainly put this to rest. As variants emerge and become "fitter and faster", as one WHO expert has called it, it is clear that no country is safe until all countries are safe. In this context, equitable access to preventative, containment and treatment methods for COVID-19 for all becomes even more critical. CARICOM takes note of the text-based process which is ongoing. We further take note that the TRIPS Council will continue its consideration of the revised waiver request, including through small-group consultations.

4.131. The representative of Niger provided the following statement:

4.132. In view of the developments and transformations relating to COVID-19 that we are seeing worldwide, we believe that all our discussions at the WTO on managing the pandemic crisis must be aimed at removing all obstacles to the mass production of vaccines, to the supply of raw materials and to access the technologies needed to respond adequately and effectively to humanity's urgent needs therein. In our opinion, it is necessary to create hubs for the production of vaccines, drugs and protective equipment in all corners of the world, to track the virus and its various mutations. This forms part of the view we championed at the general debate of the 74th World Health Assembly calling for an end to the current pandemic and the prevention of any future pandemic. Achieving the goals of herd immunity and balanced recovery are dependent on this, as are the goals of the Immunization Agenda 2030 of the World Health Organization (WHO) as part of sustainable development of the United Nations (UN). Finally, we urge all Members to further reconcile their positions, so as to reach an appropriate political decision without delay to address the urgency and gravity of the situation and allow safe access to vaccines for all and to uphold these ideals.

4.133. The Chair encouraged all delegations to remain positively engaged as text-based discussions continued in the TRIPS Council, with a view to finding a solution that was acceptable to all. He added that this was an important matter which required willingness to listen to each other, understanding

and flexibility, thanked the TRIPS Council Chair for his status report and noted that the TRIPS Council would report back to the General Council, in line with Article IX:3 of the Marrakesh Agreement.

4.134. The General Council took note of the report of the TRIPS Council Chair and of the statements.

5 WORK PROGRAMME ON ELECTRONIC COMMERCE – REPORT BY THE CHAIR⁶

5.1. The Chair recalled that at the General Council meeting in December 2019, Members had adopted a Decision on the Work Programme on Electronic Commerce, in which they had agreed to reinvigorate this work, including by holding structured discussions based on all trade-related topics of interest brought forward by Members. Members had also agreed to extend the moratorium and to report to Ministers at MC12.

5.2. In view of this mandate and the work that had taken place under the General Council and the bodies entrusted with the implementation of the Work Programme, he provided Members with a comprehensive report.

5.3. The relevant bodies had last reported to the General Council in December 2020, except for the CTD that had not reported to the General Council since July 2019.

5.4. With respect to the Council for Trade in Goods, the Work Programme on Electronic Commerce had been considered at the two formal meetings held this year. Delegations had generally encouraged the reinvigoration of the Work Programme and reached a better understanding of the implications of the moratorium on electronic transmissions. Members had noted the importance of discussing the developmental aspects and implications of e-commerce, enabling LDCs to benefit from the opportunities provided by e-commerce, and bridging the digital divide. The CTG Chair would provide a more detailed report under his own responsibility at the end of the year.

5.5. The Council for Trade in Services had considered the Work Programme at its meetings of 2 March and 1 July. A joint communication tabled in July 2020 on how Members were supporting digital capabilities of business and consumers, had continued to generate substantive engagement. Several Members had shared information about their programmes as well as recent domestic e-commerce related developments. At the March meeting, Members had appreciated the previous Chair's Overview Note on the information shared by delegations.

5.6. While welcoming the exchange of information, a couple of delegations had called on Members to focus the discussion on the issues mandated by the Work Programme, including those related to the scope of the moratorium and the challenges faced by developing countries. In their view, the extension of the moratorium would be harmful to developing countries. They had added that the parallel JSI negotiations were detrimental to the multilateral trading system. On the other hand, several Members had noted the far-reaching benefits of the moratorium for both businesses and consumers. They underscored that the JSIs were inclusive, transparent and open to the participation of all Members.

5.7. In July, the LDC Group referred to the services elements of their communication to the General Council. A couple of delegations had noted the challenges that developing countries faced in reaping the opportunities provided by the digital economy. They had underscored the importance of strengthening multilateral discussions under the Work Programme, including through structured discussions. One delegation had called for the scope of the moratorium to be clarified and indicated that it had been working on a submission that would elaborate on the treatment of electronic commerce in the GATS legal framework.

5.8. With regard to the Committee on Trade and Development, the Work Programme had been regularly placed on the agenda. Although there were no specific submissions to consider, some delegations had highlighted the importance of discussing the development-related aspects of e-commerce. At the last CTD meeting held on 28 June, one delegation had indicated that it was working with other Members on a submission for the CTD's consideration.

⁶ The Chair said that if agreeable to delegations, he would take up both items 5 and 6 and then open the floor once on both items.

5.9. With regard to the TRIPS Council, since the last report to the General Council in December 2020, the Work Programme had not been discussed in the Council meetings. The Chair had been regularly reminding delegations of the Council's mandate in this regard.

5.10. He thanked the Chairs and delegations for the work carried out in their respective bodies. He noted that the level of engagement continued to differ among those bodies. In line with the Member-driven nature of their work, he encouraged delegations to contribute to those discussions.

5.11. Regarding the e-commerce discussions under the auspices of the General Council, he recalled that at the May General Council meeting he had reported on his consultations on the Work Programme and the moratorium. On that occasion, he had noted that despite well-known differences in Members' positions, delegations had confirmed their readiness to engage and deepen the discussions on e-commerce. Several delegations had also highlighted the need to have structured discussions to allow for more in-depth analysis, and to share experiences and expertise on specific issues.

5.12. It was in this context, and in light of the December 2019 General Council Decision, that he had convened a structured discussion on 5 July. The Discussion had been organized around 3 themes: electronic transmissions; imposition of internal non-discriminatory taxes on electronic transmissions; and challenges and opportunities of e-commerce, particularly in light of the COVID-19 pandemic. These themes had been based on what he had heard in his consultations.

5.13. Each session had been introduced by a few speakers, who had provided context and shared their national experiences. He thanked once again all the presenters for providing very informative presentations, which were available on the WTO website.

5.14. Under the first session on electronic transmissions, the Secretariat had recalled the history and discussions held in the CTS and the CTG on this matter. Members had reiterated their positions on the moratorium, with some calling for a permanent moratorium or at least an extension at MC12, and others seeking a common understanding on its scope first.

5.15. With regard to scope, some delegations had been of the view that the moratorium did not apply to content transmitted electronically and had been concerned about the broader implications of extending its scope. For others, the moratorium had applied to the content of the transmission, as well as the transmission itself. In their view, implying that the moratorium only applied to the electronic transmission would render it meaningless.

5.16. Different views had also been expressed with regard to the impact of the moratorium on the growth of e-commerce, the wider economic benefits it provided, and whether those benefits offset any potential revenue losses.

5.17. The second session on the imposition of internal non-discriminatory taxes on electronic transmissions had been organized in response to the request by some delegations to hear more from those Members that imposed internal taxes, such as VAT and GST, on electronic transmissions.

5.18. He reiterated that the sole purpose of the discussion had been to share information and that, as reiterated by some delegations, taxation remained an issue outside the WTO. Nonetheless, he believed that they had had an interesting exchange that had encouraged Members to raise some interesting questions and share their national experiences.

5.19. He noted that while some delegations had said that collection of internal taxes had helped address concerns about the loss of government revenue, others had noted that the issue of internal taxes was different from customs duties and that the possibility of imposing internal taxes did not compensate for the loss of revenues nor for the policy space limitations.

5.20. Finally, the third session had focused on the challenges and opportunities faced with respect to e-commerce.

5.21. In general, delegations had acknowledged the role that e-commerce had played during the pandemic and had recognized both the opportunities and challenges. Delegations had also

highlighted some specific issues of interest for discussion under the Work Programme, including the importance of addressing the digital divide.

5.22. The Chair hoped that Members had found those discussions useful. The idea had been to provide a platform for information-sharing without prejudging Members' final decision on the Work Programme and the Moratorium. Some delegations had requested the holding of further structured discussions.

5.23. Moving forward, it was clear that there were still very divergent views, especially on the moratorium. Nonetheless, the Chair was encouraged by the level of engagement that had been shown, midway through the year with only a few months remaining before MC12.

5.24. As noted at the beginning of his report, the General Council was to report to Ministers on the Work Programme on E-commerce and to decide on the moratorium. There was a need to start reflecting on what had been discussed thus far and to start thinking about the post summer work. While discussions continue, Members should delve deeper and focus attention towards a possible draft text for the consideration of Ministers.

5.25. The Chair further emphasised the need to make some headway on this matter. Many delegations, if not all, had acknowledged how the pandemic had demonstrated the potential role of e-commerce in supporting economic recovery and, at the same time, how it had brought into the fore the existing challenges that were to be addressed.

5.26. Given the Member-driven nature of the work, any decision on the way forward with respect to both the moratorium and the Work Programme was in the hands of Members. He urged delegations to come forward with proposals on draft decisions - to start somewhere. They needed to be able to submit something to Ministers – a draft text as a basis for further consultations as they prepared for MC12.

5.27. The Chair expressed his hope that all delegations would continue to pay attention to each other's views and that we can continue the work in a constructive manner. On his part, he intended to consult broadly with Members following the summer break and was ready to facilitate any further meeting or discussion as necessary, based on delegations' submissions.

5.28. The Chair concluded recalling his intention to consult broadly with Members after the summer break as they looked at MC12, and remained ready to facilitate further discussions on the basis of Members' submissions.

5.29. The General Council took note of the Chair's report⁷.

6 WORK PROGRAMME ON ELECTRONIC COMMERCE AND MORATORIUM ON IMPOSING CUSTOMS DUTIES ON ELECTRONIC TRANSMISSIONS – REQUEST FROM INDIA AND SOUTH AFRICA⁸

6.1. The Chair recalled that India and South Africa had requested that the item concerning the Work Programme on Electronic Commerce and Moratorium on Imposing Customs Duties on Electronic Transmissions be included in the agenda of today's meeting. The item had also been included in the agenda of the March and May meeting, as well as previously in October and December 2020.

6.2. The representative of India provided the following statement:

6.3. The digital revolution is still unfolding. While digital infrastructure has played a critical role during the ongoing pandemic, it has also brought out clearly the existing and widening digital divide among Members, a divide exposed further during the COVID-19 crisis. Moreover, many of us are yet to fully comprehend the implications of e-commerce on competition and market structures; issues related to transfer of technology; data storage; automation and its impact on traditional jobs; and gaps in e-commerce policy and regulatory frameworks in developing countries, including LDCs. That is why India has been a proponent of strengthening our multilateral work under the non-

⁷ The report was subsequently circulated in document JOB/GC/267.

⁸ See footnote 6.

negotiating and exploratory 1998 Work Programme on E-commerce. Under this multilateral Work Programme and with the intention of understanding the implications of the moratorium on customs duties on electronic transmissions, India along with South Africa has introduced submissions which explain our understanding of the scope and impact of the moratorium.

6.4. We believe it is important for Members to review the 1998 decision to have a moratorium on customs duties on electronic transmissions. We are all aware that this decision was taken with no consensus on the scope of the moratorium and no notion on how the digital revolution would unfold. In December 2019, we had joined the consensus for a six-month extension of the moratorium, with an understanding that the Work Programme on Electronic Commerce will be reinvigorated, to achieve clarity on various issues, including the scope of the moratorium and its impact on Members' policy space and revenues. Since then, due to repeated postponements of the 12th Ministerial Conference, the moratorium has got extended by about two years, that is much beyond six months initially agreed to in December 2019. However, we have not seen much progress in the discussions on the Work Programme on Electronic Commerce. During the coming few months before MC12, we need to engage constructively on various issues under the Work Programme. We also need to have a clear understanding on the scope of the moratorium, to enable us make an informed decision on an extension or otherwise of the moratorium in the upcoming Ministerial Conference.

6.5. As we have been repeatedly highlighting, a re-consideration of the moratorium is critical for developing countries, inter alia, to preserve policy space to regulate imports, generate revenue through a simple and direct instrument such as customs duties, and achieve digital industrialization. Some Members have opined that the moratorium has brought about significant benefits in terms of increasing digitalisation and development of the digital economy. We request the proponents of the moratorium to provide specific evidence that the development of this sector depends on the moratorium and that its withdrawal will disrupt it. In our view, the cost of the moratorium is mainly borne by developing countries by extending duty free quota free market access, largely for the developed countries. We therefore need further discussions on this issue.

6.6. Multilateralism is vital in a world facing development challenges, and through constructive discussions on the Work Programme mandated multilaterally, the WTO has a unique opportunity to make a contribution towards an inclusive and development-oriented approach to electronic commerce. In this context, India along with South Africa, has also circulated a paper in document WT/GC/W/812, which seeks that this Council plays a central role in the discussions on the Work Programme, keep this item under regular review, take up any trade related issue of a cross-cutting nature, and continue structured thematic discussions in the General Council through various platforms.

6.7. Paragraph 1.2 of the Work Programme mandates that this Council shall play a central role in the whole process and keep the work programme under continuous review through a standing item on its agenda. We, accordingly, urge you to ensure that the Work Programme is kept as a standing agenda items for the meetings of this Council. We also need to ensure that, as mandated under paragraphs 2 to 5 of the Work Programme, relevant WTO bodies do engage constructively and report to this Council on issues assigned to them under the Work Programme, including on the issue of challenges to and ways of enhancing the participation of developing countries in electronic commerce, in particular as exporters of electronically delivered products; the role of improved access to infrastructure and transfer of technology, and of movement of natural persons; the use of information technology in the integration of developing countries in the multilateral trading system; the implications for developing countries of the possible impact of electronic commerce on the traditional means of distribution of physical goods; and financial implications of electronic commerce for developing countries.

6.8. We are working with likeminded Members to introduce submissions in all relevant WTO bodies, to engage in constructive discussions on a non-negotiating basis. We also urge Members to constructively engage in discussions on the Work Programme, here in this Council and in other relevant WTO bodies.

6.9. The representative of the Philippines provided the following statement:

6.10. On item 5, the structured discussions held on 5 July served as a useful information-sharing exercise for Members to exchange views and experiences on the issues relating to the moratorium

on electronic transmissions, particularly the challenges and opportunities of e-commerce in light of the COVID-19 pandemic. The Philippines attaches great importance to electronic commerce as it facilitates cross-border trade and plays a critical role in the global post-pandemic recovery to boost economic growth. Therefore, we reiterate our commitment to reinvigorate the work under the Work Programme on Electronic Commerce and support the current practice of not imposing customs duties on electronic transmissions until the next Ministerial Conference.

6.11. We also believe the work on e-commerce, overall, can be pursued in parallel in the General Council structured discussions, as well as in the Joint Statement Initiative. The JSI discussions can complement the GC structured discussions to advance Members' priorities on the area of electronic commerce.

6.12. The representative of Nigeria provided the following statement:

6.13. Under item 5, digital trade is growing rapidly, and its performance has become an important determinant of the distributional effects of trade, and growth. However, the existing North-South digital divide continues to undermine the gains of developing countries from global digital trade. Nigeria has been consistent in its call for the membership to reinvigorate the 1998 Work Programme on Electronic Commerce and explore ways of addressing the difficulties undermining the gains of developing countries from global digital trade. In this regard, we co-sponsored the Australian led proposal on exploratory discussions on supporting digital capability of businesses and consumers in the CTS, which is gaining traction with more Members engaging in the discussions. Nigeria supports a more structured and targeted discussions on horizontal and vertical issues regarding the trade related aspect of e-commerce under the Work Programme, with a view to setting an inclusive and development-oriented agenda for consideration by Ministers at MC12.

6.14. Under item 6, regarding the issue of the moratorium on customs duties, we support the renewal of the moratorium at MC12. This is to forestall the disruption of the global e-commerce landscape and the negative effects on businesses and consumers that is likely to occur from the non-renewal of the Moratorium at MC12. The global economy is already shattered by COVID-19, and the WTO should be part of the recovery efforts. This is without prejudice to the call by some Members for broad based discussions on scope and definition, so we can gain greater insight and deepen our understanding of these issues. We are also mindful of the legitimate concerns of some Members on the effect of the moratorium on fiscal revenue. As stated at the last meeting of the General Council, we support the call by some Members for the four designated bodies under the Work Programme, to delve deeper into the benefits and costs of the moratorium on customs duties, especially for developing countries. However, such assessment should not only focus on the static effects, but also the dynamic effects so that we can be properly guided. In our view, an objective assessment of the impact of the moratorium on economies will reveal that the benefits associated with the dynamic effects of the moratorium outweighs the revenue loss. We therefore call on Members to support the renewal of the moratorium at MC 12.

6.15. The representative of Australia provided the following statement:

6.16. On this item, our views are well known. The idea that we would let the moratorium expire at one of the most significant points of transformation of the global economy would be very odd indeed and would add a serious blow to the WTO's credibility. We would like to see the moratorium returning and, of course, made permanent.

6.17. The representative of Thailand provided the following statement:

6.18. Thailand reassures all WTO Members that we recognize the importance of the 1998 Work Programme on E-commerce and remain committed to the General Council's Decision of December 2019. In accordance with the decision, we have actively engaged in previous discussions, such as the virtual webinar and the open-ended meeting held in July last year, Australia's initiative under the CTS meeting. In particular, at the most recent structured discussion on 5 July, we had a representative from Bangkok sharing the experience of our domestic practices, policies, pandemic challenges, and opportunities in terms of digital capability and development. To take this issue forward, we support the continuation of the current practice of extending the e-commerce moratorium as well as the Work Programme at MC12. Apart from trade and health outcomes, this decision will offer another opportunity for the WTO to contribute to the global trade community by

providing a predictable business environment in current and post-pandemic situations, and ensure that after MC12 we will have a forum to discuss e-commerce in terms of development, and delve into issues important to developing members and LDCs. While it is undeniably beneficial for Members to consider how to improve our existing working structure under the Work Programme, we must also be careful not to duplicate our efforts or create overlapping mechanisms when deliberating our e-commerce-related works.

6.19. Our exports last month expanded 43.8% and the first 6 months of this year increased 20%. Even though last year's figure was very low, the total value of exports of Thailand is still growing. The main reason why we are still gradually growing is due to e-commerce, both in terms of imports from and exports to neighbouring countries and others, as well as our domestic development that has gained from e-commerce activities in Thailand.

6.20. For our export efforts, we have shifted a lot of activities towards online activities, such as online matching among importers and exporters between Thailand and trading partners, signing agreements virtually, starting many virtual exhibitions to showcase our products and services, and doing online audio-visual entertainment and services. Everything is moving towards online activities, and I believe that virtual e-commerce activities will become semi-permanent and an integral part of the world economy in the future. There is no reason why we need to put barriers to the growth of e-commerce right now and in the future.

6.21. On the domestic side, unfortunately, we are going through another partial lockdown in many areas of the country. Many Thai people are now surviving because of the food delivery from grocery stores, and everything being delivered to their homes, in particular elderly people. Livelihoods can be sustained through e-commerce activities.

6.22. While we understand the debate at the WTO concerning taxation and tariffs, we have to recognize that e-commerce could be an important factor on how we survive during a pandemic situation. E-commerce benefits many SMEs, since many of them are in the supply chain of food delivery – it is not only big companies that reap the benefits of e-commerce. This is the answer to future global trade and domestic trade. It is in our interest to keep the online regime as open as possible.

6.23. Many members mentioned the digital divide. From our experience, currently it is not the problem of the digital divide that makes countries not realize the benefits of e-commerce, rather it is a human development divide since e-commerce is a system and a technological network. If there are no people who can utilize it, then it means nothing. Thailand has been able to use e-commerce a lot and much faster than in the past few years because of the focus on human resources development rather than talking about systems or networks. It is important that users get experience on how to utilize the system of modern technology and e-commerce. At the same time, another kind of human development which is needed is entrepreneurial. Start-ups and SMEs need to understand how useful technology is to develop their businesses. Thailand is happy to share its experience on this.

6.24. The representative of Mexico provided the following statement:

6.25. At the last General Council meeting on 5 July on the Work Programme on Electronic Commerce, my country presented its national experience with respect to the opportunities and challenges brought about by e-commerce. This presentation illustrated the importance of e-commerce to Mexico, through its development of the digital economy, thereby enabling small and medium-sized enterprises (SMEs) to benefit from valuable business opportunities. The international legal framework of the trade agreements negotiated by Mexico also led to a significant increase in e-commerce operations during lockdown. My country considers that e-commerce has been able to grow beyond expectations thanks to the multilateral commitment to not apply tariffs on electronic transmissions. Mexico therefore reiterates the importance of continuing the moratorium and is in favour of making it permanent.

6.26. The representative of Costa Rica provided the following statement:

6.27. Under item 5, we consider the continuation of the Work Programme as essential, as well as the renewal of the moratorium until at least MC13. This will be this organization's contribution to

one of the most dynamic sectors of the world economy, which has also played a key role during the pandemic and will be even more relevant for the recovery of our economies in a post COVID-19 context. We believe that, after 23 years, the discussions should be about how to achieve a permanent moratorium and thereby ensure stable and non-discriminatory conditions for the benefit of suppliers and consumers of all WTO Members. The current moratorium is in line with the objectives of the Marrakesh Agreement which, in its Preamble, calls for the reduction of trade barriers and the elimination of discriminatory treatment in international trade relations. In everything we do in this organization, and in particular on this issue, we should take these principles into account.

6.28. The representative of Mauritius, on behalf of the African Group, provided the following statement:

6.29. Under item 5, as we live in a society where digital technologies play an increasingly important role, access to technology can no longer be treated as a luxury but a necessity. Indeed, the information age has revolutionized the way we live, the way we interact with each and the way we trade. Unfortunately, the African continent continues to suffer from the digital divide, and the fourth industrial revolution that other parts of the world are living may leave Africa behind. The pandemic further aggravated the situation and African economies could not adopt measures such as work from home, tele-schooling or e-commerce. It is, in our view, crucial at this stage that the WTO takes a leading role on the development aspects of e-commerce by harnessing institutional coherence and bridging the gaps towards addressing the digital divide. We must not limit ourselves to e-commerce facilitation, but more importantly, we must look at the real weaknesses that countries and regions are facing, such as, logistical limitations, lack of know-how and technology, information transfer and security issues, and cross-border transactions.

6.30. In this regard, we request that the 1998 Work Programme on E-commerce be quickly revived and reviewed to achieve the development goals of a modern and integrated society. As regards the moratorium on electronic transmissions, the African Group is of the view that there is an urgent need to carefully assess the situation in light of the growing role of digital services. We would, therefore, request the Secretariat to consider preparing an objective and factual report about the impact of moratorium on Members' economies. Only a comprehensive assessment would allow us to take an informed decision on whether the moratorium may or may not be extended. I also take this opportunity to thank the delegations of India and South Africa for the next item on the agenda that, inter-alia, highlights the importance of sincerely pursuing the work envisaged in the 1998 Work Programme on E-Commerce and the need for a comprehensive assessment of the moratorium.

6.31. The representative of Jamaica, on behalf of the ACP, provided the following statement:

6.32. Under item 5, the 1998 Work Programme on Electronic Commerce continues to be a critical aspect of the WTO's current and future work. The ACP Group has been one of the main supporters for the reinvigoration of the 1998 Work Programme on Electronic Commerce and the structured discussions which were set out in the 2019 Decision. We have therefore, taken good note of the recent activities that have taken place and the proposed road ahead on the issue. While at the macro level we can concur that the COVID-19 pandemic has bolstered e-commerce and digital trade, there is evidence to suggest that such growth has not been equal across all WTO Members. In fact, there is data to suggest that growth has been limited to a handful of WTO Members and there has indeed been a widening of the digital divide since the onset of the pandemic.

6.33. We were pleased to have been able to share some of the challenges that continue to plague our countries in terms of e-commerce as well as some of the opportunities that some ACP Members have been able to benefit from during the 5 July Structured Discussions. We would like to request that the observations which were made at the structural discussions be placed on the record of this meeting under this agenda item.⁹ We note and understand that the moratorium on customs duties does not prohibit internal duties and taxes.

6.34. Whilst our membership is diverse and remains open to exploring the landing zone on the moratorium on the imposition of customs duties on electronic transmissions, we feel that it is necessary to remind WTO Members that while we do recognize the opportunities, we also face challenges concerning internal taxes on digital trade. We would like to mention here that we are

⁹ At the request of Jamaica, the statement delivered by Jamaica on behalf of the ACP Group at the 5 July 2021 Structured Discussions on E-Commerce is annexed to the minutes of this meeting.

finding that we must seek to examine a balance between our revenue requirements from internal taxes and where we have emerging exports of digitised products that could face discriminatory taxes in export markets and added costs our entrepreneurs and businesses, which are predominantly small and medium sized business. In the ACP regions, where Economic Partnership or other Agreements have been entered into, we committed to non-discriminatory treatment of digitally traded goods and services. We would like to suggest that the structured discussions of the Work Programme could take stock of the extent to which developing countries are party to such agreements with similar terms. The ACP Group is examining in detail the e-commerce-related challenges and opportunities confronting our countries and is of the view that there is scope for us to benefit from more dedicated structured discussions before MC12. The Group will bring forward its ideas on the specific issues that could be covered in these sessions. For us, such issues extend beyond the moratorium on the imposition of customs duties on electronic transmissions.

6.35. We recognize that we will need to renew the Work Programme at MC12 and that the discussions on this will need to start soon. The ACP Group continues to be a proponent of the exploratory discussions under the 1998 Work Programme and would therefore wish to be a part of any consultations on this issue.

6.36. Under item 6, we agree with India and South Africa that there still is a need for greater clarity on the scope and definition of electronic transmissions and the impact that the moratorium has had on developing countries, particularly from a revenue perspective. We look forward to a resolution of the issues raised in this submission.

6.37. The representative of Chad on behalf of the LDC Group provided the following statement:

6.38. With regards to item 5, as agreed at the extension in December 2019, we must continue structured discussions in the framework of the 1998 Work Programme on the basis of Members' propositions. The LDC Group submitted an intervention at the Structured Discussions, which we would like to see included in the record of this meeting under this agenda item.¹⁰ We would also like to draw Members' attention to the LDC Group's communication in the framework of the November 2019 Work Programme, document WT/GC/W/787. We must adopt an empirical approach, with the idea not to simply reproduce what has already been performed elsewhere, as every country has its own advantages and comparative strength, but undertaking a needs assessment at a national level might aid us in better understanding where we should begin the deployment of a strategic reform programme on electronic commerce, which would of course leave no one behind.

6.39. With regards to item 6, the LDC Group is aware of the urgent nature of a decision on e-commerce, given that the current decision will expire at the next Ministerial Conference at the end of this year. The LDCs Group submission also addresses the interest of solving and bringing solutions to issues on customs duties on electronic transmissions, as raised in the India and South Africa submission. More specifically, LDCs are also interested to see how a solution to the issues raised in our paper can be provided. In addition, the LDC Group in its communication stated that a lack of clarity on the nature of electronic transmissions and the ability of LDC Members to apply internal taxes, with regard to customs duties if necessary, is one of its major concerns. We believe that this aspect and other aspects of the Work Programme, such as localisation and appropriate regulation for the protection of data and consumers, are essential. All the same, we must be equally clear on how we deliberate under the framework of this Work Programme so that LDC businesspeople and their domestic markets can make best use of their own data and exploit them on their electronic commerce platforms.

6.40. The representative of Saint Lucia, on behalf of CARICOM, provided the following statement:

6.41. Under items 5 and 6, CARICOM aligns with the views of the ACP Group on these items. We take this opportunity to underscore the importance the Work Programme holds for the CARICOM Group and to underline our commitment to its reinvigoration. As the General Council prepares to report to Ministers at MC12, we are pleased that we were able to proceed to structured discussions earlier this month. We note that the topics selected for the discussion reflected elements identified by Members during your consultations. The sessions proved pertinent and timely, both in their examination of the considerations of the membership on electronic commerce over the last two

¹⁰ At the request of Chad, the statement delivered by Chad on behalf of the LDC Group at the 5 July 2021 Structured Discussions on E-Commerce is annexed to the Minutes of this meeting.

decades, and in respect of insights shared on Members' current challenges and approaches related to electronic commerce.

6.42. Regarding the latter, the CARICOM Group is appreciative of the opportunity during the Structured Discussion on 5 July to provide details on how CARICOM Member States have sought to treat with e-commerce related challenges and opportunities in the context of the COVID-19 pandemic. The various elements outlined in our presentation, including in respect of digital infrastructure, the nexus between financial inclusion and digital inclusion, the rural digital divide and digital payment solutions, are among a substantial list of topics we understand to be relevant to a broad cross-section of WTO Members. In reiterating the view that our structured discussions should place emphasis on the development dimension, we look forward to an engagement on these and other trade-related topics brought forward by Members, both in the lead-up to MC12 and beyond.

6.43. On MC12, we are mindful of the limited time between the end of the summer break and the start of the Conference in late November. We are also cognisant of the considerable amount of work to be done in preparation of outcomes on trade and health, agriculture and other priorities identified by the membership. In addition, what is clear is that our dialogue on the moratorium since MC11 has not yet yielded the desired clarity or consensus. In the circumstances, structured discussions after the summer break must include focused dialogue on the moratorium, with a view to outlining a mutually agreeable recommendation for consideration by Ministers at MC12. It would also be useful if Ministers could be positioned at MC12 to provide a meaningful direction regarding a reinvigorated Work Programme for the period after the Ministerial Conference. This is particularly important in the context of the COVID-19 pandemic, and as the membership looks ahead to a post-pandemic recovery. It is evident that trade is becoming increasingly digital, and that electronic commerce will play a critical role in post-pandemic recovery efforts.

6.44. The representative of Zimbabwe provided the following statement:

6.45. We align ourselves with the statement delivered by Mauritius on behalf of the African Group. The delegation of Zimbabwe wishes to underscore the importance of re-invigorating the mandated work under the 1998 Work Programme on Electronic Commerce. The COVID-19 pandemic has accelerated the digital transformation of the global economy and has made it clear that we need to build capacity in the use of digital tools and to prioritise the development of digital infrastructure. It is imperative for Members to address the digital divide both within and among countries. The Work Programme provides a suitable foundation for Members to explore the policy-solutions required and to discuss their implications. We therefore call for a collective and constructive engagement to discuss the Work Programme with an emphasis on digital development and inclusion.

6.46. Under item 6, regarding the e-commerce moratorium, we believe it is important to bring clarity with regard to the scope of the moratorium on customs duties on electronic transmissions, its potential impact on the sustainability of the domestic industry as well as its negative impact on job creation, and on revenue generation. In this regard, we also repeat our call for Members to adopt an evidence-based approach as they consider the future status of the 1998 moratorium.

6.47. The representative of Uganda provided the following statement:

6.48. We agreed in 2019 to reinvigorate the Work Program on E-commerce and continue the practice of not imposing customs duties on electronic transmissions until the next Ministerial Conference which we had hoped to hold in 2020. Having missed this opportunity, it is expected that our Ministers will revisit this matter at MC12. However, as we head to this date, many questions regarding various elements on e-commerce envisaged in the Work Programme that need to be clarified remain outstanding. Issues of the technological neutrality principle, classification of new services, jurisdictional issues in terms of the law applicable, as well as issues related to the transposition of GATS commitments in market access in a digitized trade context, among others, are yet to be resolved. The impact of the COVID-19 pandemic has continued to reveal the critical role of the digital economy in dealing with the pandemic and in recovery efforts. The LDC Group has in the past presented many of the challenges that we face in making use of the opportunities of e-commerce, including the lack of mechanisms to start enterprises in e-commerce business, limited existence of and affordable ICT infrastructure, such as internet and electricity, coupled with challenges related to access to credit cards. It is important that we utilize any remaining time before MC12 to delve in discussions of these and other issues in the relevant bodies. We thank South Africa

and India for their communications regarding the moratorium on the imposition of customs duties on electronic transmissions. My delegation continues to critically consider this matter.

6.49. The representative of Morocco provided the following statement:

6.50. The COVID-19 pandemic has confirmed the pivotal role that e-commerce currently plays in international trade, as has been underscored in the information note that the Secretariat published last March. However, numerous major challenges are still faced by all of us if we are to ensure that e-commerce is a synonym of prosperity and development for all. I would also like to recall that Morocco had planned to schedule a conference for the African Trade Ministers dedicated to e-commerce in Rabat on 17 March 2020, which was unfortunately postponed for reasons which we are all familiar with. However, I would like to take this opportunity to reiterate my country's intention to reschedule the conference when circumstances allow. In light of all of this, we should double our efforts to bridge the digital divide within countries and between them, through technical assistance and targeted technology transfer in such a way that we can integrate developing countries into global value chains and create wealth and resilience to see the issues from the same perspective and take inclusive and balanced decisions. The 1998 Work Programme should find new impetus and be strengthened so that all the pending issues can be remedied.

6.51. The representative of Nepal provided the following statement:

6.52. Under items 5 and 6, I would like to refer to the views Nepal shared in detail during your consultation with my delegation on 13 April, and to associate with the statement delivered by Chad on behalf of the LDC group. In the wake of the pandemic, we are compelled to go digital in order to survive in global trade. However, due to the huge digital divide among and within the Members, LDCs and LLDCs have not been able to harness the potential benefits of e-commerce. Insufficient ICT infrastructure, and weak institutional and human capacity are their main obstacles to participate in and benefit from e-commerce. Needful intervention has become urgent through the E-commerce Work Programme to enable LDCs and LLDCs to participate in global trade. Some important initiatives that can be undertaken to overcome their capacity constraints in e-commerce include widespread access to telecommunications at low prices and with latest technology; strengthening human, institutional and technical infrastructure; capacity-building in information technology; and promoting technology transfer and foreign direct investment. In addition, the Work Programme on E-commerce should be delinked from the Joint Statement Initiatives on E-commerce. Efforts should be advanced without further delay to deliver on the mandate and ensure a fair participation of LDCs and LLDCs in e-commerce. Regarding the issue of the moratorium, clarity on the scope of the moratorium is absolutely necessary. Finally, implications of a continued moratorium should be assessed before taking any decision on it.

6.53. The representative of Tanzania provided the following statement:

6.54. Under item 6, as we mentioned in the past, the moratorium on imposing customs duties on electronic transmissions was adopted in 1998, when most of the Members, including Tanzania, were not aware of its implications. There was no clarity regarding how the economy would be transformed by digital advancements. Nevertheless, the measure was meant to be temporary. Currently, digital economy is growing rapidly. We are witnessing the volume of trade of digitized products such as films, printable materials e.g. electronic books, video games, software, sound and music, growing at a radical rate. With the introduction of new technologies such as 3D printing, big data and artificial intelligence, our economies will further be transformed. Trading of digitized products is becoming one of the areas with high potential as a source of revenue collection especially for developing countries, like the United Republic of Tanzania. Tariffs remain the main source of revenue to support development in most developing countries and also can be used as a policy instrument to protect infant industries from stiff competition. In our view, digitized products and physical products should be treated the same way, considering that most of them are not new products but being converted from physical to digital forms. In this regard, my delegation supports the call for review of the moratorium, in order to give Members an opportunity to assess its implications, and also redefine its scope of application.

6.55. The representative of Bangladesh provided the following statement:

6.56. My delegation endorses the statement delivered by Chad on behalf of the LDCs. The Work Program on Electronic Commerce (WT/L/274) is very relevant. In fact, the COVID-19 pandemic has further validated the significance of reinvigorating it. I would like to refer to our statement delivered at the General Council meeting in March 2021. We suggest a temporary moratorium on e-commerce.

6.57. The representative of the European Union provided the following statement:

6.58. The European Union would like to underline that the moratorium on customs duties on electronic transmissions provides the predictability and security that our consumers and businesses – in both developed and developing countries – need when engaging or planning to engage in e-commerce. We would also like to recall that several recent economic studies have provided solid new evidence on the positive economic implications of the moratorium. The European Union remains committed to continue engaging in structured discussions on the moratorium in line with the General Council Decision of December 2019, taking into account the new evidence that has been published over the last couple of years, on the multiple benefits of the moratorium for businesses and citizens alike. While Members had decided to extend the moratorium until MC12, the European Union hopes that our Ministers will be in a position to consider a longer term – if not permanent – extension at the next Ministerial Conference.

6.59. The representative of Chile provided the following statement:

6.60. The Structured Discussion that took place on 5 July was highly useful for refreshing our memory regarding the discussions on electronic transmissions that have taken place in this organization, hearing about some Members' experience in relation to the imposition of internal non-discriminatory taxes on electronic transmissions and learning from the experiences of various Members, especially developing Members, with respect to the challenges and opportunities presented by e-commerce, particularly in the context of the pandemic. While we very much appreciate the information shared in this and previous activities, we regret that it is not leading to a narrowing of gaps between existing positions and that it does not appear to us that such a narrowing will occur in the few months that remain before the Ministerial Conference. To be convinced of the benefits of the moratorium, it is necessary to be open to being convinced. Against this backdrop, the focus should now be on negotiating, covering all elements linked to and going beyond the Work Programme and the moratorium. We call on all Members to engage in these negotiations in good faith, so as to achieve an outcome that leads to progress – much needed by our organization – rather than to a regression. Turning to the proposal to include the Work Programme and the moratorium as standing items on the agenda of this Council and other WTO bodies, we reiterate our call to avoid creating new unnecessary fora and to make use instead of those that already exist to hold discussions based on concrete and substantive proposals. Lastly, our experience has shown the benefits of continuing the moratorium and we are looking for its permanent extension or, failing that, its extension for a set duration of time, as has been done to date. We also reiterate our support for the renewal of the moratorium on TRIPS non violation and situation complaints.

6.61. The representative of Chinese Taipei provided the following statement:

6.62. My statement is in relation to agenda items 5 and 6. On the Structured Discussion under the Work Programme on Electronic Commerce on 5 July 2021, the informative presentations by the Secretariat and Members formed a good basis for further discussion in the future on electronic transmission in accordance, with the December 2019 General Council Decision (WT/L/1079). We certainly are aware that the classification of electronic transmissions is an issue not to be resolved overnight. In addition, we were pleased to hear the report under agenda item 2 about the discussions in the relevant WTO bodies on the Work Program on Electronic Commerce. We believe that the sharing of practical experience and information among Members is also promoting related work and bridging the digital divide. In response to the request from India and South Africa, we are of the view that the priority and focus, at this stage, should be to maintain the 22-year-old practice of not imposing customs duties on cross-border electronic transmissions, including the content transmitted. From the overall economic perspective, the significant benefit from the moratorium to SMEs and MSMEs and to the growth of the global ICT sector and digital economy, has been self-evident. Facing the current pandemic, it is key for the WTO to secure an extension of the moratorium at MC12, or even consider making it permanent.

6.63. The representative of the United Kingdom provided the following statement:

6.64. Digitalisation is one of the great features of the modern age. It has been hastened by the pandemic. Digitalisation is a good thing for developing and developed countries alike. Many examples have been cited of countries who have been helped to integrate into the global economy and pull themselves out of poverty through digitalisation. We are a very strong supporter of the work programme on e-commerce and recognize the importance of inclusive digital trade. We welcome recent structured discussions held by the General Council Chair and support constructive, open and inclusive discussions. Let me echo the comments of Australia and the European Union. It would be inconceivable to do anything other than extend or render permanent the moratorium. To do otherwise would be bizarre.

6.65. The representative of Norway provided the following statement:

6.66. Under item 6, Norway agrees that it is important to continue our dialogue on the relationship between development and e-commerce, and we are looking forward to continuing discussions under the Work Programme. Norway continues to support the moratorium on customs duties on electronic transmissions. The moratorium has created predictability for consumers, businesses, domestic regulators, and customs authorities. Creating more uncertainty should not be the purpose of this organization.

6.67. The representative of the United States provided the following statement:

6.68. The moratorium on customs duties on electronic transmissions has supported the rapid growth of digital trade over the past two decades, and the United States continues to believe that WTO Members should be ready to agree to a permanent moratorium. The Structured Discussions of the Work Programme on Electronic Commerce held on 5 July only underscored the importance of continuing the moratorium, as both developed and developing countries increase their reliance on digital tools during the pandemic response and recovery. Ending the moratorium at this critical time would create uncertainty and concern for consumers and businesses, particularly MSMEs.

6.69. The representative of Japan provided the following statement:

6.70. Under item 5, Japan believes that the moratorium has provided certainty and predictability in digital trade for both consumers and businesses, including MSMEs. As such, it has underpinned the development of digital trade globally. Particularly under the current COVID-19 pandemic, it is important to ensure a sound and liberalized environment through e-commerce and to support safe or less-risky socio-economic activities. To discontinue the moratorium at MC12 would be considered a serious step backward not only for e-commerce but for the multilateral trading system. This is true, particularly at the time of a pandemic, Japan strongly believes that we should maintain our current multilateral practice of the moratorium at MC12, and make it permanent eventually.

6.71. The representative of Vanuatu, on behalf of the Pacific Group, provided the following statement:

6.72. On Agenda items 5 and 6, e-commerce has grown significantly in recent years and more particularly in response to the COVID-19 pandemic as businesses adapt to lockdowns around the world. The Pacific Group sees e-commerce as both providing potential opportunities to harness our trade and to build resilience to external shocks. However, many developing countries including our Group were not able to take advantage of these online opportunities due to various challenges. These included weak infrastructure, limited skills, low levels of access to the internet and high connectivity costs. The Pacific Group therefore considers the Work Programme on e-commerce as an important platform to help us address the digital divide faced by small vulnerable economies like ours. In this connection, the Pacific Group supports the re-invigoration of the Work Programme on e-commerce as agreed to by the General Council in December 2019, which also called on structured discussions on the Work Programme and the moratorium, including its revenue impact. We therefore support the call for you, as Chair, to facilitate structured discussions on this issue in preparation for MC12.

6.73. The representative of Switzerland provided the following statement:

6.74. The 5 July Structured Discussions allowed for interesting exchanges on different aspects of the moratorium. Switzerland considers the tariff moratorium on electronic transmissions to be a cornerstone for the development of the digital economy and trade. For this reason, we are pleased to signal our willingness to make the moratorium permanent at the 12th Ministerial Conference. Switzerland's position on the other aspects discussed under this agenda item is known and has already been recorded in the minutes of the General Council.

6.75. The representative of the Republic of Korea provided the following statement:

6.76. The e-commerce JSI is a complementary way to move forward with the work of creating rules that support a transparent and stable e-commerce environment for all. We encourage more Members to join the negotiations on the e-commerce JSI. Regarding the moratorium, Korea reiterates its firm support for the permanent extension of moratorium for the sake of certainty, predictability and security. While appreciating your efforts to lead the structured discussion on the moratorium, I would like to stress that the importance of the role of E-commerce and the moratorium is getting more evident as we move toward the post-pandemic digital era. As regards concerns over potential revenue losses, it would be useful to note, as you mentioned, that internal non-discriminatory taxes could supplement any customs revenue losses the moratorium may incur.

6.77. The representative of South Africa provided the following statement:

6.78. We associate ourselves with the statement by the Africa Group and the ACP Group. South Africa supports the continuation of Structured Discussions in the General Council, which should include, among others: the developmental aspects of electronic commerce; the scope, definition and impact of the moratorium on customs duties on electronic transmissions; and an examination of the challenges experienced by developing countries and in relation to electronic commerce, and explore ways of enhancing the participation of developing countries in electronic commerce.

6.79. The pandemic has highlighted the enormous gap in access to digital technologies. It has laid bare the problems of digital divide both between and within countries. Technology is critical for achieving all the SDGs, but to fully harness its potential, rapid action is needed to close the digital divide and promote inclusion. The issues entailed in the Work Programme remain critical to achieve this objective. It remains South Africa's view that it is only through a truly multilateral process that issues identified by Members under the Work Programme such as classification, definition and scope can be clarified to enable a common understanding on e-commerce. It is regrettable to see lack of commitment to the developmental aspects of the WTO mandated work, and we are concerned that this is increasingly contributing to a lack of progress in the WTO. We caution that attempts to expand the definition of electronic transmissions will have significant revenue and industrialisation implications for developing countries. It substantially increases the trade coverage of the moratorium by multiples and has implications for the current obligations of Members under GATS. The magnitude of this can be inferred from UNCTAD (June 2020-Research Paper 47) estimates that show that total imports of services via Mode 1 amounted to USD 705 billion in 2017 while total imports of digitizable products were around USD 80 billion in 2017. The UNCTAD Paper also estimates potential losses from the moratorium to up to USD 10 billion per annum for developing countries and only USD 289 million in losses for advanced economies. These forgone revenues to developing countries are set to exponentially increase with the increasing digitization of goods, including advances in 3D printing technologies. This is even more concerning as Members are considering policy tools that will drive economic recovery efforts. Suggestions that revenue losses can be evened out by internal taxes or compensated for by dynamic gains, ignores the principal purpose of customs duties as an industrial policy tool that can and indeed should also be deployed to foster the development of local digital economies.

6.80. While we note the growth of e-commerce, especially during the COVID-19 pandemic, it is also indisputable that its benefits are highly uneven with high levels of concentration that also affect the benefits MSMEs can derive from e-commerce. The Work Programme is designed to adopt a comprehensive and holistic approach to e-commerce to ensure equitable benefits for all. The reinvigoration of the Work Programme is therefore critical, given our interest on the development dimension of the longstanding area of work in the multilateral framework of the WTO, including digital industrialization and the need to address the digital divide. We believe that structured discussions on the scope and definition of electronic transmissions is required in order for us to appreciate the real impact of the moratorium on customs duties given the different views of Members. The lack of clarity results in attempts to expand the definition of electronic transmissions.

The broadening of the scope to include all goods and services covered under GATS Mode 1 drastically encroaches on the policy space and flexibility of developing countries to regulate importation of services. Even more concerning, especially for developing countries and LDCs in particular, is that the expansion of the definition encompasses more and more traded products are subjected to the moratorium on customs duties on e-commerce, with significant implications on revenue collection, industrialization, and broadly the economy and jobs. The absence of a shared and common understanding on the scope and definition of electronic transmissions will make a decision on the extension of the moratorium a challenge at MC12. We must reinvigorate the Work Programme so as to remedy the unsustainable inequities and broaden the benefits from growing e-commerce.

6.81. The representative of Indonesia provided the following statement:

6.82. I would like to reiterate that our long-standing position on this issue remains unchanged. While attaching great importance to the development of e-commerce, the WTO should also focus its work on the developmental aspect of the sector. Hence, Indonesia fully supports the reinvigoration of the multilaterally agreed 1998 Work Programme on e-commerce. It is important to complete work clarifying what is the impact of electronic transmissions and the moratorium on customs duties.

6.83. The representative of Sri Lanka provided the following statement:

6.84. My intervention intends to touch on both agenda items. Sri Lanka attaches great importance to the Work Programme on E-commerce, which has now gained more importance in the digital revolution. It should be used to examine the implications of digital rules for developing countries and discuss the best bridge for the growing digital divide. Key for the reinvigoration of the programme as Members prepare for MC12 and beyond, is the scheduling of structured discussions over the few coming months.

6.85. On the WTO e-commerce moratorium, it is extremely important for developing countries to know what the scope of the moratorium is and what is covered within the definition of electronic transmissions, which was not well-known at the time of adopting this Decision in 1998. The goalpost has been continuously shifting for developing countries. Electronic transmissions were first defined as digitizable goods, which covered five categories. The question on the definition of the moratorium arises because why should exporters of these digitizable goods not face customs duties, when micro, small and medium enterprises face custom duties on the export of physical goods. We should be able to impose custom duties on the content of the electronic transmissions, which constitutes the highest value of the electronically transmitted e-commerce products. This can generate a sizable tax revenue and provide a level playing field for local developers of similarly electronically transmitted e-commerce products. Countries are also losing valuable tariffs revenue especially in these times of COVID-19, and they can always unilaterally reduce custom duties to zero on software if they want. This is a policy space which we wish to retain. It is therefore important to remove the moratorium on e-commerce and de-link it from the TRIPS moratorium.

6.86. Through the presentations at the event organized on 5 July, in terms of the different mechanisms established by countries for the recovery of non-discriminatory taxes, which is called internal taxes on digital goods and services, the countries are able to categorize digital goods and services based on their own interests, while compounding the content and bits and bytes of the electronic transmission. Also, internal tax recovery mechanism can be easily replicated for the purposes of covering even custom duties. If we are to do so, the moratorium finally disappears from the WTO's context. This revelation is very important as we know that many countries favour continuation of the moratorium advocating that it is not feasible to recover custom duties on electronic transmissions, and that we should agree on a permanent moratorium.

6.87. On agenda item 6, Sri Lanka supports the concerns of South Africa and India on the Joint Statement Initiative on E-commerce. The legal standing of the JSI on e-commerce in the WTO is questionable and there is no consensus on initiating any negotiations on e-commerce in the WTO. The JSI is also challengeable on the grounds that it may go against the basic principles of the WTO, as it may require developing countries to take mandatory commitments in GATS. The digital rules that are being negotiated are not particularly favourable for developing countries like mine which are still struggling to put the ICT infrastructure in place. Countries like Sri Lanka need policy and fiscal space in the digital economy so that they can develop their digital competencies in their own space and provide a level playing field to their infant digital sectors. It is therefore extremely

important to reinvigorate the Work Programme on e-commerce, and Sri Lanka has high expectations for MC12. It is important that WTO Members share their know-how to bridge the digital divide and facilitate digital technology transfers. Sri Lanka stands ready to engage meaningfully and constructively towards the collaborative formulation of the mutually agreeable recommendation on the moratorium for the consideration of Ministers in MC12, and needs assurances from Members, particularly the ones who are ready to address the concerns of developing countries.

6.88. The representative of Brazil provided the following statement:

6.89. Brazil supports the extension of the moratorium for two reasons. The more obvious, immediate one is that we do not want bad news in this organization. We can survive a standstill, but a rollback would be too much regarding the credibility of the WTO. We have heard a lot about the digital divide and the development dimension, those are fundamental concepts. The digital divide is a reality and needs to be overcome. The development dimension is at the essence of what we do, that is why we need trade. It is puzzling to imagine that we are going to overcome the digital divide by creating a new barrier. It seems counter-sensical. It is explainable in the light of 19th century economic theory, but I think one hundred years of economic history has proven this to be flawed. If we want to move ahead, it is time to integrate, to grow together, to benefit from the dynamic sectors of the economy, not to shield ourselves away.

6.90. The representative of Singapore provided the following statement:

6.91. Singapore's consistent position on agenda item 6 has been well articulated many times so in a departure for my usual three points I will just make one point: to reiterate that Singapore strongly supports the renewal of the moratorium on customs duties on electronic transmissions. Adding trade barriers to digital trade at this point in time when e-commerce is driving the post-pandemic recovery will inevitably send a very wrong signal to the business and industry, but particularly the medium, small and micro enterprises who have relied on digital platforms for survival during these difficult times.

6.92. The representative of Pakistan provided the following statement:

6.93. Pakistan is strongly of the view that the General Council must fulfil its mandate to reinvigorate the structured discussions on various aspects of electronic commerce. It is extremely important that we find solutions for developing Members to basic issues such as the digital divide, technology transfer, and the effective utilisation of digital raw material to advance digital development in those countries. Structured discussions must be carried out within the various Councils and Committees mandated to do so on all relevant aspects. Pakistan, like many other developing countries, has been making efforts to propel the discussions forward in these mandated bodies, and we would like to urge the membership to engage in earnest and meaningfully in these discussions. These bodies are the correct and relevant forum for this discussion under the WTO and provide an effective way for a multilateral fulfilment of our mandate. The moratorium on customs duties on electronic transmissions is one of the key issues representing a realisation of new realities for a new WTO and a new move towards meaningful development in our countries. The issue has been under discussion for some time now, and Pakistan has been consistent in its view that a fundamental reassessment of the situation is required due to new technological developments and emerging realities in the digital realm. Technology, especially in the digital age, is a powerful enabler. At present, developing countries lag far behind advanced countries in their access to and utilisation of modern digital technologies. At the same time, while acquiring technological capabilities, developing countries remain cognizant of serious revenue and industrial implications arising from digital advancements such as Artificial Intelligence and 3-D printing. The temporary nature of the moratorium allows us the important space to move forward only after a conclusive re-examination on the implications of such developments and the moratorium. We also understand that the removal of the moratorium does not automatically impose duties, but only allows Members the right to do so – if and when they deem it appropriate. Therefore, before any decision on the continuation of the moratorium we must first consider all aspects for developing countries without linking it with other issues.

6.94. The representative of Colombia provided the following statement:

6.95. I would like to thank India for its interest in the topic and join those Members that have already taken the floor in expressing our interest in ensuring a further extension of the moratorium

on e-commerce, as well as in reinvigorating the Work Programme on Electronic Commerce, as agreed at MC11. We firmly believe in the positive effect that the moratorium has on enterprises' exports, especially for MSMEs, as well as on the development of a globally competitive software industry. We hope that importance will continue to be given to ensuring the two moratoriums to be examined at the next Ministerial Conference, are treated consistently.

6.96. The representative of Fiji provided the following statement:

6.97. E-commerce plays an important role in facilitating access to goods and services in our economies. However, the level of trade and the financial gains resulted remains one-sided. Such gaps from trade under the e-commerce platform remain wide in the case of small island developing countries such as Fiji. It is critical that meaningful approaches are developed to allow Members accessing the platform to also access a fair share of gains that are commensurate with its use of the platform, and this needs to be addressed. Fiji has noted the Chair's report and we will continue to remain engaged under the Work Programme. The knowledge sharing opportunity on 5 July was important for Members.

6.98. The Chair announced that, as under the previous agenda item, he would consult broadly with Members after the summer break towards MC12. He remained ready to facilitate further discussions on the basis of Members' submissions.

6.99. The General Council took note of the statements.

7 PREPARATIONS FOR THE TWELFTH SESSION OF THE MINISTERIAL CONFERENCE – STATEMENT BY THE CHAIR¹¹

7.1. The Chair recalled that since the month of April he had been conducting broad consultations on the preparations for MC12, to hear Members' views on a range of issues including the substantive issues under the General Council, the format of the Conference and the outcome document. To ensure transparency and inclusiveness, he had been reporting on these consultations regularly in a series of Informal General Council meetings.

7.2. In particular, a first round of consultations had taken place from 16 April to 12 May. At an Informal General Council meeting on 28 May, he had provided a comprehensive report, which had been circulated in JOB/GC/259, outlining the main take-aways from the consultations, namely, some overarching principles, priorities of Members in various areas, as well as their views on the format of the Conference and on the outcome document.

7.3. He had continued consulting with Members and group coordinators on the issues contained in his report, in a number of configurations. He had reported on those consultations at a further Informal General Council meeting held on 22 June, and his statement had been circulated in JOB/GC/262.

7.4. At that meeting, he had noted that the main issues identified in his report in JOB/GC/259 could be useful pointers for Members to focus their work in preparing for MC12. He had also recalled that it remained entirely up to Members to determine which issues would be carried forward, as well as their actual content – and that, under each issue, possible results could take different forms.

7.5. At the 22 June meeting, and further to the call by many Members during his consultations, he had appointed Ambassador David Walker as the Facilitator for the multilateral process on the WTO response to the pandemic, which had been identified as a key priority for MC12.

7.6. The Chair's report in JOB/GC/259 identified a number of priority areas where work was already taking place in existing WTO bodies, on which he had provided a brief overview at the meeting on 22 June. The Chair had signalled that he would seek delegations' views and suggestions on how to

¹¹ At the start of the meeting, the Chairman said that, regarding Items 7 and 8 of the agenda, his intention was to provide a report on his consultations on MC12 preparations, then ask Ambassador Walker, as Facilitator, to provide his initial report on the work he had carried out in the multilateral process on the WTO response to the pandemic (under sub-item 7(a)). He would then move to item 8, and ask the delegations submitting the communications under the three sub-items to introduce them in turns. He would then open the floor on both Items 7 and 8.

advance work in some specific areas mentioned in his report in more concrete terms – in particular the Appellate Body, WTO reform, and some issues in paragraph 3.17.

7.7. Consultations on those specific issues had taken place on 19-20 July, and the Chair had reported at a further Informal General Council meeting the previous week, on 22 July.

7.8. A few points had emerged during those recent consultations. In particular, regarding the Appellate Body, he had recalled that the issue has been raised and discussed in the regular meetings of the Dispute Settlement Body, and with the "Walker Process" in 2019 there had been an intensive Facilitator-led process under the auspices of the General Council.

7.9. The Chair had asked delegations how they saw work advancing in that area for MC12, including in the context of the discussions for a Ministerial Declaration.

7.10. He had heard most delegations say that work should be done together towards the shared objective of restoring a fully functioning Dispute Settlement system, a central pillar of the rules-based Multilateral Trading System. To that end, several suggestions had been put forward. It was also clear that fundamental differences in that area remained for substantive progress to be possible at MC12, and all delegations that had come to consult acknowledged those difficulties. Some delegations had suggested that Ministers could give a political message and launch a future discussion on the restoration of a functioning dispute settlement system, either as part of a broader discussion on WTO reform or on a separate track.

7.11. On WTO reform, he had noted that this was an umbrella of issues of a horizontal and systemic nature, which had been raised in the General Council and in other WTO bodies. He had recalled that some delegations had also suggested the creation of a Working Group or a Committee on WTO reform to look at that issue in a horizontal manner. Again, he had asked delegations how they saw the work advancing on this matter for MC12, including in the context of a Ministerial Declaration.

7.12. There seemed to be broad agreement among delegations that had come to consult that work should be done towards a MC12 outcome about WTO reform. Some had suggested that that outcome could be in the form of a political message, which acknowledged the need for institutional reform and instructed the setting up of a multilateral exercise with broad participation, under the General Council. The nature and manner in which such an exercise would be organized would need to be further considered, and the Chair would look to Members for views and ideas.

7.13. What had seemed to emerge had been a willingness to have Ministers create a space at MC12 that would allow for discussions to take place going forward. The Chair had also taken note of a couple of preliminary suggestions – for instance, a number of delegations cautioned against being too prescriptive or over articulated, to ensure an enabling environment. On the other hand, there had also been the view that some specificity could be needed to enable focused discussions, given the broad spectrum of issues that could be considered under WTO reform. Another point had been made that those discussions should focus on the three core functions of the WTO, that is the monitoring and deliberative function; how to improve the negotiating function; and dispute settlement – and work on them in parallel.

7.14. And finally, other issues mentioned in paragraph 3.17 of his report, he recalled that some, but not all, of these issues had dedicated fora where they were or could be taken up and he had asked delegations how they saw work advancing on those for MC12.

7.15. In that regard, several delegations had referred to the importance of MC12 discussing and achieving results on issues related to trade and environment, sustainability and climate change and referred to the work taking place in that respect. Others had also noted that issues related to trade and gender were of importance in the work going forward and that they had sought an outcome at MC12 in that area. A number of Members had also stressed the importance of improving transparency and notifications, and had noted that they would like to see a MC12 outcome in that regard – while one Member had said that individual Committees were better placed to deal with that matter. Some delegations had again cautioned against overloading the agenda, especially given the complex circumstances in which they are operating, and on bringing new issues to the WTO at that time.

7.16. Paragraph 3.17 was not an exhaustive list but reflected the issues that the Chair had heard during his first round of consultations, and, as he had said before, it would depend on Members which issues – contained but also aside of that paragraph – they wished to ultimately carry forward.

7.17. The Chair also noted that he had heard the suggestion that a Ministerial outcome document could include a section with the results of previous Ministerial Conferences and how they had been implemented.

7.18. Finally, a number of delegations had raised once again the point of the format of MC12 and stressed the need for clarity about that. Indeed, there should be a strive to arrive at an understanding about the format of the Conference as soon as feasible after the summer break. Knowing that that largely depends on the sanitary situation overall, they had to be mindful of the importance to ensure smooth preparations ahead of MC12, both from a substantive as well as logistical perspective.

7.19. Related to that, and in particular if the Conference took place virtually, delegations had stressed again the importance of concluding the work early on, so that Ministers were in a position to consider the results for endorsement when they gathered virtually.

7.20. Therefore, as he had said at the Informal General Council meeting and as the Director-General had also reiterated, it was the Chair's intention to resume work in all areas immediately after the summer break, that was in early September, and to start a process of consultations on a possible Ministerial Declaration without delay. With that in mind, they should aim for texts in the various areas of work as soon as possible.

7.21. They were at the end of July, and many had seen that meeting as the natural marker in the lead up to MC12. As the Chair had said at the TNC meeting on Friday, and as had been noted by the Director-General, it was now time to focus their work on the key priority issues – and begin preparing possible outcomes. They were operating in very challenging times. For that Conference to be successful and to put the WTO on a positive trajectory, it would be essential that efforts were focused on a few key areas. Processes were underway for that to be possible, including the Facilitator-led multilateral process on the WTO response to the pandemic. Of course, work in all areas that Members wished to pursue remained equally important, but certain choices would have to be made in terms of what they could deliver by and at MC12, and what work could usefully continue post-MC12 in the way that Members deemed appropriate, including through work programmes.

7.22. The Chair then proceeded to sub-item (a) of the agenda on the WTO response to the pandemic, and gave the floor to Ambassador Walker for his report.

7.1 WTO Response to the Pandemic – Report by the Facilitator

7.23. Ambassador David Walker (New Zealand), Facilitator for the WTO response to the pandemic, provided the following report:

7.24. Let me start by thanking the Chairman of the General Council and all of you for placing your trust in me as Facilitator. I am pleased to have this opportunity to report to you on the developments and consultations in the multilateral process on the WTO response to the pandemic. Since my appointment as Facilitator on 22 June at an Informal Meeting of the General Council, I undertook consultations and convened meetings in a range of formats. Specifically, I convened two sessions with group coordinators and delegations – on 6 July and 19 July – and I undertook a number of consultations with individual delegations and groups of delegations, at their request. To ensure transparency and inclusiveness, the Chairman of the General Council also convened another Informal Meeting of the General Council on 22 July, at which I provided a brief update on the developments and ongoing discussion in this process. Let me now provide you with a recap of where we stand.

7.25. The objective of the consultations and the two meetings (on 6 and 19 July) was to kick-off a discussion on the multilateral WTO response to the pandemic. We started out by looking at the elements that have been identified in the report by the Chairman of the General Council – in paragraph 3.3 of JOB/GC/259. Specifically, I suggested that we start our discussion by focusing on the trade policy related aspects (minus IP and IP-related aspects) and the "Third Way" – mindful that the elements contained in the report by the Chairman of the General Council serve as a starting

point and would be adjusted as Members deem necessary, going forward. I proposed leaving IP and IP related aspects aside from this process for now, as the Chairman of the TRIPS Council will be reporting on these aspects to the General Council.

7.26. To kick-off a discussion, I asked three specific questions, namely: (i) do we have all the necessary elements in paragraph 3.3 of JOB/GC/259; (ii) is there anything that needs to be added or removed; (iii) do delegations have any views on how these elements should be taken forward in more concrete terms. In the follow-up meeting, which was held in the same format on 19 July - and as part of my preparations for my initial report to the General Council - I suggested that we consider three specific elements, namely: Firstly, to see if any delegation or group of delegations wished to put forward or signal further ideas and thoughts on the substance or the process, including planned proposals. Secondly, to take stock of what we have on the table in terms of proposals and ideas, and in so doing, look at how we wish to structure our work and discussion as we move this process forward in September. Thirdly, to consider, tentatively, if there are any issues that might be up for harvest, ahead of MC12.

7.27. Given the urgency of the matter, and the little time left before MC12, I emphasised that the sooner any further planned proposals or suggestions are fed into the process, the better. I also noted in my consultations that I was aware there were ongoing discussions among some Members - with the intention to feed the results of these discussions into this multilateral process. In this regard, Ambassador Spencer (Jamaica) and Ambassador Tan (Singapore) made a room document available to delegations at the meeting I convened on 19 July, which is available to delegations as RD/GC/14. This document contains the result of Ambassador Tan's and Ambassador Spencer's joint effort working with a group of Members and reflects conversations they jointly held with a range of Members. I would like to take this opportunity to, once again, thank them for the tremendous work that has gone into this effort. It is a valuable piece of work and I hope we may look to build on some of the points contained in this document as we advance our work in this multilateral process.

7.28. I should also note that, as part of the discussion in this multilateral process, Brazil signalled that its recent submission contained in JOB/GC/263 covers, amongst others, trade and health issues and is thus of relevance to this discussion. In the same vein, Canada signalled that there is a revised submission by the Trade and Health Initiative, contained in WT/GC/W/823, which will be introduced under the next agenda item i.e., item 8.a. A couple of other delegations and other groups of Members signalled that they were looking to possibly submit further proposals.

7.29. I would encourage you all, once again, to submit any further proposals on issues related to the WTO response to the pandemic as soon as possible, so that they can be fed into this process and inform our work.

7.30. In the discussions so far, we also touched upon how we might, potentially, structure our work and discussion going forward - taking into account pandemic-related communications, including proposals that have already been put forward under the General Council and WTO bodies. As the Director-General recently mentioned, there is already a plethora of material out there. Notably, under the General Council alone, there are more than 25 documents that relate - in full or in part - to the subject of WTO response to the pandemic. Beyond that, there are various other communications to WTO bodies which are linked to this subject matter. These communications come in a variety of forms: including, for example, in the form of declarations, joint statements, narratives and proposals; and, as contained in room document (RD/GC/14), the useful compilation shared by Ambassador Spencer and Ambassador Tan.

7.31. These documents and communications are filled with a wealth of views and suggestions on the various topics that relate to the pandemic and can guide us in formulating a multilateral WTO response. I will be using the coming days and weeks to carefully review and reflect on these various communications to understand fully what we have on the table, and I would encourage you to do the same.

7.32. As a way forward, I would propose that we structure our discussions around the issues that have already been addressed in proposals and raised in consultations, and that we proceed on a thematic basis. I would look to start those thematic sessions as early as possible in September.

7.33. Based on what I have seen in the documents so far, including in RD/GC/14, and what I have heard in my consultations and the meetings on 6 and 19 July, I think we could meaningfully and usefully kick-off the thematic series with the following focus areas, namely: (i) export restrictions; (ii) trade facilitation, regulatory coherence, cooperation and tariffs; (iii) the role of services; (iv) transparency and monitoring; (v) collaboration with other organizations and engagement with key stakeholders; and (vi) the idea of a framework to respond more effectively to future pandemics and crises. This is not necessarily an exhaustive list of themes, but I think it would usefully kick-off the thematic discussion.

7.34. In the consultations and discussion so far, I also suggested that we could tentatively consider issues that may be up for harvest, ahead of MC12. Based on what I have heard, I understand that, for instance, putting in place and operationalizing collaborative and cooperative arrangements between international organizations and strengthening the relationship with key stakeholders is something that we all seem to be wanting to do. To be able to do this, it would be necessary to understand a bit better what this might entail. In this regard, it seems to me that it may be useful if the Secretariat could scope out some more details on this. For example, (i) which organizations and stakeholders would need to be involved; (ii) what contribution and value added could each organization/stakeholder bring to the table; and (iii) how would such a collaboration/cooperation be organized.

7.35. In this context, I would also like to recall that the Director General recently referred to various collaboration efforts that are already under way with several international institutions, including WHO, WIPO, IMF, and the World Bank. A more detailed exploration of these existing collaborations could meaningfully contribute to the scoping exercise, including in terms of best practices and lessons learned.

7.36. One particular aspect that is frequently referenced in the discussions, is the "relationship with, and the role of, the private sector". In this context, I would like to mention the High-Level Dialogue on "Expanding Covid-19 vaccine manufacture to promote equitable access", which was jointly organized by the WHO and the WTO on 21 July under the umbrella of the Director General's "Third Way". This event, as I am sure those who attended would agree, helped shed more light on this subject, which I hope will be useful as we continue thinking about what the WTO should be doing in this regard. This concludes my report to you today, which will be issued after the meeting in the JOB/GC-series¹².

7.37. Again, I would like to thank all delegations for the constructive ideas that I have received so far as part of the consultations and discussion. I think we are all of the view that it is our shared responsibility to formulate an effective and credible multilateral WTO response to the pandemic. I will therefore continue to count on your active participation and guidance, as we move this process forward and, to quote the Director General, "work to tie the different elements together into a framework ahead of MC12".

7.38. I would welcome any views and any comments that you may have on what I have outlined in my report, including on having the Secretariat scope out in more concrete terms what some of this collaborative activity might entail. In this regard, if any delegation wishes to discuss any of these specific issues or any other matter related to this process further, please know that you can come to see me anytime.

7.39. On the way forward, it is my intention to continue the multilateral process – as I mentioned earlier – in September, in a series of thematic sessions and in a range of different formats, and I will continue to report on this multilateral process at open-ended Informal Meetings and formally to the General Council, at the invitation of the Chairman of the General Council. I very much hope that I can continue to count on your guidance and support.

7.40. I am ready to respond to any questions that Members may have. Thank you, Chair.

7.41. The Chair thanked Ambassador Walker for his report and, as announced at the start of the meeting, moved to agenda item 8, to then open the floor for both items.

¹² The Facilitator's report was subsequently circulated as JOB/GC/269.

7.42. The General Council took note of the report.

8 CONTRIBUTIONS TO THE MULTILATERAL PROCESS ON THE WTO RESPONSE TO THE PANDEMIC¹³

8.1 Draft General Council Declaration – COVID-19 and Beyond: Trade and Health – Communication from Australia; Brazil; Brunei Darussalam; Canada; Chile; China; the European Union; Hong Kong, China; Iceland; Japan; Kazakhstan; Kenya; Republic of Korea; Mexico; Republic of Moldova; Montenegro; New Zealand; North Macedonia; Norway; Singapore; Switzerland; the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu; the United Kingdom; Uruguay and Vanuatu (WT/GC/W/823)

8.1. The Chair recalled that the first sub-item under agenda item 8 had been included in the agenda by the co-sponsors of the "Draft General Council Declaration – COVID-19 and Beyond: Trade and Health", which had been circulated in document WT/GC/W/823. He invited Canada to take the floor.

8.2. The representative of Canada provided the following statement:

8.3. Thank you Chair for the opportunity to update the General Council on the draft declaration titled COVID-19 and Beyond: Trade and Health and its contribution to the multilateral process on the WTO response to the pandemic. Since the last General Council meeting, the initiative has added five more WTO Members as co-sponsors - Brunei Darussalam, Chinese Taipei, Uruguay, Vanuatu and Kazakhstan - bringing the total number to 52 WTO Members. More importantly, we have recently circulated a revised and updated version of the initiative in document WT/GC/W/823 which contains a number of improvements and additions to the proposal. To begin, in our discussions in past meetings, we have always been clear; the trade policy actions set out in this proposed declaration are not an exclusive list. That said, we identified them as critical to help keep trade in essential medical goods, including vaccines, open and to support the ramping up of production of these goods. We recognize that there may be complementary aspects of trade policy that can also help Members respond to global crises such as the one we continue to face. The actions we decided to focus on in the Declaration are designed to make a positive, trade facilitating contribution to the WTO response to the current pandemic and to enhance Members' resilience against future pandemics. I'd like to now highlight the new elements in the text.

8.4. First, we believe it is imperative for governments to respond to the widespread call for restraint and transparency when it comes to export restrictions. We therefore suggest strengthened action in relation to: (i) using such measures only when necessary and as a last resort after considering other less trade-restrictive measures; (ii) regularly reviewing if they remain necessary and to limit market disruptions to the greatest extent; and (iii) recognizing that substantial producers have a particular responsibility towards achieving equitable access to essential medical goods, especially for Members which are highly dependent on imports. We have also added calls for increased transparency from Members around imposed export restrictions, including calls for positive responses from those Members to any requests for urgent consultations from Members affected by those measures. Lastly, we believe it helpful that the WTO proactively share any information provided by Members with the organizations responsible for the operational response to the crisis. We see the sharing of trade policy information by the WTO as helping to create a collaborative approach to informing on the current conditions for trade, and for receiving feedback regarding the real-time trade barriers that may restrain that operational response by other international organizations.

8.5. Second, we have added a commitment to intensifying efforts to accelerate the implementation of the Trade Facilitation Agreement provisions that support the timely and efficient release of goods. There is also a proposal to that effect currently being discussed in the Trade Facilitation Committee and it deserves further advancement by Members.

8.6. Third, and in support of ongoing efforts, we are calling for further cooperation among all WTO Members, and between the WTO and other international organizations and the private sector, to support the production and distribution of essential medical goods, including vaccines. This also includes further work by the WTO to report on COVID-19 measures taken by Members and to report on the trade in essential medical goods. Members are also called upon to examine how to improve

¹³ See footnote 11.

data gaps in our understanding on the production, demand and supply of such goods, including through a review of statistical collection and classification of goods.

8.7. Fourth, the co-sponsors believe Members need to consider the establishment at MC12 of a work programme on pandemic preparedness which could lead to additional steps or commitments that could help Members to enhance their preparedness and crisis resilience. Chair, these updates to the proposed Declaration are designed to respond to the changed circumstances faced today as compared to the end of 2020 when the ideas were first discussed in the General Council, as well as lessons learnt since then. This Declaration also can be seen as a concrete contribution to the multilateral process on the WTO response to the pandemic.

8.2 Urgent Trade Policy Responses to the COVID-19 Crisis – Communication from the European Union to the WTO General Council (WT/GC/231)

8.8. The Chair recalled that the agenda item made reference to a communication from the European Union on "Urgent Trade Policy Responses to the COVID-19 Crisis" circulated in document WT/GC/231, and invited the European Union to present the communication.

8.9. The representative of the European Union provided the following statement:

8.10. Beyond individual actions by Members, the agenda of this meeting suggests that expectations are high that the WTO membership would provide a collective and solid contribution as part of the international efforts to respond to the COVID-19 pandemic. As the membership is endeavouring to shape the "how?" the European Union has sketched out its views in this respect in the Communication on urgent trade policy responses. We should build on the lessons learnt and, in a solution-oriented mode, take a holistic approach to the issue.

8.11. As WTO Members, our prime responsibility is to enable a trade-conducive environment. We have suggested enhanced emphasis on a restraint from unnecessary export restrictions in particular where the exporting Member is a substantial producer of vaccines and other essential goods. We also underscore the need to respect the highest degree of transparency, when it comes to notification of or information about all measures that have a trade restricting effect. In that sense, the European Union firmly believes that the proposed Council Declaration on Trade and Health just presented under the preceding point provides an effective and robust way forward.

8.12. Needless to say, trade policy cannot be conducted in isolation. There is room and need for strengthened collaboration both with relevant international organizations and private stakeholders, including the industry.

8.13. In this regard, we welcome the High-Level Dialogue that took place on 21 July at the initiative of the WTO Director General and the WHO Director General.

8.14. We should support the private sector in its unprecedented efforts to increase vaccine production by maintaining open supply chains and improve the way we monitor trade flows and market developments.

8.15. Equitable vaccine distribution requires acknowledgement of the different level of development of recipient countries and exploiting any available manufacturing potential. Therefore, the European Union strongly encourages the industry to engage in voluntary licensing agreements for vaccine production and distribute vaccines at affordable prices, involving no profit, to low and middle-income countries. As indicated in a previous point of the agenda, we are also ready to discuss how to facilitate the issue of compulsory licences.

8.16. This crisis has brought to our attention the striking reality that building crisis resilience requires investment in domestic manufacturing facilities. It is of particular relevance in those regions, which have a limited industrial base and heavily rely on imports. However, the much-sought investment will only happen in a business-friendly environment, which means the right regulatory framework that also includes protection of intellectual property.

8.17. The views set out in this Communication are a genuine contribution and a support to the multilateral process aimed at shaping a WTO response to the pandemic at the latest by MC12. We

are ready to further engage with the understanding that such response should be meaningful and equip us to address the global challenges of today and of tomorrow.

8.3 Ministerial Declaration on Combating, Mitigating and Recovering from the Impacts of COVID-19 and Beyond – Communication from the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu (WT/GC/W/822)

8.18. The Chair recalled that the item involved a communication from the delegation of Chinese Taipei entitled "Ministerial Declaration on Combating, Mitigating and Recovering from the Impacts of COVID-19 and Beyond" circulated in document WT/GC/W/822. He invited Chinese Taipei to take the floor.

8.19. The representative of Chinese Taipei provided the following statement:

8.20. We are pleased that we are also a co-sponsor to the Trade and Health proposal led by Canada. Thank you also for the opportunity to briefly introduce document WT/GC/W/822 entitled "Ministerial Declaration on Combating, Mitigating and Recovering from the Impact of COVID-19 and Beyond", which includes some points additional to the elements included in the Trade and Health proposal. We hope that some ideas in our proposal will contribute to the WTO's collective effort to address the pandemic.

8.21. As Members can see, this document tries to integrate with other proposals as much as possible. Here, my delegation would like to highlight some ideas and key elements which are additional to or different from the elements in other proposals. We all agree that saving lives is of highest importance and utmost urgency. But rescuing the livelihood of vulnerable people is also of extremely high importance and high urgency. When we were drafting our proposal, many reports and studies related to the pandemic caught our attention about how disadvantaged Members and vulnerable people are suffering most seriously. Our proposal distinguishes from other proposals in that we suggest to mitigate the impact of the extreme situations and to use trade tools to help less developed country Members to recover from the impact, especially to identify trade and economic tools to assist vulnerable Members and vulnerable people. Actually, we are not the only one which considered that economic recovery from the pandemic is of highest importance. At the APEC Trade Ministerial Meeting earlier this year, APEC Trade Ministers already emphasized the essential role of trade in tackling the impacts of the COVID-19 pandemic and "in enabling a strong economic recovery for all our people".

8.22. I would like to briefly mention some points to bring them to your attention. On paragraph 6 of our proposal, although many Members have separately mentioned in various occasions that they support the Director General's Third Way and her role in pursuing the expansion of vaccine production, Members have not made a collective support through a formal decision to endorse the Director General's role. Introducing this paragraph into a Ministerial Declaration would show that the whole WTO membership is in full and firm support of the Director General's "Third Way". This might further enhance the Director General's role and position to discuss with the private sector and to help Members and the WTO on the related matters. This also has to do with the WTO's cooperation and collaboration with other international organizations.

8.23. On paragraphs 9 and 10, we suggest Members to consider the role of government support and technical regulation in support of making vaccines more available from the WTO perspective. From paragraphs 24 to 37, we tried to identify what could be the trade and economic tools to save and restore livelihood of the most vulnerable countries, people and sectors. Since the WTO is one of international organizations most relevant to addressing COVID-19 and since the WTO's whole membership is severely affected by the pandemic, it should be an important task at MC12 for Members to comprehensively address the trade and economic aspects arising from COVID-19 so as to show to the world that the WTO is relevant to the life and livelihood of the people.

8.24. Last, but not least, there is a suggestion on the institutional arrangement in paragraph 38 of our proposal. Unlike the trade and environment issues being handled by the Committee on Trade and Environment, currently we do not have an existing WTO body responsible for addressing public health crises from the trade perspective and for reviewing the related trade measures in a holistic manner. Considering that public health related issues involve many WTO bodies, and considering that it is important to timely and comprehensively respond to COVID-19 and other public health

crises of similar nature by the WTO, we suggest Members to reflect whether the current WTO's institutional framework is sufficient to address these issues or whether Members should consider creating a new Committee on Trade and Public Health so as to tackle the related issues in a horizontal and holistic manner. Again, we look forward to Ambassador Walker's thematic discussions in September and will follow the majority view on what should be tackled in the initial process.

8.25. The Chair proceeded to open the floor to delegations on items 7 and 8.

8.26. The representative of Brazil provided the following statement:

8.27. Brazil thanks Canada for placing this item on the agenda and for presenting the revised document. Brazil also commends the co-sponsors of the Trade and Health Initiative in updating the text and integrate vaccines into the discussion. We are fully committed to vaccine access within the "Diplomacia da Saúde", which can be translated as "Health Diplomacy", a top priority of our current foreign policy. In this sense, we also believe that a ministerial decision on trade and health should be the top priority for MC12. This is the key deliverable for the Ministerial Conference and will constitute an important signal that the WTO can provide adequate responses to the pandemic and other crises.

8.28. The representative of Uruguay provided the following statement:

8.29. Uruguay is one of the co-sponsors of document WT/GC/W/823 COVID 19 and beyond: Trade and Health. We firmly believe that the WTO cannot afford not to have a concrete outcome on the role of the organization in this pandemic, which has already lasted a year and a half. The least we can do as Members is to arrive at a policy declaration, in which we agree to implement trade measures that favour and facilitate trade in essential medical products, including vaccines. Other Members certainly have excellent ideas on how to achieve this goal, and this is an opportunity to come up with ideas and be innovative.

8.30. In our role as co-sponsors, we have agreed to make our best efforts not to modify the applied tariffs on lines of interest, and to exercise self-restraint when applying restrictive measures to exports – including customs measures, services and technical regulations – and implementing a monitoring system together with the Secretariat. With regard to the Secretariat's role, it will produce a trade monitoring report every two years, publish a summary report every three months on measures taken by Members, work with the World Health Organization (WHO) and the World Customs Organization (WCO) to develop a database on supply chains of essential medical products, and draw up a report on compliance six months after the adoption of this Declaration. Basically, this text is intended to send a clear signal to public opinion that WTO Members are capable of reaching a series of basic commitments and creating a statistical monitoring and development structure, enabling us to have greater transparency and shed light on the trade in products regarding which we are all in the dark.

8.31. Lastly, it is important to mention that discussions on this text in the General Council are being conducted in parallel with those on intellectual property rights in the TRIPS Council, and Uruguay hopes that after the summer break we will be able to consolidate the progress in both bodies in order to have a single final document that reflects the greatest number of issues and the interests of all Members. The world is watching us. Our people are going through dramatic moments and trade is suffering every day, with MSMEs, the basis of our economies, affected above all. It is vitally important to make a declaration on trade and health at the Ministerial Conference and this text is an excellent means of launching an extensive dialogue among the entire Membership. Comments, suggestions for changes and support for the initiative are all welcome.

8.32. The representative of Viet Nam provided the following statement:

8.33. As I am delivering this statement for item 7 as well as items 4 and 8 under the General Council's agenda all together because my delegation believes these items are related. First, we would like to underline that the pandemic is far from over while the COVID-19 new variants are complicating and threatening the socioeconomic situation in many parts of the world, especially Southeast Asian countries including Viet Nam. We are taking various measures in solidarity with the international community to fight the pandemic and save lives, overcoming disruption and ensure inclusive recovery. We support international efforts and coordinated measures in scaling up vaccine

production and equitable access to vaccines and other tools for an effective response to COVID-19, and promoting an inclusive recovery from the pandemic. On this occasion we also wish to express our deep appreciation to our friends who have come to help especially for vaccine donations at this critical juncture.

8.34. Second, as part of a global solution, the WTO's response to the pandemic needs to deliver a meaningful package and outcome for MC12. Vietnam thanks Ambassador David Walker for his concrete report as facilitator of the multilateral process under the General Council purview. We appreciate many Members who have provided valuable inputs to this process through different submissions as well as their active engagement. We support Ambassador Walker's outline of a final package and his plan for continued and intensified consultations to reach consensus on the WTO response to the pandemic. We will actively cooperate and participate in this multilateral process towards consensus within this organization for the deliverables at MC12.

8.35. Third, concerning the substance of the WTO response to the pandemic, we are of the view that it is important to be comprehensive and concrete, not only to deal with this pandemic but also to enable responses for future health crisis pandemics. Hence our considerations are all substantive and on the trade and health initiative, we urge for trade policy responses to the COVID-19 crisis. The TRIPS waiver would be reflected in the WTO response package.

8.36. The representative of Norway provided the following statement:

8.37. Norway notes with satisfaction the broad support in the membership for making the WTO response to the pandemic a main theme for MC12. We appreciate the engagement of Members in this regard, and we are happy to be among the cosponsors of the Trade and Health Initiative listed under agenda item 8(a). Norway also welcomes the contribution of the European Union listed under agenda item 8(b). Furthermore, Norway welcomes the appointment of Ambassador David Walker as Facilitator for our collective work on the WTO response to the pandemic and would like to thank him for his report. Norway is looking forward to engaging in the thematic process outlined by the Facilitator with the aim to have a robust outcome on trade and health at MC12.

8.38. The representative of Jamaica, on behalf of the ACP Group, provided the following statement:

8.39. My intervention covers both agenda items 7 and 8. We thank the Facilitator for his report and acknowledge the contributions of Members in WT/GC/W/823, WT/GC/231 and WT/GC/W/822, which is critical in light of the global circumstances posed by the COVID-19 pandemic. The WTO has been fairly responsive to the impact of the pandemic. Initiatives taken to date include monitoring of trade measures, publication of reports on trends in trade, collaboration with other international organizations, facilitating discussions in committees and negotiation groups, initiation of processes with a view to map out the WTO's response to the effects of the pandemic with a dedicated Facilitator and very recently the Director General's convening of events that bring vaccines stakeholders together. We are seeing progress with the reduction of restrictive measures implemented in light of the pandemic with continued reports on specific trade concerns faced by Members. These initiatives should continue and be bolstered, as trade restrictive measures negatively affect the trade and economies of ACP Group Members. A uniform approach is critical that considers both health and trade that aims to eliminate unilateral measures that could further exacerbate the situation of our vulnerable Members.

8.40. The ACP Group believes that the WTO should further enhance the pace at which it collaborates with key international organizations, such as the IMF, World Bank and regional organizations or country groupings, to complement initiatives underway in these frameworks. It is advisable that the WTO's response to the pandemic be guided by core principles. These principles could include equitable and efficient access to COVID-19 vaccines therapeutics and related products, preservation of trade flows, international coherence, inclusivity, transparency, respect for WTO rules and adaptation to a post COVID-19 global economy that embraces the positive changes occasioned by the pandemic, while enabling Members to manage issues that have emerged. Our focus should be on building back better. There are at least three approaches that the WTO should pursue in its response to the pandemic:

8.41. One, trade and health – there should be a coordinated and timely response to the health dimension of the crisis, similar to what is now in progress in the TRIPS Council. We welcome text-

based negotiations on the waiver, and it is critical to have a text adopted prior to MC12. We urge Members to prioritise discussions on the waiver with a view to arriving at an amicable conclusion that improves access to medical supplies to respond to the pandemic. In parallel, the TRIPS Council initiative could be complemented by improving the pace at which COVID-19 related medical and health products are processed at the border, removing unnecessary trade-related bottlenecks, export restrictions including tariffs and raw materials, in order to better facilitate transactions involving these products along the supply chain. Additional measures to monitor, safeguard and expedite procedures for vaccine inputs to be more predictable for manufactures is critical to sustain production and needs. Further, the WTO needs to continue to collaborate closely with the World Health Organization and private sector stakeholders involved in the production and trade of these items.

8.42. Two, it is important to streamline the recovery and rebuilding initiatives in the work programmes of WTO committees and negotiating groups, bearing in mind that the impact of the pandemic is likely to be prolonged, and the lag effect as well as the severity of the impact, will vary from country to country, most likely depending on their trade capacity. Developing countries such as those in the ACP Group will be disproportionately affected. The rebuilding work in the WTO should involve both a focus on the impact of the present crisis, facilitating development-oriented and capacity-building work to address these crises to mitigate the current circumstances, and establishing a blueprint for future similar events.

8.43. Three, monitoring and reporting – the WTO should continuously monitor and evaluate the impact of the crisis on trade and report findings so that the relevant committees can take them into account in their work. The objective is to ensure that the pandemic does not interrupt world trade nor impede the integration of developing countries and LDCs into the global economy and global value chains, safeguard measures to sustain the vulnerable and worst affected must be instituted to expedite recovery for such economies.

8.44. Four, collaboration with global economic governance organizations – the WTO Secretariat should continue and enhance its collaboration with other international organizations, such as the United Nations, IMF, World Bank and Regional Development Banks, to ensure that global economic recovery is coherent, timely, inclusive and incorporates trade as an important element of global recovery. The objective should be to ensure that issues such as reduced access to trade finance, trade restrictive measures and possible trade distorting subsidies emanating from stimulus programmes, all of which we have seen throughout the crisis, have a lasting negative impact on trade flows. This is critical to the survival of MSMEs, as they are disproportionately affected by the fall-out from the pandemic.

8.45. We are already witnessing a third wave of infection of COVID-19 and new variants which will continue to stall our economic recovery and rebuilding. We need to work urgently to prioritise these elements of the negotiations with available WTO tools, that can ensure equitable access to affordable vaccines and medical supplies, required to help us all to combat COVID-19. We look forward to working closely with you Chair and Ambassador David Walker in this regard. In closing, we will continue to approach discussions on the WTO's response in a solution-seeking mode. We believe that outcomes from these discussions should contribute to the successful adaptation of developing countries and LDCs to a post-pandemic trading environment, and provide a blueprint on how the WTO should respond to similar future occurrences.

8.46. The representative of the Republic of Korea provided the following statement:

8.47. In the current global response to this unprecedented pandemic, the bottom-line for the WTO as an organization governing international trade is that we should first and foremost focus our efforts on facilitating trade in essential medical goods and preventing disruption of the supply chain. In the WTO, we have been discussing for a while how to enhance the WTO's response to multiple aspects of COVID-19, with a view to presenting a broad set of trade-related policies in preparation for MC12. In this regard, Ambassador Walker's role as a facilitator is crucial and my delegation is ready to work with him. As a co-sponsor of the proposal on Trade and Health, Korea believes that this initiative will contribute to the WTO's enhanced response to the pandemic. The initiative notably presents comprehensive trade-related actions that will certainly serve the WTO's objective. My delegation calls on Members to support the Trade and Health Initiative and work together to elaborate the WTO's response to the pandemic when we come back in September.

8.48. The representative of the United Kingdom provided the following statement:

8.49. This is an area where Ministers will want a substantive outcome, as we will still be in the midst of the pandemic when they meet at MC12. Let me pay tribute to Ambassador Walker for the consultations and hard work. Let me also pay tribute to the Director General for the collaboration with other international organizations and business. We need more of this collaboration in the months ahead. We are a cosponsor of TAHI and therefore encourage others to join up to it. We also welcome the European Union and Chinese Taipei's proposals. As others have said, we need a holistic approach that focuses on practical solutions. That is what is so strong about the Trade and Health Declaration Proposal that delivers concrete actions to facilitate trade during the pandemic and beyond, allowing Members to react with flexibility and agility to pressures. It is important that as we move forward, we reach an outcome for this Ministerial Conference, but also a programme of work that allows us to develop these proposals in the years ahead to ensure this organization is prepared for future pandemics.

8.50. The representative of China provided the following statement:

8.51. Under item 7, on process, we are now at the end of July, and it is high time that we need to pragmatically focus on a few key areas, areas that have the possibility to achieve something at MC12. As the Director General said during the 15 July TNC Meeting, striving for perfection prevents us from achieving something good. We can put it like this: striving for all prevents us from achieving something adequate. Time is not on our side. It is not appropriate to add elements or topics that are highly controversial or without mature discussions, or even never discussed in the WTO. On substance, I just want to highlight two aspects: first, in our view, focused discussions on the Appellate Body impasse should be organized as soon as possible, ideally immediately after the summer break. We are open to the platform or format of such consultation, be it in the framework of the DSB, or under the auspice of General Council. In any event, Members should have a frank exchange of views and brainstorm on what type of outcomes is desirable and feasible at MC12. Second, China supports having some sentences and paragraphs that demonstrate Ministers' political guidance on how to advance the reform of the WTO, perhaps including some timeframes towards MC13. We also note that some Members suggest that it would not necessarily be helpful to have too many overlapping configurations. With this observation, we would ask whether establishing a Working Group on WTO Reform would add value to the current discussion. The package of reform would be a result from all relevant bodies and other mechanisms in the WTO. Lastly Chair, let me thank Ambassador Walker for his efforts on consultations on the multilateral process of the WTO's response to the pandemic. China will continue to engage in the following thematic discussions under the leadership of Ambassador Walker, and make needed contributions.

8.52. Under item 8, China thanks Canada for the update on this important initiative on behalf of co-sponsors. The WTO could and should play an active role in response to the COVID-19 pandemic. The WTO should achieve concrete results as soon as possible in this field. We hope that the initiative will provide inputs to MC12 outcomes on the WTO's response to the pandemic. China looks forward to a multilateral declaration at MC12, not only on our current work but also on the way forward. We also stand ready to work with Members to strive for Ministerial Decisions on specific issues.

8.53. The representative of Turkey provided the following statement:

8.54. Our intervention will pertain to sub-items (a) and (b) of agenda item 8. We will refer to certain parts of these documents. Given the urgency of the situation, ramping up production of vaccines is a priority for all. Dialogue with vaccine developers and manufacturers as well as those of other necessary medical products is an effective way to detect problems and bottlenecks. In addition to efforts to increase production, trade facilitation is a priority area for Turkey. We can focus on what can be done to accelerate a simplified and timely release of goods critical to fight the pandemic. Turkey co-sponsors a proposal to that effect, which suggests accelerating implementation of the TFA and enhancing communication, cooperation and automation in border operations. We believe another significant contribution of the WTO during this process can be to ensure transparency of the restrictive and facilitative measures and to provide foresight. For enhanced transparency, we would like to note the WTO Market Access Committee's recent report of April 2021 as a good example of stock-taking exercise. This practice could continue in future. Facing critical shortages of certain supplies, many countries from all levels of development have naturally resorted to export-restrictive measures during the pandemic. This is an area where can see again how delicate the nexus between trade and health is. Any rule-making on this should be a careful exercise because it may affect

States' decision-making on human health and safety. Finally, as a member of the G-20, we are fully committed to "limit trade measures taken to promote public health to those that are targeted, proportionate, transparent, temporary and consistent with WTO obligations."

8.55. The representative of Malaysia provided the following statement:

8.56. Under agenda items 7 and 8, on the WTO's response to the COVID-19 pandemic, we acknowledge that the WTO needs a holistic approach in addressing this global public health crisis. It is our hope that the various efforts in response to the COVID-19 pandemic will be more structured as we are approaching MC12 in December. With regards to addressing the COVID-19 pandemic, we wish to stress the importance of undertaking all measures necessary to expand, diversify, and facilitate the supply of essential medicines urgently, through a close collaboration with the private sector.

8.57. The representative of Chad provided the following statement:

8.58. The LDC Group would like to recall our statement last year on this issue. Our aim is to save lives and bolster economic resilience. In May 2020, the LDC Group suggested the adoption of provisions to avoid export restrictions on goods, including basic food supplies and essential medical supplies when these products are purchased by LDCs for national use or when exported for humanitarian purposes. We therefore wish to underscore the importance of adopting a holistic coordinated approach which addresses all relevant WTO pillars to ensure access to medication, vaccines and other necessary equipment. We welcome the thematic spheres proposed by Ambassador Walker and believe they will help us to guide our discussions. They are indeed very relevant and we encourage Members to bear in mind the impact that the pandemic has on LDCs concretely, and the necessary political responses to mitigate their effects. The WTO's work must also include types of cooperation which pave the way to addressing manufacturing capacity limitations in LDCs. We also wish to see this opportunity to thank the Director-General for her dialogues with the WHO and WIPO in order to ensure a collaboration which aims to boost access to vaccines and therapeutics to combat COVID-19. We also welcome the efforts made by Ambassador Spencer and Tan and we hope that their work will also be recognized here amongst with the work of Ambassador Walker as part of the General Council's work. We also wish to express our appreciation to the WTO for following up on trade related restrictions and COVID-19-related easing of measures as well as the online reports. Finally, we would like to note that we made various statements during the informal TNC meeting and the Heads of Delegations meeting, and we request that these be incorporated into our statement here.¹⁴

8.59. Turning now to item 8, the LDC Group would like to thank the European Union and other co-authors for their various proposals on trade and health, especially for their contributions to the multilateral procedure tied to the WTO's pandemic response. It is quite clear that the COVID-19 pandemic has stepped up challenges and added additional pressures for vulnerable countries, especially LDCs. The LDC Group would like to note the aim of securing equitable access to vaccines worldwide. It is of utmost importance that we act on a global stage to address this pressing urgent need, and we therefore call on all WTO Members to agree on the need to take steps to address this current public health emergency created by the pandemic. The LDC Group had a very fruitful exchange with the European Union yesterday and we would like to thank Ambassador Machado for his personal commitment and for hearing our views. We welcome efforts made by the EU delegation and their notifications provided to the WTO, which help to bolster transparency within our organization. Our representatives are ready to continue an exchange of views with the EU delegation, including on the proposed waiver under item 4 of today's agenda. We hope that this can help us to move in the direction of forging a consensus-based outcome amongst all WTO Members.

8.60. The representative of Côte d'Ivoire provided the following statement:

8.61. Under agenda item 7, there is no doubt whatsoever that COVID-19 has had a major impact on our population. In light of this, the agenda item on trade and health is of paramount importance. It's worth noting, however, that COVID-19 doesn't only impact people's health, it also impacts access to finance. COVID-19 exacerbated the challenges that developing countries and LDCs face in terms of finding access to funding for trade. The WTO must adopt a holistic approach to finding solutions,

¹⁴ The statement delivered by Chad on behalf of the LDC Group at the at the 23 July Informal TNC and Informal HODs meeting is annexed to the Minutes of this meeting.

this must be global and inclusive ensuring that our work can move forward. We welcome your report in JOB/GC/259 which includes all the concerns reported by Members in your consultations. We also welcome other documents which respond to concerns about debt and finance. We invite you and Ambassador Walker to bear this in mind in your consultations.

8.62. The representative of Mauritius, on behalf of the African Group, provided the following statement:

8.63. Under item 7, since the global outbreak of the coronavirus, our economies have been struggling to stay afloat. There is a clear disproportionality in both the health and economic effects of the pandemic, as developing countries, LDCs and small island developing economies were the most affected. To make things worse, the capacity to respond to the situation is even more disproportionate. For instance, only 4% of the African population is vaccinated. The African economy incurred a 2.1% contraction in 2020 and it is estimated that 39 million Africans could slip into extreme poverty this year. As we have repeatedly said, no one is safe until everyone is. And no economic recovery will happen unless the health crisis is brought under control. Bearing this in mind, we call on Members to take exceptional decisions in these exceptional circumstances. It is clear that the TRIPS provisions on patent protection and the related licensing solutions have failed to meet our needs. In this regard, we are glad that textual discussions have begun for a TRIPS waiver, but we must accelerate discussions and ensure that we are able to reach an outcome at the earliest. In parallel, we need to facilitate (i) the movement of inputs for the production of vaccines, (ii) the transfer of technology, (iii) an equitable distribution of vaccines, and (iv) access to essential goods for the foreseeable future. To achieve this, we need to eliminate IP barriers, export restrictions on certain goods and ultimately develop an appropriate response programme for future crisis situations. Furthermore, the WTO has to play a proactive and leading role to ensure collaboration between international organizations and relevant stakeholders with the aim of achieving a common response to the pandemic.

8.64. With respect to the concerning drop in government revenues and the increase in debts, we call on Members to consider the discussions conducted with respect to debt restructuring and debt relief in other international fora, while the WTO could examine the balance of payment needs of Members, in view of providing meaningful support to the most affected sectors. Africa is highly reliant on its agricultural sector, both for revenues and for food security. Sadly, this vulnerable sector was immensely affected. As such, we call on Members to consider the African Group's proposals for: i) a permanent solution on public stockholding, ii) a substantial reduction of trade distorting domestic support measures, iii) a reform of SSM to make it more accessible to developing countries and LDCs, iv) an outcome on the existing proposal on agricultural export prohibitions on WFP, and v) a reduction of product specific cotton AMS supports to de-minimis level.

8.65. The representative of Chile provided the following statement:

8.66. I request that our delegation's statements at the meetings you mentioned be incorporated into the record of this meeting, as well as those delivered in relation to this matter at the Trade Negotiations Committee last Friday.¹⁵ Under Ambassador Walker we will have a single formal process that should lead us towards an ambitious and balanced deliverable, providing a real and effective response to the pandemic, while also serving as a lesson for future pandemics, especially in areas specific to and falling within the competence of the WTO. Canada's Trade and Health Initiative, which we co-sponsor, contains the elements in relation to which the WTO can deliver concrete solutions to improve access to vaccines and other medical inputs. We highlight, inter alia, disciplines in the area of export restrictions and similar measures; notification commitments; customs and trade facilitation measures, including through the Trade Facilitation Agreement; and regulatory measures. This initiative is a solid basis for starting work on a text for the declaration to be signed by our Ministers at the end of the year. In this regard, we appreciate Chinese Taipei's contribution, which provides a good potential structure for this ministerial declaration. The Trade and Health Initiative is just one of many existing documents and declarations.

8.67. I would like to take this opportunity to acknowledge the work of the Ambassadors of Jamaica and Singapore and their valuable written contribution. All of these documents have something in common: they reaffirm our strong conviction that the WTO has a central role in combating and

¹⁵ The statement delivered by Chile 23 July Informal TNC and Informal HODs meeting is annexed to the Minutes of this meeting.

recovering from this and future pandemics. Given the number of documents, we support the working structure presented by Ambassador Walker. At some point, this work should be brought together with the Director General's process – the so-called Third Way – which now has its own course and is being supported with ideas from the Trade and Health Initiative. In our view, it will be particularly important for the process upon which we have embarked, and which will be led by Ambassador Walker, to produce short-, medium- and long-term deliverables, i.e. before, during and after the upcoming Ministerial Conference, considering the diverse nature of the current issues. We have faith in the Facilitator to work expeditiously, in view of the short amount of time remaining.

8.68. One issue that the Facilitator and the Trade and Health Initiative have expressly left to follow its own course is that of intellectual property aspects. For Chile, this is a key aspect. The IP pillar has its own forum and this morning we attended the debate based on the report by the TRIPS Council Chair, for which we are grateful. It is important that the discussions in this Council continue on the basis of constructive negotiations, conducted in good faith and aimed at achieving an outcome that is effective and genuinely leads to an increase in vaccine production capacity. An agreement that fails to deliver an effective response and is also difficult for Members to implement, will certainly not be of use to the WTO's pandemic response.

8.69. The representative of Colombia provided the following statement:

8.70. On agenda items 7 and 8, Colombia is of the view that the Initiative on Trade and Health is very positive, and supports discussions on a practical and effective WTO response to the pandemic. This is a multi-dimensional issue and the response to this crisis must make use of the various tools offered by trade policy. We welcome and support the work undertaken by Ambassador Walker as Facilitator in these discussions, as well as that of Ambassadors Spencer and Tan. The document compiling the elements gleaned in the consultations certainly reflects the fact that the response to the crisis involves various elements, from trade facilitation and regulatory cooperation to measures on export restrictions.

8.71. On this matter, we wish to draw attention to document WT/GC/W/826 circulated by a group of six Latin American countries, which reflects the profound concern regarding a number of trade practices that hinder and limit the importation of vaccines, thereby depriving our citizens of timely and equitable access to these goods. This document puts forward concrete ideas to improve the collective response to the pandemic through the tools of the multilateral trading system. We particularly stress the need to multilaterally address the discussion on more comprehensive and firmer actions to avoid restrictions on exports, and in particular on vaccines and their components. The WTO holds a piece to the puzzle, that is the global response to the pandemic, and it is up to us to take collective and coordinated action for the benefit of all. The issue of trade and health should form part of the Ministerial outcomes and, to that end, Colombia stands ready to engage actively in the various discussions and thematic dialogues with a view to achieving convergence between the visions and proposals.

8.72. The representative of Australia provided the following statement:

8.73. We support Canada's statement on the Trade and Health Initiative; and we note that, as Canada said, the Trade and Health Initiative is not an exhaustive proposal. I wanted to add that it's not an onerous one either. It aims to reinforce the norms and values to which we have all committed, and it is not about making new rules or setting new onerous obligations.

8.74. The representative of Brunei Darussalam provided the following statement:

8.75. As one of the co-sponsors, Brunei Darussalam aligns itself with the statement they have just delivered. We joined this proposal because we believe that it is important to have a strong response from the WTO on the COVID-19 pandemic, particularly for MC12, to demonstrate that the WTO still remains relevant and credible today, and that it has a real and central role to play in the global economic recovery. As a country that had little to no manufacturing or production of essential medical equipment such as PPE, we were one of those that were affected at the start of the pandemic by export restrictions, so we strongly see the merit of a united position on this. We believe the proposal achieves this in a balanced manner, by emphasizing the importance of transparency and focusing on dialogue. In our view, the pandemic has shown us the importance of working together. In an unprecedented show of cooperation, the world has come together not just between countries,

but also with organizations and industry. We are therefore also pleased to see that the proposal highlights this, particularly by pledging our commitment to work together with other organizations and institutions. The emergence of the multitude of variants of the COVID-19 virus also show that the pandemic is not over, and that other iterations may come up again in future. We need to consider what work needs to be done to prepare for such a situation in future. All of us here have agreed that there should be an outcome at MC12 on the WTO's response to the pandemic. We believe that the proposal for a decision by Ministers to establish a work programme on pandemic preparedness as envisaged by this proposal should thus be one of the outcomes. Brunei Darussalam therefore remains committed to continue supporting this initiative, and encourages other WTO Members to also join and support it, so we can have a strong and unified statement on trade and health.

8.76. The representative of Saint Lucia, on behalf of CARICOM, provided the following statement:

8.77. CARICOM aligns itself with the statement delivered by Jamaica on behalf of the ACP. The most critical issues for CARICOM currently are the continuing need for equitable access to vaccines as well as how to treat the emerging COVID variants. We take note of the various contributions to the multilateral process on the WTO response to the COVID-19 pandemic. We also observe that there are dozens of proposals from Members, all of them well intentioned and in several instances, overlapping. We thank Members for the various submissions under this agenda item 8. CARICOM believes that WTO Members should be open to all possible solutions to combat the pandemic, including unblocking supply chains, enhancing manufacturing capacity, invoking appropriate intellectual property flexibilities, and enhancing trade facilitation measures among others. At some point, Members may also want to see how best they can streamline their various approaches and proceed under an omnibus framework, to both reduce the risk of bifurcating pathways and reduce the burden on small delegations to participate meaningfully in the various conversations. We renew our call to WTO Members to remove export restrictions, particularly export prohibitions or bans on drugs and medical devices for the treatment of COVID-19, as well as inputs needed for vaccines and therapeutics. We also call on Members not to introduce new restrictive measures. Members are also reminded to be mindful of their transparency and notification obligations.

8.78. The representative of India provided the following statement:

8.79. Under item 7, on the issue of Appellate Body, we believe that Members should re-engage. We support the process for necessary reforms that would restore the two-tier DSB. On the issue of WTO reforms, we need to look at the proposals submitted by Members in that regard and agree on the common elements that could constitute reform package. Then only we can discuss the process for working on the reform proposal package. My delegation does not support setting up of a Working Group, as being suggested. On para 3.17 issues, our view is that, during a pandemic year when our attention should be fully devoted to delivering a robust response to the pandemic, taking up other issues will be a distraction and we should avoid doing that for MC12. As suggested earlier, we reiterate our request for including a section on the status of past MC deliverables in the MC12 document. We are running short of time and it is high time that we quickly identify the agenda items which we want to pursue for delivery at MC12, so that we can come back and focus on them immediately after the summer break. Also, having a clarity on the format of the meeting – virtual or in-person – will help delegations to effectively prepare for the Ministerial.

8.80. On the WTO's response to the pandemic, we note that there are many proposed deliverables, but we should avoid those that are openly trying to push the market access agenda and aim to take away the policy space available for Members and also impose cumbersome obligations that serve to benefit a few in the name of pandemic. No doubt, we need to work on supply-chain bottlenecks. However, doing away with the legitimate policy instrument of export restrictions or aiming to make a temporary elimination of tariffs a permanent measure or calling for stringent transparency obligations, will not guarantee access to vaccines, therapeutics or diagnostics or access to food for the most vulnerable. In fact, such a step is likely to lead to a flight of these critical final finished products to the highest bidder, making them inaccessible to the resource-poor, further aggravating the current divide which we are seeing.

8.81. On the waiver proposal, as few Members were successful in delaying the landing zone beyond July, I wish to reiterate that there is an urgent need to engage in the text-based negotiations and finalise the waiver request to be adopted by MC12. The WTO's response to the pandemic will not be fulfilled without an agreement on the waiver. Millions have regressed deeper into poverty during this pandemic, and their food security is another critical issue for this organization. A simple, efficient,

and permanent solution on extending PSH for food security purposes to new programs and new products is therefore a key deliverable. In this regard, we once again reiterate that the new submissions by the African Group and the proposal being worked upon by G33 are a good basis for CoASS to take the process forward. We also urge for a multilateral outcome on the movement of healthcare professionals, particularly in view of the current pandemic. We need to be aware of new forms of trade barriers in the name of a "selective use of vaccine certificates", and find ways to resolve them.

8.82. Under item 8, we thank the co-sponsors for their update on the submission WT/GC/W/823 calling for measures facilitating trade in essential medical goods, including vaccines to respond to the current COVID-19 related challenges in international trade. We also thank proponents of WT/GC/231 and WT/GC/W/822. Certain measures highlighted in these submissions can help in keeping the supply chains open, in transportation of raw materials and distribution of final goods, and are welcome. These are one part of the solution. However, unless the supply options are diversified by mobilising the global manufacturing capacity, by making the IP, know-how and technology openly accessible to all potential manufacturers, we cannot resolve the challenge of the COVID-19 pandemic. The rules and agreements inked for a normal situation, not keeping in mind a disaster or pandemic situation, will not deliver the desired and effective outcomes. We are disappointed with most of the contents of the present proposal. An effective response to COVID-19 comprises of not only scaling up production, but also to make them affordable and accessible. That can happen only after billions of doses are produced affordably and made available to everyone. In order to achieve this goal, we need to ensure that intellectual property rights do not restrict a rapid scaling up of manufacturing. The co-sponsors have engaged in good faith and positively in the text-based negotiations for a TRIPS waiver, and we are keen to continue to engage for a TRIPS waiver, to remove barriers and create greater freedom to operate, so that capacity all over the world can be mobilised. The need of the hour is to go beyond the ordinary and take extraordinary measures to combat the challenge. In this regard, it is naïve to believe that a mere reiteration of existing TRIPS provisions would provide the legal certainty to existing flexibilities, when we have clearly seen for a fact that neither existing TRIPS flexibilities nor reliance on voluntary mechanisms have yielded any significant result so far.

8.83. While highlighting preventing further disruptions in the supply chains of essential medical goods, the submission misses out a very significant element of the COVID-19 response. It talks about facilitating the movement of goods, including medical products, but it is silent on facilitating the movement of healthcare and other professionals and liberalising measures on that front. While the proposal calls for removing export restrictions, let me emphasise here that export restrictions are a legitimate dual use policy tool. During a pandemic where we are not working in perfect market conditions, export restrictions will be used unless we correct the supply side. We have used this tool to ensure equitable distribution of critical medicines, diagnostic kits, ventilators and personal protective equipment to more than 150 countries, based on mutually assessed needs, in the absence of which the entire supply of finished products might have been cornered by the rich and privileged lot with deep pockets.

8.84. On elimination or reduction of tariffs, Members have been calibrating tariffs unilaterally to achieve their policy objectives, including access to medical products for its citizens. India has also moderated its tariffs on such products during the pandemic. On cooperation of the WTO with other organizations, we welcome the proposal and are willing to discuss it further with the proponents. Any binding measure on additional transparency will only come in the way of a successful integration of trade and health, particularly during a pandemic. In conclusion, Chair, we need to be mindful that lives and livelihoods are being lost while we continue to debate the WTO's response to the pandemic. We need to take realistic and pragmatic action now to protect the credibility of this organization.

8.85. The representative of the United States provided the following statement:

8.86. We are pleased to continue this important discussion – how the WTO can contribute to our recovery from the pandemic. The WTO has a very good story to tell about its role during the pandemic, and so do its Members. Our predecessors may not have had a global pandemic at front of mind when they negotiated GATT rules, but they were remarkably successful. The balance they struck between Members' rights and obligations, including by providing for certain flexibilities for governments during crises, has worked, and continues to help us navigate this long crisis. By and large, Members have acted responsibly with respect to trade during the pandemic, with little evidence of protectionism. A few statistics help illustrate this. During the crisis, trade facilitating

measures outnumbered trade restrictive measures by nearly two-to-one, and in value terms, about 3.5 to 1. Members appear to be lifting trade restrictive measures when they judge they are no longer necessary. We are still afflicted by the pandemic – yet as conditions have slowly improved, in fits and starts, restrictive measures are being removed – nearly 60 per cent already, according to a recent count. And while merchandise trade fell 8 per cent last year, trade in medical goods surged, with trade in PPE up about 50 percent. Moreover, when Members see concerns, we have WTO committees and councils to discuss and monitor these developments, such as the Committee on Market Access. Still, there are lessons to be learned. For example, in the United States, we painfully learned that we did not have essential products where we needed them, when we needed them.

8.87. Moving forward, our focus is on building secure, resilient, and diversified supply chains. We will evaluate any proposal at the WTO in part based on whether it advances that objective. We will also approach coming conversations with pragmatism and realism. That means being pragmatic and realistic about where consensus is possible, and where it is not. For example, we do not believe that consensus is possible on ideas that aim to narrow or otherwise burden Members' flexibility in responding to emergencies. In fact, it would be a grave and short-sighted misjudgement to attempt this. We do not see consensus as possible on proposals that call for increasing Secretariat monitoring of Members' trade measures, or of their supply chains, or calls to empower the Secretariat to undertake work with other organizations, that is not Member-driven. Instead, we urge Members to begin work by focusing on a topic where consensus seems possible. Let's start with something small but pragmatic and build around it. If we find there is sufficient agreement, we can build further. As a first topic for focus, we recommend working to accelerate the implementation of the Trade Facilitation Agreement. Certain provisions could make a real positive impact on essential goods moving across borders more quickly. If we make strides, we can examine other possible trade facilitating measures. If we start in this small and pragmatic way, and build from there, we'll have a chance to succeed.

8.88. The representative of Vanuatu, on behalf of the Pacific Group, provided the following statement:

8.89. Our Group considers this initiative, a WTO Response to the Pandemic, as both critical and urgent and a priority for MC12. Vanuatu is a co-sponsor of the WT/GC/W/823, Draft General Council Declaration on Trade and Health – COVID-19 and Beyond. The Pacific Group also considers this proposal on Trade and Health as an important response to COVID-19 and to future pandemics. The Draft General Council Decision outlines five measures which Members can take to combat the ongoing pandemic and to respond to future pandemics. Most of these elements are not new and come from existing WTO Agreements. The prompt notification would ensure the transparency of trade measures imposed by Members and should be encouraged. Trade facilitation would facilitate the efficient distribution of essential goods. Standards must address mutual recognition of vaccines and vaccine certificates. However, on export restrictions, the situation of import-dependent Members, such as those of the Pacific Group, should be taken into account in this Draft Decision, to ensure they are not denied the supply of essential products during times of health crises. The Pacific Group is open to engage in discussions on this Draft Decision as well as other proposals.

8.90. The representative of the European Union provided the following statement:

8.91. On item 7, the European Union will be engaging fully and contributing to the discussions ahead of us to prepare for MC12. The European Union would like to raise an issue of concern. We are two months and a half away from MC12, and a number of thematic sessions are planned in various areas: fisheries, the response to the pandemic, intellectual property, agriculture and other issues. What is missing in our view is a clear roadmap on how these different strands will be organized and come together in a process to deliver an outcome for MC12. It would therefore be useful to have a clear roadmap for our work in the autumn on the basis of an agenda that is feasible and realistic.

8.92. The representative of Japan provided the following statement:

8.93. On item 7, as a co-sponsor of the proposed General Council Declaration, presented by Canada for the Ottawa Group, Japan supports a holistic approach that not only deals with the usual export restrictions and trade facilitation, but also addresses the expansion of production of vaccines and therapeutics, which has increasingly become an issue. This approach will ensure that the WTO can also contribute to preparing for future pandemics. We believe the proposed Declaration will be a

good basis for achieving a positive outcome at MC12 and call for more Members to support this draft Declaration. Japan also appreciates the European Union and Taiwan for submitting their respective proposals. Japan will engage in the process by Ambassador Walker to forge an outcome for MC12.

8.94. The representative of Argentina provided the following statement:

8.95. We thank Ambassador Walker for his report and reiterate Argentina's support for his work. We agree on the importance of making the WTO's response to the pandemic an MC12 outcome, which had to be achieved in a transparent, open and inclusive manner. All the initiatives that have been addressed today under item 8 of the agenda are important and have many points of contact. It is therefore necessary and logical to channel these particular efforts into a collective outcome. At the same time, we recognize that these initiatives succeeded in attracting only a fraction of the membership and we understand that they contain elements that not all of us are in a position to accept. Argentina believes that all of the proposed solutions have to be analysed against a background of an imbalance in access to vaccines and treatments. We must, therefore, be able to reach agreements that will bring us closer to the ambitious goal of ensuring equitable access to vaccines and treatments in order to end the pandemic. Furthermore, any outcome must be consistent with WTO rules, without altering acquired rights or prejudging future agreements or negotiations, reaffirming existing trade policy tools to address the pandemic. Important elements on the subject discussed in the framework of the G20 could serve as a reference and we understand that the different circumstances, efforts and challenges faced by developing countries must be taken into account. Lastly, we believe that any calls, suggestions and/or recommendations that emerge should also be addressed to the private sector, which has a key role to play in all aspects relating to the production and distribution of goods and inputs, including with regard to access to health technologies.

8.96. The representative of Paraguay provided the following statement:

8.97. On item 7, Paraguay welcomes the presentation of document RD/GC/14. We agree that it is important to focus efforts so that the WTO may produce a response to the COVID-19 pandemic as soon as possible. Paraguay has participated in the consultations of the Group of Latin American and Caribbean Countries (GRULAC) with Ambassadors Tang and Spencer in order to make progress in the sub working group established for this purpose. Further to the statement delivered jointly at the May General Council by Colombia and Paraguay on behalf of a number of Latin American and Caribbean delegations, we have circulated a communication in document WT/GC/W/826 of 26 July, which is co-sponsored by the delegations of Colombia, Costa Rica, Ecuador, Panama, the Dominican Republic and Paraguay. This document puts forward additional elements that we ask to be taken into account in the process led by Ambassador Walker, and we therefore request its inclusion in the report RD/GC/14. We consider that our contribution contains deliverables that could be explored by the WTO, particularly in relation to export restrictions, trade facilitation, services and regulatory harmonization, with a view to ensuring improved and more equitable access to vaccines.

8.98. Similarly, we welcome all the contributions submitted under item 8. With respect to those submissions containing intellectual property elements, we would like to highlight that we have actively participated in the discussions in the TRIPS Council and are following this debate closely. Paraguay is a country that does not have the capacity to produce vaccines locally, for which reason it is crucial for our delegation to find a consensus solution that enables us to import and gain immediate and effective access to COVID-19 vaccines through the tools available to us in the WTO toolbox.

8.99. The representative of Costa Rica provided the following statement:

8.100. We are certain that trade and the WTO will be called on to play a key role in addressing this pandemic and into the future. Costa Rica, together with other Latin American countries, has listed a series of actions to achieve this objective in document WT/GC/W/826, circulated yesterday and to which reference has already been made. The actions proposed in this document complement other discussions on trade and health in this organization, including other proposals presented as part of this agenda item, as well as the efforts made by the Director General to foster dialogues with different actors. We see synergies and complementarity in these initiatives and will work constructively to achieve an outcome on this issue at MC12 under Ambassador Walker's leadership.

We request that Costa Rica be added to the list of proponents of the draft declaration entitled "COVID 19 and Beyond: Trade and Health" (WT/GC/W/823).

8.101. The representative of the Russian Federation provided the following statement:

8.102. Under item 7, let me suggest some ideas which could be used in our further work. First, measures to be taken should be consistent with the identified challenges. The WTO analytical efforts recently brought some fruits, resulting, inter alia, in the Indicative List of Trade-Related Bottlenecks to Combat COVID-19. We believe that the 20 July document calls for our in-depth study to clearly identify the full set of problems, which can be resolved through decision-making at the Ministerial level within the WTO. The joint WTO-WHO Conference, organized by Dr Ngozi and Dr Ghebreyesus on 21 July, with the participation of pharmaceutical companies, was also quite useful in terms of identifying major challenges. This event also allowed to compare the views of the participants with the initiatives we are discussing today. Such a comparison makes it clear that several measures suggested in those papers are not seen by the major public and private stakeholders as most relevant and urgent. In fact, the message coming from major stakeholders was quite clear: the best possible way to meet the global demand is through maximizing operational and production effectiveness of producers. The success of such approach shows through a significantly rising number of vaccines produced over time. At the Conference, some companies referred to discrimination based on the country of origin of the vaccine and specifically pointed out that obstructions in registering certain vaccines create massive problems for business.

8.103. Second, we should identify areas that fall within competence of the WTO, and among those, problems which can effectively addressed through joint commitments and collective efforts. Such bottlenecks as burdensome regulatory approvals, insufficient TFA implementation and lack of transparency of trade regimes, evidently fall under this category. We don't think it's a good idea to include into the list of possible MC12 outcomes, decisions which have nothing to do with the WTO mandate or empty political slogans. The public may interpret it as a sign of inability of our organization to provide effective input in the global efforts to fight the pandemic.

8.104. Third, we should take into account the ongoing initiatives and discussions in the WTO, which have a direct link to the COVID-19 response efforts. Besides negotiations within the TRIPS Council, those include effective implementation of the TFA and increasing transparency of trade regime, i.e. in the area of applied tariffs. It is also important that we address not only the movement of vaccines, but also the expansion of their production. Investment policies play a key role in creating conducive, non-discriminatory and rules-based global environment for increasing international cooperation on vaccine manufacturing, and promoting an efficient organization of their production globally. Favourable investment climate in the recipient countries is essential in this regard. Facilitation of investments could significantly contribute to its improvement. Fourth, we should separate measures that must be taken urgently and proposals of a systemic nature, aimed at the long term. The latter could be translated into a working program, approved at MC12.

8.105. The representative of Ecuador provided the following statement:

8.106. We welcome the proposals that Members have submitted under this agenda item. We believe that these proposals contain relevant proposals that can be part of an ambitious pragmatic policy on trade and health to help us address this and future pandemics. Chairperson, this is not a local or regional crisis, this is a global crisis which will impact us all. As a result, the COVID-19 pandemic response must adopt a holistic global effective and urgent response and this organization will clearly play a key role on this. As for the trade and health WTO response, all national efforts made by countries are insufficient in the short term. We must remove all barriers to trade preventing access to medication and COVID-19 vaccination and components. As Ecuador has already mentioned, it will take years for us to overcome this crisis and we need to address this crisis urgently, so that we are prepared for future crisis. We need to bear in mind joint action amongst all international stakeholders, including governments, international organizations, pharmaceutical corporations, financial organizations and institutions and universities. We welcome the Director General's efforts to have an ongoing dialogue with various stakeholders to identify what we can do in the WTO. We support the dialogue, and we are certain that it will continue to be inclusive and broad, bearing in mind the needs of all, including those countries which depend on vaccine imports.

8.107. As Colombia, Paraguay and Costa Rica have already mentioned, yesterday, alongside other Members from our region, we circulated document WT/GC/W/826, which includes tangible actions which the WTO must bear in mind in its COVID-19 response. This document aims to constructively contribute to discussions on trade and health underway at the WTO, promote various collaborations and international solidarity to ensure universal guaranteed vaccine access due to the joint efforts of all states, calls for the immediate elimination of all export restrictions and barriers to COVID-19 vaccine distribution, and to ensure trade policy that helps us to bolster global vaccination.

8.108. The representative of South Africa provided the following statement:

8.109. Under item 7, we re-iterate the points we made at the TNC on MC12. We thank Ambassador Walker for his report. As well as Ambassadors Tan and Spencer for their efforts. We agree that the WTO response to COVID-19 is the most important issue for the WTO for MC12. I will highlight the following: MC12 is being held under challenging circumstances, when the world is grappling with an unprecedented pandemic of our lifetime, that is wreaking havoc across the globe with a disproportionate impact on health, economy and livelihoods in developing countries. A business-as-usual approach and a trade liberalization agenda is not realistic. We must define priorities that will determine a credible outcome. The WTO response to COVID-19 is key and the TRIPS Waiver is a necessary temporary, targeted and proportionate component for any outcome on a WTO response to COVID-19. We should not wait for MC12 to save lives. Economic recovery and a development-oriented agenda will go a long way in building resilience and inclusive growth and development. Agriculture has to be part of an outcome and the deliverables must centre on a food security and livelihood package. Lastly is a Fisheries outcome that is balanced and delivers on the mandate – we underscore that a Fisheries only outcome is not sufficient. On MC12, a Ministerial Declaration should cover multilaterally mandated issues if we want to reach consensus. We must also acknowledge that Members have different views on WTO reform, so we must think carefully what can be reflected that sets a balanced forward-looking agenda. The Declaration should also re-affirm multilateralism and the multilateral character of the WTO and the principles that underpin the WTO.

8.110. In relation to item 8, the membership of the WTO agrees that the biggest challenge we face in the fight against the COVID-19 pandemic is the limited or insufficient supply of essential vaccines, therapeutics and diagnostics and that this requires the ramping up of production. We commend the Director-General on the various initiatives she has spearheaded, particularly the meetings and engagements in different formats with an assortment of stakeholders, including sister organizations towards finding practical solutions to these supply constraints. A clear and consistent message from these engagements was the confirmation of the existence of under-utilized manufacturing capacity available in developing countries that can contribute to the solution. It is also clear that we all recognize the role of the transfer of intellectual property, technology and know-how was the need to boost and diversify global production, including in developing countries. South Africa welcomes the recent announcements of partnerships between pharmaceutical companies with the South African-based Biovac Institute and Aspen for vaccine manufacturing, and hope that these arrangements will contribute towards resolving the supply challenge on the African Continent. This is a positive step, but still falls short in resolving the current supply constraints facing the continent.

8.111. In relation to the Trade and Health Initiative, there are some useful elements, such as cooperation among international organizations, that we can consider as we look at a WTO response to COVID-19. We also agree with a need for a comprehensive response to the pandemic. We support calls for Members to exercise restraint in introducing new restrictions and prohibitions on the exportation of COVID-19 vaccines and other essential medical products necessary to combat the COVID-19 pandemic and the need to re-affirm the G20 principles that emergency measures designed to tackle COVID-19, if deemed necessary, must be "targeted, proportionate, transparent, and temporary," and should be "consistent with WTO rules." However, we also acknowledge that a focus on trade aspects without addressing IP barriers will not be sufficient in ramping up production. We believe the most sustainable way to address export restrictions is by addressing the shortages by ramping up production. The TRIPS Waiver is a core element of any WTO response to the pandemic.

8.112. Some of the proposals venture into trade liberalization which we find problematic in the context of a crisis, while some of the measures are initially temporary, the Trade and Health Initiative for example states that Members will consider to what extent some of the measures can be made permanent. We will need all the policy tools to address the strategic vulnerability of Africa associated with over-reliance on imports. We would also be concerned with a proposal of unilateral trade facilitative measures implemented in the context of this crisis must be converted into permanent

commitments. We need to ensure that the interventions we take in the context of the pandemic do not close the door to any future industrialization ambitions that developing countries would have in production of essential health products. We would not support disciplines on export taxes. Export taxes are allowed by the WTO rules applicable to most WTO Members and have been used to encourage value-added processing.

8.113. We are also concerned with proposals on fast-tracking the TFA without any support to developing countries and LDCs who had in their commitments identified aspects they will need support for in order to implement. The Trade and Health proposal is offering no new aid to enable accelerated implementation of the TFA, especially when so many LDCs and developing countries are facing major challenges with their fiscal space in light of the pandemic.

8.114. We need a COVID package, pursued on parallel and mutually reinforcing tracks, done pragmatically and covering five areas: i) scale-up production in different and additional parts of the world. This necessitates effective transfer of technology, sharing of know-how, backward integration of the raw materials and distribution rights. It must unlock productive capacity not just fill and finish; ii) a timebound and targeted TRIPS waiver covering essential diagnostics, vaccines and therapeutics; iii) protocols covering transparency of contracts and price stability undertakings; iv) a commitment to avoid resorting to vaccine nationalism and this should include a commitment to release and equitably distribute excess doses and end vaccine nationalism and "vaccine diplomacy"; and v) a TRIPS provision dealing specifically with future pandemics, that provides automatic rights of use and obviates the need for special arrangements and waivers.

8.115. The two missing elements in the thematic areas as covered by Ambassador Walker in our view are food security and livelihoods and economic recovery which must complement the trade related aspects. A clear determination to develop a sustainable policy environment that will facilitate the development and rebuilding of industries to foster resilience against any future pandemics, especially in developing countries, is critical. Economic recovery and a development-oriented agenda will go a long way in building resilience and inclusive growth and development. We do nevertheless agree with some elements of the submission (WT/GC/W/822), but only in as far as it calls for the safeguarding of the policy space of developing countries to allow them to rebuild better and foster resilience against future shocks and pandemics. We remain ready to engage with all the proponents of the proposals to find landing zones.

8.116. The representative of Switzerland provided the following statement:

8.117. My statement relates to items 7 and 8. Switzerland is pleased to co-sponsor the very important initiative that Canada presented. We are convinced that a cross-cutting approach is necessary to bring an end to the COVID-19 pandemic and to address future pandemics. Our aim is to ensure development as well as equitable and fair access to essential medical products, including vaccinations. In this vein, we wish to warmly thank the Director-General for her work and for co-organising the various successful events on 21 July which aimed to consider how to step-up production of COVID-19 vaccines and ensure equitable access. The debate at this event underscored the need to preserve and bolster the operations of the supply chains and to ensure cooperation between the public, private and organizational sectors. The draft proposal presented today by Canada provides pragmatic and key solutions including disciplines on export restrictions, trade facilitation and additional transparency, not only in terms of trade-related measures but also in terms of overseeing the value chains. We encourage all WTO Members to welcome this initiative and consider participating therein.

8.118. The representative of Singapore provided the following statement:

8.119. Allow me to make three points, first, it has become clear that Members want to deliver an outcome related to trade and health at MC12 as the emergence of new variants has caused a surge in the number of COVID-19 cases globally, there is greater urgency for the WTO to deliver tangible outcomes that can contribute towards the global fight against the pandemic. Second, it is critically important that we ensure that the WTO response to the COVID-19 pandemic adopt a forward-looking approach. In this context, while the various proposals seek to address some of the challenges caused by the current COVID-19 pandemic, it must also ensure that the WTO will be able to respond to future pandemics. It is important for us to continue finding ways to exercise existing flexibilities within the WTO framework. Third, it is worth reemphasizing that no single proposal can be the

panacea to solve all the current challenges in addressing the COVID-19 pandemic. For example, the contribution of the trade and health declaration is specific, the declaration is designed to address trade-related impediments to the flow of essential medical products including diagnostics, vaccines and therapeutics and sets up practical actions that Members can take that we have learned from the 21 July WTO-WHO High Level Dialogue, the common refrain we have heard from vaccine manufacturers is that vaccine supply chain bottlenecks lack of regulatory harmonization and export restrictions pose the greatest challenges to access to vaccine distribution and production. To address these issues, the European Union's communication has proposed to facilitate the use of compulsory licensing to scale up the production and distribution of vaccines. We see these various initiatives as being complementary to other ongoing workstreams, including the Director General's Third Way, the discussions at the TRIPS Council and the facilitator-led process. The challenge is how can we synergize all these workstreams in order to produce a meaningful deliverable at MC12. In closing, I wish to join the other cosponsors in encouraging other WTO Members to support the Trade and Health Declaration.

8.120. The representative of Honduras provided the following statement:

8.121. The document circulated yesterday by Latin American co-sponsors helps to raise awareness about what is happening in our region and worldwide, especially when it comes to the challenges that developing countries face when it comes to equal and fair access to vaccines. This is a global challenge, and we need to assure effective vaccine distribution to ensure that all countries have equal access to medication and vaccines. We must have a debate followed by concrete actions.

8.122. The representative of Indonesia provided the following statement:

8.123. My statement will address both items 7 and 8. Given the broad nature of the proposals, we are still studying all the proposals on the table but allow me to make a broad preliminary observation on some of the proposals. First, we would like to recall that we support having a holistic and coherent approach for an outcome that brings all elements in the areas concerned, including reducing trade barriers, facilitating trade, increasing production and distribution of vaccines and IP and technology transfer issues. Second, on the proposal on the trade and health initiative, we share the view that we need to avoid export restrictions on essential medical goods, especially vaccines, therapeutics diagnostics and other critical medical products and the raw materials during this pandemic. However, we are also of the view that export restrictions and also tariff and trade facilitation are not the only issues that limit the production of critical medical products to ensure equity of access globally. If there are only a few companies producing essential medical products and raw materials and equipment, how then can we adequately ensure that those companies increase the production. If the output of these companies is still the same regardless of any elimination or reduction of export restriction or tariff barriers, how then this proposal helps us to address the access issue for many developing and LDC countries. Hence, we are not convinced that this proposal will help take upon all the issues of global access for medical products, that we are badly in need of. Third, on the communication concerning our urgent trade policy response, we respectfully disagree with the proposal that says that IP is not hindering global access, it is obvious that monopolistic protection of products that have public health impact will always have a side effect, both in price and accessibility.

8.124. On vaccines, our position is very clear that we want every vaccine manufacturer to be able to produce COVID-19 vaccines to tackle this pandemic as soon as possible, and at the same time it is unacceptable that the Global South is to wait for years to have access to lifesaving products, while some other countries can now lessen their restrictive measures. The proposal's assertion that the main issue is only providing adequate and equal manufacturing capacity, globally ensuring sufficient raw material and equipment, is far from reality. We understand that voluntary licensing during this time could be given to a manufacturer that has never produced any vaccine at all. Hence whenever a manufacturer is willing to provide a transfer of technology and know-how to other established manufacturer in the developing world then there would be a significant chance that the established manufacturer in the Global South could deliver vaccines without delays.

8.125. Concerning compulsory licensing, the EU proposal falls short from its promise to address export restrictions. If the European Union wants to address export restrictions with its proposal on compulsory licensing, we would suggest that Article 51 of the TRIPS Agreement is inapplicable during the global pandemic. We would like to underline that relying on securing voluntary licensing and market mechanisms during the global health crisis will never address the issue of global health.

Finally, we should avoid any discussion on a permanent elimination of tariffs under the WTO response to the COVID-19 pandemic, bearing in mind the importance of tariffs as border taxes for some developing and LDCs.

8.126. The representative of the Philippines provided the following statement:

8.127. Under item 8(a) we look at the Trade and Health Initiative contained in WT/GC/W/823, with interest, and note the wide and diverse co-sponsorship that it has attracted. The Philippines will be prepared to engage with the proponents in further discussions.

8.128. The representative of Kazakhstan provided the following statement:

8.129. The Ministerial Decision on the WTO's response to COVID-19 should consist of two major parts. One should be the Ministerial Decision on immediate and short-term trade policy to address the COVID-19 pandemic. The second part should be a work plan, elaborating a comprehensive and systemic response to future pandemics. With regard to the first part, the paper presented by Canada on behalf of group of Members could serve as a good basis.

8.130. I also would like to address the concerns mentioned by some Members regarding the import tariffs or other measures' liberalization being on a permanent basis, as well as some services or market access measures. Based on the experience which we are facing now and which we have faced in early months of pandemic, when we were all facing shortages of medical supplies and now we are facing also shortages of vaccines, export restrictions are very important. With regard to import measures, such as trade facilitation or tariffs relaxation or removal on a temporary basis, it is up to each government, because its they who need these medical supplies, vaccines; as well as a temporary liberalization of services if there are any barriers these are also required to make possible the movement of goods. National governments and Members should be doing that for their own, in order to address their own national needs, not to address global trade policy issues. These measures should be temporary, without a permanent market access liberalization in services and goods, and there should be an immediate response on trade policy measures by Ministers at MC12.

8.131. I would like to make another point in terms of timeframe for our interventions. We are sitting today and addressing items 7 and 8 of the agenda, which consist of 20 agenda items, and it is already 8:10 pm. Many of the Ambassadors who also represent their countries to the United Nations know about the limits we have in the Human Rights Council. We have Human Rights Council sessions three times a year, which last for three weeks, not two days as General Council meetings, and depending on the number of interventions to be made, we are given either two minutes or one and a half minutes for our interventions. For the future General Council meetings, if we do not have new arguments, any creative or innovative solution, then we should limit our interventions to certain timeframes which you, the General Council Chair, based on your consultations with Members, could let us know for future General Council sessions.

8.132. The representative of Mongolia provided the following statement:

8.133. On both items 7 and 8, Mongolia would like to especially signal the following points in the response to the pandemic: the pandemic has brought and continues to bring about unprecedented disruptions to global economy's supply chains. Border measures, SPS and other measures aim at curbing the speed the disease impacts economies. Efficient transit and effective trade facilitation are becoming more critical today. Long waiting times at borders, caused by tight border restrictions, have a significant negative impact on trade and trade costs. Even situations when thousands sometimes hundreds of kilometres of trucks being stuck for days and weeks at border crossing points, also have a negative impact on the environment and sustainability. We welcome the view that the WTO's response to pandemic should be addressed in collaboration with other international organizations in support of the smooth functioning of transit, transport and trade corridors, and ensuring freedom of transit. I would like to suggest adding the World Customs Organization to that list of organizations mentioned by the facilitator Ambassador Walker, another important organization in order to secure smooth trade facilitation measures.

8.134. The representative of the Kingdom of Saudi Arabia provided the following statement:

8.135. On the WTO's response to the COVID-19 pandemic, we highly appreciate and welcome your leading efforts as well as the report by Ambassador Walker, which we hope will lead us to a meaningful outcome on this urgent matter by MC12. I would like to thank the Director-General for her engagement and cooperation with other international organizations; the high-level dialogue with vaccine producers across the globe was a really useful forum. We think we should capitalize on that momentum and continue such a useful dialogue.

8.136. The representative of Pakistan provided the following statement:

8.137. We will address both items 7 and 8 along with all their sub-items together. We thank you for your statement and efforts to advance preparations for MC12. With only four months to go, we need to urgently address many questions – not least on the format and mechanics of the Ministerial Conference, which will no doubt pose a challenge. The recently concluded Ministerial TNC Meeting on Fisheries was a novel step, but has alerted us to the many pitfalls, including technological glitches, time zones and interpretation difficulties such a format could present at the Ministerial Conference. To this end, we wish to stress the importance of full and equal participation of all Ministers across a uniform format.

8.138. We also wish to thank Ambassador Walker for his efforts as facilitator on a WTO response to the pandemic. We hope to continue to work with him and other Members on finding an outcome and look forward to more deliberations especially with Ambassador Walker on this process.

8.139. The pandemic is far from over. The longer we go without a meaningful solution, the more we allow those challenges to mount and give rise to new ones. The global nature of this pandemic needs a global response where we exhaust all available avenues and means to overcome the present situation. We note and appreciate the efforts of the Director-General, especially for the WTO-WHO High Level Dialogue held recently. Pakistan has maintained that we are open to all solutions that contribute in a meaningful way, especially for the scaling up of production of vaccines, diagnostics and therapeutics, and to provide their equitable and affordable access to everyone across the globe. In this regard, Pakistan is one of the co-sponsors of the TRIPS waiver proposal which must form an integral part of any response of this organization to the pandemic.

8.140. We thank the cosponsors of the papers in documents WT/GC/823, 231 and 822 presented for the three sub-items in this agenda. This effort reveals a collective realization by the membership of a pressing need for the WTO to remain relevant in wake of this pandemic and provide a global response to a problem that affects us all. At the same time, Chair, we are starkly aware that for any response to be meaningful, it must add real value and contribute in a way that can actually address the core problems at hand. While we appreciate the efforts of the proponents, we note that the papers make general calls which serve the objectives of trade liberalization, policy and regulatory restriction, and transparency. These elements are already covered in several places in WTO agreements and principles in various forms. For instance, an early implementation of the Trade Facilitation Agreement is a general demand which is not even being resisted by any Member, but for the lack of direly needed technical assistance. Indeed, many members including developing countries, are already quite advanced in their implementation of the TFA. Similarly, principles for the use of export restrictions, tariff reduction, transparency and notifications are well established in the WTO Agreements, and a recall or reiteration of such principles does little to help the pandemic situation. In fact, new obligations for reporting, transparency, monitoring and review could add to the burdens for developing countries already constrained with poor capacities and infrastructure and dealing with the realities of the pandemic simultaneously. It is therefore difficult to fathom how these proposals are actually meant to combat the pandemic.

8.141. We note that the submission by the European Union, in item 8(b), while detailing similar issues addressed above, discusses the element of compulsory licensing under the TRIPS Agreement as a means to expanding production, which has also been presented by them in the TRIPS Council. We would like to refer the membership to WTO documents IP/C/W/670, 672, 673 and 674 where the cosponsors of the TRIPS waiver proposal have, in meticulous detail, explained, among others, the problems with the implementation of existing flexibilities in the compulsory licensing system. We appreciate the contributions to the production of vaccines and their export, including to and through the Covax facility. However, it is precisely the limitations of these and the present production facilities that present a serious challenge. A mere clarification of existing provisions on compulsory licensing is not something that would solve the problems and suddenly increase manufacturing.

8.142. We also recognize the European Union and other Members' concerns about technology transfer, and their emphasis on voluntary licensing. This is also an element in the paper presented by Chinese Taipei in document 822 under Item 8(c). We have, in many of our submissions in the General Council, TRIPS Council and other relevant bodies, requested Members to identify means by which they can provide certainty that the holders of technology will share it with developing countries, by means of a mere encouragement in a WTO document. Similarly, we have shown in many of our submissions, alongside the cosponsors of the TRIPS waiver proposal, how voluntary licensing remains confined in the hands of a few who wish to reap exorbitant monopolistic profits and the licenses they give out are selective, secretive and inadequate. We are not against the mechanisms of compulsory or voluntary licensing. We have consistently indicated our readiness and openness to all solutions that will help address the pandemic. However, we are at a loss to understand how a mere reiteration or clarification of these existing provisions in a WTO document would concretely address the actual problems of the pandemic. How will these proposals overcome the disaster we referred to earlier today – that while advanced countries have already achieved vaccination for almost 50% of their population, they have still pre-purchased 90% of the 11 billion doses that are to be manufactured by the end of this year? Lastly, as indicated in our interventions today and before, we are happy to discuss and work with delegations on proposals that meaningfully and concretely address the core problems. We must reiterate that the TRIPS waiver must form an integral component of any meaningful response of the WTO to the pandemic and we urge the membership to work seriously towards that end.

8.143. The representative of Fiji provided the following statement:

8.144. On items 7 and 8, the WTO must respond efficiently and effectively to the pandemic to mitigate the current circumstance and to device appropriate and sustainable future measures to help revive trade. This includes access to trade finance to support MSMEs and our service sector in small island developing states like Fiji and the Pacific Islands who remains disproportionately affected and are worsened off by this pandemic.

8.145. On Item 8, we thank the co-sponsors for the proposals which Fiji believes provide a framework on the WTO's response to the pandemic. The proposal needs to be reviewed holistically in light of other proposals to address the equitable access to COVID vaccines, therapeutics and other COVID-19-related tools. We need to take a balanced approach that accounts for the different dimensions, with the view of ensuring an efficient response to halt the pandemic and its evolving mutations, through equitable vaccine access. We need to build back our economies better and stronger, so we need the tools to be within our grasp as a starting point.

8.146. On document WT/GC/W/822 from Chinese Taipei, Fiji thanks the proponent for the ideas enshrined in the proposal and the efforts in formulating this draft ministerial declaration under the three-core framework of combating, mitigating and recovering from the pandemic and beyond. We hope to further engage to better understand the proposal, especially to revive small island developing states as Fiji, to allow them to sustainably build back better and to contribute to the global value chain in good time.

8.147. Fiji thanks the Secretariat and the important insights in the Information Note on the indicative list of items shared by the Secretariat on 20 July which accounts for all related discussions/seminars under the subject in the WTO. Finally, Fiji aligns itself with the ACP statement and the Pacific statement under these two items.

8.148. The representative of Nigeria provided the following statement:

8.149. Under item 8.1, Nigeria believes that the multilateral trading system should be responsive to the challenges raised by the pandemic. In our view targeted trade policies and international trade rules could support COVID containment efforts, build resilient health sectors and contribute to economic recovery. We share the proponents view that export restrictions placed on diagnostics, therapeutics, and vaccines needed to combat COVID-19 by some developed countries undermined access to these products by developing countries. However, in our view, the major challenge undermining access to vaccines is the huge and ever-increasing supply-demand gap and the solution has to do with our ability to ramp up production of these products. We believe that tariffs are not a barrier to trade in essential medical goods in times of a pandemic, as countries unilaterally dismantle tariffs to safeguard the lives of their citizens. For instance, Nigeria implemented a unilateral temporal

suspension of tariffs on essential medical products needed to combat COVID-19, and streamlined customs procedures related to the importation of these products. What is needed to ramp up production of COVID-19 vaccines is a waiver from certain provisions of the TRIPS Agreement for the prevention, containment, and treatment of COVID-19. We therefore call on Members to support the India and South Africa led Proposal for a Waiver from Certain Provisions of the TRIPS Agreement for the Prevention, Containment and Treatment of COVID-19, contained in document IP/C/W/669/Rev.1. The adoption of this waiver will also facilitate the building of a pandemic-resilient health sector in developing countries.

8.150. Under item 8.2, Nigeria believes the major challenge undermining access to vaccines is the huge and ever-increasing supply - demand gap, and the solution has to do with our ability to ramp up the production of these products. Existing flexibilities of the TRIPS Agreement, especially Article 31 and 31bis, are not sufficient given that they are not designed to address the challenge of global health emergencies such as that posed by the COVID-19 pandemic. It is for this reason that we believe the EU proposal cannot effectively address the current precarious situation which is exacerbated by the huge and ever-increasing therapeutics and vaccines supply - demand gap. The solution lies in rapid access by every country to affordable diagnostics, therapeutics, and vaccines to combat this COVID menace. This can only be achieved by ramping up the production of these products in developing countries. We therefore call on Members to support the proposal in document IP/C/W/669/Rev.1. The adoption of this waiver will also facilitate the building of a pandemic-resilient health sector in developing countries.

8.151. The representative of Bangladesh provided the following statement:

8.152. My delegation aligns with the statement delivered under this item by Chad on behalf of the LDCs. Bangladesh thanks the European Union, Canada and other co-sponsors for the updates on the three communications under this agenda item. The communications highlight the urgency to help each other during a global crisis. LDCs particularly suffer the most in the face of any disaster – global, regional or local. The ongoing pandemic has multiplied their sufferings. The most urgent issue is to stop the virus by ensuring easy and affordable access to vaccines and essential medical and pharmaceuticals products for everyone everywhere in the world. Bangladesh thanks the proponents for recognizing this human urgency, both for the present and future, beyond the existing pandemic. Bangladesh however hopes that such proposals will not be tied up with any conditionality in future. Moreover, Members need more clarity on several expressions contained in the document (WT/GC/W/823) like emerging best practices, new WTO commitments, the period of validity for export restrictions and so on – just to name a few.

8.153. The Chair made reference to the statements made by delegations, noting, as he had, that issues related to the recovery from the health crisis were of the utmost importance, in particular as they looked ahead at MC12. These were helpful communications and initiatives that could feed into the work facilitated by Ambassador Walker. In fact, textual inputs from delegations formed the backbone of sound processes. Members had heard the Facilitator's report and the Chair hoped he could count on all Members to work together and engage constructively in that process so that the WTO could provide an effective and credible multilateral response to the pandemic.

8.154. The General Council took note of Chair's report under item 7, of the report of the Facilitator, and of the statements made under both items 7 and 8.

9 SAUDI ARABIA'S RESTRICTIVE POLICIES ON POULTRY IMPORTS – REQUEST FROM BRAZIL

9.1. The Chair recalled that this item was on the agenda at the request of the delegation of Brazil.

9.2. The representative of Brazil provided the following statement:

9.3. Brazil has requested the inclusion of this item on the agenda of the General Council to bring to the attention of the membership the series of restrictive measures Saudi Arabia has been adopting on poultry imports. These measures led to a drastic reduction of Brazilian exports to Saudi Arabia, which decreased by over 40% from 2015 to 2020, in terms of volume, and almost 50% in terms of value. At the same time, Saudi Arabia decided, in 2016, to include a 60% self-sufficiency goal in poultry production in its National Transformation Program. After achieving this, Saudi Arabia has

increased the self-sufficiency goal to 80% by 2025. Several different types of measures are being used, including, among others: suspension followed by suppression of the pre-listing system for the approval of plants; de-listing of plants without scientific justification or indication of the results of inspections and assessments; breach of the "de minimis" product-specific domestic support for poultry meat, since 2012; four-fold tariff increase; introduction of a non-automatic import licensing system, requiring unreasonably detailed information, including the disclosure of confidential business information; an intended reduction of the shelf life of frozen chicken products from the current 12 month to only 3 months, without scientific justification. Brazil has raised a specific trade concern regarding the de-listing of approved plants in several meetings of the SPS Committee. We have also questioned Saudi Arabia in the Committee on Agriculture regarding its import licensing system. Brazil expects that Saudi Arabia will reconsider these measures, in the light of its WTO obligations.

9.4. The representative of the Kingdom of Saudi Arabia provided the following statement:

9.5. At the outset, I would like to emphasize that the Kingdom's national plan and program are consistent with the international commitments including the WTO Agreements. Thus, we do not agree with what was stated by Brazil regarding our national transformation program and their argument regarding the goal of self-sufficiency. Self-sufficiency means the quality or condition of being self-sufficient and it does not mean in any way restrictive policy or measures. Now let me respond to the specific trade concerns raised by Brazil. The Kingdom of Saudi Arabia took note of the concerns expressed by Brazil and would like to indicate to all WTO Members that this issue is totally related to the SPS measures taken regarding certain poultry meat establishments in Brazil by the relevant authorities in Saudi Arabia. Also, we would like to indicate that the Saudi authorities have already provided Brazil officially with the required procedures needed to remove these SPS measures that affect the import of poultry meat and other poultry meat from certain establishments in Brazil to the Kingdom. All measures taken by the Kingdom of Saudi Arabia are consistent with the provisions of the SPS Agreement and intended to ensure food safety and the protection of human health in light of article 2.1 of the SPS Agreement. Therefore, we see no merits in bringing this issue to the General Council since it is not the right forum to discuss this very technical SPS measure. Instead of this, we encourage Brazil to continue its participation in the recent dialogue to resolve this issue bilaterally with the aim of reaching a satisfactory solution for both sides.

9.6. The representative of the United States provided the following statement:

9.7. The United States has raised similar concerns with Saudi Arabia regarding its policies negatively affecting imports of poultry. There has been no progress to resolve our concerns. We look forward to working with Saudi Arabia and other Members to address these concerns.

9.8. The General Council took note of the statements.

10 TRADE RELATED CHALLENGES OF THE LEAST DEVELOPED COUNTRIES AND WAY FORWARD: A DRAFT FOR MC DECISION (WT/GC/W/807)

10.1. The Chair recalled that this item had been included in the agenda at the request of Chad on behalf of the LDC Group and was related to the Communication from the LDC Group on "Trade Related Challenges of the Least Developed Countries and Way Forward" in document WT/GC/W/807, which included a proposed Draft Ministerial Conference Decision.

10.2. The Chair further recalled that the item had been discussed in the December 2020, March and May 2021 General Council meetings, where the LDC Group had requested assistance from the Chairman of the General Council in facilitating a conversation on this matter.

10.3. In response to that request, he had held a preliminary round of informal consultations with 21 delegations after the March meeting. As he had reported on the consultations in May, he only reiterated some of the points he had made then: (i) delegations had sympathized to the challenges faced by LDCs; (ii) several of them had raised some questions related to: (a) the rationale of the proposal, (b) the 12-year period of extension, (c) the horizontal approach in seeking a solution in particular in light of the different challenges LDCs faced and the varying impacts of graduation on the LDCs, and (d) the issue of graduated LDCs benefiting more in particular *vis-à-vis* Members at similar levels of development who had never enjoyed LDC preferences.

10.4. Since then, the Chair said he had had a constructive follow-up meeting with Chad, the LDC Coordinator, and Bangladesh, the Focal Point for LDC Graduation. The purpose of that meeting had been two-fold: first, to take stock of the efforts and outreach undertaken by the LDC Group in responding to Members' questions on the proposal, and second, to understand how the LDC Group intended to carry that proposal forward in concrete terms.

10.5. From his discussion, he understood that the LDC Group had seen the General Council as the forum for a horizontal discussion on LDC Graduation, including with a view to work towards an outcome by MC12, or a clear pathway forward.

10.6. He had encouraged the LDCs to continue their outreach and respond to the questions raised by Members, and the meeting offered another opportunity to hear updates on their efforts. He also reminded the LDC Group that his door remained open should further assistance be needed.

10.7. The representative of Chad, on behalf of the LDC Group, provided the following statement:

10.8. The LDC Group submitted a draft Ministerial Decision back in December 2020. It proposes that all of the measures to support LDCs in the WTO be extended to LDCs who have graduated for 12 years after the date of the graduation. LDC graduation from one day to the next won't change of course the situation in the LDC and the pandemic has only worsened our existing challenges and shown how fragile LDC economies are. During the last triannual review of the CPD at the United Nations, Cambodia, Cameroon, Djibouti, Senegal and Zambia for the first time met the graduation criteria. Including them there are 16 countries which now satisfy graduation criteria and are on the road to graduation. Beyond those there are ten more countries that meet at least one of the graduation criteria and should be eligible for graduation during the next review in 2020. So, graduation has received a new boost and at this point LDCs need particular attention from Members on the evolution of that future status.

10.9. We are committed and working hard with Members on this matter, we appreciate the wide support that we received on our submission, Members are sensitive to the challenges that LDCs face and to LDCs on the road to graduation. LDCs are not asking for anything new, just a formal and predictable mechanism to extend existing flexibilities for a few extra years after graduation. And as such, soften the transition for LDCs that are on that road to graduation, complying with the relevant resolutions from the United Nations.

10.10. A number of Members have raised concerns about the logic of the proposal, the 12-year duration that has been proposed, the horizontal approach, the differentiation between LDCs on the road to graduation and non-LDC developing countries, based on a series of indicators and of course the possibility of LDCs to ask the United Nations to slow down the graduation process. We responded to all the questions that have been asked and we do not want to repeat our answers now, they are available in the minutes of formal meetings. However, our group would be more than happy to explain anything or to provide any supplementary explanation to any Member that would like them, and that would be in the next bilateral opportunity.

10.11. I would also like to call Members' attention to the fact that the duly motivated request from the LDC Group in IP/C/W/668 from the TRIPS Council hasn't even been partially dealt with. Members agree that the challenges linked to the TRIPS Agreement for LDCs after graduation would remain an integral part of the duly motivated request and therefore will be followed up in the General Council within the framework of this submission. So, it could be the case of this be further reviewed. We would like to see a result between now and MC12. We thank you Chairman for your continued discussions on this issue, and also would like to reaffirm our commitment with Members to find a landing-ground with them on how we will deal with this issue at MC12. I think a really focused remit on all of the flexibilities linked to LDC graduation would be very useful for us and we will continue to discuss with Members and continue to request their support to the legitimate LDC cause.

10.12. The representative of Bangladesh provided the following statement:

10.13. Bangladesh aligns with the statement delivered by Chad on behalf of the LDCs on this issue. To recap what our coordinator just said, the LDC Group submitted this draft at the General Council meeting in December 2020 and since then, the General Council has been discussing this item. The draft decision proposes that all support measures available to LDCs in the WTO shall be extended to

graduated LDCs for a period of twelve years after the effective date of graduation from the LDC category, as decided by the UN General Assembly.

10.14. The LDC Group has been approaching and engaging with Members and groups seeking their understanding and support on this issue. We are grateful to WTO Members for their general support in favour of this submission. Even those Members who did not support are sympathetic to the challenges of the LDCs who are on the graduation track. As the coordinator just said, LDCs are not asking for anything new, but simply a continuation of the existing flexibilities for a few more years after graduation to help them navigate through the transition. We are truly grateful to you, Chair, for your continued engagement and consultations with Members and different groups on this issue.

10.15. I must emphasise that graduation of an LDC based on three development thresholds does not fully take care of all development challenges of the country. It needs time to adjust with and adapt to the sudden loss of the ISMs, particularly the trade related exemptions and flexibilities. My colleague LDC Coordinator has responded to some queries, particularly on the rationale of the proposal, duration, horizontal approach, differentiation, etc. So, I do not want to repeat the same. Our group will be happy to explain further any issue, if needed, to interested delegations both formally and informally. In our understanding, the issue may be a possible deliverable of MC12. We wish to continue our engagement with Members to find a common approach to address this issue during MC12.

10.16. The representative of Nepal provided the following statement:

10.17. My delegation wishes to align with the statement delivered by Chad on behalf of the LDC Group, and would like to submit the following additional points. I wish to refer to the statements delivered by my delegation since last December and reiterate all the justifications and arguments shared earlier. Sustainable and inclusive export constitutes a critical pillar for the overall socio-economic development of a country. This remains instrumental in achieving a sustainable LDC graduation and SDGs by 2030. Despite the devastating impacts of the COVID-19 pandemic, LDCs are not hesitating to proceed in the path to the graduation. However, supply side capacity constraints and the negative impact of the pandemic have posed severe challenges to their sustainable graduation. Sustainable graduation requires a continuation of LDC-specific support for a certain time period after graduation. This is well-reflected in the submission of the LDC group. The post-graduation temporary support will not have significant negative impact on international trade as the LDCs cover just about 1% of global merchandise trade; and it will end after 12 years of their graduation as per the submission, which aims to support sustainable graduation rather than do harm in international trade.

10.18. An incomplete and fragile graduation, without a specific support mechanism, may lead graduated LDCs to confront much more difficulties in addition to their existing constraints. For these reasons, graduating LDCs are in dire need of continuation of the existing LDC-specific support measures for 12 years, as is reflected in the submission. This is not any new or additional support graduating LDCs are seeking for but just a continuation of the flexibilities already given to LDCs for a few more years, merely for their smooth transition to graduation. It is an important aspect of global cooperation and collaboration and is, therefore, incumbent upon the international community to support this vulnerable group of economies.

10.19. The representative of Tanzania provided the following statement:

10.20. I would like to align myself to the statement of LDC Group. It should be recalled that the LDC category was established by the United Nations General Assembly in 1971 as countries with special economic needs that needed special treatment. Since then, LDCs have been granted numerous special treatments including the preferential market access under Generalised System of Preference, preferential rules of origin, preferential services and many others in the WTO multilateral trading system. The objectives of the special treatments are to reduce the vulnerabilities of LDCs from externalities, increasing productive capacities, and to link products from LDCs to the markets in an effort to integrate them into the world trading system. As mentioned in the previous meetings of the General Council, the granted preferential treatments immensely support the growth of LDCs. As a result, some are scheduled for graduation in the coming few years. Much as the graduation from LDCs is a milestone achievement, it should be handled carefully by providing a reasonable transition period to avoid affecting the attained progress. The contribution of the WTO to the

economic achievements of LDCs is tremendous, it has played a great role of heavy lifting of LDCs towards graduation. With that in mind, it will be important for Members to endorse the proposed decision that will help graduating LDCs not to backslide.

10.21. The representative of the United States provided the following statement:

10.22. We have appreciated the LDCs' outreach and look forward to continuing our discussion with them as we work to understand several aspects of this proposal and its potential implications. We believe the proposal raises several interesting and challenging questions that continue to need reflection. One is about horizontal equity, or in this case, potentially significant inequity. That is, under this proposal, any graduating LDC would continue to receive special treatment and preferences that are available only to LDCs for 12 years past graduation. However, a non-LDC Member that scores lower on various development indicators than the graduating LDC would not receive such special treatment. This raises a question of fairness. It is not a theoretical question. From our colleagues at the UN, we understand that Bangladesh and Lao PDR could graduate as soon as 2026. Both Bangladesh and Lao PDR, as of 2019, already had a GNI per capita (measured on a PPP basis) that was significantly higher than that of non-LDC Members, including Nigeria, Kyrgyz Republic, Pakistan, Kenya, Tajikistan, Cameroon, Congo and Zimbabwe.

10.23. The proposal also raises questions about the relationship between WTO rules and development. Some of the LDC-specific Special and Differential provisions that would be extended for 12 years past graduation would, in effect, delay these Members' implementation of WTO rules. This would appear to suggest that such WTO rules are somehow in conflict with development. We continue to believe that implementation of WTO rules fosters development, and that graduating LDCs would not want to delay their implementation. In addition, the proposal also raises questions about need, given the lengthy and very flexible UN graduation process. As an example, the UN once recommended that a certain LDC graduate "immediately", but graduation didn't occur for another 23 years. The UN graduation process is intended to ensure that by the time a LDC graduates, it would be extremely difficult for the country to meet the LDC criteria ever again. We look forward to continued engagement with the proponents on this.

10.24. The representative of China provided the following statement:

10.25. LDCs comprise around 12 % of the world's population, while they only account for less than 2% of world GDP and around 1% of global trade. Due to their vulnerability to external factors, LDCs are facing significant challenges, aggravated by the prolonged COVID-19 pandemic. As a staunch supporter for LDCs' better integration into the multilateral trading system, China extends 97% duty free treatment for imports from 41 LDCs and 95% duty free treatment for imports from another 2 LDCs. Transition periods are also provided for some recently graduated LDCs. China sees the importance and necessity for the substantial discussion on the draft decision, particularly in the context of the pandemic. We call for Members' collective and constructive engagement in the proposal and look forward to a meaningful and positive outcome at MC12.

10.26. The representative of Mauritius, on behalf of the African Group, provided the following statement:

10.27. During the Doha Round, we agreed to put the needs and interest of developing countries, and especially the least developed among us, at the heart of our development agenda. However, since the creation of the WTO in 1994, only 6 countries have graduated from LDC to developing country status. We all acknowledge that transition from LDC to developing status presents numerous challenges and requires significant amendments to a Member's trade regime, especially with regards to institutional capacity and WTO obligations, including under the TRIPS Agreement. The loss of LDC-specific preferences also becomes a concern as it may have important impacts on market access on these vulnerable economies. Considering potential difficulties faced by graduating LDCs and the impact of the COVID-19 pandemic on LDC economies, the African Group fully supports the submission by the LDC Group contained in document WT/GC/W/807 as well as the draft Ministerial decision.

10.28. We believe that the 12 years transition would allow LDCs to continue with the LDC-specific support measures, and that special and differential treatments and flexibilities are reasonable. Graduating LDCs deserve to be supported and the draft Ministerial decision provides for a

comprehensive and effective smooth transition within the WTO system. The African Group therefore calls upon all Members to constructively engage in discussions on the proposal with a view to its adoption at MC12. Let me also seize this opportunity to express our appreciation for the agreement reached at the last TRIPS Council for the extension of the transition period for the application of the TRIPS obligations to LDCs.

10.29. The representative of South Africa provided the following statement:

10.30. We refer to the statements we delivered at previous General Council meetings and at the last General Council meeting in May 2021. We associate ourselves with the statement made by the Africa Group. An overarching objective of the Istanbul Programme of Action for the LDCs for the Decade 2011–2020 (IPoA) is the graduation and smooth transition of LDCs. Graduation from the United Nations (UN) LDC category is seen as an important milestone in the development path of each LDC. Whilst the graduation of LDCs should be welcomed and it is a sign of positive progress, the phasing-out of benefits associated with the LDC status could present challenges for graduating LDC governments on their path towards integration into the global economy. It is important to explore what additional supportive measures can be agreed upon to ensure a sustainable graduation. LDCs face significant trade and development challenges, more so in the context of the COVID-19 pandemic which threatens to reverse some of the gains achieved over the years towards the SDGs. South Africa reiterates its support for the LDCs' submission in WT/GC/W/807 and looks forward to constructive discussions towards a decision at MC12.

10.31. The representative of India provided the following statement:

10.32. At the outset we welcome the decision made by Members at the TRIPS Council last month on the extension of the transition period under Article 66.1 of the TRIPS Agreement and I thank and congratulate all Members for their tireless efforts, in this regard. India has been a votary of LDC's integration into the multilateral trading system, and has been at the forefront of efforts to increase their share in global trade. To that end, India has unequivocally supported the request by the LDC group contained in document WT/GC/W/807 for the duration as decided by Members by consensus. India urges Members to engage constructively and consider this proposal favourably for an outcome at MC12.

10.33. The representative of Nigeria provided the following statement:

10.34. We would like to thank Chad for presenting the proposal on behalf of the LDCs. We wish to register our support for the proposal. We also want to call Members to consider the vulnerability of the LDCs and to grant their support for the proposal.

10.35. The representative of Chad, on behalf of the LDC Group, provided the following statement:

10.36. I wish to thank those Members who have taken the floor for their support. We have also taken good note of the questions and concerns raised by the United States. We stand ready to continue ongoing discussions in all potential configurations. We look forward to providing additional clarification and responses to the concerns that have been raised or that may be raised by Members. We stand ready, open and flexible with an aim to forging a compromise on our proposal while adopting a realistic and pragmatic approach. Chairman, pragmatism, realism these are the words that underpin the work of the LDC Group. We are certain that all WTO Members will understand the colossal challenges that LDCs face, including graduating LDCs. Indeed, addressing the concerns of the most vulnerable countries means standing in solidarity with the most vulnerable, poorest populations, and there are specific challenges in doing so. We would like to again thank Members for their support for this proposal.

10.37. The representative of the European Union provided the following statement:

10.38. The European Union is mindful of the challenges that least developed countries face in integrating in the global trading system. The European Union also recognizes that while graduation is a positive and remarkable milestone to be celebrated, many graduated least developed countries have not, at the time of their graduation, achieved the same level of capacity and integration in the global economy of those developing countries that are better integrated in the global trading system. A smooth transition after graduation may therefore be needed in some cases. The European Union

does believe that there should be support and flexibilities for WTO Members, commensurate with their needs and capacity constraints, beyond the group of Least Developed Countries. As noted previously, this is established in the European Union's trade and cooperation policies that provide support for least developed countries, for countries that have recently graduated from the least developed countries' status, as well as other developing countries.

10.39. In the area of trade specifically, the aim of the European Union is to focus on how to facilitate and enhance the capacity of countries to assume commitments that foster integration in the global economy. In our view that is the best way that the WTO can effectively contribute to sustainable development. In that spirit, the European Union will continue to support constructive initiatives to better integrate Members with capacity constraints into the multilateral trading system, and to take into account in that connection the specific situation of graduating least developed countries. We especially encourage discussions based on analysis that shows where specific difficulties exist. We look forward to hearing the views of other Members and we thank in particular the LDC Group for their continued constructive engagement in this matter.

10.40. The representative of Niger provided the following statement:

10.41. The impact of the COVID-19 pandemic crisis is much more accentuated for LDCs, not only in health but also in economic terms. This situation adds to the vulnerability faced by the Members of our group. The international community will have to play its part and assist the LDCs in their efforts with adequate financial resources, policy space and more effective international support measures in areas where our capacities are limited, notably in the area of technology transfer. The rapid spread of the pandemic has shown that the call for a true global partnership to ensure that no one is left behind is not just a moral commitment, but also a longer-term consideration for the resilience of the global system. Therefore, we believe that the draft Ministerial Decision for LDCs to benefit from a transition period of at least 12 years after graduation, must receive a favourable opinion from all Members, to allow for a smooth transition after graduation. All the factual data and other analyses made by other international organizations, such as the recent publications of UNCTAD, highlight the urgent need to support LDCs after their graduation from this category, particularly because of the extreme vulnerability of these countries and the disastrous consequences that any natural or cyclical, structural or specific economic, health or security shocks may have on these countries, and whose degree may cause them to fall back into the category of LDCs.

10.42. The representative of Uganda provided the following statement:

10.43. My delegation associates itself with the statement delivered by Chad on behalf of the LDC Group and the views of other LDC Members on this matter. We recall our statement delivered at the last General Council Meeting of 5-6 May 2021 and request that it is fully reflected in the minutes of this meeting.¹⁶

10.44. The Chair noted that this had been the fourth time that the matter had been discussed at the General Council. He added that he had heard the LDCs say that this was an important issue for them – something that they would want to resolve in the lead up to MC12. He had further likewise heard other delegations reiterate the points they had previously made on the proposal. There seemed to be a need for greater clarity on the main problem the LDCs wished to address and on the response they proposed. The Chair urged the LDCs and all Members to listen to each other and work together to find a mutually agreeable solution; and remained available to assist in that endeavour.

10.45. The General Council took note of the statements.

¹⁶ The statement delivered by Uganda at the General Council Meeting held on 5-6 May 2021 is contained in document WT/GC/M/191, para. 5.29 and included by reference in the minutes of this meeting.

11 PROCEDURAL GUIDELINES FOR WTO COUNCILS AND COMMITTEES ADDRESSING TRADE CONCERNS – COMMUNICATION FROM ALBANIA; AUSTRALIA; CANADA; CHINA; EUROPEAN UNION; HONG KONG, CHINA; ICELAND; REPUBLIC OF KOREA; REPUBLIC OF MOLDOVA; NEW ZEALAND; NORTH MACEDONIA; NORWAY; PANAMA; QATAR; SINGAPORE; SWITZERLAND; THE SEPARATE CUSTOMS TERRITORY OF TAIWAN, PENGHU, KINMEN AND MATSU; THAILAND; TURKEY; AND UKRAINE (WT/GC/W/777/REV.6)

11.1. The Chair recalled that the item had been added at the request of the European Union, together with the revised communication in WT/GC/W/777/Rev.6.

11.2. The representative of the European Union provided the following statement:

11.3. On behalf of all co-sponsors, the European Union would like to provide an update about our work on the proposal for Procedural Guidelines for WTO Councils and Committees Addressing Trade Concerns. To recall, this proposal aims to improve how WTO Members address each other's trade concerns in regular WTO bodies. For more than a year, co-sponsors of the proposal have continued to listen to concerns and suggestions. We would like to thank Members for the feedback we received. This revision comes as a response to that. It is an honest and serious attempt at capturing a possible common ground. We sense support for the ideas in the first part of the proposal on meeting arrangements - this part remains.

11.4. We also heard some concerns around the part dedicated to the informal resolution of trade concerns. Although co-sponsors are convinced that these elements could have helped, we have taken them out. The emphasis is now more on Member-to-Member consultations, where Members can, if they deem appropriate, associate with the WTO Secretariat or technical experts to benefit from their technical input.

11.5. A number of changes have also been introduced as regards the consideration of trade concerns in WTO bodies. For instance, Members are encouraged to engage in writing, but a longer timeframe is suggested for Members to provide a written response (60 days now instead of 30 days). This was a rapid and non-exhaustive brush of the amendments but gives a sense of the flexibilities included.

11.6. The overall approach of the proposal remains unchanged, namely that of non-binding guidelines with the objective to give guidance to Members to use tools at their disposal, while the responsibility remains, of course, on Members to address and do their best to resolve trade concerns. We hope that we can move forward on the basis of this revised text and look forward to stepping up engagement with other Members.

11.7. The representative of Chad, on behalf of the LDC Group, provided the following statement:

11.8. The LDC Group takes note of the co-author's update to the proposal on procedural guidelines addressing trade concerns. The LDC Group is carefully reviewing this proposal and may have further comments. Our initial observation is that we should bear in mind the limitations LDCs face, especially given the small sizes of our delegations. We understand that the proposal on meeting arrangements in paragraph 1, which stipulates that documents should be submitted 15 days before a meeting, aims to pave the way for debates on specific trade concerns. It might be helpful to have additional time to consider these concerns before the meeting. Indeed, the 15-day timeline might be more challenging for LDCs with trade concerns, it might not provide them enough time to have documents ready 15 days before the meeting, so we would like to ask the cosponsors if they can clarify whether these guidelines are voluntary.

11.9. For the LDC Group, any proposed new procedural guidelines and processes need to bear in mind the limitations that our group faces, that our Members face. We need to avoid overburdening the system, which might prevent all of our Members from being able to fully participate or contribute. We have taken note of paragraph 12 and also the fact that regular WTO bodies have put in place mechanisms to respond to specific trade concerns. We are currently analysing the proposal paragraph-by-paragraph and bearing in mind the experience of our delegations. Of course, our aim is to further contribute to this discussion before the 12th Ministerial Conference.

11.10. The representative of Nigeria provided the following statement:

11.11. We wish to refer to our statement on this issue delivered at the General Council meeting of 22 July 2020 and reiterate that the proposal is burdensome on developing countries. To achieve the desired improvement, there is need for clarification on the challenges undermining the effectiveness of the vertical procedures currently available in the regular committees and councils, which necessitated a horizontal procedure. There is also need for clarifications on the scope of the concerns that can be raised under these procedural guidelines, to guide against Members raising issues that are outside the scope of existing agreements. Given the resource and capacity constraint of developing countries, care must be taken to ensure that proposals like this do not directly or inadvertently place huge burdens on developing countries that are still grappling with the implementation of existing obligations. In view of the foregoing, we stand ready to further engage proponents of this proposal to explore further flexibilities for developing countries, especially LDCs, who will most likely encounter difficulties in complying with the guidelines contained in this proposal.

11.12. The Director-General provided the following statement:

11.13. I wanted to thank everybody. I thought that what the Ambassador of Kazakhstan has said has a lot of merit, and we really ought to think about it¹⁷. What has also struck me is the way that Members say that they have been hearing the same thing for years, for time they have been here, and I thought we should reflect on that. There is really something to think about - how do we move forward at the WTO. I wanted to share this reflection, and I think we ought to consider this proposal for limiting the time for interventions.

11.14. The representative of South Africa provided the following statement:

11.15. We wish to recall our previous statements in this submission, including at the last General Council in May 2021. We remain concerned with the horizontal application of this proposal. Addressing specific trade concerns (STCs) is provided for under certain agreements. Mainstreaming of STCs across all committees and councils will negatively impact developing countries who already have capacity constraints. We already have the instruments needed to address trade concerns within respective agreements. This proposal is enlarging the mandates of regular bodies in ways we have concerns with. We do nevertheless find the suggestions under the section "meeting arrangements" – on the documents for meetings, minutes of meetings, etc., helpful. Concerns raised by LDCs on the 15 days have merit and would require further consideration.

11.16. The representative of Chinese Taipei provided the following statement:

11.17. As one of the co-sponsors of this proposal, it is encouraging to see Members actively providing suggestions which make the proposal more neutral and practicable. It can be reasonably expected that these non-binding guidelines on meeting arrangements, informal consultations, and consideration of trade concerns in WTO bodies, among other things, will be able to substantially improve the process of addressing specific trade concerns without much additional burden to Members, so that Members can deal with their daily works and resolve long-standing issues more effectively. In addition, it will be a concrete step to improve the WTO's monitoring and deliberative function in support of the future reform of the WTO. We look forward to having more Members discuss with the proponents and ultimately join the proposal.

11.18. The representative of the Republic of Korea provided the following statement:

11.19. Addressing trade concerns in WTO Councils and Committees is an essential part of overseeing the implementation of WTO Agreements. Korea appreciates the intervention the European Union and, as a co-sponsor of this proposal, supports the establishment of non-binding procedural guidelines along the line of this proposal. In the view of my delegation, the revised proposal, which has reflected some concerns expressed by Members, will help enable the WTO mechanism to operate in a more efficient and systematic way so as to facilitate the effective resolution of trade concerns among Members through dialogue. Korea urges all Members to engage in constructive discussion on this proposal to finetune the details of the procedures and build consensus.

¹⁷ See statement by Kazakhstan under Item 8, para 8.131.

11.20. The representative of Uruguay provided the following statement:

11.21. Uruguay thanks the co-sponsors for submitting the sixth revision of this proposal, as well as the explanations provided by the European Union on the changes made to it. Uruguay maintains its doubts previously expressed on the proposal to adopt a "top down" horizontal approach, instead of allowing each body to review or adapt its operating rules, where necessary, in light of its particular situation. With regard to paragraph 11, Uruguay understands that Members should be free to use existing mechanisms in councils and committees to raise their concerns and express their positions in a manner that they understand to be relevant. In other words, it is up to Members to decide how to make better use of time and how to exercise their rights at the WTO. We remain ready to engage in open and constructive discussions with interested Members with a view to improving the functioning of the regular bodies of this organization and their outcomes, particularly as regards the effective resolution of the many trade concerns submitted to them.

11.22. The representative of Paraguay provided the following statement:

11.23. With regard to document WT/GC/777/Rev.6, we reiterate that the horizontal nature of the document remains a problem for my delegation, particularly in the light of paragraph 5, which establishes that these procedures shall prevail over those specific to each Committee. The nature of some Committees, such as the TBT and SPS Committees, means that they operate differently to other regular Committees. In addition, these Committees are functioning extremely well, with the exception of some overlaps or scheduling problems, that have more to do with the functioning of the Council for Trade in Goods and the internal coordination of the Secretariat than with the work of these Committees per se. While the proponents have given assurances on a number of occasions that these guidelines would not apply to the above-mentioned Committees, this is not indicated in the proposal. In addition, the prescriptive nature of paragraph 6 could inadvertently obstruct dialogue rather than encourage it, since the Member to which the concern relates could delay addressing the concern by claiming that the description provided in advance is insufficient to prepare a substantive reply. We have already witnessed such behaviour at certain sessions of the Committees.

11.24. With regard to the submission of questions, we are of the view that the Member should send the replies prior to the meeting, provided the questions were submitted before the closure of agenda, with a view to moving forward the discussions in the room. The 60-day period granted after the meeting, essentially means that the replies are not addressed and there is no opportunity for follow-up questions or clarifications at the meeting, which delays even further the handling of the concern, instead of ensuring progress towards its resolution. Lastly, paragraph 11, in which "Members...are encouraged" to ensure their statements have a specific focus in order to "make the best use of time", is contrary to Paraguay's position that Members will use their best understanding and judgement when deciding how to address the concerns of their interest, that repetition may be necessary, and that sufficient time must be granted for the handling of trade concerns, in line with the level of priority that each Member attaches to the concern. The implicit suggestion that addressing trade concerns is not "mak[ing] the best use of time" in the Committees, is unacceptable to my delegation.

11.25. The representative of Chile provided the following statement:

11.26. Chile welcomes this new version of the document. We are pleased by some of the changes made, such as the elimination of the section "Informal resolution of trade concerns", as well as the limitation of the powers intended to be granted to the Secretariat and the Chairs of the bodies. However, the idea of establishing horizontal guidelines to address specific trade concerns in the councils and committees still features, with these "guidelines" prevailing over the functioning of each body. In addition, despite the changes introduced, we remain of the view that this proposal would restrict Members' ability to raise trade concerns, as indicated by Paraguay. Lastly, we consider that many of the elements contained in the proposal do not require a decision by the General Council, but instead may be implemented within the relevant Committee, at the initiative of its Chair, the Secretariat or the Members themselves.

11.27. The representative of India provided the following statement:

11.28. India supports the idea of improving the meeting arrangements of WTO bodies with a view to make them more efficient. We, therefore, support proposals for preparation of advance indicative yearly schedule of meetings, circulation of all documents to be discussed at a meeting at least 15 days prior to the meeting and timely circulation of the minutes of meetings of various WTO bodies. We also agree that it is in the interests of all Members to make full use of the WTO Councils and Committees to seek satisfactory outcomes of their trade concerns. However, while considering any changes in procedures to be followed for various WTO bodies, we need to ensure that such proposals, in effect, do not end up adding to or diminishing Members' rights and obligations under the concerned WTO Agreements. India also believes that the appropriate forum for discussing procedural guidelines for trade concerns is the relevant Council or Committee dealing with the specific trade concern, as per the scope of the relevant WTO Agreement. Therefore, while we are open to discuss all possible suggestions aimed at improving existing processes, we would not like to take away the role of such WTO bodies in finalizing such procedural guidelines.

11.29. The representative of Bangladesh provided the following statement:

11.30. Let me begin by aligning our statement with that of Chad made on behalf of the LDC Group. We welcome the constructive ideas in the proposal. My delegation previously made some suggestions, for example, for changes in the existing format of the convening notice and the necessity of uploading the meeting summary on the same day on the WTO website, to help smaller delegations who are unable to attend all meetings update their information repository. My delegation also pointed out the concerns on the proposed provision in paragraph 10 of the draft regarding participation of capital-based experts through video conferencing. Internet connection is still a severe challenge in many of our countries. Nonetheless, we look forward to engaging constructively with all concerned Members on this issue to move forward the discussion.

11.31. The representative of Jamaica, on behalf of the ACP, provided the following statement:

11.32. The ACP Group is of the view there are certain systemic benefits which apply to all WTO Members when they are allowed to address trade concerns through the relevant Councils and Committees of the organization. There are also benefits to be derived from strengthening the ability of regular WTO Committees and Councils to facilitate the effective consideration of trade concerns to the extent that it improves efficiency, is inexpensive and increases the robustness of the processes concerned. However, we have to be mindful that there is the potential to impose additional financial and institutional burdens on developing countries and LDC Members. Essentially, some elements of the proposal would require technical assistance, training, a greater commitment of time and human resources in some cases.

11.33. We should also proceed cautiously in seeking to establish deadlines that are difficult for many delegations to meet. We must also give further consideration to whether it is best to establish horizontal procedural guidelines across various WTO Councils and Committees including in areas which differ substantially and which would require specific guidelines which are fit for purpose. The ACP Group believes that the current proposal could benefit from further consultations across the WTO Membership, and we stand ready to engage. Therefore, we are not in a position to support or endorse the proposal at this time. We trust that the proponents will accept our invitation to carry out further outreach to Members.

11.34. The representative of the United States provided the following statement:

11.35. We are carefully reviewing the revised proposal, with an eye for practical and modest steps that would contribute to a shared goal – to rebuild norms for Members to respond to and address trade concerns raised by other Members. As we have noted previously, these norms have eroded, and the key culprit appears to be some Members' lack of interest and political will to address such concerns. Fundamentally, the problem is substantive, not procedural. But we don't rule out identifying pragmatic procedural steps that could help. WTO Committees are diverse, and solutions that can be applied horizontally may be few. But we look forward to working with the proponents to find potential solutions. In addition, we urge Members – those raising the concern and those that are the subject of the concern — and not the Secretariat or the Chair — to put the work and political will into finding substantive solutions to specific trade concerns.

11.36. The representative of Uganda provided the following statement:

11.37. My delegation wishes to thank the proponents for their communication and their continued efforts towards ensuring that the concerns and interests of Members are reflected through the revisions. We note that there is work still to be done in this regard. It is especially important for the proponents to fully recognize the constraints that delegations like mine face in terms of size. We look forward to a revision that fully takes into consideration this important issue.

11.38. The General Council took note of the statements.

12 SUPPORTING THE CONCLUSION OF FISHERIES SUBSIDIES NEGOTIATIONS FOR THE SUSTAINABILITY OF THE OCEAN AND FISHING COMMUNITIES – DRAFT MINISTERIAL DECISION – COMMUNICATION FROM BRAZIL (WT/GC/W/815)

12.1. The Chair recalled that the item had been included in the agenda for the second time by the delegation of Brazil, together with the communication in document WT/GC/W/815.

12.2. The representative of Brazil provided the following statement:

12.3. Each year, governments spend an estimated USD 22 billion on capacity-enhancing subsidies that artificially lower fishing costs. Consequently, the percentage of fish stocks within biologically sustainable levels has dropped continuously, and now more than one-third of fish stocks in the oceans are overfished. This deterioration has a serious impact on the livelihoods of millions of people who depend on fishing resources. This is precisely why we should keep a sense of urgency to finalize the negotiations. It is no small matter that the only multilateral negotiations in the WTO today that could yield results in the short run has a sustainability purpose. WTO Members, therefore, have a crucial role to play in securing a robust agreement to curb subsidies that lead to overcapacity and overfishing and contribute to the depletion of global maritime fish stocks, as well as to illegal, unreported and unregulated fishing. Brazil invites all Members to join this initiative and hopes that the proposed draft could be approved by the General Council before the MC12. We look forward to working constructively with Members on this matter.

12.4. The representative of the United States provided the following statement:

12.5. The United States is committed to working with Members to reach a meaningful conclusion to the negotiations. The current negotiating text can serve as the basis for a Member-led, text-based negotiation, but it does not yet contain the elements required for reaching a meaningful conclusion. The United States has proposed a targeted approach to ensure that highlighting and addressing the use of forced labour on fishing vessels are part of any outcome. This is an important way for the WTO to positively impact the lives of our fishers and workers. There are other key elements missing from the negotiating text, and we hope to have a text-based negotiation so these can be reflected in the text. Significant shortcomings must also be addressed if we are to successfully conclude these negotiations. This includes the approach with respect to special and differential treatment. A blanket approach to special and differential treatment with permanent carve-outs is neither appropriate nor effective given the purpose of this agreement. It also does not reflect the reality that some self-declared developing country Members are among the largest producers and subsidizers, or among the wealthiest Members of this organization. WTO Members have an opportunity to produce an agreement that can make a serious and credible contribution to ending harmful fisheries subsidies. This will require all Members to make and support improvements to the text to reach a meaningful outcome.

12.6. The representative of Mauritius, on behalf of the African Group, provided the following statement:

12.7. The African Group has consistently emphasized that any outcome at MC12 should, *inter alia*, be based on the principles of sustainability. An agreement on fisheries subsidies that delivers on SDG 14.6 would be an excellent example for the WTO to prove that it is indeed committed to contribute to the sustainability agenda. We further reiterated this position at the last Ministerial TNC Meeting. In addition, the Ministerial meeting has also provided clear guidance on how to move forward in the negotiations. Delegations also often recalled the MC11 mandate. Let me reiterate the commitment of the African Group to the conclusion of a balanced outcome on fisheries subsidies, and this is where our focus should be in the coming months.

12.8. The representative of South Africa provided the following statement:

12.9. South Africa supports the interventions made on behalf of the African Group and the ACP Group. We once again thank Brazil for their submission as entailed in WT/GC/W/815. We are guided by the Ministerial mandates, including of MC11, as well as SDG 14.6 in the Fisheries negotiations. We are concerned that the proposed Draft Ministerial Decision, seems to re-interpret the mandate in ways we do not find helpful and makes no reference to special and differential treatment - a critical element of the mandate quoted above. In view of the sustainability objectives of the mandate, we believe that the principle of common but differentiated responsibility should underpin the negotiations. Given the substantial amount of work to be completed for our fisheries subsidies' negotiations, we do not see how work on a draft decision will assist us in completing the outstanding work. Our Ministers at the 15 July 2021 Ministerial TNC meeting indicated that much more work needs to be done to address the imbalances in the current Chair's text. All our efforts should be directed to ensure that gaps in the text are addressed if we are to reach agreement before or at MC12.

12.10. The representative of India provided the following statement:

12.11. I While India remains fully committed to the negotiations on fisheries subsidies as provided under the SDG 14.6 and the MC11 mandates, we share our concern regarding the lack of explicit reference to special and differential treatment for developing countries and LDCs, an integral and important part of SDG 14.6 and the mandate of MC11. In the previous General Council Meeting, we had highlighted and sought clarification on some of the few phrases used in the communication such as "ambitious outcome", "to curb subsidies that threaten global maritime fish stocks", "improve existing WTO disciplines in fisheries subsidies" and "highest standards of environmental sustainability". But we did not receive any clarification on these terms used in the communication. Its disconcerting that in the name of collective responsibility the communication puts at par countries with no or very few industrial fishing fleets with countries having highly developed industrialised fishing fleets. We believe that environmental sustainability of fisheries resources, is a classic case for the application of the polluter pays principle and common and differentiated responsibility.

12.12. At the 15 July Ministerial TNC on fisheries subsidy negotiations, it was evident that Members agreed that status quo is not the preferred option, because irrational subsidies and overfishing by many countries is hurting the interest of our fishermen; but it was also evident that significant gaps still exist. I am sure delegations would have noted that more than 80 delegations said they did not believe the draft consolidated text is balanced to call it a landing zone for them. We heard Minister after Minister calling the text imbalanced and requiring to be reworked to make it a negotiating text. On the issue of special and differential treatment, once again speakers representing more than 80 delegations said that what the text offers on special and differential treatment is grossly inadequate and they rejected the notion that special and differential treatment should be restricted to artisanal fishing, and that too within 12 nautical miles. They also demanded the text should provide sufficient policy space for developing their future fishing capacities for achieving equitable growth. Ministers and Members emphasized that, if this agreement is about sustainability, based on the principle of common but differentiated responsibilities, the biggest subsidizers who are responsible for the present state of marine resources should take greater responsibility to reduce their subsidies and fishing capacities.

12.13. Let me finish by saying that while India remains committed to concluding these negotiations, unfortunately we are quite far from the necessary landing zone required to reach an agreement. We hope that after the summer break, sincere efforts will be made to accommodate the interests of developing countries and LDCs in the draft text, which at the moment remains highly imbalanced.

12.14. The representative of Chad, on behalf of the LDC Group, provided the following statement:

12.15. The LDCs are actively involved in text-based negotiations and fully expect that the Members will find a landing-zone in the areas that will enable us to achieve a positive outcome. As India underscored, special and differential treatment is a key element in the fisheries subsidies provisions, and we feel that LDCs would like to reiterate how important special and differential treatment is as a means of tackling specific concerns of artisanal fisheries, particularly in least developed countries. We really need room for manoeuvre to ensure that our fleets can be developed in a sustainable way.

The LDC Group will continue to exhibit flexibility under a constructive spirit with a view to achieving final agreement on fisheries subsidies.

12.16. The representative of Jamaica, on behalf of the ACP, provided the following statement:

12.17. We re-affirm our full commitment to concluding the fisheries subsidies negotiations as soon as possible, preferably, before the 12th WTO Ministerial Conference. We would also wish to ensure that we conclude a quality agreement that delivers on the SDG14.6 and MC11 mandates. The WTO's fundamental objectives of prohibiting certain forms of harmful subsidies that contribute to overfishing and overcapacity and IUU fishing, while preserving the sovereign rights of Members within their maritime jurisdiction, and allowing for sufficient policy space for developing countries and LDCs to develop the capacity of their fisheries sector, in a manner that responsibly seize the benefits to be derived from the ocean economy. In 2018, only ten of the largest subsidizing fishing countries in the high Human-Development Index (HDI) category together accounted for 64 percent of the global total fisheries subsidies. Total subsidies provided by all high HDI countries amounted to 87 percent, which represents a bulk share of the total. In contrast, estimations from the same global dataset reveal that 62 developing WTO Members, which form the African, Caribbean and Pacific (ACP) Group at the WTO, together account for only 4.7 percent of total global marine fisheries subsidies. ACP and African Group Members are predominantly not subsidising or engaged in large-scale industrial fishing. It would therefore be a priority of these negotiations, in line with our mandate to eliminate certain forms of subsidies that contribute to overfishing and overcapacity, to target large subsidisers that provide 81% of global subsidies based on proportionate burden and responsibility sharing.

12.18. We are concerned that the term "sustainable development" is often used in a manner that does not reflect the reality that exist in the fishery sector today. The ACP is also on record in saying that special and differential treatment provisions of the agreement should allow for and foster the responsible development of the fisheries sectors in developing countries and LDCs. We believe that we all have an interest in ensuring that fishing at all levels remain sustainable based on determinations and policies by national authorities. There is no single common international standard by which sustainability can be assessed, given the different ecological and regulatory frameworks that exist. However, what we need is to ensure that the most appropriate sustainability standards should be applied, having regard to a myriad of different circumstances that Members find themselves in and the type of information they rely on to take such decisions. We urge Members to constructively engage in discussions in order achieve an outcome by MC12. The ACP does not believe that whatever little time remains should be invested in negotiating a draft ministerial decision on sustainability. All our efforts should go into finalising an outcome on fisheries subsidies negotiations.

12.19. The representative of Malaysia provided the following statement:

12.20. On fisheries subsidies, Malaysia reiterates her commitment to conclude the negotiations by MC12 as per the mandate. In order to achieve this, we must remain focused on the work in finding compromise. As we have raised previously, especially during the 15 July Fisheries Subsidies Ministerial TNC Meeting, Malaysia is concerned over the revised text particularly on the imbalanced and limited scope of special and differential treatment, as well as the burdensome transparency mechanism. Malaysia is also deeply concerned with the inclusion of non-specific subsidies within the meaning of Article 2 of the SCM Agreement in Article 1.2 of the draft text. We firmly believe that the disciplines on fisheries subsidies should address only specific fisheries subsidies, while providing necessary flexibilities to developing and LDC Members to develop their fisheries sector. We hope that the revised consolidated draft text will be further improved to address these pertinent concerns, as well as incorporate the importance of positioning fisheries in the context of food security and national economy for many Members. The outcome of this negotiation must reflect the WTO principles of non-discriminatory trade, predictability and transparency, fair competition, and encouraging development and economic reform. Let us work together with the outlook of concluding the negotiations as soon as possible.

12.21. The representative of Saint Lucia, on behalf of CARICOM, provided the following statement:

12.22. This statement is made on behalf of the CARICOM Group, and we are also aligned with the ACP Group statement on this agenda item. CARICOM wishes to reiterate its commitment to the successful conclusion of the Fisheries Subsidies Negotiations in as short a timeframe as possible.

This is a commitment which our Ministers reinforced at the TNC Meeting at Ministerial level which was convened on 15 July. The importance of these negotiations for CARICOM is without doubt. As we have said many times before, we see a successful outcome in these negotiations as vital to the economic, social, and environmental sustainability of our fisheries sectors. In this regard, we continue to advocate for a fair and balanced agreement that disciplines those most responsible for the damage caused to our global fisheries resources, by the provision of massive amounts of harmful subsidies over many years. CARICOM Ministers recently reemphasized that as small fishing nations with under-developed fisheries sectors, our commercial fishing operations are miniscule in comparison to those of the major players. Furthermore, our economies are highly susceptible to global shocks that slow our developmental and growth trajectories. These factors underscore our insistence on including a strong discipline on special and differential treatment in keeping with the Doha Mandate, SDG 14.6 and the decision of our Ministers at MC11.

12.23. The CARICOM group stands ready to engage constructively with Members to reach a successful conclusion to these negotiations. While we reiterate our willingness to negotiate the details with Members, including safeguards and other assurances, we continue to call on Members to be sensitive to the realities of our economies. CARICOM Ministers remain committed to achieving a high-standard outcome in these negotiations. Again, we thank Brazil for its submission which contains many of the elements which we see as critical. However, we urge Members to focus their attention on securing an outcome through the NGR process so as to have an outcome to present to Ministers by MC12.

12.24. The representative of Fiji, on behalf of the Pacific Group, provided the following statement:

12.25. We recognize the urgency to complete this negotiation on fisheries subsidies, which is a top priority for the Pacific Group. Pacific Ministers have clearly indicated on 15 July 2021 that they are committed to concluding this negotiation ahead of MC12. However, they were clear that we must not try to conclude just any type of Agreement. We must deliver a balanced and meaningful Agreement at MC12. This Agreement must focus on disciplining harmful subsidies and not fisheries management. It must also provide policy space for small developing Members, especially small island developing states that have little to no fishing capacity at present, must exempt small scale and artisanal sector to support livelihood security and should not undermine Members' rights under UNCLOS to offer access to fishing in their EEZ on terms they decide. The Pacific Group will engage constructively with Members after the summer break to advance this negotiation.

12.26. The representative of Bangladesh provided the following statement:

12.27. My delegation aligns with the statement delivered by Chad on behalf of the LDCs. Bangladesh is fully committed to conclude the fisheries subsidy negotiations. We have been seized with the issue for quite some time. Unfortunately, we are still far from reaching a broad consensus on the content of the revised consolidated text. Let me remind us all that the Doha Ministerial Declaration in 2001 and the Hong Kong Ministerial in 2005 mandated the WTO to take into account the development priorities, poverty reduction, livelihoods and food security concerns of our countries in any outcome on fisheries subsidies negotiation. SDG 14.6 is built on our Hong Kong mandate, and added a deadline to conclude this negotiation, and now our mandate is to conclude the negotiation by MC12. In doing so, we must stick to our mandate, and any deviation would delay the process and make a quick progress in our negotiation difficult. My delegation thanks the delegation of Brazil for this Draft Ministerial Decision and their statement made today. However, to accommodate any new mandate, in our view, will need extra time, and we are not sure if we have the time. We must strengthen our ongoing efforts and thereby fulfil our collective responsibility. Bangladesh is ready to constructively engage with Members for the conclusion of the negotiation before the MC12.

12.28. The representative of Pakistan provided the following statement:

12.29. As pointed out by many before us, we are hopeful of a conclusion of the ongoing fisheries negotiations. We thank Brazil for this proposal and draft Ministerial Decision. Indeed, fisheries subsidies are one of the most important elements of WTO negotiations, carried over from the Doha Agenda. On the proposal itself, it is hard to understand its motivation. Firstly, the proposal is a draft Ministerial decision to be agreed at MC12, aiming for a high standard of environmental sustainability in concluding the discussions. Would this imply that we are not seeking a conclusion at MC12? Also,

we note that the document affirms a commitment to SDG 14.6, but the language of the draft decision reduces the mandate to only a higher standard of environmental sustainability. It does not mention the most crucial aspect of special and differential treatment, which is the core of SDG 14.6. While ensuring environmental sustainability is a much-needed objective, we all have a responsibility to our people, to allow them the opportunities for sustainable livelihoods as well. Moreover, while considering sustainability, we must address all aspects of sustainable development to make it truly meaningful. The Ministers guided us well on 15 July and we all committed to work hard to arrive at an acceptable conclusion to fisheries negotiation. Pakistan is not yet convinced of the usefulness of this Ministerial Decision at this time.

12.30. The representative of Sri Lanka provided the following statement:

12.31. The way we view this proposal is that it tends to give different interpretations to development mandates on fisheries subsidies and to prejudge the outcome, disregarding the elements of the mandate in their entirety. No one can make attempts to subtract certain elements of the mandate which favour them and suggest that such elements figure in any outcome to be reached. As ministers stated categorically recently, the current negotiations are to address all the elements in the mandates. They also raised their serious concerns with the current text and the need to provide a balance and the most needed landing-zones, enabling all Members to engage in meaningful negotiations, with the view to arriving at an outcome by MC12. The proposed draft Ministerial Decision seems to reinterpret the mandate in ways Sri Lanka does not find helpful and makes no reference to special and differential treatment, a critical element of the mandate. Any agreement must recognize special and differential treatment in principle, while understanding that different countries are at different stages of development and current fishing arrangement reflect their current economic capacities. Needs will change with time as countries develop. Any agreement will have to provide balance for current and future needs. We are therefore of the view that the proposal of Brazil lacks a recognition of these considerations.

12.32. The representative of Thailand provided the following statement:

12.33. . Thailand would like to emphasize that fisheries subsidies negotiations are our priority, and would like to call for a conclusion of the fisheries subsidies agreement at the earliest opportunity. The willingness and efforts of all Members in driving the negotiations forward to the goal, have thus never been more crucial. We cannot afford any further delay in tackling the harmful fisheries subsidies and preserving the sustainability of fisheries resources, especially at this critical juncture — the WTO needs to prove itself relevant in the changing global trade environment. It is time that we all need to focus on negotiating disciplines and put utmost efforts in bridging the gaps and narrowing the differences, aiming to fulfil the 11th Ministerial Conference mandate and the UN Sustainable Development Goal 14.6. Thailand would like to reaffirm its full commitment to actively participate in negotiations, and supports the Chair's way forward, leading to a balanced outcome that serves both calls for a meaningful agreement, effective discipline, and sufficient policy space. Having said that, while we fully understand the positions of the Members, we feel that we already have a lot of issues on the plate. Therefore, we should rather focus on the issues that have been contained in the mandate and have been discussed for many years in order to conclude on what we have already on the plate now. We can continue discussing other issues that some Members may feel are relevant to the discussion on fisheries subsidies in the future. We are not saying that we will not discuss this, but the view is that this is not the right time to do so.

12.34. The representative of the Central African Republic provided the following statement:

12.35. The negotiations on fisheries subsidies have evolved a lot over the past month and in a positive fashion, because Members have a draft text and, as Ministers said during the Ministerial Conference in July, it is a basic document which will enable to pursue and conclude negotiations in this sector of activity. We recently had an exchange and a meeting with the Director-General on the setting up of technical assistance mechanisms and on aid for capacity building in LDCs. We have to differentiate technical assistance from special and differential treatment, taking into account the aspects of artisanal fishing. We resort to Members to show flexibility so as to be able to conclude an agreement based on the principles of sustainability, respecting the goal of SDG 14.6 by 2030.

12.36. The representative of Nigeria provided the following statement:

12.37. Nigeria wishes to thank Brazil for presenting the draft Ministerial Council Decision. Nigeria adduced four reasons to demonstrate the deviation of the Brazilian Proposal from the objectives of the Fisheries Subsidies negotiations set out in SDG 14.6, the WTO Ministers Mandate and paragraph 9 of Annex D of the 2005 Hong Kong Ministerial Declaration, as well as the 2001 Doha Ministerial Declaration. Our expectation was that Brazil would either withdraw or modify this proposal. However, this is not the case.

12.38. Given that we have already missed the 2020 timeline to deliver on SDG 14.6, the least we could do is to work towards outcomes by or before MC12 rather than commit to a future date beyond MC12 for the completion of the negotiations. Furthermore, SDG 14.6 and our Ministers mandate requires that we prohibit and eliminate subsidies which contribute to overcapacity and overfishing and IUU fishing, respectively and not a commitment to curb harmful subsidies being suggested by Brazil. In addition, the proposed objective of "highest standards of environmental sustainability" of the Brazilian proposal, which is geared towards the introduction of fisheries' management obligations into the WTO, differs substantially from the objective of "enhancing the mutual supportiveness of trade and environment" set out in the Hong Kong as well as Doha Ministerial Declaration. We have consistently registered our objection to the introduction of fisheries' management obligations in the WTO, as this approach has proven in the past to be ineffective in addressing global overcapacity and overfishing problems. Also, the proposal ignored economic and social pillars of SDGs as well as the need for effective special and differential treatment for developing countries. This proposal falls short of the objectives set out in SDG 14.6 and our Ministers mandate. Consequently, we will not support the proposal.

12.39. The representative of Indonesia provided the following statement:

12.40. At this juncture our focus should be placed on negotiating the draft text discipline. We need to be optimistic and ambitious in the negotiation process until MC12. As it has been raised by other colleagues, we believe that there are many aspects of this proposal that need to be looked at and negotiated to reflect the divergent points of views concerning the disciplines.

12.41. The representative of Brazil provided the following statement:

12.42. We wish to thank all the delegations that took the time to engage in this debate. I will learn from the comments and try to improve the text through another version. Regarding the Ministerial TNC Meeting that took place on 15 July, my feeling is that the general consensus was of two natures. The text does offer a landing zone despite the imbalances identified by some, and which we can improve. There is also a general understanding that we simply do not have another twenty years to block this process. Twenty years is enough, let us find a solution. Another point, which is rather surprising as I heard in many statements an already overcome dichotomy between the environment and people. The very notion of sustainability integrates those two dimensions. When making a reference to a UN mandate referring to sustainability, this is already integrated. This is not a discussion among biologists. We are not here together to save fish because we love fish, we may love fish, it is not about that. As we preserve the environment, it is integrated. Either we preserve the fish and have fishermen communities, or this is going to disappear. I suggest a very simple example. When we go to the summer break, let the delegates go back to their capitals and to the fishermen communities and ask a very simple question: do you want to wait another twenty years during which your fish stock is going to be reduced by seventy or eighty%? That is the price we are going to pay in order to have policy space, are you happy with that? We will not be able to fish but we will have all the policy space we need, and maybe in another twenty years we will have a blooming fish industry. But we are going to pay the price. The price for those abstract notions is paid by the people on the ground. We need to be clear about those things, otherwise the debate is never going to evolve. I heard today that there was a lack of new ideas in this debate, so perhaps I can bring new ideas. We need to update the terms of the debate. It is not possible that we say the same things after twenty years. As we propose high standards in sustainability, this is about people. It is about current and future generations. I repeat this very simple question: do we have another twenty years to waste? I do not think we do. It is time to move on and reach an agreement.

12.43. The representative of Cameroon provided the following statement:

12.44. Our delegation joins the statements made by the African and ACP Groups. We believe that the best resonance of this proposal by Brazil would be reflected in the real, true commitment of all

parties to be able to give a concrete meaning to the mandate in these negotiations. The mandate clearly spells out that we have to prohibit subsidies that contribute to overfishing and overcapacity, to eliminate subsidies to IUU fishing and to guarantee special and differential treatment. The appropriate special and differential treatment is both operational and effective. This is precisely where we should focus our interests. In fact, our Ministers said that the current text, although it does include some appreciable elements, moves away from the initial mandate regarding the true and effective prohibition of subsidies to overcapacity and overfishing. Over and above that, we have provisions that tend to give legitimacy to practices which have been leading to overexploited species.

12.45. Regarding the elimination of IUU subsidies, the current provisions are not precise enough. They are not operative from a legal point of view and create legal conflicts. Our delegation has regularly highlighted this and expressed its reservation regarding this. We hope that the discussions in the future will make it possible to redefine or come back to the initial terms of our mandate. It is only by giving a meaning to our mandate that we will ensure sustainability as it can be found in the terms of our mandate. This is precisely what Cameroon has repetitively stressed. Our Minister once again repeated this. We welcome those that have expressed their commitment. We hope that in the coming months we will be able to come back to the initial negotiations and give them a meaning which would be in line with our mandate and with sustainability.

12.46. The General Council took note of the statements.

13 G90 DECLARATION ON SPECIAL AND DIFFERENTIAL TREATMENT – COMMUNICATION FROM SOUTH AFRICA ON BEHALF OF THE G90 (WT/GC/234)

13.1. The Chair recalled that the item had been included in the agenda of the General Council by the delegation of South Africa on behalf of the G90, together with the communication in document WT/GC/234.

13.2. The representative of South Africa provided the following statement:

13.3. The Declaration highlights the disproportionate impact of COVID-19 on developing countries, especially LDCs, LLDCs, NFIDCs, SIDS and SVEs, not only as a health crisis in the short term but as a devastating social and economic crisis over the months and years to come, and thereby exacerbating the development gap, inequality and asymmetric economic development patterns that already existed before the crisis.

13.4. According to the OECD Global Outlook on Financing for Sustainable Development 2021, the COVID-19 crisis hit at the dawn of the Decade of Action for the SDGs (2020-2030). The health crisis triggered an economic crisis of long-lasting effects on inequalities and development. It hit more brutally countries lacking the financial and technological means to deal with long-term health emergencies and the necessary restrictions on movement of people and general commerce.

13.5. Based on this report, more developing countries have entered into economic recession than at any time since the Second World War, with more than 73% (90 of 122) of low and middle-income countries impacted. According to the World Bank, COVID-19 has already added 120 million to the count of the world poor and the figure is expected to go up to 150 million by end 2021. The World Bank also estimates that more than 80% of the "new poor" will be in middle income countries.

13.6. The economic impact of the pandemic is much wider as it affects all sectors including agriculture, manufacturing and services, deepening the vulnerabilities of developing countries who have limited fiscal space to respond to the crisis.

13.7. The G90 recalls that the Marrakesh Agreement establishing the World Trade Organization (WTO) recognizes the "need for positive efforts designed to ensure that developing countries, and especially the least developed amongst them, secure a share of growth in international trade commensurate with the needs of their economic development." The multilateral trading system has, therefore been quite conscious of the differing levels of development among Members of the WTO and that international trade should play a role to assist developing and least-developed countries to increase their share of international trade. Special and differential treatment is therefore vital for developing and LDCs as a means towards that end.

13.8. The levels of development, in terms of infrastructure, technology, industrialisation, digitalisation, prosperity, etc., are quite different between developed countries and the developing and least-developed countries. Special and differential treatment was incorporated into the multilateral trading system as a means to ensure that trade can play a role to allow countries at the lower level of development to catch-up and to effectively integrate into global trade. Therefore, Special and differential treatment is at the core of the efforts to level the playing field for developing countries and least-developed countries and bridge the gaps separating them from their developed counterparts.

13.9. Strengthening and operationalising special and differential treatment provisions in line with the mandate in paragraph 44 of the Doha Ministerial Declaration is, therefore, now a matter of urgency. It will enable developing countries to diversify and industrialise so as to accelerate their recovery and promote their resilience to future shocks. The G90 is concerned by the lack of progress in the negotiations on special and differential treatment in the CTD SS.

13.10. The categorization of special and differential treatment provisions in WTO Agreements is described in WT/COMTD/W/258 and includes: i) provisions aimed at increasing the trade opportunities of developing country Members (15 provisions in various WTO agreements), accord high priority to the reduction and elimination of barriers to products currently or potentially of particular export interest to developing countries, including customs duties and other restrictions which differentiate unreasonably between such products in their primary and in their processed forms, or devising concrete measures to promote the development of export potential and to facilitate access to export markets for the products of interests to developing countries; ii) provisions under which WTO Members should safeguard the interests of developing country Members (47), which would include for example refraining from introducing or increasing customs duties or introducing non-tariff barriers on products of interest to developing countries, or have regard to the trade interests of developing countries when introducing trade measures; iii) flexibility of commitments, of action, and use of policy instruments (44), for example making provisions for asymmetry in trade negotiations with developed countries, not expecting reciprocity for commitments - Article 6.2 of the Agreement on Agriculture would fall in this category; iv) transitional time-periods (27); v) technical assistance (25); and vi) provisions relating to LDC Members (25).

13.11. The Declaration on Special and Differential Treatment is put forward by the G90 with a view to ensure effective integration of developing countries in global trade. Paragraph 44 of the Doha Ministerial Declaration recognizes special and differential treatment as a treaty-embedded right. Special and differential treatment for developing and least developed countries is an integral part of the architecture of the multilateral trading system. Paragraph 44 of the Doha Ministerial Declaration mandates that the special and differential treatment provisions that are already included in the existing WTO Agreements be reviewed and strengthened to make them more precise, effective and operational for developing and least-developed countries.

13.12. Therefore, the CTD-SS derives its mandate from paragraph 44 of the Doha Ministerial Declaration and has to deliver in accordance with its mandate. Out of the 155 provisions, the G90 has only prioritized 10 which are critical to structural transformation and to ensure effective integration of developing countries in global trade. The G90 is not asking for blanket exemptions from commitments. The proposal focuses on operationalising the collective commitments of the WTO Membership in several WTO agreements that will facilitate the integration of developing and least-developed countries into the multilateral trading system.

13.13. The G90 remains ready to engage with all Members in good faith to find solutions. This is the long outstanding issue that needs to be resolved by MC12. In conclusion, Chair, the Declaration emphasizes the need to preserve special and differential treatment as a central tenet of the WTO system.

13.14. The representative of Nigeria provided the following statement:

13.15. The revised special and differential treatment proposals tabled by the G90 are critical to increasing trade opportunities of developing countries and LDCs, speed up their post COVID economic recovery, and support building of resilient economies. The discussion of the 10 agreement-specific special and differential treatment proposals of the G-90 in the CTD-SS is consistently being frustrated by developed countries who, through their respective statements in meetings of the CTD

SS, consistently reiterated their unwillingness to engage in the discussions of G-90 agreement-specific special and differential treatment proposals. This sends the wrong signal and could erode the faith of developing and least developed countries have in the multilateral trading system. It also risks paralyzing the multilateral trading system, should developing countries also reciprocate this gesture in other WTO negotiations and works. The best approach is for developed countries to shed light on specific elements of the G-90 proposals that poses difficulties (if any) so we can collectively discuss and work towards meaningful outcomes on the issue of special and differential treatment in line with paragraph 44 of the Doha Ministerial Declaration.

13.16. The representative of Mauritius, on behalf of the African Group, provided the following statement:

13.17. The African Group supports and associates itself with the statement by South Africa on behalf of the ACP on the G90 Declaration on special and differential treatment as contained in WT/GC/234. The CTD-SS discussion on the ten special and differential treatment agreement specific proposals was a necessary process, as it provided the G90 an opportunity to further elaborate on what practical steps need to be undertaken to respond to and deliver on the mandate under paragraph 44 of the Doha Ministerial Declaration review and strengthen special and differential treatment to make it more precise, effective and operational for developing and least-developed countries.

13.18. The credibility of the WTO and the multilateral trading system will be all the stronger if the benefits from trade are equitably shared amongst all its Members. Unfortunately, the reality has been rather different, with many developing and least developed countries yet to reap the benefits promised at the establishment of the WTO, or when they acceded. The COVID-19 pandemic has been a stark reminder of this reality, showing up the vast inequalities among WTO Members, including in their ability to respond to the health crisis, navigate the economic consequences therefore and rebuild. Figures are pointing to extreme poverty levels increasing to as much as 40 million people in Africa as a result of Covid-19, whilst our economies continue to deal with the consequences of GDP contractions which have largely affected the most vulnerable within our societies.

13.19. It is important to emphasise that special and differential treatment is a right that was consciously enshrined in the Marrakesh Agreement establishing the World Trade Organization (WTO) and cannot all of a sudden be treated as a flexibility that its beneficiaries should justify or make a case for. We are, therefore also concerned at the level of disengagement by our developed country partners on this critical component of the architecture of the WTO, principally meant to assist developing and least-developed countries catch up with their developed country partners and increase their share of international trade. We nevertheless look forward to the next steps in formal mode in the CTD SS. An outcome on special and differential treatment at MC12 is critical if we are to restore the trust that the majority of our populations have on the WTO.

13.20. The representative of Pakistan provided the following statement:

13.21. Pakistan welcomes this submission by South Africa on behalf of the G90. Pakistan is a staunch supporter of special and differential treatment as a fundamental tenet of this rules based multilateral system. Without effective, meaningful, and appropriate special and differential treatment for developing and least developed countries, the entire edifice of the WTO is threatened. The G90 proposals, similar to the fisheries' subsidies negotiations have been under discussion for the last 20 years. The demands of developing countries are completely justified and in fact, as time has gone by, new challenges to development have emerged underscoring the absolute necessity of these demands. Unfortunately, as in some other areas of interest to developing countries, meaningful engagement on the issues by some delegations is disappointing. It is high time that the G90 proposals are given their due attention and are accepted as a package in favour of development. This would be a strong signal to the world that our organization stands for and can actually deliver on the development pillar

13.22. The representative of Chad, on behalf of the LDC, provided the following statement:

13.23. The LDC Group is part of the G20 and echoes the statement made by South Africa on the specific proposals relating to the agreement on special and differential treatment. The issue of special and differential treatment is in our opinion a pivotal one, concerning multilateral trade negotiations

here at the WTO. The issue of special and differential treatment is, we might say, the *raison d'être* of our organization and there is no doubt that the escalating COVID-19 crisis is set to have a disproportionate impact on developing and least developed countries, not only in terms of the short-term health impacts but also as economic and social crisis that will prove devastating over the course of the coming months and years. Global poverty may affect more than two billion people and the economic and social fallouts from the crisis will affect all of our societies. The goals of the proposal made by the G90 include building-in flexibilities to encourage structural transformation, industrialization and the diversification of developing countries and particularly LDCs' economies. However, the arguments put forward by the G90 to support this proposal haven't yet led to consensual outcomes, primarily due to the rejection of that by some Members. They see the G90 proposal as a threat to the multilateral system and those same Members have expressed a certain reluctance, even though they have shown themselves to be open to discussions around a solution. We feel quite the opposite, our opinion is that the implementation of the proposals put forward by the G90 will certainly increase the stability of global trade and bolster the competitiveness of economies for developed as well as developing countries and LDCs. A number of meetings of the CTD SS have taken place. We have asked Members a number of questions and informal discussions have taken place around the different proposals so that we can find the best possible way forward towards a consensus. We tried to consolidate our convergences under the leadership of the Chairperson. We are willing to engage constructively on the issues being dealt with by the CTD SS as we look to MC12 and beyond.

13.24. The representative of Jamaica, on behalf of the ACP, provided the following statement:

13.25. Special and differential treatment is a fundamental pillar of the WTO and should not be dispensed with in current nor future agreements. We believe that an outcome for MC12 based on the G90 proposals would assist our national efforts to stabilize our trade imbalances, including those arising from the COVID-19 pandemic, build back better and successfully integrate into the global economy and global trading system. In this regard the ACP supports the G90 Declaration on Special and Differential Treatment contained in WT/GC/234. The COVID-19 pandemic is expected to slow down or even reverse some of the gains made in the realization of the SDGs, as indicated in the Sustainable Development Goals Report 2020 (United Nations, 2020). According to the OECD Global Outlook on Financing for Sustainable Development 2021, the COVID-19 crisis hit us at the dawn of the Decade of Action for the SDGs (2020-2030). Based on this report, more developing countries entered economic recession than at any time since the Second World War, with more than 73% (90 of 122) of low and middle-income countries impacted.

13.26. Increasing the share of international trade of developing and least developed countries and empowering them with policy space and flexibilities to enable them to diversify and industrialise their economies will accelerate their recovery and promote their resilience to future shocks. Strengthening and operationalising special and differential treatment provisions in line with the mandate in paragraph 44 of the Doha Ministerial Declaration is, therefore, now a matter of urgency and survival for our people. The ACP Group also wants to thank the Chair of the CTD SS for her monumental efforts to facilitate discussion of the G90 Agreement Specific Proposals (ASPs). The G90 has made efforts to negotiate in good faith. As the ACP Group, we remain concerned about the lack of engagement by some Members. The ACP Group stands ready to engage with the broader membership on how special and differential treatment can be made more effective and appropriate to the prevailing circumstance that many developing, and least developed countries continue to face. As we move towards MC12, clear parameters to deal with special and differential treatment need to be agreed upon and put in place. We ask for a further engagement on the G90 Agreement Specific Proposals to be facilitated by the Chair in order to finalise recommendations to the Ministerial Conference.

13.27. The representative of Vanuatu, on behalf of the Pacific Group, provided the following statement:

13.28. The Pacific Group strongly supports this declaration and the ACP Group statement. The Pacific Group underlines the importance of special and differential treatment in helping us overcome the multi-faceted challenges that we face owing to our inherent structural and geographic characteristics as small island developing states and SVEs, combined with our exposure to frequent and severe natural disasters. These challenges have been exacerbated by COVID-19 which has disproportionately affected developing countries especially Small Island Developing States (SIDS) and Small Vulnerable Economies (SVEs). The G90 proposals therefore presented practical ways to

address the challenges posed by WTO rules, that many developing countries face in trying to integrate into the multilateral trading system. These proposals remain important to the Pacific Group. These proposals aim to make special and differential treatment provisions more operational, effective and precise, to fulfil the mandate of paragraph 44 of the Doha Declaration.

13.29. The representative of Saint Lucia, on behalf of CARICOM, provided the following statement:

13.30. CARICOM also aligns itself with the statement delivered by Jamaica on behalf of the ACP. We also thank South Africa for its statement as well as its submission on behalf of the G90 contained in document WT/GC/234. We reiterate the importance that CARICOM assigns to preserving both the principle and practice of special and differential treatment for developing and least-developed countries in the WTO. In this regard, we believe that the WTO should be moving in the direction of strengthening special and differential treatment provisions, with a view to making them more precise, effective and operational, as articulated in paragraph 44 of the Doha Ministerial Declaration. CARICOM is comprised of Small Island Developing States (SIDS) and Small Vulnerable Economies (SVEs) which face many constraints that reinforce the need for special and differential treatment. We have spoken on numerous occasions about our vulnerability to natural disasters, climate change and other exogenous shocks, such as the current COVID-19 pandemic, which tend to have a more acute impact on our economies compared to many other countries. We are further hampered by high levels of public debt, low economic growth and an undiversified economic structure. According to the UN Economic Commission for Latin America and the Caribbean, our high debt dilemma has not been principally driven by policy missteps. Rather, it finds its roots in external shocks, compounded by the inherent structural weaknesses and vulnerabilities confronting Caribbean SIDS and their limited capacity to respond, including with respect to extreme weather events, climate change attendant challenges and most recently, the COVID-19 pandemic. Another major contributing factor to this situation includes the underperformance of our export sectors, partly due to a decline in the competitiveness of our economies. CARICOM countries are further confronted by large infrastructure gaps, including physical trade and e-commerce infrastructure. The development challenges highlighted above are all interlinked, and the binding constraints at home also present binding constraints abroad, to the extent that they also prevent us from integrating further into the multilateral trading system. It is in this context that recourse to special and differential treatment becomes a necessary condition for us to participate meaningfully in the multilateral trading system. We fully endorse the 12 points elaborated by South Africa on behalf of the G90 in the proposal before us. We call on all WTO Members to engage constructively with the G90 on the proposed declaration and in other theatres where we meet to discuss special and differential treatment.

13.31. The representative of Central African Republic provided the following statement:

13.32. My delegation firmly supports South Africa's statement. We remain committed to paragraph 44 of the Doha Ministerial Declaration on special and differential treatment, with the view to strengthening it to make it more effective and operational, to strengthen the capacity of developing countries and least developed countries as best as we can to gain market access. Special and differential treatment is a significant element within the multilateral trading system. Today we are deeply concerned to see the lack of progress in negotiations on special and differential treatment under the CTD SS. That lack of progress will have consequences such as the marginalization of developing countries on international markets and they will have a very small share of international trade that puts their populations in circumstances of extreme poverty. We welcome the statements made by the LDC Group and the African Group calling upon Members to return to paragraph 44 of the Doha Declaration to enable developing countries and least developed countries to integrate better into the multilateral trading system and to overcome the various obstacles to their development.

13.33. The representative of the European Union provided the following statement:

13.34. The European Union has on numerous occasions underlined its support for special and differential treatment of WTO Members, especially for LDCs but also for other Members who have specific needs. It is our priority to ensure effective, precise and operational special and differential treatment in the WTO, in order to enable these Members to apply and benefit from the agreements concluded. The European Union firmly believes that if WTO is to prosper, special and differential treatment must become much more granular, in function of an individual Member's demonstrated needs and capacities. Future differentiation should be designed in terms of specific individual country needs at the sectoral or activity level, rather than calling for a block exemption of a large category

of Members. Furthermore, the European Union considers that each developing country's need for special and differential treatment should be assessed on a case-by-case and evidence basis. We take note of the declaration submitted by South Africa on behalf of the G90. The European Union is of the opinion that continuing the discussion based on the 10 proposals of the G-90, will neither lead to an outcome nor provide the basis for increasing understanding and cooperation between Members, which is much-needed.

13.35. The representative of China provided the following statement:

13.36. The prolonged pandemic has caused economic and social devastation to developing members and LDCs in particular. China shares the sentiments with other developing Members on the unprecedented challenges in fighting against the pandemic. Special and differential treatment, in this context, should continue to enhance its role in facilitating developing Members' integration into the multilateral system, and helping their economic recovery in the post-pandemic period as well. China supports to have the issues raised by the G90 well taken into account in related negotiations and consultations, to provide the necessary flexibilities and policy space to developing Members, particularly LDCs, to ensure that the multilateral trading system will help them achieve the development goal, and to have an early economic recovery against the current and future possible pandemics. China is willing to shoulder the responsibilities commensurate with our development level and ability. We are committed to our efforts in the WTO to assist other developing Members' better integration into the multilateral trading system and better response to the COVID-19 pandemic.

13.37. The representative of Kenya provided the following statement:

13.38. We align with the statements by Mauritius on behalf of the African Group and Jamaica on behalf of the ACP Group. special and differential treatment is an integral principle of the WTO, and the respective provisions and Decisions are important to many developing country Members and LDCs, as they implement their obligations in the respective WTO agreements. It is therefore important to uphold the existing special and differential treatment provisions and follow up on their implementation. It is equally important to consider the revised special and differential treatment proposals tabled by the G90 and integrate them in WTO work. The devastating impact that COVID-19 has had on many developing countries and LDCs' economies calls for concerted efforts to protect many lives and livelihoods in the Global South. The pandemic has exacerbated the vulnerabilities of these countries, most of which are yet to recover from the detrimental effects of natural disasters caused by climate change. Recovery from the effects of the pandemic will certainly be slow and protracted and will largely depend on the interventions that countries deploy. Special and differential treatment is therefore critical for these countries to effectively mitigate against the effects of the prevailing crises, build resilience and increase trade opportunities. We ought to deliver on our mandate under paragraph 44 of the Doha Declaration, with respect to special and differential treatment, to facilitate the integration of developing countries and LDCs in the multilateral trading system.

13.39. The representative of the United Kingdom provided the following statement:

13.40. We all agree that special and differential treatment remains an important tool for supporting WTO Members with genuine need - in particular for supporting LDCs in their integration into the multilateral trading system and enjoy the benefits of this system. This should obviously continue. But, we all recognize that the current mechanism for awarding and claiming special and differential treatment requires reform. A more targeted approach based on specific and identified needs is required to ensure those Members with real need are supported during current and future negotiations — a granularity to which the European Union just referred. Both at, and in the run-up to MC12, the United Kingdom would like to see concrete progress towards such a more balanced and targeted approach to special and differential treatment, and we look forward to engaging with further Members to seek common ground in the weeks ahead.

13.41. The representative of India provided the following statement:

13.42. Special and differential treatment provisions are an integral part of the multilateral trading system. They continue to be a critical aspect of the WTO's framework and a non-negotiable right of all developing countries, for which they have already paid. They are to be looked at, not as

exceptions to the general rules, but as an inherent objective of the Multilateral Trading System, something our Ministers agreed to in Doha. Given the concerns expressed by Members regarding the effectiveness of special and differential treatment provisions in the WTO Agreements, our Ministers in paragraph 44 of the Doha Ministerial Decision, had given a mandate to review all special and differential treatment provisions with a view to strengthening them and making them more precise, effective and operational. Although Members have been discussing these issues since 2002, unfortunately, it has not been possible to secure tangible progress with regard to this Ministerial mandate. The proposal clearly demonstrates the pressing need to agree to the 10 Agreement Specific Proposals to enable the social and economic transformation required by developing and least developed countries to achieve the Sustainable Development Goals (SDGs) and to ensure that no one is left behind. The same frustration what we see in fisheries negotiations, should be reflected here also. As we say WTO is about people, certainly this is about people. India believes that the G90 proposal provides a useful basis to advance work in this important area. We appreciate the initiatives by CTD SS Chair Ambassador Kadra to have discussions in the informal configuration for 10 items. We hope for a meaningful outcome by MC12. We urge all the Members to collectively work towards finalizing this, like we are working for fisheries negotiation.

13.43. The representative of the United States provided the following statement:

13.44. We take note of the proponents' statement. We also note that the proponents have repeatedly tabled their proposals in the CTD SS, even after Members have reviewed and discussed them, and have been unable to agree to them. We have invited South Africa to pursue a different approach – one that focuses on how to better integrate LDCs and similarly-situated Members into the rules-based trading system. We also sense there are many in the G90 who might be interested in pursuing a different approach. Such a result could be advanced by helping Members fully implement WTO rules. WTO rules are building blocks for sustainable development, not impediments to development.

13.45. The representative of Bangladesh provided the following statement:

13.46. My delegation thanks South Africa for presenting this proposal on behalf of the G90 and the statement delivered by Chad on behalf of LDCs. This communication highlights some critical challenges of the developing countries, particularly LDCs, which are further aggravated by the ongoing pandemic. Our colleague from South Africa and other delegations have elaborated on the current context and the long-term impact of this public health crisis on the lives, livelihoods and economies of the developing south. Even prior to the pandemic the developing countries, particularly LDCs, needed support from Members to bring them into the mainstream global trade. The proposal under consideration focuses on operationalizing the collective commitments of the membership and some agreements that will facilitate the integration of developing and least developed countries meaningfully into the world trading system. As we have emphasized in other occasions, and reiterated by many before me, special and differential treatment for developing and least developed countries is an integral part of the architecture of the multilateral trading system, it is a treaty-embedded right. The objective of this exercise is therefore not to discuss the concept or rationale of S&DT but to make it a reality. We believe that the G90 communication generated discussion and that will encourage Members to engage constructively so that a positive outcome is possible.

13.47. The representative of Cameroon provided the following statement:

13.48. Cameroon supports the statement made by the African and ACP Groups and is in favour of the proposal put forward by the G90. The reason why we are part of this organization is the hope to have fair trade, that is rules-based trade, because that could guarantee the necessary resources to development. Special and differential treatment is a rule of fairness which takes into account the differences between Members. There is a need to adjust the rules to the development needs of the countries and to modify special and differential treatment according to the mandates we have received, to make them operational. Moving away from the WTO is not the objective pursued by the parties. That is why we invite all Members to show openness and to be ready to examine the proposal of the G90 so as to come to a consensus at MC12. Of course, we need more transparency and predictability, and we want to ensure greater inclusiveness thanks to operational special and differential treatment. We do not want a body that strengthens some and weakens others. COVID-19 has shown the vulnerability of states and the interest there is in building a multilateral system which is fair, inclusive and which takes on board the hopes and expectations of all parties.

13.49. The representative of Zimbabwe provided the following statement:

13.50. Zimbabwe aligns itself with the statements delivered by the delegations of South Africa and Mauritius on behalf of the G90 and the African Group respectively. We also share the views expressed by Chad and Jamaica on behalf of the LDC and the ACP Groups. Special and differential treatment is an integral part of the multilateral trading system, providing policy-space for developing Members to fulfil their development goals and to more effectively participate in the global trading system. Paragraph 44 of the Doha Ministerial Declaration on special and differential treatment recognizes the need to review all provisions, to strengthen them, and make them more precise, effective, and operational. This was a very clear acknowledgement and recognition of the special needs of developing and least-developed countries, given their lower levels of development. The growing evidence of market failure, the uncertainties with regard to the future of international cooperation, the complexities of problems caused by widening global inequalities, have underscored, as never before, the critical importance of special and differential treatment for developing countries. The G90 proposal on special and differential treatment reflects the widely-shared and longstanding, legitimate concerns of many developing countries. Zimbabwe agrees on the need to strengthen special and differential treatment provisions by making them binding and according them due legal status. We have noted with great concern a certain reluctance, by some Members, to engage on this proposal. We call on those Members to reflect deeply, to engage and to use the proposal as a basis leading towards an outcome which will ensure that special and differential treatment is adapted to meet the challenges inherent to the ongoing evolution of the global economic and trading environment.

13.51. The representative of Nepal provided the following statement:

13.52. My delegation wishes to extend sincere appreciation to the Chair of the CTD-SS and thanks South Africa for introducing this agenda on behalf of the G90. I wish to associate with the statement delivered by South Africa on behalf of the G90 and Chad on behalf of the LDC group. My delegation supports this proposed declaration on special and differential treatment and urges all Members to show flexibility to conclude this through the upcoming Ministerial Conference.

13.53. The representative of Indonesia provided the following statement:

13.54. We fully share the views of the G90 that special and differential treatment is central in the WTO system. It should be preserved and reinforced in order to ensure equity, and must remain an integral part of the WTO Agreements and be part of any deliverable at MC12.

13.55. The representative of Sri Lanka provided the following statement:

13.56. Looking at the historical background which sets the justification for introducing the principle of special and differential treatment into the multilateral trading system, what Sri Lanka has witnessed is that the concept has been diluted in all aspects disregarding the very purpose of it. Members are to bear in mind that the more this principle is set aside, the more we begin to see difficulties. They should not be seen only as a tool for development but also as one of the core principles upon which the multilateral trading system has been established. As a positive note, many countries have reaped the benefits due to the preservation of this principle, but it is not the case for all developing countries. Members should engage meaningfully in addressing the inherent weaknesses to make those provisions more timely, effective and useful for developing countries, as some of them are ineffective at the implementation level. These issues have been with us for more than decades even before the fisheries subsidies negotiations have commenced, but we adopt a different interest when it comes to dealing with the interest of humankind over fish in this situation.

13.57. The representative of South Africa provided the following statement:

13.58. The ten agreement specific proposals that are discussed in the CTD-SS are proposals that are engrained in existing agreements and Members would have taken due note of the number of provisions that exist in the number of agreements, including the six categories that define what special and differential treatment is in WTO agreements. Therefore, the role and mandate of the CTD-SS is derived from paragraph 44 of the Doha Ministerial Declaration. It is about making those existing provisions more precise, effective and operational, because there has been a view in certain agreements by the WTO membership in recognition that, even though those special and differential

treatment provisions exist in WTO agreements, it has been very difficult for developing countries to make use of them and invoke them, so that they are able to advance their development. It is in that regard that, collectively, the WTO membership agreed to give this mandate to the CTD-SS. Therefore, the G90, out of 155 provisions, have prioritized only ten. These ten provisions are prioritized because of their effect on structural transformation, which will then advance the interest of developing countries, but also to ensure that those specific areas where there are barriers to entry for products of export of interest to developing countries are also addressed. The G90 remains ready to engage with all Members with a view to engage in good faith discussions, and hopefully solution-oriented discussions, so that we can address this long outstanding issue by MC12.

13.59. The Director-General provided the following statement:

13.60. Since I am not in the Chair, this gives me an opportunity to make a few remarks on this issue, because the CTD SS is also under the TNC. One of the things we have to look at is what has happened, or is happening, to developing economies and particularly the least-developed, with the advent of COVID-19. I think this is really important. All the numbers are going in the wrong direction and, today, the headline is about the IMF emphasis on a "K-shaped" recovery. Prior to COVID-19, there was an emerging convergence of developing countries with developed countries, even LDCs were not doing that badly. But COVID-19 has set the world back considerably and set the poor countries back considerably. So, this two-track or "K-shape" recovery, of course, is exacerbated by the inequity in access to vaccines, which we are here to try to find ways to solve.

13.61. I think that where we are now behoves us to step back and look at the issue of SDT with fresh eyes. I have heard talks to offer a fresh approach. I really think that we need to examine where we are in light of what is happening to poor countries from COVID-19. Now, since I came, almost five months ago, I have seen frustration building in the CTD SS particularly on the part of Ambassador Hassan, with whom I had several meetings. I am very grateful for the continuous push. I think that the non-engagement is what is leading to the frustration. What I am happy about today is to hear the willingness to engage, I think we have to engage; we cannot just let this issue go by year after year. There is indeed equal frustration. This General Council has been an eye-opener in listening to Members talk about how stuck everything is. There is no pride in collective failure at everything, whether on SDT or fisheries, and so on. There should not be any pride in that. We have to tell ourselves that we need to move on this SDT issue. I think we have to find a way to engage with the CTD SS, to make progress in light of what is happening. I have heard some Members say that they are willing to take responsibility commensurate to their level of development. Maybe we should think about looking into how we can make this work. I have heard others they say that they are willing to support LDCs and other Members who are on the poor end of the scale to avail themselves of SDT, we should look at that. All I am trying to say is that there is merit to looking at what SDT can do, because COVID-19 has put us in a different position, and we have to find a way to engage. We should not allow ourselves to get to MC12 and make this an issue of rancour.

13.62. The representative of the United States provided the following statement:

13.63. I would like to clarify that the non-engagement is on both sides. I am a bit troubled by this axiomatic connection between economic difficulty and SDT. Why are we in the WTO not discussing the connection between pandemic-related stress and the support that can be provided by implementing WTO rules? Why is that not, first and foremost, our concern about how trade rules promote resilience and provide a backstop to the crisis, rather than presenting them as if they are the cause of the difficulties? I think that the CTD SS needs to reflect on, whether or not, we agree that the underlying rules support development; or do we reject the WTO rules as somehow being anti-development? I think Brazil has made this point numerous times. I am a little bit concerned with considering that special and differential treatment is the answer to the COVID-19 response, because I believe that supporting integration through WTO rules is the response. Special and differential treatment is an accommodation to help people get to the same endpoint, not a carve-out or an elimination of those rules for certain Members.

13.64. The Director-General provided the following statement:

13.65. Thank you for the comments made. I agree with some of what was said. The point is not that SDT is the solution to COVID-related stress, but because there is this stress, there is a need to look at how countries can have better access and use that as part of their recovery efforts. You are

absolutely right, integration into the trading system is very important because that is how countries are going to make progress. Right now, they are falling further behind. Africa's share of global trade was almost 3% and it is falling back to 2.4%. It is getting worse. The point I am trying to make is for some Members to be able to avail themselves of some of this. By getting better integrated into the trading system they may indeed recover better and faster from COVID-19. It is not that SDT will solve the economic problems per se - I think we are both saying the same thing in different ways. I just wanted us to know that this issue is pervading all the discussions. We should listen again today - there are nuances which show that people are actually moving together in the right direction; but because we do not listen to each other as well, that prevents us from coming together. We should look at this issue and the circumstances. We are looking towards coming together. Whether it is a new approach or the same approach, I think we should engage on this issue.

13.66. The representative of South Africa provided the following statement:

13.67. I agree that a real conversation is required. There are two aspects to this conversation. One part of the conversation included existing commitments; existing flexibilities that are not effective; an agreement and a mandate. Then there is another part of the conversation that says: "how do we deal with special and differential treatment going forward?". That conversation also needs to be held. But there is also this assumption that, when we talk about special and differential treatment, we are talking about blanket exemptions from agreements. If Members go through the ten Agreement-specific proposals, it is not about blanket exemptions. In fact, in most cases it is about additional time for those Members that are facing specific constraints, whether in implementing the SPS or TBT measures. Those are the type of conversations that we need to have. In addition to that, we have this specific challenge now with COVID-19 that has a disproportionate impact on developing countries. Flexibilities will be required in terms of rebuilding industries that are struggling as a result of the pandemic. What role will the WTO have? The WTO has a critical role in promoting economic recovery. That is another conversation that we need to have. All of these conversations are quite urgent.

13.68. The Director-General spoke about the frustration, I agree that probably the frustration is on both sides. That frustration arises from the fact that we have commitments that we have taken and Ministerial mandates that have been agreed on. But we do not implement those. And then the developing countries are asking themselves how Members can take on new commitments when there is no respect of existing commitments and mandates? There are a number of long outstanding issues that I think are critical to development and that we need to look at. What I appreciate from this conversation is that all of us agree that special and differential treatment is an important aspect and that we need to have a real conversation.

13.69. The representative of Nigeria provided the following statement:

13.70. Special and differential treatment, as everybody knows, came as a result of the fact that we have Members who do not have the capacity to implement their obligations. We have explained the frustration and lack of engagement. Everyone that participated in discussions prior to MC10 will confirm that a certain number of special and differential treatment requests were tabled at MC10, but they did not receive any attention. In fact, at that time, developing countries reduced the numbers of requests to about 25. At the end of MC10, they had not been considered. The same requests were taken to MC11 and they were not given much consideration. Under the CTD-SS, we have been engaged in discussions through the G90, but the other side hasn't made much effort. That is why we are reiterating that there is a need for constructive engagement. This should be tabled and discussed thoroughly. I am happy that the other side will now be fully engaged. We believe that, if that is done, we will find a way out and then at least the developing countries will be able to get their required benefits and will be able to address some other challenges they are facing in terms of capacity.

13.71. The representative of Sri Lanka provided the following statement:

13.72. We appreciate the DG's intervention today putting special and differential treatment and other important issues on the table. We should not be drawing divisions among the issues, all issues are important to many countries. We see special and differential treatment as an important issue which gives us the assurance and the required confidence that the organization is working for all I fully endorse what has been stated by South Africa. I would also like to comment on the level of

engagement and the frustration, as we have seen that in the CTD-SS we have been presenting proposals in a vacuum. We presented examples of serious empirical evidence suggesting how some of the special and differential treatment provisions – as currently drafted and enshrined in relevant Agreements – are preventing us from making full use of those flexibilities. The response we receive in the CTD-SS is that other Members are listening, but they are not even commenting on the proposal and we receive no follow-up questions. Engagement should come from both sides if we are to achieve some meaningful outcomes on this topic.

13.73. We attach high significance to this issue and we shared our experiences. Some of these experiences are a result of the pandemic as we have not been able to make use of these provisions, and the pandemic has aggravated other issues. Hence, it is good to hear that we can look at this topic from a different perspective. Confidence building should be a priority for this institution, because that would set a motion for us to negotiate and agree on many new disciplines including fisheries subsidies. The reason why special and differential treatment has become a crucial issue in the fisheries subsidies negotiations, is the lack of confidence and trust. Therefore, developing countries are very cautious about negotiating any discipline in the future. If the institution is to produce new agreements and obligations, then this issue has to be fixed once and for all.

13.74. The representative of Cameroon provided the following statement:

13.75. Cameroon aligns itself with the statements by the African and ACP Groups, and endorses the proposal submitted by the G90. Our states joined this organization essentially because of their hope that fair and equitable trade would guarantee them access to the resources required for their development. The word "fair" refers to clear, predictable and fixed rules, while the notion of "equity" relates to the adjustment of these rules to states' economic and social realities, in order to prevent injustices according to the principle of *summum jus, summa injuria*. Special and differential treatment is thus based on this notion of equity, taking into account the existing disparities between Members and, accordingly, the need to avoid obstructing the development of beneficiary countries (developing countries and LDCs). Seeking to considerably alter the modalities for the enjoyment of special and differential treatment and cancel the mandate of paragraph 44 of the Doha Declaration, in effect, means calling into question our *raison d'être* in this organization and infringing the provisions of the WTO's constitution. Our differences cannot be ignored, just as unfair rules that run counter to the principles that we freely set ourselves cannot be laid down.

13.76. Indeed, we cannot build an organization that benefits some and marginalizes others. Such double standards would be a major threat to our organization. COVID-19 has shown the vulnerability of our economies as well as the need to construct a fair and inclusive multilateral system that brings together all Members and creates prosperity for all. Nonetheless, we remain assured that this is neither the goal sought by certain parties nor the essence of their reservations. We therefore invite all parties to examine the G90's proposals with a genuinely open mind, so that we may reach a consensus at MC12. We need greater transparency and predictability just as much as we need to ensure that this organization is more inclusive through precise, effective and operational special and differential treatment. The G90's proposals are concrete solutions in this regard.

13.77. The representative of Mauritius provided the following statement:

13.78. I must highlight how pleased I am that we are finally having a conversation. I fully agree with the statements of Nigeria and South Africa. What we find most problematic in this context of special and differential treatment is that, when we made these agreements so many years ago, we agreed on a package. Very often when we are told we need to implement this particular part of the package, for instance notifications, and not have the same for another part of that package, an essential part of the package, which is special and differential treatment. We cannot be having a conversation 10 years after we conclude an Agreement about how we should be implementing one part of that Agreement. All that does is create a lot of suspicion about whether, in the future, when we conclude Agreements such as the one on fisheries subsidies, if the special and differential treatment we fight so hard for will have any value or will not be implemented for that purpose. We have a concern about the practice of picking and choosing what one wants to do in an agreement that Members have agreed upon. This been said, I am happy that we can actually reach out and start conversations on how to take this forward, perhaps bearing in mind the new realities on the ground.

13.79. The representative of the European Union provided the following statement:

13.80. We welcome the conversation and firmly believe we need such a conversation in the autumn, we need a renewed and fresh discussion on special and differential treatment, on a different basis. Benefits are reaped through the rules, not by being outside of the system. The division between mandated and future issues is artificial. We need to be honest: the DDA failed - this was an overall package, and we did not succeed. Looking at the ten requests, they include requests for a derogation of provisions from 1947 – for instance on balance of payments – or in relation with TRIMS, which is a clarification of GATT rules. We need a reality check, and a renewed understanding on special and differential treatment. This was a good opportunity for a frank exchange of views.

13.81. The representative of Vanuatu provided the following statement:

13.82. We should encourage the continuation of this conversation going forward after the summer break because the issue at hand is critical to many developing countries, including Pacific countries. First of all, Vanuatu would like to support the G90 proposal as presented by South Africa and the statements made by the Pacific and ACP Groups on this proposal. Certainly, I think there are many apprehensions about the G90 proposal not being advanced in the current special and differential treatment negotiations in the CTD-SS. We fear whether this will have a spill-over effect on other aspects, as we are currently seeing in the fisheries subsidies negotiations. If we do not deal with the existing imbalances, the challenges faced by developing countries in the implementation or when invoking the current flexibilities, then developing countries will find it difficult to engage in new negotiations where special and differential treatment will be discussed. This is the risk of ignoring these concerns. We note the point made by South Africa that we need to deal with what was presented in the G90 proposal as well as the issue of special and differential treatment going forward. To respond to the European Union's concerns about some of the G90 proposal, policy space is very important, I think this was said in the fisheries subsidies discussions. Many developing countries are late in their development process. As such, they should not be penalized for asking for policy space because they are in that level of development. This has to be taken into account.

13.83. The representative of Brazil provided the following statement:

13.84. I fully agree with what the Director-General said about this new ambiance in which dialogue is possible. I think special and differential treatment is a fundamental dimension of what we do in the WTO. It is very important and something to be preserved. It is a core concept of this organization. It is so important that it has to be handled carefully. Let me try to handle this carefully. The first thing is about the DDA. I worked in the Doha days as a negotiator of the SSM and I saw how the DDA collapsed. I saw the forces at play when the DDA collapsed. I have a simple question: does anyone think the world is better today without the DDA? Does anyone regret having obstructed the DDA 15 years ago? I would like to hear a *mea culpa*. I would like to hear these delegations say: "I am sorry, I should have been more generous and flexible, it would have been better for the developing world". 15 years later, to invoke the DDA, when we played against the DDA, I do not think that is fair. Paragraph 44 of the Doha Declaration is very important, but I also want to resuscitate Rev. 3 and Rev. 4. If we want to discuss the DDA seriously, let us bring to the table the concessions and the balance that we achieved in Rev. 3 and Rev. 4, which were not possible to agree on. I am ready to work on that basis; it was a wonderful package. It was such a good package that it is completely out of our reach now. It was a very ambitious package and it would have hugely benefited the developing world. The DDA goes beyond a negotiation; it is a measure of fairness in the system that is important because the assumption under which we work here is that trade generates prosperity and wealth, but that countries do need time to adapt. That is a measure of fairness. It is a way in which you integrate and generate a community committed to the same systems and beliefs.

13.85. Special and differential treatment was never conceived as a way of shielding yourself from trade, otherwise you do not join the WTO. As we use the special and differential treatment rhetoric to defend the status quo, but the reality in the field is changing. Many are hugely benefiting from special and differential treatment. Look at the list of the major agriculture exporters 20 years ago and look at the list of the major agriculture exporters now. This is clear example of what is happening. Take a look at who subsidized agriculture 20 years ago and who subsidizes agriculture now. That is how special and differential treatment is being used. Is this to the benefit of the poor? Is this to the benefit of the LDCs? I am afraid not. As we reach MC12 it is time for frankness and for generosity. We cannot invoke special and differential treatment in a self-interested way to the

detriment of those who really need it. This is a very important dimension of what we do, it should be preserved. The fundamental question is: do we believe that closing our economies will allow us to grow faster? If that is the answer, then there is no hope for the WTO. If that is not the answer, then we should revisit the way we handle those concepts.

13.86. The Director-General provided the following statement:

13.87. I am delighted to see that people are talking to each other, and not reading speeches. This is what we should be doing, engaging on the issues in good spirit. I wanted to thank you for that, and if we could continue this kind of engagement, talking to each other frankly, that is what we need to be able to move. The last comment I want to make on this is to recall something I said during the TNC, let us not head for collective failure, let us not try to link everything to everything and therefore end up getting nothing. I want to invoke a very famous negotiation in the world where people failed to get what they should have gotten, and today they cannot get it, they are very far away from it. If they had taken what they had then, life would have been better.

13.88. The representative of Norway provided the following statement:

13.89. We found that the exchange touched upon some of the fundamental issues that we will have to address to enable movement on this file. We would therefore like to express our sincere hope that Members can find the opportunity to continue this exchange when we resume our work after the summer break.

13.90. The representative of Jamaica provided the following statement:

13.91. I thank the DG for having triggered a very important and encouraging engagement. I believe, like many other issues, we have been talking across each other because our starting points are different, and the challenges seem unsurmountable. While we do not like the DDA, as I put it under agenda item 5, one of the key elements was our ability to engage and the atmosphere within which to do so. This was a core part of building trust and convergence. I look forward to the assistance of the Director-General as Chair of the Trade Negotiations Committee through convening some sessions post-summer break so that can begin to work on the issues and facilitate a greater understanding and find possible paths forward. In this context, those who have proposals, even if they are non-linear approaches, it would be good to bring them all forward.

13.92. The representative of Uganda provided the following statement:

13.93. We align ourselves with the intervention made on behalf of the G90. When Uganda joined the WTO in 1995, special and differential treatment represented and still represents a form of relief from the numerous obligations we undertook by signing onto the WTO agreements, which by far exceeded our capacity to implement them. Under special and differential treatment, we saw and still see opportunities for market access through preferential rates for our exports and protection of our markets through non-reciprocity and meaningful technical assistance. The 2001 Doha ministerial Declaration in paragraph 44 mandates the review of the special and differential treatment provisions across WTO Agreements with a view to strengthening them and making them more precise, effective and operational. There are two critical questions Members should reflect upon: first, how can we facilitate development as opposed to who should benefit from what some may be willing to allow to enable development and second, whether special and differential treatment has indeed operated to transform economic inequalities into benefits of those for whom it is intended. In considering these fundamental questions, we must not forget that free trade per se does not mean development, neither is it sufficient to ensure development in the absence of or with low levels of industrialization. The achievement of great strides in raising standards of living, increasing real income and expanding production and trade, does not also mean the attainment of developed status, thus warranting the removal of flexibilities to allow further progress. The importance of special and differential treatment is not limited to integrating into the global trading system, but also extends to facilitating the management of the "shocks" in dealing with that new environment, to avoid setbacks. We continue to call upon Members to meaningfully engage and agree on the G90 proposals in the CTD-SS in the spirit of the paragraph 44 Doha mandate.

13.94. The representative of Fiji provided the following statement:

13.95. Special and differential treatment remains an integral part of the WTO Agreements and it is important that it is safeguarded and strengthened, with the view to make it more precise, effective and operational in line with paragraph 44 of the Doha Ministerial Declaration. The disproportionate effects of the COVID-19 pandemic on small island economies like Fiji, and the level of our resilience in view of other forces such as natural disasters and the size of our economies, amongst others, requires a flexibility within the current WTO Agreements and future ones, to safeguard our interests. It is critical that Members take commitments that are commensurate with their level of development, taking into account the differences in our economic capacities. In our view, this submission provides a balanced framework that should assist small island developing states as Fiji to be able to integrate meaningfully into the multilateral trading system, in line with what it can offer to be able to build back better sustainably and to withstand future shocks. We urge Members to engage constructively and wholistically in the CTD-SS and in other forums. Technical assistance and capacity building, including transitional periods, do not sufficiently provide the developmental space needed for Fiji, and that Members need to declare the level of flexibilities they need under special and differential treatment. Fiji aligns itself with the ACP Group and the Pacific Group in this G90 declaration.

13.96. The General Council took note of the statements.

14 PAPER TITLED "THE LEGAL STATUS OF 'JOINT STATEMENT INITIATIVES' AND THEIR NEGOTIATED OUTCOMES" – REQUEST FROM INDIA AND SOUTH AFRICA (WT/GC/W/819)

14.1. The Chair recalled that this item was on the agenda at the request of the delegations of India and South Africa and related to the Paper on "Legal Status of Joint Statement Initiatives and their Negotiated Outcomes", together with the communication in WT/GC/W/819. The item had been first introduced during the March meeting and had also been taken up in May.

14.2. The representative of India provided the following statement:

14.3. The Tokyo Round Plurilateral Codes created a fragmented system of rules. While in respect of some Contracting Parties, the GATT rules were applicable, and in respect of others, rules of the Plurilateral Codes were applicable. This created considerable complexity in determining which obligations were applicable in respect of which Contracting Party. Recognizing problems created by the fragmented system of trade rules, WTO Members sought an end to this problem. This has been clearly articulated in the following recitals of the Preamble to the Marrakesh Agreement: "[r]esolved, therefore, to develop an integrated, more viable and durable multilateral trading system(...)" and "[d]etermined to preserve the basic principles and to further the objectives underlying this multilateral trading system." The reference to an integrated multilateral trading system clearly highlights the concerns of WTO Members arising from the fragmentation of the multilateral rules on account of Tokyo Round Plurilateral Codes. Going back to fragmented agreements would, therefore, be a step in the wrong direction and would be contrary to the determination and resolve enshrined in the Preamble of the Marrakesh Agreement.

14.4. As co-sponsor to this paper, we would also like to reiterate that we are not questioning the right of Members to meet and discuss any issue. What we are saying is that when such discussions turn into negotiations and their outcomes are to be brought into the WTO rule book, the fundamental rules of the WTO must be followed. Any attempt to introduce new rules, resulting from JSI negotiations, into the WTO without fulfilling the requirements of Articles IX and X of the Marrakesh Agreement, will create a precedent for any group of Members to bring any issue into the WTO without the required consensus, bypass the collective oversight of Members for bringing in any new rules or amendments to existing rules, and usurp limited WTO resources available for multilateral negotiations. Most importantly, such an approach will undermine the balance in agenda-setting and result in Members disregarding existing multilateral mandates, arrived at through consensus in favour of matters without multilateral mandates, leading to a marginalization or exclusion of issues which are difficult but critical, such as agriculture. In sum, our paper only states that basic fundamental principles and rules, of the rule-based multilateral trading system, as enshrined in the Marrakesh Agreement, should be followed by all Members, including the participants of various JSIs. In fact, our paper also lists out options available to JSI proponents for bringing in their negotiated outcomes in the WTO.

14.5. The representative of Australia provided the following statement:

14.6. In the spirit of the frankness with which we are engaging with each other today, I think it is important for a number of us to reflect on what is going on with these important initiatives. We should also be very clear about what is possible and realistic and what is essential and practical. We need to keep the rule-making function alive. We have all been working, as Brazil eloquently pointed out earlier, in a variety of multilateral, single undertaking, all-in kind of exercise. That has not enabled rulemaking to advance. It is important that we reflect on what is practical and what has been a tradition in this house for a very long time. Plurilateral initiatives can and must drive rulemaking and be part of strengthening the WTO's architecture, strengthening the rulemaking function, modernizing the rulebook, and trying to assist with the task that this last conversation on the role of trade in development has just emphasized and is so important to this house.

14.7. In reacting to that paper, I will just simply make a couple of points. First, there is clearly a need for the continuing drive in the rulemaking function, starting with the plurilaterals. It does not mean that we end there, but it is absolutely the way we have always driven rulemaking in this house. It is also important that it continues, as long as they are open, inclusive, and transparent. With respect to a number of the joint statement initiatives that are under way, that is precisely the mode in which they are being pursued. On the legal arguments, we do not agree with the arguments that consensus is required to launch plurilateral initiatives. In fact, as one potential possible legal pathway to collectively improve the commitments in Members' schedules, consensus is not required to do that either. We are open to talk about these issues. We have done precisely that through the various discussions we held in our joint statement initiative meetings, for instance on e-commerce. We are very open to others contributing to those discussions. Just as recently as a month ago, as current chair of the MIKTA group, we were happy to host a panel on these issues that drew on expertise from all the MIKTA countries: Mexico, Indonesia, Republic of Korea, Indonesia and Australia. It included all of the perspectives on this issue. I would encourage those who have not seen the webinar to do it as it is public available. We encourage all Members to participate in this thinking and all the plurilateral initiatives and absolutely to keep an open mind on them.

14.8. The representative of Nigeria provided the following statement:

14.9. We refer to our statement on this issue delivered at the last General Council meeting and reiterate that we do not agree with the assertion that JSIs are likely to undermine the Multilateral Trading System. Plurilateral arrangements have always been critical building blocks of the MTS, even during the GATT era. We also believe that the views expressed in the paper regarding the likely implication of introducing new JSI rules into the WTO due to perceived inconsistencies, are premature. We believe the JSIs are of critical importance if the WTO is to be responsive to the economic realities of the 21st century. We therefore call on Members, especially developing countries who are not participating in the JSIs discussions, to join us so we can collectively shape the discussions and deliver a development-friendly outcome.

14.10. The representative of the Russian Federation provided the following statement:

14.11. My delegation believes that the issue of legality of joint initiatives and their consistency with the WTO system is unquestionable. We strongly disagree with the view that JSIs undermine the multilateral character of the WTO, that is in need of saving. On the contrary, by turning a blind eye to the current inert rules-making situation we are simply creating more risks. Conservation of problems will neither lead to their solution, nor increase the efficiency of the organization. Russia participates in JSIs with the aim to create new rules that meet the current needs and challenges of the global trading system in the 21st century, while respecting the multilateral principles of the organization. When there are areas in which many WTO Members are ready and willing to work, and the "benefits" of this work are to be applied on MFN terms, we consider it unfair to deprive those Members of the right to conduct such work.

14.12. The representative of Costa Rica provided the following statement:

14.13. I would like to focus my remarks on the negotiations on Services Domestic Regulation, as this is the initiative that I have the pleasure of coordinating. JSI participants have carefully considered the concerns expressed by India and South Africa, but disagree with the legal interpretations of these Members. I do not wish to repeat the legal arguments advanced earlier as to why these negotiations, and the outcome they will produce, are firmly within the agreed framework of rules of the WTO. Let me just say that the group considers that there are no provisions

in the WTO Agreement that require consensus for a group of Members to launch negotiations on topics of interest, such as Services Domestic Regulation. There is also no provision in the WTO Agreement or the GATS that requires consensus for a Member to introduce improvements to its Schedule of Specific Commitments under the GATS. And finally, Article XVIII of the GATS provides unambiguously that Members are entitled to incorporate commitments within the scope of this Article into their GATS Schedules.

14.14. At the May meeting of the General Council and today, it was alleged that the WTO Agreement sought to end the earlier practice of Plurilateral Agreements under the Tokyo Round Codes, and it was cautioned that going back to Plurilateral Agreements would be a step in the wrong direction. Let me say again that as far as the Joint Initiative on Services Domestic Regulation is concerned, participants are not aiming to create a new plurilateral agreement. Rather, they are using the multilaterally designed flexibility that the GATS provides for Members to take on different levels of specific commitments, with regard to different sectors and measures, and within the context of existing rules. Another argument that has been made is that the matters addressed by the Initiative fall under Part II of the GATS (General Obligations and Disciplines), which would prevent that they could be scheduled under Part III (Specific Commitments). It is not clear what the legal basis for this claim is, because Article XVIII - which is in Part III - refers explicitly to the same matters than Article VI:4 - licensing, qualifications and technical standards. Let me also note that this claim is also not borne out by the scheduling practice of more than 100 WTO Members whose additional commitments typically address matters for which baseline provisions already exist in Part II of the GATS. Mr Chairman, India and South Africa are expressing concern that the negotiations under the JSI would undermine the Article VI:4 mandate. Let me recall that these same delegations asserted at the time of the Working Programme on Domestic Regulation negotiations in 2017 that the proposals on which the current disciplines negotiated in the JSI are based, were not falling under the Article VI:4 mandate because they addressed issues for which multilateral disciplines were not "necessary", or covered issues that were outside the scope of the mandate, such as "transparency" and "authorizations". This latter point on authorizations was repeated just recently, at the Working Programme on Domestic Regulation meeting on 30 June. This argumentation exhibits a high degree of intellectual flexibility: I certainly am not able to reconcile how disciplines that could not be negotiated in the Working Programme on Domestic Regulation because they were outside the Article VI:4 mandate, can now undermine or dilute the same mandate.

14.15. The high level of commitment to these negotiations by services trading Members is testament to the importance of this negotiation. Above all, as we all know, enhancing transparency and predictability of regulatory frameworks to harness the potential of services trade is a crucial element of the post-COVID economic recovery. The positive economic effects of an outcome will spread to all WTO Members, as services suppliers from all Members - including non-participants - will benefit from the reduced trade costs that the negotiations will bring about. Nonetheless, for JSI participants it is evident that the greatest benefits will come from each Member implementing the disciplines at home, thereby benefitting particularly their own small and medium sized services suppliers. The Initiative remains open and transparent, and all Members are welcome to join the meetings and constructively engage with the participants to ensure that the outcome benefits service suppliers across the world and includes as many Members as possible.

14.16. The representative of Tanzania provided the following statement:

14.17. Regarding the tabled communication in document WT/GC/W/819/Rev.1, we would like to once again echo our views shared in previous General Council meetings, that Joint Statement Initiatives (JSIs) are products of lack of consensus among members, of which some members decide to pursue in their own configuration outside WTO framework. In our view the outcomes to be achieved under JSIs, will remain binding only to the participating Members. However, the United Republic of Tanzania has no intention to object other Members pursuing their interest through JSIs configurations. Nevertheless, it is critical to ensure negotiations under JSI arrangements abide to the WTO agreed procedures. Therefore, as a matter of principle, the General Council should clarify the nuances emerging from JSI configurations or they should follow the process of Article X (9) of the Marrakesh Agreement, in order to attain the legal status as WTO Plurilateral Agreements.

14.18. The representative of Chad, on behalf of the LDC Group, provided the following statement:

14.19. The LDC Group has taken note of the request made by India and South Africa. We welcome the informal meeting organized by the co-authors of Joint Statement Initiatives and we have noted

that some of our Members have been attending or participating in these initiatives. We call on the General Council to share responses to the questions which have been raised as well as the path moving forward. The LDC Group wishes to reaffirm that all WTO negotiations need to adopt an effective and flexible approach, perhaps through the General Council. Particularly with regard to the fundamental principles of our organization which lay the groundwork for our commitments, these include the principles of consensus-based decision making, inclusivity, non-discrimination and special and differentiated treatment for LDCs and developing countries with capacity constraints. We took note that Australia pointed out the importance of looking at what is practical, realistic and pragmatic to achieve consensus-based outcomes. We share their point of view, but we would like to add that we must pay attention to one fact. We cannot claim that we are being realistic but not actually respond to the needs and expectations of Members, especially the most vulnerable Members.

14.20. The representative of Nepal provided the following statement:

14.21. Our efforts and contributions should be towards safeguarding multilateralism and facilitating rules-based, predictable, transparent, and inclusive trade with a view to achieving broad objectives of the Marrakesh Agreement. My delegation respects the consensus-based decision-making and consultation, discussion, and dialogues to achieve the WTO objectives. Any initiative of multilateral negotiation needs to bring all Members on board irrespective of the size of their economy and volume of trade. The number of members outside the JSIs and the size of population they cover are also equally important and really matters. Furthermore, attending discussions on these JSIs occasionally without officially joining JSIs should not be taken as support from such Members. Therefore, Nepal is in favour of the paper and supports its essence, as it is consistent with the promotion and protection of the provisions and spirit of the Marrakesh Agreement. Finally, concluding mandated negotiations at the maximum possible level through the upcoming Ministerial Conference should continue to remain our focus.

14.22. The representative of the European Union provided the following statement:

14.23. At previous General Council meetings where this submission was discussed, it was clear that a very large number of WTO Members are involved in plurilateral negotiations under the Joint Statement Initiatives and support such approaches, which can bring real benefits and ensure that the WTO continues to engage in matters of importance to its Members relevant to today's trade challenges. For the sake of time, I will not reiterate the many arguments in favour of plurilaterals – nor the legal basis for plurilaterals within the WTO framework – but simply stress that maintaining the option of developing rules that respond to current economic and trade realities through plurilateral agreements is absolutely vital for the WTO's relevance and credibility. Rejecting this option would condemn the WTO to irrelevance. We cannot stress this enough.

14.24. We also believe we should avoid having too legalistic a debate in this setting on the legal claims of this submission, many of which are simply not valid in our view, as we have pointed out in previous General Council meetings or in the Working Party on Domestic Regulation (when it comes to the specific claims made against the Joint Statement Initiative on services domestic regulation). Just to point to two elements: First, nowhere in the WTO rulebook does it say that Members need a consensus to start exploratory talks and indeed negotiations on issues of shared interest, as the submission seems to suggest. The WTO rulebook provides for a number of options to give outcomes negotiated in such context legal effect, such as through scheduling of additional commitments in the individual Members' schedules. Secondly, the GATS in its Article XIX:4 specifically refers to the progressive liberalisation to be advanced through bilateral, plurilateral or multilateral negotiations. Therefore, there is nothing inconsistent with the GATS. We are however, in favour of discussing this issue further with Members in a constructive and coordinated manner. As part of future work on how to improve the functioning of the WTO, we would favour having discussions on the relationship between the WTO architecture and plurilateral agreements. The European Union favours an inclusive approach to open, plurilateral agreements that facilitates participation by developing countries and allows them to decide whether they wish to join the agreement, leaving the door open for them to join in the future if they so wish. We hope that many Members will support our approach. We encourage more Members to join the ongoing Joint Statement Initiative negotiations, which provide an essential tool to modernize the WTO rulebook.

14.25. The representative of the United Kingdom provided the following statement:

14.26. What strikes me is the importance of the Joint Initiatives to the credibility of the WTO. If we were to lose the JSIs then we would be all the poorer. We support the comments made by the European Union and recall our statements in previous meetings. The United Kingdom is a strong supporter of the Joint Initiatives, which have brought much needed energy and dynamism to the WTO. These plurilateral negotiations are enabling a significant proportion of the membership to make much needed progress on key areas, where new rules are urgently needed to demonstrate the organizations credibility in the 21st century global economy, in a way that is open and inclusive.

14.27. The representative of Turkey provided the following statement:

14.28. We believe that this issue is crucial, not only for the future of the ongoing JSIs but also for the WTO as a whole. We all know for a fact that the ideal way for a rules-based system, concerning new and emerging issues, is through the multilateral decision-making. But, in order not to fall behind these improvements, the WTO needs additional instruments and different configurations to engage in negotiations among Members. Moreover, this is not a novelty. We should not forget that the negotiations around certain topics have evolved differently and under diverse configurations throughout the negotiating history of this organization. With this respect, Turkey believes that discussions under JSIs, contribute to the main objective of the WTO, as long as they continue to maintain their transparent and inclusive character and adhere to the fundamental principles of this organization. We are ready to engage in further discussions on how these agreements can be integrated into the WTO acquis.

14.29. The representative of Japan provided the following statement:

14.30. We believe the JSIs will contribute to updating the WTO rulebooks and to ensuring the relevance of the WTO in the world today. Without the JSIs, the WTO risks becoming less relevant and even losing its raison d'être as a cornerstone of the multilateral trading system (MTS). We should recall that a number of achievements made in the GATT or the WTO were initially taken up or discussed in the plurilateral initiatives and they are later merged in this system. We believe the JSIs are legitimate and consistent with the WTO. The JSI meetings are organized in an open, transparent and inclusive manner. While we need to take account of the convenience of respective Members, including the size of the delegations, to organize the process, the fact that many WTO Members are participating in the JSIs and actively engaging in negotiations in a creative and innovative way clearly shows its importance and relevance. We have high hopes that, with more Members' participation, JSIs will achieve concrete outcomes at the time of MC12 and beyond. Japan will continue to work with other Members to deliver substantial outcomes in the JSIs.

14.31. The representative of Chile provided the following statement:

14.32. This morning's discussion on the previous item highlighted the importance of dialogue for gaining a better understanding of each another, avoiding suspicion and hearing what is actually being proposed. This is the only way for us to build trust. The discussion on this item must follow such an approach if we wish to make progress. We want to have a constructive and positive conversation. As we said from the first day on which this paper was presented, the proponents are raising an important topic that must be discussed. However, it must be discussed with a view to seeking solutions, rather than rejecting them. Such dialogue cannot be based on unsubstantiated assertions. In this regard, there is no provision requiring consensus in order for a group of Members to initiate negotiations. All of the joint initiatives are fully consistent with the WTO legal framework. It is also incorrect that authorization from the rest of the Members or consensus is required if a Member wishes to make improvements to its GATT or GATS Schedules as a result of the agreements reached in plurilateral initiatives. Two thirds of Members participate in at least one initiative. We cannot all be in the wrong.

14.33. The Joint Statement Initiatives are open, transparent and inclusive processes that respect the decision and rights of those Members that prefer not to join them. They are also a legitimate way of addressing many of the challenges presented by 21st century trade. Our alternative was multilateral negotiations, which, while certainly preferred, do not work. It is vital to acknowledge this, rather than bury one's head in the sand. Seeking to deny Members the right to continue along this path with unsubstantiated arguments does not help us move forward. The way to incorporate the outcomes of the Joint Initiative negotiations must be decided within each initiative when the negotiations reach sufficient maturity, as has been the case of Domestic Regulation in Services,

which was correctly explained by the coordinator of this initiative, Jaime Coghi. In the short term, pragmatic solutions under the current WTO framework will be required for each joint initiative, and, in the long term, discussions for a permanent solution as part of the reform of the WTO will also be needed. Lastly, as regards the Joint Initiative on Investment Facilitation for Development, I would like to recall that a first dedicated academic session was held at the end of May, which proved to be very useful to begin to explore the various legal architecture options for a future agreement. During the second half of the year, we will hold a conceptual discussion among participants, to which all WTO Members will certainly be invited.

14.34. The representative of the Republic of Korea provided the following statement:

14.35. Like many others, Korea is a strong believer in the legitimacy and usefulness of JSIs in the legal framework of the WTO. Under the current circumstances in the WTO, these initiatives, which are open to all Members, represent the most viable, practical path for updating the WTO rulebook in order for the WTO to remain relevant to the priorities of today. At the same time, my delegation thanks India, Namibia and South Africa for raising the issue of how negotiated JSI outcomes could be incorporated into the WTO legal architecture. It seems that a variety of possible procedures could be envisaged indeed. This is why we have been supporting and encouraging efforts to explore options to this end. Such discussions have already taken place in the E-Commerce and Investment Facilitation JSIs and also in other fora such as the panel organized by MIKTA last month, as Ambassador Mina of Australia said this morning. Korea will continue to take part in advancing these discussions. Obviously, the procedures of incorporating plurilaterally negotiated outcomes are predicated, to varying degrees depending on the areas concerned, on cooperation with non-JSI Members. It is our hope that participation in the JSIs would be as broad and inclusive as possible. It is the expectation of my delegation that at the end of the day, all Members will be supportive of the integration into the WTO rulebooks of the outcomes that are being negotiated in earnest by more than three quarters of its membership, including small vulnerable economies and LDCs.

14.36. The representative of the United States provided the following statement:

14.37. The United States believes that plurilateral negotiations at the WTO can be a useful means to advance issues of interest to Members and to keep the WTO relevant. The various rigid positions expressed in this paper would seem to foreclose Members' ability to pursue creative and flexible approaches at the WTO to the challenges of today and tomorrow. We do not view plurilateral negotiations and outcomes as undermining multilateral ones. In fact, plurilateral initiatives can foster new ideas and approaches and build momentum toward multilateral outcomes. Just last week, the United States announced our intention to join the WTO Joint Statement Initiative on Services Domestic Regulation, and support conclusion of this initiative by MC12. We recognize the negotiations as an opportunity to improve the transparency and fairness of processes for obtaining licenses to provide services, for ours and other Members' service providers. The United States has long championed transparency and fairness of regulatory rules as a fundamental feature of good governance, and we view this JSI as an opportunity to strengthen such standards around the globe.

14.38. The representative of Chinese Taipei provided the following statement:

14.39. We are of the view that the voluntary, open, transparent and inclusive nature of plurilateral approach of JSIs is a practical approach to update the WTO rules and to make the WTO a living organization, without affecting non-participating Members' right and obligations. The voluntariness actually gives the non-participating Members a carve-out or a special and different treatment in their favour. The issues being negotiated make the WTO rules more in response to what are happening in the real world. The Services Domestic Regulation JSI is to improve the market access commitment of the participating Members; the E-commerce JSI is to respond to the already prevalent digital trade at the minimal level; and the Investment Facilitation for Development JSI is to help Members to streamline their own investment procedures. They do not pose threat of any kind to non-participating WTO Members. Instead, these JSIs benefit all Members, including the non-participating Members.

14.40. If a plurilateral approach is not allowed at this stage, Members might have to wait for another quarter of century or even a longer time before the WTO rules can respond to the rapid development in the real world. Also, if the plurilateral approach is effectively excluded from the WTO, it is actually forcing Members to conduct the negotiations outside of the WTO. This is actually undermining the

WTO. There are pathways to integrate the results of the JSIs into the multilateral trading system to take into account the respective development stages and still maintain the existing rights and obligations of Members. We urge Members to discuss a workable way forward, taking into account the respective development stages and maintaining the existing rights and obligations of Members.

14.41. The representative of Norway provided the following statement:

14.42. We agree that seeking multilateral outcomes should always be our first priority. Initiatives by individual Members and groups of Members have, however, been a natural part of the development of the multilateral, rules-based trading system. There is nothing that impedes Members from working on and negotiate new rules in the WTO. The Joint Statement Initiatives respond to Members' ambitions to update our rule book by addressing issues of relevance in the 21st century. The current initiatives cover a variety of issues, and the format of the negotiated outcomes will be diverse, also in its legal architecture, and cannot therefore be predefined or prejudged. We are, however, of the opinion that a broader discussion on how we can more effectively make sure that plurilateral agreements are integrated into the multilateral system in the WTO, would benefit our work moving forward. This could therefore be an element of the WTO reform discussion.

14.43. The representative of Brazil provided the following statement:

14.44. Brazil believes that the WTO is in dire need of reform. This should come as a surprise to no one. In this regard, we need to use all of the tools and procedures at our disposal to advance in pressing issues. This includes plurilateral processes, which — in turn — leads us to the consensus rule. We recognize that Members may want to move at different speeds on certain issues. This, however, cannot serve as a pretext to prevent other Members to advance negotiations on important and pressing issues of contemporary trade. As Brazilian President Jair Bolsonaro stated - "the consensus rule cannot be transformed into a veto or an instrument of perpetual inaction". The same logic holds for the WTO. The consensus rule cannot be used as a tool to halt or to veto negotiations by those who do not want to move the multilateral trading system forward.

14.45. The representative of Singapore provided the following statement:

14.46. First, we do not agree with the analysis in India's and South Africa's paper on the legal status of JSIs and their outcomes. Plurilateral initiatives are not new or unusual, in fact they have always been part of the multilateral trading system and plurilateral negotiations have facilitated plenty of rulemaking in the WTO's history. An example is the Information Technology Agreement which India is a party to. The JSIs continue in this tradition, the consensus decision by the Ministerial Conference is not required to launch plurilateral negotiations under existing agreements. Second, we have valuable/variable options for JSI outcomes to be legitimately integrated into the WTO framework, for example, the participants of the JSI on Services Domestic Regulations have agreed to capture their outcomes as improvements to their GATS Schedules. For the other JSIs, including the one on e-commerce, participants are still discussing the options. The choice will depend on the substance of the commitments eventually agreed upon. In this regard, we should not prematurely frustrate efforts in trade liberalization, the modernization of trade rules or the removal of trade barriers. That would be contrary to the WTO's *raison d'être*. Third, we should recall Dr Ngozi's call last week to operate with the end objective, which is to engage, negotiate and deliver. I am heartened that the large majority of WTO Members participate in at least one JSI. This shows that the JSIs are open, transparent and inclusive and more importantly, most WTO Members are aligned to the objective of delivering meaningful quality outcomes for the people we serve. As one of the co-conveners of the JSI on E-commerce with Australia and Japan, we hope that Members who have yet to join the JSIs will consider coming on board and collaborate with other Members to advance the goals of the WTO. In conclusion, we must keep up the momentum on our JSI negotiations and not allow divisive debates to slow ourselves, as responsible WTO Members, we have to move forward constructively to bridge our differences and work together to strengthen the WTO.

14.47. The representative of New Zealand provided the following statement:

14.48. New Zealand is pleased to participate in the JSI processes launched by Ministers in Buenos Aires. We note that the various JSIs are aiming for different outcomes, tailored to the nature and substance of the topic under discussion, and bring together participants representing both developed and developing Members, a range of regions, and different sized economies. New Zealand supports

the JSIs aiming for a pathway to multilateralization over time. Accordingly, in all cases, New Zealand supports participation being open to all WTO Members, and is willing to discuss how to broaden current participation in each context. We are pleased that these conversations have taken and continue to take place. We are aware that full participation may not be possible at the outset, for a range of reasons, but it should not prevent groups of Members from moving ahead, nor preclude Members from joining the JSIs at a later date. It is New Zealand's expectation and experience that JSIs operate transparent, open and inclusive approaches to negotiations, ensuring the widest participation possible. This includes practical steps like ensuring access to meetings and papers. We continue to invite all Members to consider joining the range of JSIs taking place.

14.49. The representative of Pakistan provided the following statement:

14.50. This paper has raises pertinent questions on an element which is of a fundamental nature for this organization. Notwithstanding the content or topic of any of the JSI's, potentially, they pose a serious challenge to the consensus-based decision-making principle of the multilateral system. We recognize that some Members wish to advance certain discussions. At the same time, a large number of other Members consider some of the subjects as unrelated or premature for negotiations, and also wish to address other issues such as those pending for decades. However, consensus lies at the core of this multilateral institution. It means taking everyone along, regardless of their background. This has been a hallmark of multilateralism in this organization and has differentiated it from other institutions. Compromising this principle will strike at the very heart of what we stand for. Or, as pointed out by some others, we reach some common understanding going forward. But just on one point being made a number of times here, that the present JSIs under discussion reiterate that they are open, transparent and inclusive. This per se is no qualification, since every activity at the WTO is by definition supposed to be open, transparent and inclusive. However, moving without consensus does not qualify as inclusivity. Negotiating an agreement that others do not wish to engage in, without a consensual mandate, does not qualify as openness. For non-multilateral negotiations, developing and smaller countries will be at a loss in terms of negotiating coalitions and defending their interests. We, therefore, see the questions posed in this paper as pertinent and look forward to discussing this aspect, particularly with reference to upholding the fundamental pillars of this system.

14.51. The representative of Switzerland provided the following statement:

14.52. As stated in previous General Council meetings, Switzerland does not share the views expressed in the document presented. Plurilaterals are an integral part of the WTO and its predecessor GATT system. We reiterate that initiatives emanating from joint declarations are an appropriate instrument to develop the trading system and strengthen the negotiating function of the WTO, thus enabling the organization to meet the challenges of the contemporary economy. Let me conclude by stressing that Joint Statement Initiatives do not affect the obligations of non-participating Members, and in many cases these initiatives will extend the latter's new rights under the MFN clause.

14.53. The representative of Indonesia provided the following statement:

14.54. Indonesia holds that the ambition and urge to generate a particular discipline within the WTO must be in line with the rules agreed by all of us at the very beginning of this organization. As an organization based on a rules-based system, failure to follow these rules will not only jeopardize the legitimacy of the agreed rules but also the organization as a whole. Therefore, Indonesia is looking forward to the discussion on how the JSIs will be integrated into the WTO system, to give the same level of comfort for all Members who are engaged as well as who are not engaged in the negotiations.

14.55. The representative of Thailand provided the following statement:

14.56. We believe that a plurilateral discussion would be a good way to address current issues in the global economy. Without the ability or flexibility to hold a plurilateral discussion, the WTO will be stuck with all of the traditional issues that have been ongoing for the past 20 years. It is one good way to keep the WTO relevant in the future, which will greatly benefit especially developing countries and LDCs. Therefore, we would like to invite Members to share views and thoughts and not be confined by theoretical issues about the format of discussion. We believe that a plurilateral

discussion is always a good option for the WTO to proceed. For Thailand, we are not participating in all JSIs, but we chose to fully participate in two JSIs and observe others, in which we benefit from hearing the views of Members. While we recognize the limitations of small delegations, we should look at the JSIs discussion in a favourable manner and try to be a part of it as much as we can. Thailand also supports the legal interpretation of the European Union on this matter.

14.57. The representative of Hong Kong, China provided the following statement:

14.58. At the General Council meetings held in March and May, Hong Kong, China already expressed our views on the issues raised in the communication on the legal status of JSIs. We would just reiterate our view that these JSIs will help modernize and strengthen the multilateral trading system and demonstrate that the WTO is capable of handling new trade topics in response to the latest developments in the global trading environment. Since the General Council meeting in March, several seminars and discussions focussing on the issues of JSIs' legal structure have been organized by Members and the WTO Secretariat to facilitate informed discussions with experts, academics and experienced diplomats in the relevant areas. I would like to share with Members briefly some of the key points highlighted at these discussions. First, plurilateral discussions have all along been a part of the WTO framework. Second, multiple pathways exist for incorporating these initiatives into the WTO framework. Third, some of these pathways require consensus of the whole membership, whereas others rely on the prerogative of individual Members to improve their commitments unilaterally under the relevant WTO agreements. All of these pathways are consistent with the WTO framework. We therefore cannot agree with the proponents of this agenda item that the outcome of the JSIs would diminish or affect the existing rights and obligations of Members under the WTO Agreements, including those of non-participants of the JSIs. Hong Kong, China continues to encourage all interested Members to join the discussions on the JSIs so that their views could be taken into account fully and accurately.

14.59. The representative of Israel provided the following statement:

14.60. In light of the discussion that has been developed, and since this is an important issue for us, we wish to place our position on record. Israel has always been a strong supporter of the multilateral trading system. As an open and relatively small economy, Israel tries to further develop its international trade and economic collaboration with countries around the world on the basis of the multilateral trading system and the WTO rules. Therefore, we recognize the importance of supporting a well-functioning WTO, including taking up negotiations within its rules-based framework. We note, however, that WTO Members have not managed in recent years, except in a few cases, to achieve the negotiated outcomes expected by the ever-changing international trade landscape. The plurilateral route has been able to partially fill in some of the gaps and complement it. Of course, plurilateral agreements or JSIs should not replace multilateral negotiations. We prefer the latter, but plurilaterals do offer a complementary route that can deliver tangible results in new areas. Israel will continue to participate in all multilateral trade negotiations and similarly in plurilateral negotiations in which it has specific trade interests. We see both routes as viable and complementary of the rulemaking function of the WTO.

14.61. The representative of Mexico provided the following statement:

14.62. There was a seminar where this was discussed in detail and various experts on legal issues and WTO architecture were invited to speak. It was clear that we can find common ground on JSIs. The seminar is available online and I think it might be relevant for interested parties to take a look at it. Mexico has already spoken on this topic in the past and I don't want to repeat our prior comments, namely that we are in favour of JSIs and them being part of the WTO architecture. I would like to point out that negotiations on these initiatives are moving forward and they will help to underscore the relevance of this organization, they will help to improve the business environment worldwide and lead to more jobs and investment. The E-commerce JSI is trying to put in place rules for an industry that has been swiftly growing faster than regulations - if the WTO does not regulate this, somebody else will, and that is what happening in bilateral and regional negotiations. In light of this, wrapping up these negotiations would again reaffirm this organization's relevance. I also welcome this discussion but would like to point out the following, we can't get wrapped up in legal arguments, we need to focus on the relevance of the organization and strengthening international trade, I think all Members participating in these negotiations would never want to hamper anyone who has decided not to participate in this round of negotiations.

14.63. The representative of Sri Lanka provided the following statement:

14.64. The JSI proponents believe that JSIs seem to be the most feasible way forward to circumvent the existing negotiating deadlock at the WTO. But the proponents are trying to implement the outcomes of negotiations through modifications of schedules, which is limited to the legal scope of those schedules, that is tariff concessions for the GATT and sector specific commitment on services in the GATS. That mechanism does not allow the further adoption of general rules in schedules. General rules belong to the appropriate part in the text of the relevant agreement and subject to the process for amendment set out in the Marrakesh Agreement. We also note that the proponents have two preferred options to introduce JSIs in the current WTO system, that is again a division among developing and developed countries. Developing countries believe that it may be through regional trade agreements, and developed countries believe it should be through an amendment of the Member's schedule, most likely to be in the area of services preferred by developed countries. These divisions and differences in opinion demonstrate that there are a lot of systemic issues that are to be addressed by the proponents. When we look carefully at the proposals before them going beyond the modifications of existing schedules. Similarly, there are many legal flaws that have been flagged in the joint proposal by India and South Africa. We therefore request the proponents to seriously study the concerns expressed therein and initiate a process to genuinely engage with other Members.

14.65. The representative of the Philippines provided the following statement:

14.66. The Philippines is a willing and active participant in most JSIs. We believe that the JSIs are a hugely positive contribution to the multilateral trading system even if their pursuit, and their eventual implementation, is not shared universally by the membership. For us, and many other Members, JSIs serve to deepen trade relations among us, they serve to clarify rules that bind us more strongly, and more importantly, they respond to the policy exigencies of modern-day global trade, such as our advocacy on the importance of integrating MSMEs into the global trading system.

14.67. The provisions of the Marrakesh Agreement are, indeed, clear and undisputable. I believe no one questions Article X of Marrakesh. We understand the institutional and legal questions raised in WT/GC/W/819 and they are not the same questions for each of the JSIs, as the legal questions and issues may vary in relevance and importance, depending on the level and nature of commitments being envisioned in the particular JSI discussions being conducted.

14.68. For this reason, we ask the proponents to engage in a dialogue with JSI participants to address the institutional and legal issues in such a way as would permit the laudable objectives and outcomes envisioned in the Member-driven initiatives to produce results that will benefit the global economy and the whole WTO membership in accordance with the preamble and the covered agreements and texts of the Marrakesh agreement.

14.69. The representative of Viet Nam provided the following statement:

14.70. JSIs have provided additional dynamism to the discussions for rulemaking at the WTO. We share the view that the legal status of the JSIs in the WTO system should be explored as much as possible to give some level of control to the membership and to share their considerations on the legal pathway to incorporate the respective JSI into the multilateral system. We also suggest considering the implications of JSI discussions, including various aspects of the organization and operation of the WTO, such as on existing negotiation mandates and resource constraints of the WTO Secretariat and of WTO Members, especially developing and least developed countries.

14.71. The representative of Paraguay provided the following statement:

14.72. My delegation supports and has been participating in most JSIs, we believe that we can make progress on topics of interest to many Members in various formats although we do prefer multilateral options. We like to see this opportunity to avoid the narratives that these initiatives are debated between developed and developing countries as noted by Chile's Ambassador, almost two thirds of Members are participating in at least one of these initiatives. Continuing to argue that some developing Members and other developed Members have been participating in these debates on unequal footing would imply that we are questioning the development of Members. As a result of this I would suggest that we avoid such narratives.

14.73. The representative of South Africa provided the following statement:

14.74. We recall our previous statements made in this regard. We wish to emphasize that the WTO was established as the forum governing multilateral trade relations. Our fundamental interest in submitting this paper is thus aimed at reminding ourselves of the legal architecture that governs the functioning of the WTO and to highlight the systemic importance of preserving its multilateral character, including the underpinning principles that should inform the incorporation of new rules in the WTO legal framework. We note with concern that the organization is now hovering towards becoming a two-tiered institution ignoring the commitments and payment extracted from developing and least developed countries during the Uruguay Round. Yet today the issues of importance to developing countries remain outstanding. These are issues which are critical to an inclusive agenda that is capable of addressing the core needs of its poorest Members and thereby contributing to the achievement of the 2030 Sustainable Development Agenda.

14.75. JSIs do introduce new systemic and developmental challenges that the membership must reflect on the implications for decision-making in the WTO and what the impact is on the core principles of the WTO. Of concern are implications for existing multilateral mandates arrived at through consensus in favour of matters without multilateral mandates, including the marginalisation of issues which are difficult but yet critical for the multilateral trading system, such as agriculture and development, thereby undermining balance in agenda setting, negotiating processes and outcomes. There is a difference between sectoral negotiations that change schedules versus rules. A procedure for amending rules is enshrined in Article X of the Marrakesh Agreement. On the other hand, the GATT and GATS contain specific provisions for modifications of Schedules. It is therefore important to respect this difference. We want to emphasise that there is a difference between item 13 and 14 - one is a mandated issue and the other one is not. Under item 13 we are asking for implementation of an issue with an agreed Ministerial mandate. We agree with Korea and Philippines that each of the recent JSIs is likely to pose different legal challenges to existing WTO rules and mandates, given the differences in the nature and scope of issues covered under each of these initiatives and we raise this point in our submission. The question the Members need to ask themselves is: can any group of Members come up with an idea and bring it into the WTO under a JSI and what does that mean for the multilateral character of the WTO? Will this not fragment the multilateral trading system? What lessons can be drawn from the GATT and the predictability of rules when you have different rules applying to different Members? How and whether Members can bring new rules not agreed by consensus into the WTO without following the processes and provisions entailed in the Marrakesh Agreement? What are the implications of JSIs in addressing issues that have a multilateral mandate, thus subverting the multilateral directives? What does this mean for the membership and the Secretariat?

14.76. We would like to reiterate that we do not question the right for any group of Members to discuss any issue informally, but where such discussions turn into negotiations, and their outcomes are sought to be formalized into the WTO framework, this can only be done in accordance with the rules set out in the Marrakesh Agreement. We have adopted a constructive posture by outlining in the Paper the options that Members can consider in bringing new rules into the WTO, which must be preserved. In addition, it is not about the number of Members that participate in a specific initiative, but our paper is about the legal provisions that underpin the functioning of the WTO that must be respected. It is about raising pertinent issues that the membership must grapple with. The legal questions are important in a rules-based system and we encourage the membership to engage on these legal and systemic questions as they stand to create issues going forward. It is good to hear that the JSIs are also looking at the issues of the legal architecture and we believe that we need to deepen the multilateral discussion on these issues is not only timely but important as others have said.

14.77. The representative of Argentina provided the following statement:

14.78. Argentina is constructively engaged in the structured dialogues on various topics that represent certain challenges to modernizing WTO rules, such as the Joint Initiatives on Electronic Commerce, the Integration of SMEs into International Trade, Investment Facilitation, and Services Domestic Regulation. However, Argentina considers that the methodology of structured dialogues cannot become a systematic negotiating practice in the multilateral trading system. Plurilateral discussions should be the exception rather than the rule. Argentina advocates a multilateral system based on a broad, transparent and inclusive discussion with the consensus of all WTO members.

14.79. The representative of Colombia provided the following statement:

14.80. We would like to reiterate our support for and commitment to the discussions that are taking place in the various Joint Initiatives on E-commerce, Investment Facilitation for Development, Services Domestic Regulation and MSMEs. Our position on the discussion paper is well known, and we would simply like to reiterate our statement made under the same agenda item at the previous regular session of 1-2 March 2021.

14.81. The representative of the Kingdom of Saudi Arabia provided the following statement:

14.82. We thank the proponents for their proposal in highlighting the correlation between plurilateral and Multilateral agreements within the WTO system. At the same time, we would like to underline the importance of the various JSIs that address important issues for developed and developing countries that are of interest to their economies, including, E-commerce, Investment Facilitation, Micro, Small and Medium-Sized Enterprises as well as Services Domestic Regulation. We hope to achieve concrete outcomes in these areas by MC12 that would not undermine our multilateral mandate. Finally, The Kingdom of Saudi Arabia stands ready to work constructively with WTO Members towards achieving meaningful outcomes in these areas at MC12.

14.83. The representative of Bangladesh provided the following statement:

14.84. My delegation aligns with the statement of Chad on behalf of the LDCs and also thanks India and South Africa for this submission (WT/GC/W/819/Rev.1). Bangladesh is a strong supporter of multilateralism and is of the view that multilateralism should be the main principle of the WTO. The questions and concerns raised in the communication are important and demand deeper discussion involving all WTO Members. Our capital is currently examining this communication.

14.85. The General Council took note of the statements.

15 PROPOSED GENERAL COUNCIL DECISION ON PROCEDURES TO ENHANCE TRANSPARENCY AND STRENGTHEN NOTIFICATION REQUIREMENTS UNDER WTO AGREEMENTS – ARGENTINA; AUSTRALIA; CANADA; CHILE; COSTA RICA; THE EUROPEAN UNION; ISRAEL; JAPAN; NEW ZEALAND; NORWAY; SINGAPORE; SWITZERLAND; THE SEPARATE CUSTOMS TERRITORY OF TAIWAN, PENGHU, KINMEN AND MATSU; UNITED KINGDOM; AND THE UNITED STATES (JOB/GC/204/REV.6 - JOB/CTG/14/REV.6)

15.1. The Chair recalled that this item was included in the agenda of the General Council by the United States, together with the communication in document JOB/GC/204/Rev.6 – JOB/CTG/14/Rev.6; and that the proposal had been discussed in the Goods Council.

15.2. The representative of the United States provided the following statement:

15.3. Today we are bringing to the General Council a reform proposal intended to support meaningful and successful negotiations at the WTO. That proposal, as found in JOB/GC/204/Rev.6 and JOB/CTG/14/Rev.6, seeks to enhance transparency and improve Members' ability to comply with notifications. The proposal has substantial support from nearly one-third of the membership.

15.4. We are bringing this proposal to the General Council because the General Council has the responsibility for the overall functioning of the WTO and the WTO Agreements and Understandings covered by the proposal. The Council has a duty to ensure that the WTO remains true to the central principle of transparency, which is foundational for a predictable and stable global trading environment. At its core, this proposal is an effort to respond to the needs of Members while enabling the WTO to function effectively. As we well know, the WTO cannot remain static if we wish it to continue championing smooth, predictable and free trade. Challenges must be addressed, and this proposal is an opportunity to do so. From a systemic perspective, the information that Members should provide through existing notification obligations is necessary to improve the operation of various WTO agreements, Members' monitoring work in WTO committees, and Members' ability to negotiate meaningful agreements.

15.5. It has been almost two decades since the General Council tasked the Working Group on Notification Obligations and Procedures to review Members' notification obligations and recommend

changes. The Working Group has essentially been dormant since then, while new Members have joined the WTO and the organization has undergone a number of changes. In the process of preparing this proposal, the co-sponsors have reached out to a broad range of Members to understand their needs and perspectives on how to improve notification capabilities. These conversations resulted in many constructive suggestions for actions and process improvements to notification procedures, which feature in the current version of the proposal.

15.6. I encourage those Members who have not reviewed the proposal for some time to take a moment to do so. It does not seek to expand Members' existing notification obligations or increase notification requirements in any way. The objective is to find ways to enable Members to meet existing commitments, which has benefits for the entire WTO Membership. To be clear, the goal of the proposal is not to penalize Members – we know that Members are making best efforts to submit complete notifications on time. Rather, this proposal is an effort to address notifications-related challenges at their root and help Members get the assistance they need, for the better functioning of the WTO as a whole.

15.7. We recognize that some Members face resource and capacity constraints and other challenges that hinder their ability to prepare and submit notifications in a timely manner. That's why the proposal includes options for consideration by the Working Group, which is open to all Members, that would regularize online resources and support to Members both in Geneva and in capital, as officials work to prepare and submit notifications.

15.8. The proposal also contains a number of opportunities for Members to seek specific technical assistance and capacity building support to enable them to submit notifications – and to build their capabilities to do so moving forward. These provisions are designed to address capacity gaps and domestic coordination challenges as identified in past discussion of the proposal in the Council for Trade in Goods. And, in another effort to account for the development dimension, the proposal exempts LDCs from any administrative measures, provided that a Member seeks assistance and support for notification-related capacity building.

15.9. We welcome all opportunities to meet with Members to discuss the proposal in greater detail, and we are greatly appreciative of Members' support for this initiative to reinforce transparency as a core principle for the effective functioning of the WTO.

15.10. The representative of the Republic of Korea provided the following statement:

15.11. Transparency plays a key role in creating and maintaining a stable and predictable environment for trade. Following the outbreak of COVID-19, it becomes all the more important, as exceptional measures are being taken in a number of Members to deal with the pandemic. My delegation highly values this revised proposal in that it strives for a right balance between the need for enhanced notifications and the burden of fulfilling that obligation. In particular, the recent version scraps the idea of punitive measures, which was the main obstacle to gaining support from certain Members. I am pleased to announce Korea's intention to co-sponsor this proposal.

15.12. The representative of Norway provided the following statement:

15.13. Transparency is fundamental to the WTO, both as a basis for an effective monitoring function, as well as a basis for negotiating new rules. Norway would like to thank the proponents of this proposal for having listened to concerns raised by other Members, including Norway, in relation to earlier versions. After the element of financial sanction was dropped from the proposal, Norway is delighted to be counted among the co-sponsors. We urge other Members to support the proposal, as we believe that this will contribute to strengthening the foundation of the rules-based trading system anchored in the WTO.

15.14. The representative of Chinese Taipei provided the following statement:

15.15. My delegation would like to thank the United States for its leadership in initiating the reform and advocating this important proposal in the Council for Trade in Goods (CTG) over the past three years. We welcome the proposal being brought to the General Council for the first time. We firmly believe that it should be a crucial outcome that contributes to the work of WTO reform at MC12. We are very encouraged that the latest revision, discussed at the earlier July CTG meeting, received a

range of positive responses and constructive feedback from many Members. Members should have noted that the latest version has included significant changes that reflect comments heard in the previous discussion and different formats of outreach. While enhancing transparency and improving the operation and effectiveness of notification requirements continue to be the common objective, we are of the view that this updated version now strikes a better balance between the notification obligation and the incentive for improving compliance in facing genuine capacity constraints. We therefore urge all Members to attach greater attention to the positive effect this proposal intends to achieve and to work collectively to develop a meaningful discipline on notifications that would improve the fundamental function of the WTO.

15.16. The representative of Canada provided the following statement:

15.17. In reading through past interventions by Members on this proposal in the Council for Trade in Goods, three common threads appear to Canada. First, there is a universal recognition that compliance with notification requirements is an essential element in the context of Members discharging their WTO obligations. Only in this way can we provide other Members with the information and clarity on our laws and regulations, facts and figures, as well as the measures impacting upon international trade. Second, that the first step should be a comprehensive review of notification requirements, in order to make an effort to understand the difficulties facing developing Members. Based on that review, updates to the notification requirements could then be considered, and more focussed technical assistance and capacity building could be provided to those Members that have fallen behind. And third, there were many voices objecting to the imposition of a financial penalty if non-compliance continued to exist. In reading through this substantially revised proposal, you will see clearly that these comments have been heard and incorporated. All that is left is for us now is to approve the proposal and activate the Working Group on Notification Obligations and Procedures to begin its efforts to support provision of that information and clarity all Members want.

15.18. The representative of Uruguay provided the following statement:

15.19. Uruguay thanks the co-sponsors for the presentation of the sixth revision of this proposal, as well as the explanations provided on the changes made to it. My delegation would like to acknowledge the improvements contained in the proposal with respect to earlier versions, in particular the withdrawal of monetary sanctions from the list of Phase 2 Administrative Measures, and the removal of the explicitly unequal treatment for DS:1 notifications in agriculture. Uruguay has conveyed to the proponents its views on some points where it considers that further work and additional adjustments might be required to have a proposal with the appropriate balance and tone for reaching consensus at the multilateral level. An innovative element is that this week some Members presented JOB/AG/213 containing a proposal on transparency in agriculture for discussion in the CoA SS. We note that the co-sponsors of this proposal are also the co-sponsors of JOB/GC/204/Rev.6, and we have some concerns as to how the mandate for review and updating of G/AG/2 and the administrative sanctions in the general proposal would interact with the proposal in JOB/AG/213 to provide a standard 12-month period for all Members except LDCs, regardless of whether or not they have AMS entitlements. Uruguay hopes to continue constructive exchanges on this topic not only with the proponents but also with the rest of the membership, with a view to achieving concrete and balanced results to achieve a genuine improvement in transparency at the WTO, ensuring compliance by all Members with their respective notification commitments.

15.20. The representative of the United Kingdom provided the following statement:

15.21. As others have said, transparency lies right at the heart of this organization and I would like to salute the United States for the leadership role they have made on this initiative and really welcome the new co-sponsors who have joined up to it. As our Canadian and US colleagues have said, we have made a real effort to try and listen to the comments of others before bringing this initiative to the General Council, in particular as was said, to consider the capacity constraints that some LDCs face. I would appeal to others across this organization to join this initiative and we really look forward to taking it forward and put into practice. I think it can really aid us, as so many delegations have expressed in the last day or so. Increased transparency, as a means of increasing the trust which we need to build within this organization.

15.22. The representative of Mexico provided the following statement:

15.23. We thank the proponents for updating and presenting this new version of the document. Overall, we support the changes, which we believe are a step in the right direction. In particular, we would like to welcome the changes with respect to differentiation in notifications and the elimination of financial penalties. However, while we agree that there is a need to examine formats and other tools to improve the notification processes, we still have concerns about the manner in which the revision of document G/AG/2 has been presented, as we believe that the language used in the current version could prejudge its outcome. We urge the proponents to continue to listen to the suggestions and concerns of the Members, particularly with regard to agricultural notifications which could, at least for my delegation, enable it to co-sponsor this document. Hopefully, the work will continue in such a way as to steer this proposal towards reaching consensus among the Membership.

15.24. The representative of Mauritius, on behalf of the African Group, provided the following statement:

15.25. The African Group wishes to re-iterate its position on this item as expressed in previous discussions and General Council meetings. It is not sensible to impose punitive administrative measures and financial penalties against Members that fall behind in their notification obligations. Such measures, rather than assisting the concerned Members, would rather further exacerbate their situations. Members would need to acknowledge that technical assistance alone cannot be the solution to notification problems. Rather than proposing punitive measures, there should rather be a comprehensive assessment of the reasons why countries lag in their notification obligations. Many developing countries are unable to comply with their notification obligations due to the technical complexity of the notifications and institutional and capacity constraints.

15.26. The African Group is also concerned on the proposal on "counter-notifications". Innovative as it may sound, such practice would rather generate new sources of conflict amongst Members and not necessarily assist in strengthening the multilateral trading system.

15.27. The representative of Switzerland provided the following statement:

15.28. We thank the United States for its introductory remarks and for this substantially revised version of the proposal. After the financial penalty was removed from the proposal, Switzerland decided to join the co-sponsors. Our decision was communicated at the last Council on Trade in Goods on 8 July this year. The latest amendments to the proposal demonstrate the willingness of the co-sponsors to take into account the concerns expressed by Members in order to foster consensus in this important area of transparency. We wish to recall that compliance with our notification obligations is a prerequisite for effective monitoring of our respective trade policies, a key pillar of the WTO. Today, there is room to improve the rate of compliance with notification obligations. In line with this objective, the present proposal provides a pragmatic and effective mechanism. Improving transparency in a broad sense would also contribute to restoring confidence among Members.

15.29. The representative of China provided the following statement:

15.30. We thank the proponents for updating this proposal. We note that a number of changes have been introduced and the financial penalties have been removed. We welcome this positive improvement. Transparency is important to the proper functioning of the multilateral trading system. We also see the importance of improving the compliance with notification obligations. However, China is of the view that the proposal should enhance transparency and strengthen notification requirements not only in goods, but also in service and intellectual property sectors. We should provide incentives to support Members' efforts to meet its notification obligations, rather than take a punitive approach depriving Members' legitimate rights as a WTO Member. We look forward to continuing discussions with proponents on this proposal.

15.31. The representative of Australia provided the following statement:

15.32. We strongly support this proposal. We want to thank the United States for its leadership in tabling it and we see the growing support for it because of the move away from disincentives to incentives. Given the importance of this issue for the multilateral rules-based system, and given – as the United States said – the simple means by which we can improve compliance with our notification obligations, rather than change the notification obligations, we urge others to consider

joining the proposal. We heard the comments from Mauritius and others today about their concerns on elements of the proposal and the burdens. If I can just point to Mauritius elements of the proposal that allow for an explanation on delay, it is precisely this sort of call for flexibility that was being asked for. We look forward to working with others to make sure that this is a significant contribution to the MC12 agenda.

15.33. The representative of the European Union provided the following statement:

15.34. As mentioned by the United States, the proposal has changed over time and the latest revision of June is an honest attempt to address the concerns that have been raised by Members. Improving on notifications will admittedly require efforts from all Members. Co-sponsors are willing to do their part too - all notifications are now subject to the same treatment. This revision also lays more emphasis on improving the existing tools at our disposal, as well as technical assistance and capacity building. It takes account of the particular constraints of LDCs by exempting them from administrative measures if they request assistance. We believe this revised proposal provides a solid basis for further engagement with Members in view of reaching agreement for an outcome at MC12. If concerns remain, we encourage Members to come up with concrete ideas and suggestions that would effectively support Members' efforts to improve in the crucial area that is transparency.

15.35. The representative of Japan provided the following statement:

15.36. Japan thanks the United States for its introduction of the proposal. We appreciate the collective effort by all the co-sponsors, as well as the constructive engagement of other Members with this proposal. I would like to highlight two important points. First, this proposal does not create any new obligations. Its aim is to improve the current situation surrounding notification requirements and the level of compliance, which is essential for the proper functioning of the WTO, and is accordingly sought by many Members. Second, enhancing transparency is one of the important pillars of the WTO reform. In order to achieve this goal, Japan, together with the other co-sponsors, has worked hard to make our proposal better reflect feedback from Members shared at the CTG and gathered through outreach efforts. We thank all Members for the various comments and feedback they have provided to date. Through this process, we are confident that the proposal has become more inclusive and balanced, especially in terms of addressing developing countries' difficulties. Towards MC12, we hope to see consensus on this proposal to show our readiness and capability to reform the WTO.

15.37. The representative of Chad, on behalf of the LDC Group, provided the following statement:

15.38. We appreciate the many contacts engaged in by the sponsors and ourselves to explain the changes. Our Group is assessing the impact of this proposal upon our Members even though we are not in a negotiation position on this proposal. We appreciate that certain changes have been made and note for example paragraph 10 recognizing the difficulties of LDCs, our preliminary comments on paragraphs 11 to 13, something a number of our Members had negative experiences with. They are not persuaded that such measures linked to the implementation by LDCs would facilitate the application and compliance with their obligations in the multilateral trading system or our participation in the organization. This raises a problem: if ever there was a consensus, if a LDC requested aid, the conditions linked to flexibilities regarding the compliance of obligations and the creation of new obligations, may make it difficult to actually address the various systemic problems that we have in our capital and in Geneva. It could very well be that LDCs do not possess all the capacity to submit their request in time and if they find themselves facing administrative procedures. On the framework of the TFA, LDCs have called for a proposal to provide for a timeframe during which the Secretariat could contact us in a proactive way, and also with reminders. However, given the breath of this proposal, other approaches may also be necessary in order to support LDCs, rather than having a punitive response or sanction. If the conditions for flexibility in paragraph 10 are not complied with, we understand that the co-sponsors have encountered some specific problems with some of the Members when it comes to respecting the notification requirements. The overall majority of Members, especially the LDCs, are not to be obliged to take on obligations further whereas part of the reform of the WTO would be doing the opposite, there would be two burdens. We still have a long way to go to correct the notification obligations requirements in LDCs. We will have to find approaches where we can implement and comply with existing notification requirements but without adding a further burden or additional punitive arrangements. We have learned a lot from these requirements in the TFA. The LDC Group is active in the work with the framework of the first

examination of the TFA, and the experience and the lessons learned concerning the notification requirements.

15.39. The representative of Tanzania provided the following statement:

15.40. I would like to align myself to the statement of the LDC Group. My delegation takes note of the proposed Decision and would like to thank the proponents. I would like to express our concerns, which we think if adopted may weaken the participation of most of developing members in the WTO rules-making process. As much as the proponents may have crafted the proposal based on good faith and intention, we believe that the Decision will adversely affect Members, particularly LDCs and developing Members. The draft provisions enumerated in paragraph 11-13 of the proposed Decision are against the spirit of equality. They will divide Members into categories of privileged and less privileged ones. Considering our own experience on administrative measures relating the Budget, Finance and Administration (BFA) and focusing on the empowerment of Members to fully participate in the rules-making process, my delegation is reluctant to support the proposed Decision. Nevertheless, we would like to urge proponents to consider recommending to the General Council collaborative approaches that will address challenges facing Members on notifications.

15.41. The representative of Costa Rica provided the following statement:

15.42. Costa Rica considers transparency to be a fundamental principle and a public good for the proper functioning of the multilateral trading system. This is a matter of individual responsibility and collective commitment, as without timely access to information, the WTO's monitoring and negotiation functions are weakened, and the risk of trade frictions and conflict grows. The WTO is performing a task which, performed elsewhere, would be available to just a few. Hence the value of strengthening these mechanisms and ensuring proper compliance. The proposal before the General Council today has evolved significantly since it was first presented to the Goods Council some years ago. The comments and constructive feedback received by the co-sponsors on the proposal during discussions in the Council for Trade in Goods and during the many consultations, enable us to present today a mature and robust outcome aimed at supporting Members in their notification work. We urge all Members to support this proposal, which helps towards effectively strengthening the WTO's transparency pillar.

15.43. The representative of Paraguay provided the following statement:

15.44. My delegation is pleased to note the improvements in the revised proposal contained in document JOB/GC/204/Rev.6. However, we remain concerned by paragraph 5 of this proposal. Our capital is in the process of evaluating all the changes made since the fifth revision of this document so that we can define a position on the proposal as a whole. We will continue our dialogue with the proponents in order to move forward together.

15.45. The representative of Turkey provided the following statement:

15.46. Transparency is a fundamental element for the functioning of the WTO and any proposal for its improvement is considered as a positive step forward by Turkey. While engaging in efforts to enhance transparency, however, we should not lose sight of the genuine capacity constraints many developing and least developed countries face. There are times notification requirements may represent real challenges for countries that lack necessary infrastructure, technical capacity and required human resources. However, experience shows that once notified repetition is much easier. That's why, we believe, what we need is simplification, longer timeframes, technical assistance and close guidance of the Secretariat to assist Members to comply. In that sense, we view that the last revision of JOB/CTG/14 contains meaningful proposals pertaining to the expanded role of the Working Group on Notifications. We are also pleased to see the removal of financial penalties from the proposal. However, we see that other administrative measures are still preserved. We consider that such administrative measures aimed at enhancing transparency bear the risk of pushing Members even further away from the system. As a conclusion, we are ready to work with the interested Members on proposals that will bring pragmatic approaches to notifications to increase compliance.

15.47. The representative of Bangladesh provided the following statement:

15.48. My delegation aligns itself with the statement delivered by Chad on behalf of the LDCs. My delegation thanks the United States and other co-sponsors for their submission. We have spoken on this issue in previous occasions and exchanged our views with other Members. We believe that transparency is an essential pillar. However, we do not think only a few notification templates can guarantee transparency.

15.49. I would like to refer to the commitment made in the Marrakesh Agreement Article XI.2, that the LDCs "(...) will only be required to undertake commitments and concessions to the extent consistent with their individual development, financial and trade needs or their administrative and institutional capabilities". The same has also been guaranteed in paragraph 1 of the Uruguay Round Ministers' Decision on Measures in Favour of Least-Developed Countries. These flexibilities have been allowed considering the systemic challenges of LDCs.

15.50. We thank the proponents for the 6th revision of this submission, and particularly for recognizing the difficulties of some Members and their capacity constraints to comply with the notification requirements. We have earlier pointed out that notification provisions under different Agreements are of diverse nature and the capability of the LDCs do not allow them to notify on time. These countries are constrained by the lack of technical capacity and unique internal coordination challenges to comply with the notification obligations.

15.51. We appreciate the co-sponsors for suggesting technical assistance for the Members facing difficulties in notifications. The ongoing efforts of the WTO Secretariat to provide technical support and customized trainings for the LDC candidates are deeply appreciated. However, the fact remains, these initiatives though useful, are not near enough to take us to an expected level of progress. We believe that without addressing the capacity gaps and tackling the domestic coordination issues, only administrative measures at the WTO will not be able to improve the situation. We look forward to working with the Members on this issue.

15.52. The representative of Jamaica, on behalf of the ACP, provided the following statement:

15.53. I take the floor on behalf of the ACP Group. We also thank the co-sponsors for their submissions on this agenda item. The ACP Group considers transparency and notification requirements to be particularly important areas. Transparency reduces information asymmetries and contributes to predictability in the trading environment which is beneficial for all Members. The Group remains concerned about the punitive measures contemplated in document JOB/GC/204/Rev.6 under the heading Administrative Measures. Should punitive measures and sanctions be introduced as instruments for promoting compliance with transparency and notification obligations, as proposed, this will serve only to further alienate many developing countries from the WTO, and may even undermine the already faltering capacity of Members to agree on future binding commitments and be further marginalised in the WTO system. Furthermore, the ACP Group observes that punitive measures relating to a breach under a covered Agreement, if imposed without recourse to the dispute settlement process, may constitute unauthorised enforcement, and be of uncertain legality. It must be emphasized that failure to adhere to notification obligations is not wilful on the part of many developing countries. These countries face formidable capacity and institutional constraints in meeting the numerous regular and ad hoc notifications required under the WTO Agreements.

15.54. For the ACP Group, therefore, the starting point must be engagement in meaningful dialogue on the underlying reasons for non-compliance by developing and least developed countries. These reasons would include, but are not limited to, notification templates which remain too complicated, limited technical and human resources, and difficulties relating to domestic inter-agency coordination, especially as transparency and notification obligations increasingly impinge on a large number of national agencies and economic actors. The ACP Group believes that the Working Group on Notification Obligations and Procedures can be usefully reactivated for the purpose of this important discussion. The ACP Group further shares the view, also expressed by some other Members, that transparency should not be limited to compliance with notification obligations. It must permeate the entire functioning of the WTO system, including areas such as the scheduling of meetings, the conduct of negotiations, and in the preparation, organization, and decision-making relating to Ministerial Conferences. Special attention should also be paid to conformity by developed countries with transparency and notification requirements that have the effect of facilitating or contributing to improved market access for developing countries, especially those pertaining to technical barriers to trade and phytosanitary measures, and to the establishment of mechanisms such as trade facilitation and Enquiry Points.

15.55. Additionally, the role of the Secretariat should be strengthened in regard to transparency and notification obligations, but we recommend that this should be achieved primarily through enhancing further its supportive role in providing technical assistance to developing and least-developed Members. However, the ACP Group does not contemplate any role for the Secretariat to make notifications on behalf of Members. Furthermore, the Secretariat should work closely with developing and least-developed Members in identifying and addressing their technical assistance and capacity building needs regarding transparency and notification, and this role should be strengthened. In closing, proposals with respect to transparency and notification must be thoroughly examined and tested against the fundamental principles of the WTO, which are without fault, such as the consensus rule in decision-making. Essentially, the work on all elements of WTO reform should be handled in a holistic manner that allows the participation of all Members. Finally, while the ACP cannot acquiesce to the draft Decision before us today, we will remain engaged and constructive in discussions on every aspect of reform. We are also developing a contribution which we hope to put forward in the General Council in the not-too-distant future.

15.56. The representative of Chile provided the following statement:

15.57. Chile has joined this initiative as a co-sponsor for three reasons. First, because we understand that all WTO Members have assumed the obligation to notify our trade measures, which is stipulated in the various WTO legal texts, and because we are conscious that the current low level of notifications at this organization is a serious problem for the WTO's transparency and credibility. It creates situations that border on the absurd, as has been rightly stressed on a number of occasions by the Director General. Second, because the revised proposal accommodated various visions and comments, meaning that a number of aspects have objectively been improved. These improvements include the elimination of financial penalties for failure to comply with the obligation to notify and enhanced support from the Secretariat so that developing countries, especially LDCs, are able to fulfil their obligations. Third, the revised proposal no longer draws any distinctions between the different notifications, meaning that they will all be subject to the same treatment. We call on those Members that have not yet joined this proposal to consider it as a substantive support for the work of the WTO.

15.58. The representative of Pakistan provided the following statement:

15.59. Pakistan thanks the co-sponsors for the revised document. Chair, we take this opportunity to emphasize that Pakistan takes its notification obligations seriously. We believe that transparency is a fundamental pillar of the WTO, which brings predictability to trade. However, we are not sure that the current proposal will have the desired impact of improving transparency. To address that issue, the real problems must be addressed. In the case of developing countries, it is the severe capacity constraints, lack of technical training of staff, lack of institutional capacity, and insufficient human resources to carry out the desired tasks in the stipulated time in the cumbersome detail they are required. These are not mere excuses, they are defining attributes of developing countries, generally, and no amount of technical assistance but only development will overcome these shortcomings. If I may give an analogy, cars have gauges that give you data, go-carts don't. Data, or lack of it, is a systemic issue in most developing countries. But we do try our best to keep up with our obligations. On the other hand, Pakistan considers that many countries, including some of the developed ones, find it difficult to comply with their notification obligations. While we all endeavour to submit all notifications in a complete and timely manner, no Member is fully compliant with all its transparency obligations at all times. This points to fundamental issues in the requirements and obligations, which might be the root of the problem. Pakistan therefore reiterates its views that administrative and punitive measures would not lead to an optimal resolution. Such measures risk being counterproductive as they do not address the main causes of non-compliance. Instead, we call for simplifying procedures, and seek an approach that makes the obligations easier and less complicated.

15.60. The representative of Saint Lucia, on behalf of CARICOM, provided the following statement:

15.61. CARICOM also aligns itself with the statement delivered by Jamaica on behalf of the ACP. We thank the co-sponsors for their submission under this agenda item. CARICOM has always recognized the importance of transparency and notification in the WTO. Creating a critical mass of compliance with transparency and notification obligations can only redound to the benefit of all WTO Members. Therefore, *prima facie*, there is value in agreeing to procedures to enhance transparency and strengthen notification requirements. However, how this is achieved is equally as important as

what is achieved. It is in this context that we consider a punitive approach, couched as administrative measures in the submission from co-sponsors, as a sub-optimal approach. Developing and least-developed countries are the ones likely to be most adversely affected by punitive measures. A punitive approach also implies a certain wilfulness on the part of the many developing and least-developed countries that have encountered challenges with respect to their transparency and notification obligations. However, rather than a wilful flouting of the obligations, it is more often than not a lack of capacity stemming from deficits in human resources and finances. We suggest that proponents engage with developing and least developed countries, including CARICOM, on the nature and extent of the challenges which we face in meeting transparency and notification obligations. From here, we can better assess the technical assistance and capacity building needs of Members. We also suggest that the Working Group on Notification Obligations and Procedures be reactivated, and we can advance discussions there and when that work is sufficiently mature, we can return to the General Council to seek a decision which is in the best interest of all Members. CARICOM intends to remain constructive on these important issues.

15.62. The representative of South Africa provided the following statement:

15.63. We would like to thank the cosponsors of the revised document in JOB/GC/204/Rev.6 and the further explanation of changes made to the original proposal as put forward by the United States. We align ourselves with the Statement by the Africa Group and the ACP Group. South Africa views transparency as one of the important pillars of the multilateral trading system. The Paper titled "An Inclusive Approach to Transparency and Notification Requirements in the WTO" is our departure point and Jamaica has referred to the core issues raised therein. We also need to recognize the challenges that developing countries face in meeting their transparency obligations due to limited capacities and resources, especially in the context of a crisis.

15.64. We remain concerned with the proposed administrative measures that aim to penalize Members that are unable to comply with their obligations. We believe that this represents a disproportionate response to the inability of many developing countries to fulfil their notification obligations due to capacity constraints, especially when the inability of many developing countries to comply is not wilful neglect of obligations, but is primarily due to serious capacity constraints at Members' level. We are concerned at the attempts to introduce changes to notification obligations under the Agreements and Understandings listed in paragraph 1 of the proposal without following the amendment processes prescribed under the Marrakesh Agreement, thus severely affecting the rights and obligations of Members. Similarly, the intention to use Members' TPR reports as a basis for the enforcement of specific obligations or the imposition of new policy commitments on Members. The TPRM was never intended to serve as a basis for the enforcement of specific obligations under the Agreements or to impose new policy commitments on Members. While this revised paper has addressed the financial penalties, it still does not address notification requirements on final bound rate AMS commitments for developed Members to 2 years. We look forward to engaging with the proponents to further engage on the issues entailed therein.

15.65. The representative of Singapore provided the following statement:

15.66. This proposal has been cooking for the past two years and has taken on board the comments and feedback from many Members, including from Singapore. Hence, Singapore was pleased to cosponsor this proposal at the Council for Trade in Goods on 8 July. Let me make three points on the revised proposal. First, the current version of the proposal strikes the right balance between assistance and administrative measures. For example, an earlier proposal to impose a financial penalty for Members who cannot comply with their notification obligations has been removed. Second, we believe that this proposal will make a helpful contribution to improving the transparency of Members' trade regimes and further facilitate global trade in the broader context. For example, it proposes specific improvements such as simplified notification formats, updating reporting requirements as well as identifying enablers, such as holding additional training and workshops at the Committee level and using digital tools. These specific proposals will support Members' efforts to submit timely and complete notifications. Third, an outcome on transparency at MC12 would strengthen the WTO's monitoring function. As the Director-General had highlighted at last Friday's TNC meeting, many Members call for increased transparency, but we need to back this up with concrete action and submit information about our trade measures in a timely manner so that all Members can respond quickly, especially given the pandemic. In addition, as we want to reform the WTO to make it more relevant to stakeholders, we must ensure that it is able to carry out its regular work more effectively. It would also send a strong signal to our stakeholders that Members see

continued value in a transparent and rules-based multilateral trading system. Singapore looks forward to working with all Members to advance work on this proposal.

15.67. The representative of India provided the following statement:

15.68. Despite the revisions that the proposal has undergone we find that the inherent principle of the proposal, i.e. suspicion, remains the same. India finds it difficult to agree to a proposal which provides for administrative actions in case of default in submitting notifications, rather than taking cognizance of the capacity constraints and other legitimate difficulties faced by Members in meeting their notifications obligations under the WTO Agreements. Therefore, what is required is not to assume wilful default, but to encourage those who are able to update their notifications despite difficulties faced, and to assist those who have not been able to do so because of various reasons, including capacity constraints. Though Rev.6 refers to certain solution in this direction, it fails to address the problem at its root. India would therefore, once again, re-iterate that instead of the administrative actions, appropriate support to notify will encourage Members in improving their internal capacity to fulfil their notification obligations. With our experience, we have seen that incentives work better than administrative actions in such matter. Further, transparency cannot only be seen from the view of notification obligations. In this morning's discussion, both in informal and formal General Council meetings, under agenda item 22, we have seen how the lack of transparency has failed us in agreeing to Chairs of various bodies/Committees. Transparency should permeate the full spectrum of the operation of the WTO, from the conduct of its day-to-day meetings, to how Ministerial Conferences and processes preceding them in Geneva are conducted, and how media releases of various Committees and Councils' proceedings are transparently handled. We would have appreciated if proponents would have also taken note of a proposal in JOB/GC/218 submitted by India in 2019, that essentially calls for enhanced Mode 4 GATS transparency to allow for an effective realization of market access, more transparency in the monitoring mechanism placed under Article 66.2 of TRIPS Agreement, Members to make annual notifications on the number of patent applications based on traditional knowledge to prevent unlawful appropriation of biological resources and/or associated traditional knowledge affecting the traditional communities, to name a few examples. We are concerned by looking at the lack of engagement on this issue by proponents of transparency, and we hope to see comprehensive discussions on this issue in the future.

15.69. The representative of Israel provided the following statement:

15.70. Transparency is a vital element of the multilateral trading system. We agree with what India has said regarding the importance of transparency in general. It allows Members to monitor the proper implementation of WTO Agreements, it serves as a basis for future negotiations, and it helps Members to make well-informed policy decisions. Israel is one of the co-sponsors of the paper and we would like to thank the United States for its leadership in this initiative. We would like to encourage all the WTO Members to assess this revised proposal and to support it.

15.71. The representative of the United States provided the following statement:

15.72. I would like to thank each speaker individually, for brevity I will note just a few. First, I want to thank everyone for their engagement and responses on this. It has been a long time since we have discussed this in the CTG and we have worked hard to do a lot of outreach, which I think has come through in the revisions. I would like to at least acknowledge the intervention from the representative of Korea and thank them for their announcement, and welcome them on board as co-sponsors. We clearly have a lot of outreach to do to explain the revisions, but we would like to reiterate that all financial penalties have been removed from the proposal. The proposal includes multiple layers of flexibility that are designed specifically so that any Member who endeavours to comply is not captured by those. On the comments made by Uruguay and Mexico and Paraguay, in particular, we have heard your concerns and we are working to address them. We should have some responses soon that may hopefully address this concern. With respect to the intervention by Mauritius, we appreciate the African Group's response, and we look forward to some more detailed discussions with them. I believe that, if we were able to sit down, we could explain that the proposal itself is not unreasonable and that, in fact, it is not arbitrary. We worked quite hard to make sure that it is reasonable. We are trying to do exactly what Mauritius pointed out, which is to find a way to distinguish between wilful noncompliance and those who are struggling legitimately to fulfil their obligations. The majority of the proposal aims specifically to strengthen that category of Members. I appreciate the acknowledgment of Ambassador Spencer of Jamaica and the ACP Group and others on the importance of the Working Group and what that could establish. I think many of the concerns

we heard today about the individual capacity and the strengthening of domestic coordination mechanisms can actually be achieved through the Working Group. I know that if you look at the work in the TBT Committee or the SPS Committee, or even in Agriculture, it is those Member-to-Member conversations about how each of us operate and runs our inter-agency coordination, that has improved and strengthened both the Enquiry Points and our ability to fulfil the notifications.

15.73. I want to thank Chad and the LDC group. We will continue our outreach with them. We are trying to precisely address those systemic problems that they have addressed. I would note and congratulate them, LDCs were far more compliant in the TFA notification process than developing countries. Hence, we know that it is possible. I would also note that one particular LDC is the largest user of the TBT notification process. I think that it shows that the work that has been undertaken in these Committees to strengthen the domestic processes actually has results. That is where we are headed with the Working Group in trying to strengthen those discussions. We understand that technical assistance is not enough, but what alternative do we have to look at cooperative mechanisms among Members to begin to build up capacity and exchange ideas? That is precisely what we are aiming at the Working Group. Obviously, we don't have all the answers for everyone's problems today, but what we are trying to do is to create a mechanism to build that capacity going forward. I think Bangladesh and Tanzania also mentioned strengthening some of those domestic coordination measures. With respect to India's comments, I would agree that no one assumes wilful default. The proposal tries to address multiple avenues for finding and identifying assistance. I think it is incumbent on all of us to make sure that we have mechanisms in place that support better compliance. It is useful to remind Members that these are existing obligations, these are not new obligations. We are supporting the operation of existing obligations and the fulfilment of these commitments. I think that the incentives are participation in the multilateral trading system, the incentives flow from the compliance. There were too many comments to address today, but I think this was a helpful discussion and we are really enthusiastic about the response we received. We are looking forward to doing more outreach.

15.74. The representative of the Philippines provided the following statement:

15.75. Transparency is invaluable to the proper functioning of the rules-based multilateral trading system. We see the importance of improving compliance with the basic notification obligation under the WTO Agreements, and therefore look with interest at the proposal in JOB/GC/204/Rev.6 of 15 July 2021. We note the revisions in the latest version, Rev. 6 of 15 July 2021, of the proposal and, among others, we welcome the removal of financial penalties. We also note the flexibilities on implementation and those afforded to Members who request technical assistance, and the proposed technical and institutional improvements to the notification exercise. The Philippines will continue to engage on this proposal and thank the proponents for their flexibility and continued commitment to engage other Members.

15.76. The General Council took note of the statements.

16 JOINT COMMUNICATION ON SYSTEMIC ISSUES – STATEMENT BY SWITZERLAND

16.1. The Chair recalled that this item had been included in the agenda of the General Council by the delegation of Switzerland.

16.2. The representative of Switzerland provided the following statement:

16.3. I wish to introduce a communication on systemic issues cosponsored by developing and developed Members that are strongly supportive of the Multilateral Trading System.

16.4. The communication is contained in document WT/GC/W/827. It is dated 27 July 2021 and was issued on the same day. The communication is cosponsored by the following 31 Members: Albania; Australia; Canada; Chile; Colombia; Costa Rica; Guatemala; Hong Kong, China; Iceland; Israel; Japan; Liechtenstein; Kazakhstan; Kenya; Republic of Korea; Malaysia; Mexico; Republic of Moldova; New Zealand; Nigeria; Norway; Paraguay; Peru; Russia; Singapore; Switzerland; Thailand; The Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu; Turkey; Uruguay.

16.5. The Twelfth WTO Ministerial Conference will already take place in a few months and preparatory work is already in full swing. The co-sponsors are committed to a successful 12th WTO

Ministerial Conference and urge Members to engage constructively and to work towards pragmatic and tangible outcomes. It will be important that Ministers provide political guidance on outcomes for MC12, including on the WTO's future work.

16.6. With this Joint Communication on Systemic Issues, the co-sponsors wish to share their contribution to the systemic part of a Ministerial outcome document for MC12. We hope that Members can support this approach as we continue to work towards MC12. The Joint Communication consists of three parts, of which I would like to highlight a few elements:

16.7. The first part stresses the relevance of the rules-based multilateral trading system. This part reaffirms the principles and objectives set out in the Marrakesh Agreement Establishing the WTO. It notes the major role trade can play in the promotion of sustainable development and the alleviation of poverty. The co-sponsors recognize the WTO as the preeminent global forum for trade rules-setting and governance. They call on Members to safeguard the integrity of the open, non-discriminatory and rules-based Multilateral Trading System embodied in the WTO and to work together to ensure its sound functioning. The co-sponsors also reaffirm the central importance of development in the WTO.

16.8. The second part addresses the importance and relevance of the multilateral trading system in the context of the global health crisis. The response to this crisis remains a priority of the co-sponsors. International cooperation and coordination is needed more than ever to fight the pandemic and make the system more resilient for the future. The WTO has an important role to play in maintaining well-functioning supply chains. A predictable, transparent, non-discriminatory and open global trading system is crucial for a broad-based, sustainable and inclusive economic recovery.

16.9. The third part addresses the need for WTO Reform. For co-sponsors, it is critical that the WTO responds in an effective way to a changing international trading environment, which calls for new and updated global trade rules. They will also support continued and renewed efforts to reform the WTO to ensure its sound functioning.

16.10. A productive negotiating function is essential for the WTO to deliver meaningful outcomes for Members at all levels of development. The co-sponsors will strive to make further progress in an open and inclusive manner on issues of interest to Members and to seek high quality outcomes. In this regard, they recognize that a range of approaches, including plurilateral negotiations, such as the Joint Statement Initiatives, can ultimately support and contribute to the shared objectives.

16.11. The co-sponsors remain committed to fully participating in the important regular work of the WTO. The regular WTO bodies have an essential role in ensuring oversight of the implementation of WTO agreements. The WTO's trade monitoring work contributes to the effective functioning of the multilateral trading system, by enhancing transparency of trade policies and practices of Members. In this regard, the co-sponsors call on Members to fully comply with their notification obligations.

16.12. The co-sponsors reaffirm their commitment to abide by the WTO's rules in the conduct of their trade relations. The WTO's two-tier dispute settlement system and its binding nature is a central element in providing security and predictability to the multilateral trading system. The co-sponsors therefore recall their strong resolve to restore its effective functioning, including through necessary reforms, and call on all Members to constructively engage in finding solutions to identified concerns.

16.13. This ends my presentation of this joint communication that, as I mentioned at the outset, is intended to provide an input to the systemic part of a Ministerial outcome document for MC12. We very much hope that Members will seek inspiration from this contribution when we start drafting the outcome document for MC12.

16.14. The representative of China provided the following statement:

16.15. It is the consistent position of China that we staunchly support the rules-based multilateral trading system, and firmly oppose unilateralism and protectionism. In the context of COVID-19 pandemic, the multilateral trading system, with the WTO at its core, should play a more important role in the pandemic response, cooperation and economic recovery. China believes that to restore the Appellate Body and safeguard the two-tier dispute settlement system remains the top-most priority for WTO reform, and we call upon Members to start substantive discussions as soon as

possible. China sincerely hopes all Members could utter more loud and clear voices in supporting the multilateral trading system and work jointly to achieve consensual outcomes at MC12.

16.16. The representative of the United Kingdom provided the following statement:

16.17. We are not a co-sponsor but there is much in this communication that we very much commend. We support efforts like this to affirm the rules-based multilateral trading system and indeed the need for a reform of this Organization in order to support that. We particularly agree with the centrality of this Organization in the multilateral trading system, as well as the importance of an open, predictable and transparent system to secure the sort of inclusive, sustainable, greener recovery that I think we all want to see after this pandemic. I also want to mention in this context, in the response to this pandemic, we have just announced today the delivery of the first 9 million of the promised 100 million doses to developing countries. Those 9 million of AstraZeneca vaccines are being delivered in the course of this week and next for a number of developing countries, most of them through the COVAX mechanism.

16.18. As well as the existing negotiations and systemic discussions on reform, we would like to see further reform of the WTO rulebook to mitigate, amongst other things, the impact of market distorting practices in the global trading system, including the use of industrial subsidies. We look forward to working with Members across this organization to progress this reform agenda, both up to, and beyond MC12.

16.19. The representative of Uruguay provided the following statement:

16.20. The Friends of the System (as already pointed out by colleagues who preceded me in the use of the expression) are seeking to draw the attention of the rest of the membership to systemic, cross cutting issues that relate to the smooth functioning of the multilateral system. It is for this reason that Uruguay is a co-sponsor of this joint communication, which we hope can serve as a basis for the preamble of a possible Ministerial Declaration. This communication emphasizes the importance of a rules-based multilateral system, the negative effects of protectionism, whose dramatic consequences we see on a daily basis, and also the key role of the development dimension in the pillar of negotiations. It also highlights the fundamental role that the WTO must play in addressing the COVID-19 pandemic and the economic crisis that has resulted from it, perhaps the most important issue we must address at the next Ministerial Conference. Also, it reserves a prominent place for the long overdue reform, including the negotiating function and transparency. Lastly, it refers to the situation of the Appellate Body, whose disappearance has had serious repercussions on one of the key pillars of the organization. All of these topics are at the heart of the multilateral trading system, whose smooth functioning is so important to us. We hope that between now and November we will be able to continue working with Members to reach a consensus on a Ministerial Declaration that we consider so necessary in the current situation.

16.21. The representative of the Philippines provided the following statement:

16.22. No one can question or deny the primacy and integrity of the rules-based multilateral trading system. We thus understand the strong call on all Members to safeguard and strengthen the sound functioning of the multilateral trading system. There has been a focus on the role the WTO can play in addressing the COVID-19 pandemic and global health crises, and understandably so because the WTO exerts tremendous influence on global supply chains. The attention the communication gives to WTO reform could be described as *à-propos*. We need to reinvigorate the negotiating function of the WTO, including through the plurilateral processes. We need to ensure that WTO bodies continue to run efficiently, and we also need to restore the effectiveness of the two-tier dispute settlement system.

16.23. The representative of Chinese Taipei provided the following statement:

16.24. We hope Members can all support the joint communication to secure the stability and certainty of the rule-based multilateral trading system, to attach importance and relevance of the multilateral trading system in the context of the global health crisis, and to carry out WTO reforms on all three pillars as early as possible.

16.25. The representative of the Russian Federation provided the following statement:

16.26. The elements of the statement presented by Switzerland are in line with Russia's priorities as outlined in our communication "MC12: Shaping the Package Agenda" (JOB/GC/261). My delegation is pleased to join this statement as one of co-sponsors.

16.27. The representative of Japan provided the following statement:

16.28. We firmly support the communication as one of the cosponsors. In order to strengthen the multilateral trading system, we consider it important to update trade rules, including by using JSIs, enhance transparency and strengthen notification requirements, and reform the Dispute Settlement System. The multilateral trading system is all the more important post COVID-19 pandemic.

16.29. The representative of South Africa provided the following statement:

16.30. We are studying the proposal and we will make initial comments. There are elements in the proposal we find useful which can be the basis for the systemic elements of the Ministerial Declaration. These include reaffirming the relevance and support for the multilateral trading system; multilateralism, including the principles and objectives set out in the Marrakesh Agreement Establishing the WTO; and the centrality of the rules-based multilateral trading system; the centrality of development which should underpin the work of the WTO and as critical to the effective integration of developing countries in global trade, including to inclusive growth and development. Regarding the relevance of the WTO in the context of the pandemic, we believe that the WTO has a role and that the pandemic has reminded all of us of the need for global solidarity and the need for the system to promote inclusive economic recovery. This is why we believe that one of the themes should be on this- this is the only way we will be able to contribute to resilient economies. We are however, concerned that the proposal does not address other barriers such as intellectual property as part of the response, and limits it only to maintaining well-functioning supply chains.

16.31. On WTO reform, there is a need to talk about what we mean by reform. Our view is that JSIs are raising systemic and developmental concerns for us and actually fragment the multilateral trading system, undermining existing multilateral mandates. We therefore have concerns with what is captured under WTO reform. WTO reform does not mean accepting either inherited inequities or new proposals that would worsen imbalances. Reforms must be premised on the principles of inclusivity and development. We however, welcome the call to restore effective functioning of a two-tier dispute settlement system.

16.32. The representative of Mauritius provided the following statement:

16.33. There are a number of elements in this paper which converge with our own thinking and with the African Group's paper that will be presented later. I note some of them: the reaffirmation of the relevance and the support extended to the multilateral trading system and the importance of the multilateral trading system in the context of the global health crisis. Of course, it is not totally adequate. We see some words missing like "solidarity" and "leaving no one behind", but that is maybe a question of differences of perspectives. We fully agree, especially that the multilateral trading system and trade have an important role in taking the sustainable development goals forward. In fact, we are happy to be able to see this reflected in the elements paper for MC12.

16.34. We find the paragraph 2 of the document rather inadequate as a response to the global health crisis, for reasons stated by South Africa. I also recall that, while the African Group's position on the centrality of the Intellectual Property Waiver in the WTO's response to COVID-19 is well known, there were several other issues mentioned yesterday including the movement of inputs for the production of vaccines, transfer of technology, access to essential goods, equitable distribution of vaccines, which are all part of the response to COVID-19. We believe, therefore, that the focus cannot only be on well-functioning supply chains in the health context. In fact, given the difficult challenges that Africa has faced, particularly during the pandemic, well-functioning supply chains are also for food security purposes.

16.35. We agree with the document's emphasis on a predictable, transparent, non-discriminatory and open global trading system, for broad-based sustainable and inclusive economies. We also require that the global trading system delivers effectively on special and differential treatment. We also require a multilateral trading system that strives for sustainability and serves to save both lives and livelihoods. This perspective is rather lacking in the document, but we are sure that these can

be taken on board. On the issue of reform, reform does not happen in a vacuum but within a context. To us, the context is taking forward all the unfinished business, in particular from the Doha Development Round. I think, as Ambassador Chambovey of Switzerland said, development is at the core, development is the centre of the system. It is not reform for the sake of reform. It must be clear what the ultimate objective of such reform would be before we engage. Achieving development based on sustainable principles is, from our perspective, a key element of the reform. So, we would rather see a reform that has been discussed already among Members to see what are the parameters that will guide the discussion on the reform.

16.36. Finally, we agree that the changing international trade environment does require us to adapt to new realities. We joined the WTO on a certain premise of the Marrakesh Agreement, as highlighted in paragraph 1 of this document. In that context, our approaches within the WTO must always be based on agreed mandates by the membership.

16.37. The representative of Tajikistan provided the following statement:

16.38. The Joint Communication on Systemic Issues is under review and consideration of the capital and we will present our position once we receive the relevant updates and instructions. The Republic of Tajikistan attaches great importance towards trade and economic relations with WTO members, particularly during the pandemic. It is clear that the pandemic has created devastating social, economic and political crises. In order to mitigate the negative impact of COVID-19 to the economy, joint decisive and timely action is required. The Republic of Tajikistan greatly values the WTO and acknowledges its central role within the rules-based multilateral trading system and is confident that constructive cooperation under the WTO framework will allow to maintain economic cooperation despite the global spread of the pandemic.

16.39. The representative of Republic of Korea provided the following statement:

16.40. Korea calls on Members to start to work together to reflect the major elements contained in the Joint Communication in the outcome document of MC12, to produce a concrete forward-looking vision aimed at making the WTO more responsive to the challenges ahead, in particular through the long-awaited WTO reform in three main pillars.

16.41. The representative of Singapore provided the following statement:

16.42. Singapore is happy to co-sponsor the Joint Communication and commend Switzerland's initiative and diligent efforts. This Joint Communication is timely and will make an important contribution towards a positive outcome at MC12. Second, the Joint Statement addresses critical systemic issues faced by the WTO. If I can use an analogy, the WTO is like a computer that must undergo periodic technical refresh so that we can upgrade the WTO and equip it to handle new software, such as issues dealing with the digital economy, trade and health and environmental sustainability. At the same time, we also need to continue to upgrade the existing hardware by restoring the effective functioning of the Appellate Body. Only then can we ensure that the WTO remains fit for purpose. Third, Singapore wishes to join Switzerland to encourage all Members to cosponsor the Joint Statement. At a time when the WTO is under stress and scrutiny, Members must demonstrate that we are united in our common beliefs and values. This joint statement presents a good platform for Members to come together.

16.43. The representative of Viet Nam provided the following statement:

16.44. Viet Nam is still considering the Joint Communication in its entirety. We share the view that it is timely to give input to shape the MC12 outcome in a concrete form, this Joint Communication is a welcome effort in this regard. We are also of the view that it contains a number of essential systemic elements for a possible MC12 outcome document and encourage Members to consider their incorporation as much as possible.

16.45. The representative of India provided the following statement:

16.46. India is happy to note that part of the submission is borrowed from the "Reform Proposal" submitted by India with other co-sponsors in the December 2020 General Council meeting and under agenda item 14 discussed today in this meeting. India remains fully committed to the rules-based

multilateral trading system with WTO as its centrepiece. In that regard we hope that MC12 will be successful in delivering a fair, balanced and meaningful outcomes that will reflect the interests of developing and LDC Members of this Organization. We believe that a successful MC will go a long way in restoring the credibility of this institution and also repose everyone's faith in the multilateral trading system. Most importantly, this organization needs to show its relevance by delivering a robust response to the COVID-19 pandemic, which is perhaps one of the biggest health and socio-economic challenges of our generation. In this regard, we urge all Members to engage constructively and to work towards pragmatic, balanced and tangible outcomes at MC12. Leaving out intellectual property-related issues and movement of professionals (particularly health care workers) will make the proposal unbalanced and ineffective.

16.47. India greatly values the WTO and the principles and objectives set out in the Marrakesh Agreement and the centrality of the rules-based multilateral trading system. Any attempt to bring in non-mandated outcome through the JSI route in MC12 will be counterproductive. Trade can play a major role in the promotion of sustainable development and the alleviation of poverty. The rules-based trading system contributes to fostering international trade and development, including through facilitating the peaceful settlement of trade disputes, and containing protectionism. We join others in reaffirming the central importance of development in the WTO. The WTO needs to remain an essential tool for Members to achieve inclusive and sustainable global growth and development, including through the further integration of developing countries and LDCs into world trade. Finally, we emphasize the urgent need for reforming the WTO in order to correct the historical imbalances as well as to make it effective to address current and future challenges. In this regard, we would like to recall the WTO reform proposal submitted by India, along with other developing countries in August 2019 and again in December 2020, contained in document WT/GC/W/778/Rev.3.

16.48. The representative of Chad, on behalf of the LDC Group, provided the following statement:

16.49. We take note of the objectives of the communication. It is clear that in order to surmount the various sticky points we have to reform the WTO and prove it functions well in order to meet the needs of its Members, being mindful of the expectations and priorities of LDCs. The rules of the WTO seek to provide for freedom, liberty, equality, predictability of trade patterns, setting the basis for trade negotiation and dealing with the various links between different states, including through the dispute settlement mechanism. We know that the Appellate Body is not functioning. This uncertainty gives rise to a stalling of initiatives in the area of trade. If there is uncertainty, this will mean a drop in foreign trade and have a negative impact on worldwide growth, employment and investment. We cannot sit back idly and let such a negative deleterious trend continue. We have to ensure the viability of the system. The multilateral trading system guarantees and sets forth the conditions for proper and predictable trade and this is one of the best tools when it comes to the integration of LDCs into the scheme of world trade. At the same time, it stands against the idea that might makes right. We have to improve the functioning of the WTO. It is against this backdrop that the LDC Group takes part in the efforts on reform, so as to arrive at a concrete, tangible result, especially within the context of MC12.

16.50. The representative of Ecuador provided the following statement:

16.51. We think that the communication is constructive. It shows the importance of the proactive role of Members as an essential element which will allow us to recover the negotiating dynamic within this Organization and thus facilitate the functioning of the multilateral trading system. We are delighted to announce that we will cosponsor the Joint Communication in order to reiterate our commitment to the success of MC12. Ecuador believes that this communication contains key elements where Members, both developed and developing, can contribute to the multilateral trading system, taking into account the current context and the importance that the work of this house becomes a positive factor for the recovery of international trade in the post-pandemic era. Furthermore, we wish to highlight that Ecuador attaches great importance and preference to multilateral negotiations. Ecuador highly values and recognizes the importance of the different negotiating approaches. We are part of the majority of the Joint Statement Initiatives, and we recognize the important advances made in investment facilitation for development, e-commerce and MSMEs.

16.52. The representative of Kazakhstan provided the following statement:

16.53. We wish to express our support for this communication, and we hope that this document will serve as a strong basis for a future Ministerial Declaration at MC12.

16.54. The representative of Mexico provided the following statement:

16.55. Mexico and 26 other Members of this organization have submitted this Joint Communication which seeks, from a constructive point of view, to help prepare a document that would be the outcome of the Twelfth Ministerial Conference (MC12). The Communication proposes language on three elements that we consider essential: (i) reaffirming the relevance of and support for the multilateral trading system; (ii) the importance and relevance of the multilateral trading system in the context of the global health crisis; and (iii) the need for WTO reform in its three pillars. We are confident that this communication contributes in a systemic manner to the discussions we will have after the summer break, aimed at preparing a document to be approved by our Ministers at MC12.

16.56. The representative of Switzerland provided the following statement:

16.57. I would like to thank all delegations who have made a statement in support of this communication. Some are co-sponsoring clearly, and others are supporting important elements of the communication. We are pleased to see that, on some elements, there is high-level of convergence. This will certainly be very useful for the work that we will have to undertake after the summer break in order to draft the outcome document for MC12. We can certainly bank on this. When we drafted this document, what we had in mind was to use formulations that are more likely to attract consensus among the membership without forgetting the objective of the cosponsors to preserve the integrity of the system and to ensure its good functioning. I would like to add that we very much welcome an additional co-sponsor, Ecuador, that has just been announced.

16.58. To explain, once again, the purpose of this communication, it is intended to be a contribution, a kind of platform, on which we can build. It is not meant to be the entire outcome document; our assumption is that an outcome document will consist in a systemic or political part, and of another part where decisions made by Members are going to be referenced. We have heard some Members today consider that the parts on the pandemic are too "light" in our document. I would like to recall that there will probably be a more substantive part on trade and health and on the pandemic in the outcome at MC12. This outcome, those results, will certainly be referenced in the second part of the Ministerial document or in the MC12 outcome documents. I believe that this important issue of trade and health will not be treated as the "poor cousin" of the WTO, this is certainly not the case. It is a contribution to the systemic part of our work. We understand that there are other less consensual aspects that we have heard today. We are ready to engage with all delegations with a view to finding mutually acceptable formulations and solutions. That being said, the co-sponsors are certainly looking forward to contributing constructively to the work that will be undertaken after the summer break, in order to evolve and to draft an MC12 Ministerial outcome document. I thank all delegations for their statements, in particular those who have been supportive, and we are looking forward to continuing this discussion at the earliest possible juncture.

16.59. The General Council took note of the statements.

17 STRENGTHENING THE MULTILATERAL CHARACTER OF THE WORLD TRADE ORGANIZATION – REQUEST FROM THE AFRICAN GROUP

17.1. The Chair recalled that the item had been included in the agenda of the General Council at the request of the African Group.

17.2. The representative of Mauritius, on behalf of the African Group, provided the following statement:

17.3. The COVID-19 pandemic has reminded us of the importance of global solidarity when faced with common and shared challenges. It has reminded us of the centrality of multilateralism and global solidarity in addressing common challenges. Importantly, it has highlighted the vast disparities between the haves and have nots amongst the membership of the WTO. The vaccine inequity is resulting in a two-track economic recovery process, with a disproportionate impact on Africa given the region's limited policy space. Forging the path towards a stronger and sustained recovery will require comprehensive and targeted policy actions and multilateral support.

17.4. The preamble to the Marrakesh Agreement establishing the WTO recognizes that international trade is not an end in itself, but a means towards "raising standards of living and ensuring full employment". It further recognizes that "there is a need for positive efforts to be designed to ensure that developing countries, and especially the least developed among them, secure a share in the growth in international trade commensurate with the needs of their economic development".

17.5. It is these ideals that ensured that the WTO is able to attract the diversity of countries, each with the hope to engage in a rules-based multilateral trading system that would serve the developmental needs of all its Members. Implicit in these ideals was the principle of equality, equity and the guarantee that all voices mattered. The optimism with which developing countries embraced the WTO was grounded on the promise of prosperity that the trade rules agreed to, would deliver. A promise that trade would lead to equitable economic development, inclusive growth, industrialization, poverty alleviation – and would be responsive to their needs and the needs of their people.

17.6. COVID-19 continues to ravage the African Continent, with vaccination numbers lagging far behind other regions, let alone developed economies. The economic impact has been equally devastating on African economies, affecting the most vulnerable groups in our societies, largely women, the rural poor, youth and informal sector workers. Whilst real GDP in Africa is projected to grow by 3.4% in 2021, this is on the back of a contraction of 2.1% in 2020. This however masks the setbacks that are likely to have a lasting effect well after the pandemic has subsided, with estimates that up to 40 million people could be pushed into extreme poverty as a result. It is in this regard that we call for development to underpin the work of the WTO.

17.7. Building back better post pandemic should be about re-anchoring ourselves on the goals and principles of the Marrakesh Agreement. This necessitates preserving the multilateral character of the WTO and addressing existing asymmetries in trade agreements, especially in the Agreement on Agriculture which is critical to food security.

17.8. The WTO must contribute to the achievement of the SDGs. Indeed, the success and credibility of the WTO will not be assessed on the basis of the number of declarations we churn, but on the impact of the rules on our respective populations, the majority of whom reside in developing countries and LDCs. In the midst of COVID-19, it will be judged on the basis of how responsive the WTO is to the health and economic crisis confronting us. We need a WTO that contributes towards equitable access to global public goods and that protects global commons on the basis of common but differentiated responsibilities.

17.9. We need to strengthen the multilateral trading system in a manner that benefits all, while providing sufficient flexibilities for developing countries to effectively integrate into global trade. This should be given expression in the negotiating outcomes that we strive for in the various areas, by ensuring effective special and differential treatment and balanced, fair and equitable outcomes.

17.10. The two-tier dispute settlement system is fundamental to a fair and equitable rules-based multilateral trading system and must be urgently restored. The biggest risk of a dysfunctional Appellate Body is borne by smaller WTO Members who are likely to be subjected to unilateralism and power dynamics. Without the Appellate Body, the WTO dispute settlement system is losing much of its predictability. This in turn has serious implications for the rights and obligations of Members and has serious consequences for future rule-making efforts in the WTO, as the value of negotiated outcomes depends on the ability of signatories to enforce them.

17.11. The African Group is confident that collectively we can summon the courage to gravitate back to the foundational principles that brought us together under the umbrella of the WTO. A WTO anchored on the principles of non-discrimination, predictability, transparency, and, most importantly, the commitment to development.

17.12. The representative of Botswana provided the following statement:

17.13. My delegation aligns itself with the statement by Mauritius on behalf of the African Group, and expresses its support for the communication contained in WT/GC/W/825. The multilateral trading system is the collective responsibility of all countries who have a stake in it. Its underlying principles of non-discrimination, predictability, transparency, the tradition of decision-making by

consensus and, most importantly, the commitment to development, should remain our guiding compass. Of outmost importance to WTO Members in the new environment we find ourselves in, is the need to reflect on the role of the multilateral trading system in promoting economic recovery and in addressing the current and future health crisis. Multilateral cooperation and solidarity is needed now more than ever to enable Members to effectively respond to the crisis.

17.14. I think all Members can agree that the COVID-19 pandemic had a multifaceted impact on the global economy, our health systems and the financial standing of our governments. It has greatly turned the tides of our development trajectory and threatens to reverse our development gains in ways we could never have anticipated, and is widely disproportionate especially in Africa. As WTO Members, we regularly repeat the mantra that we are a rules-based organization, but the continuing impasse in restoring a fully functional Appellate Body continues to negate this. We all know that a two-tier dispute settlement is essential in building confidence on the ability of the WTO to effectively resolve disputes between Members. The continuing impasse has knock-on effects on the negotiating function of the WTO – as rules are only as good as we can enforce them. This impasse therefore needs to be resolved as a matter of priority. As one of the fundamental principles of the WTO, transparency must be central to the entire functioning of the WTO and negotiations must be open and inclusive, and take into consideration the resource constraints of developing countries. Let me reiterate that in order for our countries to build back better from the COVID-19 pandemic, we need multilateralism and mutually beneficial partnerships or cooperation, and a top priority being vaccine equity. The concentration of COVID-19 vaccines in a few parts of the world has relegated Africa to begging status, even where we have access to some resources to purchase. This will result in African countries being left behind while many nations are well into their recovery. At this rate, we will not be able to close the wide gaps in our levels of development, let alone achieve the Sustainable Development Goals. The WTO has an important role to play in this regard. In conclusion, as a firm believer in multilateralism, Botswana stands ready to work with other members to strengthen the multilateral character of the WTO.

17.15. The representative of Cameroon provided the following statement:

17.16. We support the statement made by Mauritius and we also support the African position on this subject. Regarding the reform of this Organization, this proposal by the African Group indicates the principles on which this reform should be done. Of course, the rules of our organization would only work if inclusivity and transparency are included, so as to ensure a robust multilateral trading system enhancing the development of all parties. As indicated in the Preamble to the 1994 Marrakesh Agreement, international trade is based on states. Cameroon supports the African Group with the interest of building a multilateral trading system which is fair, includes the development needs of countries, gives pre-eminence to multilateral discussions, promotes transparency both in its procedures and in its discussions, and strengthens the belonging to the organization. The same goes for the dispute settlement system; it must be accessible to all parties. To this end, it is important to highlight that it is commonly agreed that the inclusive character of the dispute settlement system is not only appreciated at the level of rules and decisions, but also when looking at the accessibility to the system, be it at the first stage or second stage of the procedure. That is why Cameroon supports the statement made by the African Group, which not only supports the functioning of the dispute settlement system but also supports the setting up of a fund.

17.17. The representative of Jamaica, on behalf of the ACP Group, provided the following statement:

17.18. This submission is not only timely but is relevant as WTO Members continue preparation in earnest for MC12. Like other areas of international cooperation, the multilateral trading system faces challenges, but it remains an important pillar of the global architecture. If the multilateral trading system is to be effective in contributing to the growth and sustainable development of all its Members, especially the most vulnerable among us, it must be underpinned by the principles of non-discrimination, predictability, inclusivity, decision making by consensus, transparency and development-orientation. The ACP Group wholeheartedly supports the African Group's view that decision by consensus must be the modus operandi in the WTO. In fact, this is a longstanding position of the ACP Group. Decision by consensus has played a critical role in the WTO in bringing balance to decision making and negotiated outcomes, catering especially for smaller economies with less capacity. Decision by consensus does not always deliver on legitimate expectations, as we have seen in the case of the impasse over the appointment of Appellate Body members, but it is the most durable solution in the interest of all WTO Members. We, therefore, jealously guard against any

attempt that may undermine this fundamental principle within the WTO. It is within this context that the ACP Group urges caution against the current proliferation of plurilateral initiatives in the WTO. While we believe that plurilateralism is not new to the WTO, as witnessed with the Government Procurement Agreement, for example, we believe that plurilateral discussions should not undermine the coveted tradition and principle of multilateralism in the WTO. Additionally, any plurilateral outcome must be accepted by consensus by the WTO's membership in accordance with Articles IX and X of the Marrakesh Agreement.

17.19. We align our sentiments to the African Group's call for the restoration of the Appellate Body. Without adequate confidence that the dispute settlement system will be able to bind Members' adherence to existing rules, we believe that it could affect negotiation of new ones. Our Ministers should be presented with a reform work programme to this effect at MC12. It is time to resolve the Appellate Body impasse. A two-tier, transparent, independent dispute settlement system, as envisaged by the DSU, is critical to the functioning and credibility of the WTO. The COVID-19 pandemic has highlighted the interconnectedness of our world, and while causing disruptions on several fronts has also presented an opportunity for us to demonstrate what can be achieved through shared collaboration. The global community is keenly observing the WTO and is expecting deliverables at MC12. As members of the WTO, we have the moral obligation to ensure the organization continues to perform its roles and responsibilities and it remains relevant and fit for purpose. The ACP Group thanks the African Group for its submission and encourages all WTO Members to have deeper engagement and discussion on this matter.

17.20. The representative of Chad, on behalf of the LDC Group, provided the following statement:

17.21. We thank the African Group for its submission, which spells out the fundamental principles of the Marrakesh Agreement and the rules of commitment at the WTO which must be maintained for the Ministerial Conference as well. If we go back to the recent history of the WTO, the Eleventh Ministerial Conference conveyed the feeling that the multilateral trading system could undergo a serious calling into question. There is a need to take into account the current realities. It is in this perspective that it is absolutely essential to take political and courageous initiatives if we want to move forward and obtain results. The lack of this would run the risk of jeopardizing even more the resilience in the long term of the multilateral trading system. We would miss a precious opportunity of change in favour of the implementation of rules and principles, which are the very tenets of the WTO and the basis of the multilateral trading system. The LDC Group highlights the fundamental role of multilateral rules and regulations to ensure a stable and predictable framework for multilateral trade. It is in the interest of all – developed countries, developing countries and LDCs – to preserve the integrity and the advantages of the multilateral trading system and to reform what has to be reformed so as to strengthen even more the work and credibility of the World Trade Organization. There are challenges that we have to face. They are colossal.

17.22. But trade is not just a buying or selling system regulated through the WTO, it is also a means to an end. It is wise to ensure that trade can contribute to what we want first and foremost, that is to create an added value so as to improve the living standards of populations as mentioned by the Ambassador of Mauritius. This concerns especially the living standards of the weaker, more vulnerable and fragile populations. WTO Agreements include provisions aimed at increasing the trading possibilities of LDCs and also offer them flexibility so that they can implement WTO rules. To do so, it is fundamental to move on from reflecting to acting, and then reach convergence through a process which is open, inclusive, transparent, flexible and non-discriminatory. The common desire to safeguard and strengthen the multilateral trading system would ensure the participation of LDCs in international trade. The LDC Group wants a multilateral trading system which is fairer, more equitable and within which the LDCs will be able to evolve in a way to speed up their integration in international trade and ensure sustainable economic development. We have heard today the statements made by different delegations including Brazil, the United States, China, the European Union and other groups. Everyone wants to achieve results by MC12 on important issues of the WTO. Given the current situation and context, we must and can collectively achieve something which will give greater credibility to the WTO.

17.23. The representative of Pakistan provided the following statement:

17.24. Pakistan is a strong believer of the proper functioning of the multilateral trading system, for the mutual benefit of the membership. We believe that the core principles of the Marrakesh Agreement should not only be preserved but they should be further strengthened. Some of these

principles that need to be highlighted and re-emphasized include: (i) Development, that must remain a fundamental pillar of the multilateral system. It should provide benefits to the membership across the board, particularly to the developing and least developed countries; (ii) The principle of special and differential treatment should be preserved, as it is a treaty-embedded right of developing countries. This principle cannot be diluted to a case-by-case approach or made conditional upon other requirements. (iii) Existing inequities and injustices in the system, such as those in the Agreement on Agriculture, must be removed to level the playing field. (iv) The consensus-based decision-making principle must be absolutely upheld. This includes continuing discussions at multilateral, mandated forums. (v) The Appellate Body crisis must be resolved to ensure justice and to uphold the trust and credibility of the WTO. The credibility and continued relevance of the multilateral trading system will depend on its ability to adapt itself to the changing realities and dynamics of the globe, such as the COVID-19 pandemic and climate change, in order to uphold these principles. Any failure to do so will be detrimental not only for the organization but also for the greater public good. Pakistan therefore supports this call by the African group and will continue to engage constructively to achieve these objectives.

17.25. The representative of the European Union provided the following statement:

17.26. The European Union welcomes this constructive contribution of the African Group, pointing to the particularly negative impact the COVID-19 pandemic has had on developing countries. Furthermore, the European Union also agrees with the necessity that the global trading system and therefore the WTO increase its capacity to promote resilience, preparedness and effective response to common challenges, including future pandemics. We believe that for this to happen, WTO Members should come together at MC12 to launch work on institutional reform of the organization, addressing all three of its core functions – rulemaking, dispute settlement and monitoring/deliberation. We welcome a constructive dialogue with the African Group in this regard. At the same time, the European Union is committed to preserving the core tenets upon which the WTO has been built, and agree that aiding development and effectively integrating developing countries into global trade needs to remain at the core of WTO action. We agree that special and differentiated treatment is important for many WTO Members. It is our priority to ensure effective, precise and operational special and differential treatment in the WTO in order to enable these Members to apply and benefit from the Agreements. The European Union will continue to support constructive initiatives to strengthen the WTO and support developing countries to better integrate Members with capacity constraints into the multilateral trading system. We would like to thank the African Group for their contribution in this matter.

17.27. The representative of China provided the following statement:

17.28. Let me start by thanking the African Group for their submission of this proposal. China recognizes the enormous challenges and high vulnerability faced by developing Members, especially LDCs during the global pandemic period. The multilateral trading system is a key tool in addressing this common challenge and the current widening inequity in the trading system. To this end, Members should strengthen solidarity, enhance mutual trust and cooperation. The key principles of the multilateral trading system should be preserved. Decision-making by consensus must also be upheld. We also share the view in the proposal that the proper functioning of a two-tier dispute settlement system should remain as the top priority for the WTO. The rules-based multilateral trading system must be more inclusive, with development at its core, by providing sufficient flexibilities and strengthening technical assistance and capacity building for developing members to be effectively integrated into global trade. Special and differential treatment is an integral part of the multilateral trading system. We also encourage Members' full engagement in the discussions on special and differential treatment provisions to make them more precise, effective and operational. In the current pandemic, it is urgent for the WTO to ensure fair access to vaccines and related goods for developing Members. MC12 provides us with an invaluable opportunity to strengthening the multilateral character of the WTO by delivering concrete and meaningful outcomes.

17.29. The representative of India provided the following statement:

17.30. It is heartening to see that 3 agenda items relating to the centrality of the multilateral trading system have been brought forward in today's deliberations, agenda items 14, 16 and this one. We share the core objectives stated by Mauritius on behalf of African Group, namely, the preservation of the multilateral character of the WTO, the core principles of the Marrakesh Agreement, including special and differential treatment, the need for policy space for developing and LDC Members to reap

the full benefits of trade, the need for negotiated outcomes of the WTO to be fair and balanced, the need for WTO Members to share common and differentiated responsibilities, the immediate restoration of the two-tier dispute settlement system and the development objective underpinning the multilateral trading system.

17.31. As mentioned in our intervention under agenda item 14, recognizing the problems created by the fragmented system of trade rules, WTO Members sought an end to this problem. This has been clearly articulated in the following recitals of the Preamble to the Marrakesh Agreement: "[r]esolved, therefore, to develop an integrated, more viable and durable multilateral trading system (...)" and "[d]etermined to preserve the basic principles and to further the objectives underlying this multilateral trading system." Going back to plurilateral agreements would, therefore, be a step in the wrong direction and would be contrary to the determination and resolve, as enshrined in the Preamble of the Marrakesh Agreement. My delegation therefore supports the call by the African Union and many other Members to strengthen the multilateral character of the World Trade Organization in all its activities, starting from agenda setting, negotiations and finalization and adoption of new rules, to achieve inclusive development-oriented balanced outcomes, in line with the principles enshrined in the preamble to the Marrakesh Agreement, including "raising standards of living and ensuring full employment" and the "need for positive efforts designed to ensure that developing countries, and especially the least developed among them, secure a share in the growth in international trade commensurate with the needs of their economic development".

17.32. The representative of Central African Republic provided the following statement:

17.33. This presentation recalls the multilateral trading system's limited capacity to overcome the significant challenges of our time in the light of the goal that our organization has set itself since it was established. These challenges create uncertainty as regards the future of the WTO as a forum for negotiations. We must, as a matter of urgency, make a bold decision to move away from an attitude based on defending our own trade interests to a common vision for moving forward together in a progressive and tangible manner towards achieving the WTO's goals and making the WTO a setting in which all Members, particularly developing countries and least developed countries, are able to find their place and increase their participation. We support this declaration and call on Members to take note of the WTO's current poor capacity for resilience and to commit to reforming our multilateral trading system. The Twelfth Ministerial Conference should be an opportunity to establish a working group tasked with assessing the WTO's ability to discharge its duties and proposing an adapted framework that offers all Members equal opportunities to succeed and the means to participate effectively in international trade.

17.34. The representative of Kenya provided the following statement:

17.35. The WTO was established against the backdrop of multilateralism, and in the words of the Preamble of the Marrakesh Agreement, the Members resolved to develop an integrated, more viable and durable multilateral trading system. The WTO should therefore continue to play its envisaged role of not only providing a forum for negotiation of multilateral trade agreements, but should also ensure that developing countries and LDCs secure a share in the growth of international trade. The WTO also ought to contribute solutions to the challenges of globalization and be a real means to growth and sustainable development. International trade should be a means for promotion of global partnerships for sustainable development and the implementation of the SDGs. It is for these reasons that we support the upholding of the founding objectives of the WTO as highlighted in the paper by the African Group.

17.36. The representative of the Philippines provided the following statement:

17.37. The Philippines agrees with the elements contained in paragraph 7 of the proposal, particularly on the importance of restoring the two-tier dispute settlement system. This is indeed an important contribution of the African Group. It provides principles, alongside other initiatives mentioned today, and will certainly serve as a good foundation for a substantive MC12 outcome. We look forward to further engagement with the African Group and other Members in the coming work ahead towards MC12.

17.38. The representative of Sri Lanka provided the following statement:

17.39. We value the contribution made by the African Group to this body. Though they are marginalized due to their inherent low level of development in many countries in the African region, it has always contributed significantly to enshrine and preserve the multilateral character of this institution. Today, we listened to many Members say that the Doha Agenda is dead and that the Doha Round is at an impasse. If we look at the past trade rounds, there had always been such failures. Fortunately, due to the far-reaching thinking of the trade negotiators, such setbacks have been overcome and the rounds have been brought back on track with the affirmative reiteration of the key principles of the multilateral trading system. In light of that, we recognize that the proposal enshrines all those key principles. Looking at the debate today, the African Group proposal reminds us why we are here and why we really need to look at the WTO as an institution which promotes development rather than only a rule-making institution, particularly we need policy space for development. We hope this proposal will be supported by as many Members as possible. Eventually, we wish to see some of these elements in a Ministerial Declaration, to remind all of us as to why we are here. This proposal captures all those principles.

17.40. The representative of South Africa provided the following statement:

17.41. South Africa supports the statement delivered by Mauritius on behalf of the African Group on the communication contained in WT/GC/825 and Jamaica on behalf of the ACP. COVID-19 has reminded us of the importance of multilateralism as no country will be able to respond to the pandemic on its own. The magnitude of the current crisis has resulted in an enormous setback to recent development gains, including the SDGs. The COVID-19 vaccine inequity is resulting in a two-track economic recovery process with a disproportionate impact on Africa given the region's limited policy space. We have seen in the context of the current pandemic that an effective response requires a coordinated multilateral response and global solidarity. The submission by the African Group therefore highlights the need to preserve multilateralism and the multilateral character of the WTO. The credibility and continued relevance of the multilateral trading system is premised on mutual benefit from the system, as perceived by its Members, mutual trust and responsiveness to core challenges facing humanity, as well as its ability to address the existing imbalances in WTO Agreements, that continue to hamper the effective participation of developing countries in global trade and which is key to build resilience. The WTO is about people and it should prioritize the goals and principles that are set out in the Marrakesh Agreement, which recognizes that international trade is not an end in itself, but a means towards "raising standards of living and ensuring full employment". We share the view that WTO Members should strongly support the multilateral trading system and seek to strengthen the WTO. This necessitates respecting the rules and mandates, especially those that are critical to the effective integration of developing countries in global trade.

17.42. When the DDA was launched, it heralded hope that the WTO would deliver on development and issues of importance to developing countries. The long-outstanding issues that are critical to developing countries are now all the more urgent. Failure to deliver on these issues will result in an increasing backlash against trade, especially in the context of the pandemic. It is in this regard that the Africa Group calls for development to remain at the centre of the MTS. On issues of sustainability, common but differentiated responsibility should be the underpinning principle. Thus, building back better post this pandemic should be about re-anchoring ourselves on the principle of trade as not an end in itself, but a means towards uplifting the poor from poverty and underdevelopment and towards sustainable integration in the international trading system. This should be given expression in the negotiating outcomes that we strive for in the various areas by ensuring effective special and differential treatment and balanced, fair and equitable outcomes. Special and differential treatment must therefore be embedded in the trade rules. In promoting multilateralism, we also have to be mindful that the WTO consists of Members at different levels of development. The Marrakesh Agreement states that "there is a need for positive efforts designed to ensure that developing countries, and especially the least developed among them, secure a share in the growth in international trade commensurate with the needs of their economic development." The multilateral trading system is a collective responsibility, and all WTO Members have a stake in it. The principles of non-discrimination, predictability, transparency, and, most importantly, the commitment to development, must continue to underpin the multilateral trading system.

17.43. The representative of Côte d'Ivoire provided the following statement:

17.44. This communication is relevant on more than one level and comes at an appropriate time in the context of preparing for MC12. This communication, from our point of view, grants the ability for the Organization to look at resuming the vocation of the WTO as a multilateral organization. The

WTO must, through the governance of global trade, contribute to development for all, especially developing countries and LDCs. We are talking about placing the WTO at the very centre of development. All the aspects underlined in this communication have one single aim: for the WTO to play its role. From this point of view, this communication should enjoy favour from all Members because many Members think of the WTO as a symbol of development. We support this communication and ask that Members take note of the relevant elements which have been underlined within it.

17.45. The representative of Tanzania provided the following statement:

17.46. I would like to align myself to the statement of the African Group and support the communication of the African Group. The founding and guiding principles that have built the WTO are what have made this organization highly respected over the years. Some of the key principles include its inclusivity in decision-making processes through consensus, the binding nature of its decisions, the enforcement of its agreements through dispute settlement mechanism, special and differential treatment based on the development levels of Members, the non-discrimination principle, predictability, transparency through notifications and many other procedural issues elaborated in respective WTO Agreements. However, in recent years, some of these principles are slowly being eroded and undermined under the disguise of reform. This is highly concerning, particularly for weaker Members, of which its continuation will further weaken the image and the relevance of the Organization in the long-run. The African Group communication should be a wake-up call and a reminder for Members to uphold key principles and procedures which have built the Organization. The WTO is irreplaceable, we cannot envisage another organization that could possibly take its position or place and earn our full trust. That being said, we ought to strengthen trust and cooperation among Members to ensure a strong functioning WTO. Moreover, it is important we recognize and acknowledge that Members are at different levels of development, and it is crucial that the WTO continues to take into account the development needs of weaker Members with a view to minimise existing inequalities and gaps.

17.47. The representative of Uganda provided the following statement:

17.48. We have asked these questions before and continue to ask them: What is the place of the WTO in development? How have multilateral systems/rules aided or stimpeded structural transformation and industrialization for Members? How do the trade distorting domestic supports employed by some major economies fit into the free trade narrative espoused by some Members? What should be of paramount importance in the political economy of a country? Should it be multilateral institutions or the needs and interests of a country? Would the WTO exist without the support of its Members? Can we write new rules when the decisions made by our Ministers and the General Council are not implemented? Should we write new rules when the enforcement mechanism of the organization is in dispute? The multilateral character of the WTO requires that every Member brings to the fore the best it has to offer in terms of compromise for the common good, it requires that Members stay the course because the benefit ultimately is meaningful for all, especially the most disadvantaged. It also requires that every Member plays a role in decision-making because the decisions made have a real impact on the lives of ordinary people. As such, the consensus principle of decision-making must be especially guarded by all and in all circumstances.

17.49. The representative of Mauritius provided the following statement:

17.50. I have listened carefully to all the statements made and I think that what we heard was everything from wholehearted support, to welcoming a constructive proposal from us. I have not heard any delegation say "no", perhaps some nuances were expressed. Generally, we hope that this paper can find its way to the Ministerial Declaration and to the elements paper that the Chair is putting up for us to consider. I thank all delegations who have taken the floor today. I am very impressed that we are engaged in substantive discussions and proposals. I thank the commitment of the WTO to move forward and to recognize the importance of the multilateral trading system.

17.51. The General Council took note of the statements.

18 WAIVERS UNDER ARTICLE IX OF THE WTO AGREEMENT

18.1 European Union – Application of Autonomous Preferential Treatment to the Western Balkans – Extension of Waiver – Draft Decision (G/C/W/794)

18.1. The Chair recalled that the item on the draft waiver on "European Union – Request for a Waiver Extension – Application of Autonomous Preferential Treatment to the Western Balkans" in document G/C/W/794 had been taken up for consideration by the Council for Trade in Goods at its July meeting. On behalf of Ambassador Lundeg Purevsuren (Mongolia), Chair of the Goods Council, he reported that the CTG had considered the waiver request at its July meeting and had agreed to forward it to the General Council for adoption.

18.2. The representative of European Union provided the following statement:

18.3. We wish to thank all Members for the support they have shown regarding the extension of this waiver.

18.4. The Chair noted that unless delegations wished to comment, he would propose that the General Council adopt the draft Decision in G/C/W/794 which related to the "European Union – Request for a Waiver Extension – Application of Autonomous Preferential Treatment to the Western Balkans".

18.5. The General Council so agreed¹⁸.

18.2 Review of Waivers Pursuant to Article IX:4 of the WTO Agreement

18.2.1 Least-Developed Country Members – Obligations under Article 70.8 and Article 70.9 of the TRIPS Agreement with respect to Pharmaceutical Products, granted on 30 November 2015 until 1 January 2033 (WT/L/971)

18.2.2 Kimberley Process Certification Scheme for Rough Diamonds, granted on 26 July 2018 through 31 December 2024 (WT/L/1039)

18.2.3 Canada – CARIBCAN, granted on 28 July 2015 until 31 December 2023 (WT/L/958, WT/L/1112)

18.6. The Chair referred to the review of waivers in sub-item (b), in accordance with paragraph 4 of Article IX of the WTO Agreement, that "any waiver granted for a period of more than one year shall be reviewed by the Ministerial Conference not later than one year after it is granted, and thereafter annually until the waiver terminates." There were three waivers before the General Council for review, and they were listed in the proposed Agenda.

18.7. The Chair stressed that those waivers had already been agreed to by the General Council and that they were in force. The General Council was not expected to take any new decision on their renewal or otherwise at the meeting.

18.8. One of the waivers under review provided that an annual report should be submitted by the Member concerned regarding the operation or implementation of the waiver with a view to facilitating its annual review by the General Council. The report from Canada had been circulated in document WT/L/1112.

18.9. The representative of Canada provided the following statement:

18.10. Recognizing the special relationship between Canada and the Commonwealth Caribbean, in 1986 CARIBCAN was established to help improve the trade and economic development prospects of the region. In light of the continuing relevance of the considerations underlying CARIBCAN, the initiative's objectives, scope and coverage remain unchanged. Canada thanks those Members that have expressed support for the CARIBCAN program and the associated WTO waiver.

¹⁸ The Decision was subsequently circulated in WT/L/1114.

18.11. The representative of Jamaica, provided the following statement:

18.12. We wish to make a brief statement in Jamaica's national capacity on Agenda item 18.2.3 on the Canada – CARIBCAN waiver. We wish to thank Canada for its report and statement. We continue to appreciate this key trade instrument. As we have often said, 97% of Jamaica's products to Canada are granted duty-free access within this framework. A significant portion of that goes to businesses and mechanisms under MSMEs, many of which are owned by women and youth. We continue to appreciate Canada in this regard, having been a longstanding strategic partner with Jamaica, with a beneficial cooperation in a wide range of important areas including trade. As we move into a fourth pandemic economic recovery mode, Jamaica sees mechanisms such as CARIBCAN playing a critical role, and this may include further expansion in trade in goods and services as well as increased investment opportunities with Canada. Jamaica wishes to reaffirm its sincere gratitude to Canada for maintaining the CARIBCAN mechanism, which we view as a clear demonstration of its commitment to a partnership for trade and development with its Caribbean neighbours. We align ourselves with the statement to be made by Saint Lucia on behalf of CARICOM.

18.13. The representative of Chad, on behalf of the LDC Group, provided the following statement:

18.14. The LDC Group supports this waiver and notes that its importance is ever greater given the pandemic. The measures that are in place should be recognized in all of the responses to the COVID-19 pandemic.

18.15. The representative of Saint Lucia, on behalf of CARICOM, provided the following statement:

18.16. I am making this statement on behalf of the CARICOM Group. At the outset, we thank Canada for its submission contained in document WT/L/1112. While CARIBCAN was conceptualized in 1985 and enacted the following year, the constructive relationship between CARICOM countries and Canada goes back many decades before. We are grateful that this relationship still endures. Preferential access to the Canadian market, whether under CARIBCAN or the General Preferential Tariff (GPT) remains extremely important for CARICOM countries. This preferential access directly and indirectly supports jobs, including for MSMEs and women entrepreneurs, foreign exchange earnings and our further integration into the global economy. Our Member States are working feverishly to boost productive capacity and pursue economic diversification to trade and take greater advantage of preferential access in important partner markets such as Canada. The near 10% drop in exports from CARIBCAN beneficiary countries to Canada in 2020, also demonstrates the impact of the COVID-19 pandemic on our economies and further highlight our immense vulnerability to exogenous shocks, thereby reinforcing the need for us to boost economic resilience post-pandemic. Finally, Mr. Chairman, permit us again to thank the Permanent Delegation of Canada for its report.

18.17. The General Council took note of the report contained in documents WT/L/1112, and of the statements.

19 COMMITTEE ON BUDGET, FINANCE AND ADMINISTRATION – REPORTS ON THE MEETINGS OF APRIL, MAY, JUNE AND JULY 2021 (WT/BFA/194, WT/BFA/195, WT/BFA/196)

19.1. The Chair drew attention to the reports from the Committee on Budget, Finance and Administration in WT/BFA/194, 195, and 196.

19.2. Ambassador Bettina WALDMANN (Germany), Chair of the CBFA provided the following statement:

19.3. Since my last report to the General Council, the Committee has met on several occasions. In my remarks today, I will provide some highlights of the formal meetings of the Committee that took place on 25 May, 22 June, 1 July, and 12 July 2021. The reports of those meetings are contained in documents WT/BFA/194, WT/BFA/195, and WT/BFA/196.

19.4. My key priority is to ensure the timely passage of the 2022-2023 WTO and ITC budget proposals. The WTO and ITC budget proposals were both formally presented to the Committee on 22 June 2021. Both continue to be under consideration by the Committee. The goal is to ensure

adequate time, for in-depth deliberations and to make a recommendation for approval before the end of the year.

19.5. At the meeting of the CBFA held on 12 July, Members considered the 2020 WTO Financial Performance Report, which comprises of the budgetary performance, trust fund performance and financial statements. I am pleased to report that the Independent External Auditors have placed an unqualified audit opinion on the WTO's Financial Statements for 2020. This means that, in the External Auditors' opinion, the Financial Statements prepared by the Secretariat give a "true and fair view" of the financial performance and financial position of the organization and comply with applicable international accounting principles.

19.6. However, the Committee has not yet endorsed that report or the Financial Statements for 2020. Another matter that continues to be under consideration by the Committee relates to proposed utilization of the 2020 Budgetary Surplus, of approximately CHF 11.7 million.

19.7. Still on the question of the WTO's financial performance, and looking ahead, let me draw your attention to the long-term pension and after service health insurance liabilities of the organization which are very significant, and increasing. Taking adjustments for these long-term liabilities into account the overall financial result obtained in 2020 is a deficit of CHF 37.1 million, even though the annual budgetary result is positive.

19.8. This topic is of key interest and came up during several Committee meetings in the previous year. Further discussions are continuing in a small group process, open to all delegations. As mentioned at the last General Council meeting, Alicia Goujon, from Mexico, is helping me lead that process. Discussions have been constructive, and the target is to agree to the text of a progress report by 30 July, and to submit recommendations to the CBFA in October.

19.9. At the meeting of the CBFA held on 1st July, Members discussed document WT/BFA/W/559 regarding a request by the Secretariat for the endorsement of the revisions to Financial Regulations 4, 17, 26, 27, 29, 37, 38 and 42 that were agreed in 2019. That document envisions that a complete set of the revised Financial Regulations that could be tabled for approval by the General Council in October 2021. At the meeting of the CBFA held on 12 July, I summed up my understanding, that there is no disagreement with respect to the revisions to these Financial Regulations 4, 17, 26, 27, 29, 37, 38 and 42 set out in document WT/BFA/W/568.

19.10. Furthermore, consultations are ongoing among Members on Financial Regulation 19 (regarding voluntary contributions to the WTO and trust funds). If agreement is reached on the revisions, Financial Regulation 19 could be included in the package of Financial Regulations that I hope can be endorsed by the CBFA and presented to the General Council for approval in October.

19.11. There is also the question of a possible revision to Financial Regulation 23 (which concerns use of any budgetary surpluses) and a revision to Financial Regulation 6 or 10 (regarding the continuity of operations pending approval of a budget). It is my impression however, that discussion regarding those revisions may require more time. I have encouraged Members to show flexibility and will provide you with updates.

19.12. I would be remiss if I did not mention the issue of the structural review, as this is one of the key issues going forward for both the WTO and for Members. Members had an opportunity to meet with the external consultants, McKinsey, earlier this month, to provide thoughts and share insights. The McKinsey report will most likely be presented to the DG in early August. I am grateful to the DG and to DDG Ellard for encouraging Members to engage in the structural review, as well as the DG's and the DDG's commitment to a full and transparent discussion with Members regarding next steps. I would also like to express appreciation to DDG Ellard for her updates to Members regarding this matter, including recently, at the 12 July CBFA.

19.13. The representative of India provided the following statement:

19.14. We wish to draw to Members' attention an important issue emanating from those meetings. During the financial year 2020, the WTO has accumulated a surplus of CHF 11,771,979. The DG has proposed that an amount of CHF 9.8 million (amounting to 5% of the WTO budget) be adjusted against the Member contributions for 2022. India supports this proposal by the Director General to

pass on the savings realized during 2020 to the Members, by way of their reduced contributions for the next year. This proposal is in line with India's suggestion made at the October 2020 General Council meeting last year for a voluntary cut in WTO's budget in solidarity with Members battling the grave economic situation due to the ongoing pandemic. The proposal by the Secretariat to pass on part of the 2020 savings to Members is a win-win for everyone. These saving were realized without the Secretariat having to cut-corners last year and its operations were not impacted. Passing on that benefit to Members to reduce their burden, even if it's not significant, sends a positive message to the membership and to the world that the WTO is sensitive to the Members' current economic situation brought on by the pandemic. Particularly looking at the drop in GDP and revenue of respective countries, and an increase in debt and depreciation of currency, thereby resulting in higher contribution to the WTO in terms of local currency. This is precisely what our intention was when we made the proposal last year. The WTO certainly deserves credit for this gesture. I take this opportunity to complement the DG for the proposal and call upon all Members to support it whole heartedly.

19.15. The General Council took note of Ambassador Waldmann's statement and of the other statement made and adopted the reports in WT/BFA/194, 195 and 196.

20 WTO PENSION PLAN

20.1 Annual Report and Financial Statements for the Year Ending 31 December 2020 (WT/L/1111)

20.2 Report of the Independent External Auditor on the Audit of the Financial Statements of the World Trade Organization Pension Plan (WTOPP) for the Year Ended 31 December 2020 (WT/L/1113 AND WT/L/1113/CORR.1)

20.1. The Chair drew attention to the Annual Report of the Management Board for 2020 contained in document WT/L/1111, which was submitted to the General Council in accordance with Article 5(d) of the Regulations of the WTO Pension Plan. He also draw attention to the Report of the Independent External Auditor on the Audit of the Financial Statements of the WTOPP in document WT/L/1113 and WT/L/1113/Corr.1.

20.2. Mr. Jean-Marc Van Dril (Switzerland), Chair of the Management Board, provided the following statement:

20.3. I am pleased to present to the General Council the 2020 Report of the External Auditor and the 2020 Annual Report of the WTO Pension Plan, which can be found under the document numbers WT/L/1113 and WT/L/1111. These reports, covering the period from 1st January to 31 December 2020, have been prepared in accordance with Article 5 of the Regulations of the Plan for presentation to the General Council and to the Pension Plan participants.

20.4. On the Report of the external auditor: while accepting the 2020 financial statements with an unqualified opinion, the new External Auditors issued a recommendation to adopt an external accounting standard for the preparation of the Pension Plan accounts starting from 2021. This will be looked into by the Management Board in the next months.

20.5. Turning to the 2020 Annual report, the spread of Covid-19 has created sharp movements in financial markets in the first quarter of the year. Nonetheless, the Pension Plan's investment strategy delivered a nominal rate of return of 4.2% at end-2020, which is above the 3.5% target rate of return used in the actuarial assumptions. Over the last five years, the Plan's portfolio generated an average annual nominal return of +5.4%. Let me here underline that variations in returns are normal, with years above and years below the target. Despite the good performances in 2020, the uncertainty introduced by the COVID-19 pandemic means the prospects for investors are likely to remain challenging in the near future. In any case, following a few years of above average returns, it will be normal to expect that markets might correct and that the Plan experiences some below average returns in the future. However, the WTO Pension Plan is a long-term investor. Its strategy is designed to make use of the opportunities provided by market downturns, by purchasing at attractive prices assets that hold the potential for more sustained, even if modest, returns.

20.6. Regarding the actuarial matters, the process of completing the full actuarial valuation based on end-2019 data has been interrupted in late summer 2020. The reason for this was the sudden decision by the actuarial company (Mercer) to make the Plan's leading Consulting Actuary redundant. Consequently, the Management Board launched in late 2020 a competitive procurement exercise for a new Consulting Actuary. The recruitment process has been completed in the first half of 2021. The actuarial valuation is now under way and will be presented by the end of the year, based on new actuarial assumptions that adequately reflect current anticipations about the future of the Plan. As mentioned earlier, near term economic conditions are expected to be challenging, a situation that can result in sustained below-average returns. Combined with unprecedentedly low (and even negative) interest rates and shifting staff demographics, we anticipate identifying an actuarial imbalance. The Management Board will be closely monitoring these trends and - when necessary - will be making recommendations to address such an imbalance.

20.7. In 2020, the Management Board made important investment decisions that included: (i) revising the Plan's strategic asset allocation to include 50% equities, 30% fixed-income and 20% real estate investments; (ii) changing three investment vehicles; (iii) and introducing an additional rule for rebalancing. These decisions were followed by revising the Plan's Investment Guidelines accordingly. During the summer of 2020, a full renewal of Board membership was completed for a new three-years term ending in July 2023. Let me underline that the Management Board remains committed to full engagement in ensuring the continued good governance of the WTO Pension Plan and its long-term sustainability. I would like to conclude by acknowledging the excellent work of the Plan's Secretary and its team, ensuring the daily operations of the plans and providing the necessary support for the Board to perform its duties.

20.8. The General Council took note of the Annual Report in document WT/L/1111, and of the Report in document WT/L/1113 and Corrigendum 1.

21 CHAIRMANSHIP OF THE COMMITTEE ON GOVERNMENT PROCUREMENT – AUSTRALIA; CANADA; THE EUROPEAN UNION; JAPAN; NEW ZEALAND; THE SEPARATE CUSTOMS TERRITORY OF TAIWAN, PENGHU, KINMEN AND MATSU; UNITED KINGDOM; AND THE UNITED STATES

21.1. The Chair noted that the item had been added at the request of the delegation of Japan on behalf of a number of Members as indicated in the agenda.

21.2. The representative of the United Kingdom provided the following statement:

21.3. As the representative of the United Kingdom, I am delivering this statement on behalf of the following Members: Australia, Canada, the European Union, Iceland, Japan, Montenegro, New Zealand, the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu (Chinese Taipei), the United Kingdom, and the United States. The GPA Committee started the selection process for the next Chair in January this year. As Members will recall, the GPA Committee is currently composed of twenty-one Parties. The Chair of the GPA Committee is to be selected only by these Parties. That Chair has a duty to act in an entirely impartial manner. Accession candidates or Observers are not entitled to participate in any decision-making process of the Committee. Under that selection process, two candidates were nominated by GPA Parties, one from the Chinese Taipei and the other from the European Union. We recall that Chinese Taipei, like all other WTO Members, retains all benefits and obligations associated with WTO Membership, including the right to chair WTO Committees. During the consultative meetings held by the outgoing GPA Chair and GPA Parties, a significant majority of the Parties expressed a preference for the candidate from Chinese Taipei. We, as GPA Parties, take this opportunity to underline our full confidence in that process, which we believe was run with integrity. Therefore, with respect to the long-established convention across this organization, on 25 May, the European Union withdrew the candidate from Poland from the Chair selection process. This left Chinese Taipei's candidate as the only remaining candidate. In an effort to appoint the candidate from Chinese Taipei as the Committee's next Chair, GPA Parties met for an informal consultative meeting on 28 May, a formal meeting on 2 June, and then most recently, an ad hoc formal meeting on 16 July. The outgoing Chair departed from Geneva on 21 July. Despite the fact that there was only one candidate for the position, Hong Kong, China intervened, on each occasion, to block consensus on appointing the next Chair of the GPA Committee. Furthermore, as reflected in the Minutes of the GPA Committee's formal meeting on 2 June - where Hong Kong, China continued to block consensus - China, a GPA observer, made an intervention on the agenda item of chair selection, stating that "China hopes that the chair selected by the GPA Parties would play a

positive role in China's accession to the GPA," and that the chair selected by the Parties would "not cause unnecessarily negative impact on China's accession to the GPA."

21.4. We, in our capacities as both WTO Members and GPA Parties, would again recall the long-established tradition of Chairs across this House acting with full impartiality. Against that context, and, given the statements made in Committee – combined with the nature and sequence of these events, and concerns about China's approach to Chinese Taipei chairing WTO bodies – a number of GPA Parties are deeply concerned that the GPA Committee's functioning is being undermined. We would like to again reiterate that a non-Party, including GPA accession candidates and GPA observers, is not entitled to participate in the GPA Committee's decision-making process. In order to avoid further disruption to the Committee's work and schedule we, as existing GPA Parties, believe that all GPA Parties should come together to ensure a smooth transition of the chairmanship. We urge Hong Kong, China – a WTO Member, and GPA Party that we consider has long played a central and constructive role in the GPA Committee, including as one of the first ever Committee Chairs – to reconsider its position. We urge Hong Kong, China to join consensus to appoint the only remaining candidate as the next Chair of the GPA Committee.

21.5. The representative of Switzerland provided the following statement:

21.6. Switzerland is disappointed that a party to the Agreement on Government Procurement cannot join the consensus on the successful candidate for the position of Chair of the GPA Committee. The selection process was conducted in a proper manner and the current situation sets an unfortunate precedent in the functioning of the Committee. Switzerland has taken good note of the concerns expressed by one party to the GPA. However, we would like to stress our full confidence in the ability of the selected candidate to perform this function with diligence and impartiality. Furthermore, moving the accession processes forward is first and foremost a matter of commitment by the acceding Members and the parties to the Agreement. We note that, as with other WTO Committees, the Chairmanship is renewed annually. The parties to the GPA therefore have the possibility, after one year, not to renew the Chair's mandate if she does not fulfil her responsibilities in a satisfactory manner. Switzerland would therefore like to invite the party to the GPA opposing the consensus to take this into consideration and to reassess the situation. We hope that a consensus can be reached as soon as possible in order to ensure the proper functioning of this Committee.

21.7. The representative of China provided the following statement:

21.8. I am a little surprised that the GPA Chair selection issue has been raised separately on the agenda. We see the problems in the recent years' WTO Chair selection processes and are open to discuss, but before new rules are reached, it is important for us to follow the existing guidelines and practices. We had difficult situations before, such as the Chair selection of the Negotiating Group of Rules a couple of years ago and the Working Party on GATS Rules in 2020. With the relevant practices and guidelines, and Members' flexibility, they were all well addressed. Among them, Members' goodwill, flexibility and respect of other WTO Members' sensitivities are the most important.

21.9. Regarding the specific issue of the GPA Chair selection, I would like to take this opportunity to underscore the following points. First, as a plurilateral agreement under the WTO framework, the GPA Chair is selected only by GPA Parties. China, as an observer to the GPA, fully respects the GPA Chair selection process and outcome and has no intention to interfere. Second, any Member, including China, has the right to express its concern and sensitivities. Among those practices and guidelines regarding the Chair selection of WTO bodies, one guiding principle is to respect Members' sensitivities. Though the GPA Committee is a plurilateral agreement committee, it is still under the WTO framework. If any decision made in the GPA will have spill overs on non-parties' sensitivities, the GPA Parties should also follow the above-mentioned guidelines and give attention and respect on such sensitivities of non-Parties.

21.10. We regret that the GPA Committee has not been able to select a new Chair. We noted that in order to solve the GPA Chair selection impasse, one GPA party has already submitted two specific proposals trying to find a solution and other parties have also actively coordinated among Parties to seek a way out. We appreciate the great efforts made by those Parties. As China is at a critical stage of joining the GPA, we hope that all GPA parties could demonstrate flexibility, seek a solution in a pragmatic manner and solve the Chair selection impasse as soon as possible through consensus,

with the aim of ensuring the proper functioning of the GPA and promoting the accession of other Members, including China, to the GPA.

21.11. The representative of Israel provided the following statement:

21.12. First, I would like to express our appreciation to the Chair of the GPA Committee for facilitating the selection process of the next Chair and for his extensive efforts to help find a qualified person to succeed him. Israel regrets that the Committee was not able to reach a consensus on the next GPA Chair, although it had conducted a complete consultative process which was supported by almost all Members. Israel attaches great importance to the GPA and believes it is imperative for all GPA Parties to select a Chair as soon as possible by consensus.

21.13. The representative of Hong Kong, China provided the following statement:

21.14. I would thank the United Kingdom and other proponents of this agenda item for sharing with us their observations and views relating to the matter of chairmanship of the Committee on Government Procurement. Early this year, when we learned that there is a need to select a new CGP Chair because the then incumbent Chair was leaving Geneva this summer, I personally met with the two candidates to discuss their candidacies. After thorough internal deliberations, Hong Kong, China informed the Committee Chair during the first round of consultations that we would only support the EU candidate as the next Chair and would object to the Chinese Taipei candidate. Although the EU candidate subsequently withdrew from the race, we informed the Chair before the informal consultative meeting held in late May that we were unable to join any consensus to designate the Chinese Taipei candidate as the next Committee Chair. We have explained to all GPA Parties at a formal CGP meeting in June that Hong Kong, China's position was formulated with the WTO's broader interests in mind.

21.15. Let me explain. The Agreement on Government Procurement (GPA) is a plurilateral agreement. Hong Kong, China, as a GPA Party, has all along been actively engaged in the businesses of the CGP and always has the best interests of the GPA at heart. Hong Kong, China does not support designating the Chinese Taipei candidate as the next Committee Chair because we believe this proposal will not be conducive to advancing the various work programmes of the CGP and the accession of new GPA Parties. GPA Parties may recall that this is not the first time Hong Kong, China does not follow the herd. A few years ago, when a Member had to seek a separate membership in the GPA as it was leaving a regional trade group, Hong Kong, China was the first to lend our strong support to that Member, notwithstanding the different views held by some other GPA parties. Back then as in the present case, Hong Kong, China's position is formulated based on our strong belief that smooth and early accession of interested economies, big or small, is in line with the interests of all existing and potential GPA Parties.

21.16. There is also a broader consideration – we note there has been a much better working environment in the WTO since the appointment of the new Director-General early this year, and Members have been working earnestly on various fronts since then to pursue progress and deliverables by MC12. We strongly believe that we should strive to avoid introducing further divisions and unnecessary conflicts among Members at this critical time, which would inevitably distract us from our on-going efforts in the WTO. In the spirit of constructive engagement, Hong Kong, China has suggested to other GPA Parties earlier this month that we should try to identify another candidate on whom a consensus can be forged as the next Committee Chair, and invite the Deputy Director-General or the Division Director responsible for government procurement matters to stand in as an interim arrangement until the next Committee Chair is designated. Unfortunately, both suggestions were rejected by other GPA Parties without much discussion. Hong Kong, China all along upholds WTO's long-established and important principle of making decisions by consensus. Although Hong Kong, China may be holding a minority view in this matter, we believe it is WTO's core value that even minority view should be respected. We will not accept other GPA Parties imposing their preferences on us, doing so would mean yielding to the notion that a small economy's view is unimportant and that it should just step aside when its views are at odds with those of bigger players. Hong Kong, China stands ready to work with other GPA Parties in the coming months to select the next Committee Chair in accordance with WTO's long-established tradition of making decisions by consensus.

21.17. The representative of the United States provided the following statement:

21.18. I do not necessarily believe that we, as Members, need to take non-Members' interest into account in this type of decision. I do want to push back on that. I also want to point out with deep sadness the comments that were made by Hong Kong, China, basing their decision with the WTO's broader interest in mind. It is unclear to us whether or not we have any common interest. That is extremely disappointing. I don't know what those broader interests are, but this definitely speaks volumes about where we are as a membership.

21.19. The representative of Japan provided the following statement:

21.20. Japan, one of the GPA Parties, echoes the statements made by the United Kingdom and reiterates the content of the statement. GPA Parties have important issues to discuss in the Committee on Government Procurement, which include Members' accessions. The Committee's function must not be disrupted. Japan would like to urge Hong Kong, China, to reconsider its position and join the consensus as soon as possible.

21.21. The representative of Chinese Taipei provided the following statement:

21.22. My delegation thanks those Members having taken floor on this agenda item and thanks China and Hong Kong, China for their statements. Frankly, on the sensitivity issue raised by China and on the issue of being not conducive to the work programs raised by Hong Kong, China, we have difficulty of understanding the meaning of these. If it is about the impartiality of the candidate, we must emphasize that no matter which Party takes the chairmanship, he or she needs to be neutral and impartial. China and Hong Kong, China can be assured of this from our delegation. As our candidate has indicated in her presentation to the Parties, if elected as the Committee's Chair, she will perform her duties in a fair, impartial and transparent manner. We sincerely hope that Hong Kong, China can reconsider its position and join the consensus on the election of new chairperson for the Committee.

21.23. The General Council took note of the statements.

22 APPOINTMENT OF OFFICERS TO THE SUBSIDIARY BODIES OF THE COUNCIL FOR TRADE IN GOODS – REPORT BY THE CHAIR OF THE COUNCIL FOR TRADE IN GOODS¹⁹

22.1. The Chairman recalled that the statement²⁰ he had delivered in the Informal meeting of the General Council would be part of the records under the current item with the difference that it was not going to be the CTS and the CTG Chairs that would be facilitating the consultations, but it would be he, as Chair of the General Council, who would undertake the process. A communication would come out in early September in that regard.

22.2. Ambassador Lundeg Purevsuren (Mongolia), Chairman of the Goods Council, provided the following statement:

22.3. I thank Members for their efforts on what has been an impasse for several months. I have asked my predecessor, Ambassador Mikael Anzén (Sweden), to conclude the process. He spent several months negotiating and consulting yet it was not possible. I thank the Chairman again for your leadership and for solving this problem. I hope that with your initiative now concerning the guidelines, we are going to be in a better position to move our work forward in this organization.

22.4. The Chair said that, on the basis of his statement and related understanding that he had just mentioned, he proposed that the General Council took note of the consensus on the proposed slate of names for the appointment of officers to the subsidiary bodies of the Goods Council, as attached to the convening notice sent to all delegations on 27 July with the understanding that he, as Chair of the General Council, would undertake consultations on the overall exercise on the appointment of officers to avoid a repeat of such a situation in the future.

¹⁹ Before taking up this item, an Informal GC meeting was convened on 28 July to discuss the appointment of officers for subsidiary bodies of the Council for Trade in Goods. The Chairs statement, the report of the CTG Chair and statements of Members who requested that those be reflected in the minutes of this meeting can be found in Annex 4.

²⁰ The Chair's statement at the 28 July Informal GC meeting is incorporated in the minutes of this meeting and can be found in Annex 4.

22.5. The representative of India provided the following statement²¹:

22.6. First of all, we thank the efforts of all the parties – the Chairs of various bodies and the Members – to finalize the appointment of the officers for the WTO subsidiary bodies. India was fully engaged every step of the way in this process with a constructive approach. We acknowledge the opportunity we received to engage and consult with all concerned during this process. However, the disagreement over the slate of Chairs is not of our making, but is a product of the non-inclusive and non-transparent process that was followed this year.

22.7. In this regard, it is with great disappointment that we wish to bring the following issues regarding the selection process for the benefit of Members:

22.8. Our experience this year revealed that the selection process is non-transparent and opaque. Often the process is left to the respective regional coordinators to decide, whom we can understand may have to follow their own approach, in the absence of a harmonized practice or a basic framework.

22.9. Both during the selection of Chairpersons to the main and subsidiary WTO bodies, our experience was that the role of the Regional Coordinators was non-transparent and non-inclusive, throughout the process. Often our position on the matter was not relayed to the concerned interlocuters, creating further confusion and contradictions.

22.10. It is also a normal practice for the Regional Coordinators to inform Members at every step of the process. We are deeply disappointed to note that this has not been followed diligently during the process.

22.11. The slate of names should be drawn up taking into account the principle of balance, rotation and fairness – not just between the Groups but also among the Members of the Group. It is not adequate for the coordinator to satisfy himself or the Group that certain number of slots have been secured for the year, but rather see how many of the contested slots between the Groups were secured through negotiations, following the system of rotation and the balance needed.

22.12. We notice that the conventional practice of rotation of Chairs to WTO bodies is not being followed diligently and our analysis reveals that a transparent system of rotation among the four groups has been lacking. It is also a matter of concern that Chair shopping, future trading and short-selling, among others, take place, as a matter of routine in selection of Chairs in this organization. This is not a happy situation.

22.13. Our concern is also on the rotation sequencing system. While the system of rotation implies that the Chairmanship rotates sequentially among the four groups, we do not understand the basis why the rotation has been designed to be sequencing between the three developing country groups vis-à-vis one developed country group alternately. With this practice, the developed countries get the opportunity to Chair a WTO Body every alternate year, whereas other regional groups will have to wait for six years for their turn. By no measure such a practice is fair and balanced or it is one more form of "reverse special and differential treatment" taken up by developed Members.

22.14. Finally, we believe that time has come for us to reflect on the practices and the process of selection of Chairs, so that the process becomes transparent. In this regard, India notes the directive by the General Council Chair to both the CTG and CTS Chairs during the Informal GC on 22 July, to work on the selection process, so that the situation we find ourselves today is not repeated in the future. However, Chair, we believe that what is required is a complete overhaul of the selection process for both selection of main and subsidiary bodies. That can be realized only with a rigorous exercise under your oversight that will result in a revised and detailed guideline that will replace the current document WT/L/510. Only then, we can hope to ensure timely and smooth selection process each year.

22.15. Chair, we have noted your assurance to take the complete overhaul of the process under the General Council Chair's oversight and the outcome of which should replace the current document

²¹ At its request, the statement of the delegation of India at the 27 July Informal GC meeting is incorporated in the minutes of this meeting and can be found in Annex 4.

WT/L/510. We would also like to thank all coordinators and Members who had offered the Chairmanship of the TBT Committee for India in 2022. However, we politely decline this offer as we are against this practice of side deals and forward trading without involving all stakeholders.

22.16. The Chair once again proposed that the General Council took note of the consensus on the proposed slate of names for the appointment of officers to the subsidiary bodies of the Goods Council, as attached to the convening notice sent to all delegations on 27 July with the understanding that he, as Chair of the General Council, would undertake consultations on the overall exercise on the appointment of officers to avoid a repeat of such a situation in the future.

22.17. The General Council so agreed.

22.18. The representative of Mongolia provided the following statement:

22.19. As a Group Coordinator I must say a few words in my own responsibility. First, I express my appreciation for you, Chair, and for your efforts to manage the situation with the appointment of officers of CTG subsidiary bodies. As a Group Coordinator, for the last three years, I will have to reiterate my concerns and draw attention Members' attention on the repeated cases and uncertainty in connection with the appointment of the officer of regular and subsidiary bodies. Particularly, if the reference to the interventions is made by some Members and some Chairs about a gentleman's agreement to reserve the TBT Committee Chairmanship for someone in 2021, I would like to underline that, as a Group Coordinator, I did not take part in that gentleman's agreement and was not informed about it. In this regard, I would like to call other coordinators for their comments on it. This year, the candidate of the AGDC, India, has not withdrawn its candidature for the TBT Chairmanship. However, the issue was not addressed for unknown reasons. There were clear miscommunications therefore the situation that we are witnessing today as well as during the last years is showing the need to review the guidelines for appointment of officers to WTO bodies in document WT/L/510 adopted in 2002. I would like to express my strong support to the Chairman's initiative on this and look forward to constructively participate in this process.

22.20. The representative of the Russian Federation provided the following statement:

22.21. I would like to stress that, while Russia joined consensus regarding the slate of names for CTG bodies, we are seriously disappointed both with the process this year and the result. We witness that this housekeeping procedure is getting worse and worse every year. In fact there is a very important principle in the existing rules of procedure for appointment of Chairs which is the capacity and availability of a Chairperson to undertake special responsibility required of the post in the WTO system. It is unfortunate that many Members forget about this primary principle speaking about geographical rotation between developing and developed countries and other issues of such kind. I think that in improving the procedure, we should keep this principle as a primary one and it is already in the existing rules. My delegation would like to strongly support your proposal to launch consultations on enhancing current approaches for appointment of officers to WTO bodies. We think that this will keep our organization relevant or make it relevant. It is my understanding that this consultation will not be limited to regional coordinators, but all interested Members would have an opportunity to participate in this process.

22.22. The Chair clarified that the communication that he would send, as Chair of the General Council, would invite all interested delegations to share one's point of view and participate in the consultations.

22.23. The representative of the United States provided the following statement:

22.24. Thank you Chair for convening a series of conversations that brought us to the resolution today. We have long expressed frustration with the existing process for Chair selection and we welcome the engagement of other Members to review and revise this process. We welcome your suggestion for consultations and can assure you of the support of the United States in going forward in our engagement.

22.25. The representative of the Kingdom of Saudi Arabia provided the following statement:

22.26. Chair, we are lucky to have you with your long experience in this process so we are happy to see that your wisdom led us to reach consensus finally in the slate of names. We also welcome your initiative to start the consultations in this regard. This is a longstanding issue time and we would like to say a few words to Members in this regard. We can set rules and improve guidance from time to time and revisit them but honestly there is also a principle of this house that we have to respect. Rotation is already there so we call on Members to avoid circumventing it when we try to implement our guidance principles. We are sure that the consultations will lead us to satisfactory solutions and outcomes on this housekeeping issue.

22.27. The representative of Mexico provided the following statement:

22.28. Mexico has never orchestrated a smear campaign against a WTO Member, and in this particular case against India. What we have pointed out in the Council for Trade in Goods are facts, which I will not mention, but for the reference of the membership I request that my statement include the symbol of the minutes of the last meeting.²²

22.29. The representative of Chile provided the following statement:

22.30. We would like to thank for your efforts to find a solution on this matter. We however regret the time that this process has taken, and the pressure put on the membership during the debate. It is not appropriate in this organization, especially as it does not help build the necessary confidence in the preparations for the Ministerial Conference at the end of the year.

22.31. The General Council took note of the statements²³.

23 OTHER BUSINESS

23.1. The Chairman recalled that the General Council Procedures for Members and Observers subject to Administrative Measures in WT/BFA/132 required that, at the end of each meeting of the General Council, the Chair of the Committee on Budget, Finance and Administration would provide information with regard to which Members and Observers were under Administrative Measures.

23.2. Ambassador Bettina Waldmann (Germany), Chair of the CBFA, provided the following statement:

23.3. The Administrative Measures applicable to Members and Observers with arrears in contribution have been in place since 1st March 2013. In accordance with the decision of the General Council, I shall state all Members and Observers under all categories of administrative measures. As at 28 July 2021, there were 18 Members and 9 Observers under Administrative Measures.

23.4. The following 7 Members are currently in Category I: Belize, Djibouti, Gabon, Mauritania, Papua New Guinea, Suriname and Yemen.

23.5. The following 2 Members are in Category II: Cuba and Guinea.

23.6. The following 9 Members are in Category III: Antigua and Barbuda, Burundi*, Central African Republic*, Chad*, Congo, Democratic Republic of the Congo, Guinea-Bissau*, Senegal, Venezuela [*Members not compliant with payment plan terms].

²² At its 31 March and 1 April meeting, the Council for Trade in Goods took up the agenda item on the "Appointment of Officers to the Subsidiary Bodies of the Council for Trade in Goods". The minutes of this meeting can be found in G/C/M/139. This agenda item was suspended. At its 8-9 July meeting, the Council for Trade in Goods took up the agenda item on the "Appointment of Officers to the Subsidiary Bodies of the Council for Trade in Goods: Information from the Chair". The minutes of this meeting can be found in G/C/M/140 (to be issued). The 31 March and 1 April formal meeting was then reconvened on 26 July to take up the suspended item. The minutes of this meeting can be found in G/C/M/140/Add.1 (to be issued). An informal meeting of the Council for Trade in Goods also took place on 26 July.

²³ The delegation of Thailand subsequently requested that its written statement under Agenda Item 22, "Appointment of Officers to the Subsidiary Bodies of the Council for Trade in Goods – Report by the Chair of the Council for Trade in Goods" be incorporated in the minutes of this meeting. The statement can be found in Annex 4 of this document.

23.7. The following 5 Observers are in Category I: Comoros, Iran, Iraq, Lebanese Republic and Sudan. There is only one Observer in Category II: Syria. The following 3 Observers are in Category III: Libya, Sao Tomé and Príncipe and Somalia.

23.8. The Chair requested, as required by the General Council Procedures, Members and Observers in Categories II and III of the Measures to inform the Secretariat as to when their payment of arrears may be expected.

23.9. The General Council took note of the statements.

ANNEX 1

**STATEMENT BY THE DIRECTOR-GENERAL, THE CHAIR OF THE GENERAL COUNCIL AND
THE CHAIRS OF THE NEGOTIATING GROUPS AT THE INFORMAL TNC AND INFORMAL
HODS MEETINGS HELD ON 23 JULY 2021**

STATEMENT BY THE DIRECTOR-GENERAL DR. NGOZI OKONJO-IWEALA

I ask for your indulgence because I will speak at length today as there is a lot of ground to cover.

You have all said that July would be the key moment to determine how we proceed in the final months before MC12. July is almost over.

You just heard from the Negotiating Group Chairs that gaps remain in all areas – some wider than others. In fact, if you listen to the reports it looks like there are great difficulties.

Today, we face a choice to either continue to bring everything to the table or to look for ways to see what we can realistically achieve.

Pragmatism does not mean agreements for the sake of agreements or forgetting about issues that are less ripe for convergence. On the contrary. Our goal remains to deliver meaningful, quality outcomes that would positively impact people's lives and livelihoods around the world. Pragmatism also means responding to the work of the Chairs and trying to be as constructive as possible. And pragmatism means working within the realm of what is possible to achieve our goals.

If something cannot realistically be accomplished by MC12, let's not give up on it. Let's find ways to keep these issues going and alive post-MC12. I love what the GC Chair wisely said that if we cannot finish it, let's find a way through a political statement, a framework or a work programme to move these things forward.

Conclusions about what is within reach depend heavily on what you will say today. This is why I requested you to come prepared to engage in a pragmatic and focused discussion. Again, I know that many of you may have difficulties. I am not expecting easy answers. But what I do expect is for us to look forward and not backwards.

At the same time, you – the Members – have entrusted me, as Director-General and TNC Chair, with the responsibility of being as honest a broker as I can, and facilitator with emphasis on delivering results. This is the mandate I received from you. It is a mandate I take very seriously. Today is no exception.

Let me therefore briefly touch upon some possible issues and deliverables for MC12 and beyond based on what I have been hearing from you and the Chairs. Again, this is not exhaustive, but we would not have time to go through everything.

On fisheries subsidies, you were all present last week. You have heard Santiago's report and the next steps he has outlined, which I fully support. Some of you have since then come forward to say you have difficulties with lots of gaps in the text. We hear you. But what Santiago clearly said today is that there will be two stages of the work. In the first stage in September, we will all work to improve the text to make it the basis of which you can go on to line-by-line negotiations. In the second part, in October, you will start with the line-by-line negotiations. So, I hope this will meet all the concerns of all those who feel that they have not been heard – that they want to do more work

on the texts. So, this work is going to happen. As Santiago said, the gaps remain but we need to find a balance that all of you are calling for. And we cannot find it unless all sides are prepared to give something. All delegations have to contribute something. So, the time to read statements is over. We are now called to move forward with the END in mind – Engage, Negotiate and Deliver. Flexibility and constructive engagement remain critical. Everyone has said they don't want to hear the same statements they have heard before.

I also want to follow up on one issue on which several Ministers and Heads of Delegation emphasized. This is the importance of technical and financial support for developing and least developed countries to build fisheries management expertise to implement the WTO agreement. This is in Article 7 of the draft text. And I want to reiterate that such support should not be seen as a substitute for special and differential treatment.

In this regard, I refer you to a communication I jointly sent with Ambassador Wills on 19 July in document TN/C/21, regarding a concept note on a possible WTO Funding Mechanism geared towards financing technical assistance and capacity building in support of implementing new WTO fisheries subsidies disciplines. We developed this note in conjunction with the FAO and IFAD as a team. In addition, the World Bank is the other partner willing to collaborate and cooperate with us on this. We are not a fisheries management agency, but we have partners who have that capacity. And they are willing to work with us.

As indicated in the communication, this week I started outreach to Members – including group coordinators, some potential beneficiaries, and potential donors – to hear initial comments on the idea. At present the proposed size of the Mechanism is an indicative USD 20 million, with an indicative starting amount of USD 10 million.

On Wednesday, I heard useful preliminary comments from both potential beneficiaries and potential donors, who are of course still consulting Capitals.

While the idea of such a Funding Mechanism was welcomed in principle as a supplement to the disciplines being negotiated, potential beneficiaries raised several questions and concerns.

These included the relationship with S&DT, which I have just touched on which delegations stressed could not be substituted for by the prospective Funding Mechanism. Other issues that arose were the timing of these discussions given the ongoing negotiations on potential disciplines; the sustainability of a mechanism dependent on voluntary contributions; the scope and objectives of the Mechanism; and eligibility criteria – for instance, whether a per-capita income criteria would be employed. Delegations called for taking into account the experience with previous trust funds in the WTO, pointing to the Trade Facilitation Agreement Facility and questions about the governance arrangements of the Standards and Trade Development Facility.

They stressed the need not to overlap with existing mechanisms at the bilateral, regional and multilateral levels.

From prospective donors, I heard positive interest and willingness to engage, and support for starting this conversation early. However, they cautioned that the Mechanism should be only to assist developing countries and LDCs to implement disciplines that they take on. They also stressed it should be based on need.

I explained that the Fund will not indeed substitute in any way special and differential treatment and does not prejudge the negotiations on the document and is starting early due to budget cycles that need to be taken into account and is designed only for those who want to have access to it. I look forward to hearing further views today, but let me state the following:

- a. First, I have heard many developing and LDC Members – including at last week's Ministerial, say they will be unable to implement future disciplines without financial support. That is what informed the development of the concept note with our partners. Capacity support is not intended to be forced on anyone but is meant for those who want to use it. Let me stress that it is neither a carrot nor a stick to get anyone to agree to anything. It is about putting in place the resources some Members say they may need to implement the disciplines they negotiate and strengthen their fisheries management capacity.
- b. Second, we thought that we needed to start early as I said, given budget cycles and constraints in many donor countries. That comes from my finance background. Planning ahead makes it likelier they will be able to contribute. Let's give them as much time as they need.

- c. Third, I want to echo what many of you have said: I said it earlier, we are not a Fisheries Management Organization. Any assistance we offer will be within the ambit of the WTO's own work. However, partnering with the FAO, IFAD and the World Bank is eminently sensible. It would allow these organizations to contribute. It is one of the things that you asked me to do which is to try to work with other international organizations to strengthen our own work.
- d. Fourth, the comments on learning lessons from other Trust Funds and governance structures are well taken. Starting early will help us design a Mechanism that avoids previous pitfalls and takes fully into account both beneficiary and donor perspectives.
- e. Fifth, on the size of the fund – the idea is to start modest. We debated it with the FAO and IFAD and decided to put the amount we have in and then we determine what the demand is. Based on the level of demand, we will know how much further we go with the fund in terms of the size. This will also address the sustainability issue – so that the Mechanism, which will be funded only by Members who are able and willing to do so, does not run dry.

I will continue my outreach to you on this issue in the coming days and weeks.

Moving to agriculture, I have heard many Members – developed, developing and LDCs – say that in their view, a successful MC12 would have to include meaningful outcomes on agriculture. Whether your interest is driven by food security, livelihood security, development, or all of the above, a strong push to deliver at MC12 is evident. But what is also evident – and reflected in Ambassador Peralta's report today – is that you remain far apart on every area under consideration. But I do not give up.

I believe we can make progress, but it will require changes in how you engage with each other. It will require realism on what we can put together.

- We must go beyond coordinating with like-minded Members and reach out to those with opposing positions, to find mutually agreeable solutions.
- We should be clear about the issues Members are trying to address and be open to discussing different ways of resolving them.
- And finally, we must be systematic and solution-oriented, taking one step at a time.

I reiterate Gloria's call for all delegations to constructively participate in the discussions she is organizing between now and the summer break. These talks are about people's lives, livelihoods, and health – that is why you take them so seriously. If you were listening to Gloria's report, you know that she is working hard to develop a plan for MC12 and beyond. So please, let's help her and work with her.

Turning now to special and differential treatment, Ambassador Hassan's report made it clear that, despite divergent views, S&DT remains a vital issue for Members to address. I do not think we can shy away from this issue by not responding. I want us to persevere, and I thank Kadra for her diligence and her own perseverance in trying to move this area forward.

From my conversations with many of you – and what we just heard from Kadra – describing S&DT as a tough issue is an understatement of the century. In my view, in order to take meaningful steps forward, we need to look back at the fundamentals.

Why do we have S&DT?

One thing is clear – S&DT remains an integral part of the WTO Framework. In the view of many, it is an essential tool to help Members fulfil their obligations and implement their commitments. Viewed through this prism, reaching meaningful outcomes on S&DT is in the interest of all Members, and we need to find space to converge on some of the elements in this area, if not all. Several proposals from the G90 are on the table. If we could take a step forward, even on one or two; three or four of these proposals by MC12 – taking into account, for example, the needs of the most vulnerable – this might pave the way for greater traction.

Easier said than done, I know – but as the Chinese say, "even a journey of a thousand miles begins with a single step".

I really encourage all Members to engage with Kadra, and more importantly, with each other, to advance discussions. I stand ready to assist as needed. And this is a particular plea on S&DT – we have to find ways to deal with this area.

We have also heard the report of Zhanar on Services. Given the growing prominence of services trade in the modern economy, I think this work has gone on for too long. So, it is time for us to come to grips with this and see how we can take concrete steps forward. This morning I met with a group of trade experts, Professors from some universities around us and beyond to talk about what is the future of trade. I was there with DDG Gonzalez. What they pointed out is that services is it. If we do not come to grips with what we need to do with services, we will be behind. So, I really want to urge Members to get to grips with this.

Finally, Members continue discussions in other Negotiating Groups as well, which will evolve depending on Members' willingness to engage.

In all areas of the negotiations, Members will have to give something to get something. If Members are serious about delivering meaningful results, you know that a tough road awaits.

The question is, do you want to walk that tough road or not? What I have been hearing so far is "yes but". You see obstacles, stones and potholes along the way. But we can fix this road together. So, let us try to bear in mind our common destination – making the WTO deliver meaningful outcomes for all people. Let us not constantly refer to what does not work. We can talk about it but let's also suggest how we can make it work.

Turning now to the WTO's response to the pandemic. This is a priority for all Members. I commend the efforts of the General Council Chair, Ambassador Castillo, to bring together the different strands of work into one process and for appointing Ambassador Walker to facilitate it.

I thank Ambassador Walker for his update at yesterday's Informal GC, and I look forward to his formal report at next week's General Council. I hope all Members will constructively participate in this process with a sense of urgency. And I thank you for what you have done so far to participate.

As the world seeks to scale up COVID-19 vaccine production and rollout to end the pandemic, the WTO is squarely in the middle of the debate. This is appropriate given the importance of trade and international supply chains to producing the vaccines the world needs. But it also raises expectations for us to effectively respond to this and future pandemics.

I remain optimistic that the WTO can come up with a strong response on aspects relating to trade policy. Many of you individual Members have made suggestions on this. And of course, some groups like the Ottawa Group have contributed. In this regard, let me recall the three angles that we looked at during the TNC/HoDs in June: supply chain issues; working with manufacturers to increase production and investment, particularly in developing countries; emerging markets and developing countries; and issues related to the transfer of intellectual property and technology and knowhow.

First, keeping supply chains open and efficient is critical for vaccine production. The WTO has a well-established role here with regard to trade facilitation and trade restrictions. Manufacturers and other participants at the vaccine equity event we co-hosted with the WHO on Wednesday, which has received a lot of positive feedback, made clear they were looking to WTO Members for action on export restrictions and regulatory issues.

I will come back to this event in more detail. For now, I will say that Secretariat monitoring and analysis suggest that about 37 of the 50 COVID-19-related export restrictions we have on file could potentially affect vaccine inputs or supplies needed to administer vaccines.

Looking ahead, we need to think of what we can do on these supply chain issues in the case of future pandemics, so that we do not have to start from scratch. With regard to recent trade facilitating and trade restricting measures, we will discuss my latest Trade Monitoring Report in document WT/TPR/OV/W/15 at the Informal TPRB Meeting on Monitoring next week, on 29 July.

Second, also related to supply chains, there is a role for the WTO to work with all stakeholders to identify, at a very granular level, the bottlenecks and supply shortages in international markets for raw materials and vaccine components. This would help manufacturers increase production and investment. And we also heard from the ICC, John Denton and his colleagues, of a supply chain watchtower which they would like to collaborate with us.

Related to this, the WTO on 29 June hosted a technical symposium on supply chain transparency, led by DDGs Angela Ellard and Anabel Gonzalez. The feedback I have received has been uniformly positive. Working with the manufacturing sector to look at supply chain bottlenecks and shortages was viewed positively, as an incentive for manufacturers to invest in present and future capacity. So was the goal of putting together a voluntary mechanism for supply chain monitoring.

The Third and final angle involves the transfer of technology and knowhow, and other issues around intellectual property. I am really hoping that by the end of this month, the negotiations in the TRIPS Council would have made some progress and made enough for us to have a sense of what we might agree upon in this issue. We need to move with a sense of urgency here. I have always said it. People's lives are at stake. The outside world expects us to come up with a practical and forward-looking solution to these issues.

By the General Council meeting next week, Ambassador Walker will hopefully be in a position to provide some clear indications on several of these aspects – and how we might bring them all together. I encourage Members to actively engage and work together on shaping the WTO's response to this and future health crises.

Let me come back to Wednesday's vaccine equity conference. It was organized as a follow-up event to the first one in April, to look at what has changed – and what needs to improve – on vaccine production, investment, and access. In addition to WHO DG Dr. Tedros and WIPO DG Daren Tang, it brought together manufacturers as well as policymakers, public health activists, governments, philanthropists, and development finance institutions. It was done under Chatham House Rules so that the CEOs would speak clearly and frankly. And I think this happened. To make the event inclusive, we invited the group coordinators of all the formal groups within the institution. CEOs from leading pharmaceutical companies participated, underscoring the importance being given to the WTO's responsibilities in this space. In fact, I heard even some of the CEOs themselves said that they had not gathered together in this kind of event and this was a first for many of them.

We heard that vaccine production has increased significantly, thanks both to efficiency gains within existing production facilities in developed countries and investment in new ones, including in developing countries. Total production could increase from 3.8 billion doses as of mid-July to 11 billion doses by the end of the year. But concentration remains – according to the data provided by Airfinity, 75% of those doses will have been made in 5 of our Members. Even more significantly, the equity problems persist – and by some measures, are widening. Only 1.5% of people in Africa, and 0.3% of people in low-income countries, are vaccinated, compared to over 42% in developed countries. And as new, more transmissible variants spread, death rates are rising in many developing country regions.

As I noted earlier, participants pointed to trade restrictions and onerous regulations, along with raw material shortages, as important obstacles to increased production.

While there was general agreement on the need to keep markets open and predictable, and on the importance of technology and knowhow transfer, participants' views differed on the TRIPS waiver proposal. The important thing was that the CEOs had a chance to listen to different views on intellectual property and Members had a chance to listen to the views of CEOs and were able to talk to them.

Dr. Tedros and I will continue our collaborative efforts to work with manufacturers and other relevant groups for timely and equitable access to vaccines and medicines across the globe.

These meetings are not the only way we are cooperating with other organizations on the pandemic response. The IMF, World Bank, WHO and WTO have come together and created a Task Force – a "war room" to track, coordinate and advance the delivery of COVID-19 health tools to developing countries, and to mobilize the relevant stakeholders and leaders to remove critical roadblocks. This

is being done in collaboration with ACT-A and COVAX. We have called for \$50 billion in up-front spending to vaccinate at least 40 percent of people in all countries by the end of this year and at least 60 percent by the first half of 2022. IMF research suggests that this could give a \$9 trillion boost to the world economy by 2025 and put us on the path to sustainable recovery.

Separately, Dr. Tedros, WIPO DG Daren Tang, and I have agreed to collaborate on a series of workshops on technology transfer and IP issues. The goal here is to implement a joint platform for tripartite technical assistance for Members relating to their needs for medical technologies.

On the subject of preparing for future pandemics, let me also note that I participated at the G20 Finance Ministers Meeting in Venice this month. Together with my fellow co-chairs of the High-Level Independent Panel on Financing the Global Commons for Pandemic Preparedness and Response, we presented a report calling for a \$15 billion per year increase in international financing for the next five years to plug major gaps in preventing and preparing for global health threats. I am convinced that a WTO trade framework would be a useful complement to these international efforts to put in place financing and governance arrangements so that we are better prepared for future pandemics.

The last topic on my list is dispute settlement. We have heard Ambassador Johnson's report. This is a critical issue, as I said at the informal GC yesterday. Ministers, Ambassadors and stakeholders continue to ask me to help us find a way forward. I want to thank the DSB Chair, Ambassador Chambovey, and Ambassador Castillo, the GC Chair, who have been actively involved in this issue. My thanks also to DDG Ellard who is assisting me. I also refer you to the consultations that the GC Chair has undertaken in this regard this week – as he reported at yesterday's Informal General Council meeting.

In sum, we have a great deal of ground to cover between now and MC12. I urge all delegations to keep your interventions focused on building convergence and on what each of you can contribute to progress in the two, three or four areas by MC12.

I hope you will not reiterate longstanding positions but instead try to identify results that could be delivered in the 3-month working period from 1 September. I want to end by saying that I am not trying to stop anyone from saying what they want to say, but I am just saying maybe we can frame it very constructively.

Let me pick up on one point the GC Chair made – that we should aim for texts in the various areas of work by mid- to late October. I totally agree. We should use this as a marker and plan to allocate time accordingly. You have now heard from the General Council Chair, the Chairs of the Negotiating Groups and myself. As you take the floor, I urge you to focus on ways all Members can converge towards a game plan for the three working months between now and MC12. Please listen to each other and take each other's views into account. Talking past each other is a luxury none of us can afford.

Concluding Remarks

Let me begin by thanking you all once again for the patience you have shown today. It's a really good marker because the agenda at next week's GC is very full and I hope we can also show the same patience to get through that agenda in the two days allocated. But thanks to all of you for going through this today and for your very constructive and forward-looking approach to how to prepare for MC12.

We had a really good atmosphere here today, notwithstanding one or two hiccups. We had a good atmosphere with a willingness to move forward, to work together and certainly a willingness to have a successful MC12. I note the concerns from the LDCs in particular about the logistics of MC12 and the need to make a decision on the matter. I note that concern including on possible vaccine certificates also mentioned by Ambassador Spencer. These are all very important issues, and we hope to have a better idea after the summer break about the direction in which this is headed and be able to see if we can give a better indication that we all want, if at all possible, a presential meeting MC12, even if we have to limit delegation size. But let's see what the Swiss authorities would say on the matter and how we could move forward in this regard.

I believe that one thing that will help us to advance and move forward is looking at each negotiating area on its own merits and avoiding linkages to others that could hold us back. I understand that we all want success in every area. But, if we have areas that are moving along well, we should try to progress them without holding them hostage to other areas.

I believe that we all want success – not failure. I know that at this point, some of you are probably seeing the glass as half empty. I see the glass as half full. We must aim to push forward in a realistic and pragmatic manner that does not take us backwards – as Ambassador Parola said earlier today.

I would like to echo Ambassador Wills that a number of things are within our reach. However, we must choose between sticking to our comfort zones or acting with boldness, pragmatism, and responsibility in order to achieve the success we want. And hearing you today, I am comforted that basically, virtually all of us, want that success.

I really believe in keeping our chins up. I heard Thailand and Canada today say they didn't know whether to be pessimistic, optimistic or in-between. And they chose optimism. I choose the same. When I look at things here it's very easy to become cynical or so mistrustful or pessimistic that you get stuck. And I just want to pledge that we are not going to do that. I want us to keep smiling, to keep working, to keep moving no matter the obstacles and the amount of pessimism thrown our way. Because it is only with a positive and realistic attitude that we will move this organization forward. I am not being pollyannish. It is not pie in the sky. I think we actually ought to try to practice that.

Now, let me touch on some of the themes that I heard today. And please forgive me because we were trying to summarize it as you were speaking. Let me first assure Members who are interested that the Minutes of the TNC Ministerial on Thursday, 15th July are being worked on and will be ready shortly. The statements of all Ministers and Heads of Delegation that participated in the meeting will be attached and circulated to all Members.

On fisheries subsidies, I heard a willingness to move forward. But let me say to all who have problems with the text that I hope you listened to Ambassador Wills and I think many of you did and you reflected it in your statement. You and your Ministers and Heads of Delegation have been heard loud and clear. Santiago said it very clearly today, and I want to repeat it – you have been heard – September's work will focus on the large macro issues and imbalances in the text. This is what he outlined. Following that, work in October will get more detailed, more focused, more line-by-line, trying to get to the finish line. I hope this will provide comfort.

Regarding technical assistance and the Funding Mechanism, I note the discomfort of some delegations. We shall address these discomforts one by one. I want to make it clear that we think we are trying to put it together to assist Members that need it to implement necessary disciplines when these disciplines are agreed and not before. We are very cognizant of the fact that the negotiations still have some way to go, and the Fund is in no way meant to prejudge the outcome. We are just trying to prepare in case it is wanted. All those who do not feel they need it do not have

to apply or use it. It is not meant to substitute for structural issues. Those need to be sorted out as part of the work in September and October. And we have tried to be very modest on the size of the Funding Mechanism for those who asked about the size, because we want to be careful about demand. As we move along, hopefully, we will be able to find ways to have sustainability and certainty of the funds coming in.

I want to thank all those Members who have indicated that it could be possible for them to support such a fund and I want to send thanks to our partners at the FAO, IFAD and the World Bank who are excited to be working with us on this. I want to reiterate that we are not a Fisheries Management Agency, but these organizations have the capacity, and they are willing to help our Members in any way that they may deem necessary.

With respect to the fisheries subsidies negotiations, no one is in a haste to negotiate a non-meaningful outcome. It would be to the discredit of this organization and all its Members if we were seen to produce an outcome that did not have the necessary ambition or disciplines. I will keep repeating that. I myself do not want to be party to an outcome like that. And I know that all our Members do not. So, I want to underscore that point.

But I also believe that we have what it takes as a group to negotiate a quality outcome and to negotiate it in adequate time. As many people have said, it has taken 20 years, our Leaders have asked us to deliver SDG 14.6 and all our Leaders participated. I will reiterate what I said sometime earlier because I was one of the high-level panels that actually worked on the SDGs. We came up with 12 and then there are 17. All our Leaders pledged to these universal goals. So, I think it would be meaningful if we do not drag it out longer. We must respect the views and opinions of all Members and try to take that into account. But I do not believe that dragging it for another year or two will deliver anything more meaningful.

We must also learn how to walk and chew gum. We can do quality and we can do it in adequate time. I hope you continue to work with Ambassador Santiago Wills in a constructive and flexible manner. I just want to highlight the statement made by Ambassador Sørli in this regard. While keeping to his points, and I hope to have his statement, he declared that Norway will be flexible to consider all the views and opinions of all other Members with a view to trying to contribute to having this negotiation completed. Norway was not giving up its position. It was just saying it was willing to look at all the angles. With that in mind, I again urge all delegations to work with the END in mind – Engage, Negotiate and Deliver.

Second, on agriculture, it is clear that we have a long way ahead. If fisheries is tough, agriculture is certainly tougher. The good news is – we all want a package from agriculture. The bad news is the different levels of ambition that we have. But I would like to ask, as I asked for fisheries, that we all work with Ambassador Gloria Abraham Peralta to put a package that is credible together because we have heard time and again that getting to MC12 without a credible package on agriculture would be difficult.

While we have a tough road ahead, I urge you to think of issues linked also to the recovery in this pandemic – issues of food security that are vital to many of our Members and especially the developing ones, issues of domestic support that many delegations have flagged that we should look at and issues such as SSM, Cotton, PSH, WFP exemption and transparency, among many others. If we look at all this and work with Ambassador Peralta, we would be able to come up with a credible package because there seems to be a willingness to do so.

Third, on the WTO's response to the pandemic, clearly, from every side, everyone has said this is an area where we need to have an outcome – not only for now but for the future. As Alexandre said this morning, it would be embarrassing if we did not have a credible outcome in this area. The world, including business, governments, the international community, CSOs, they expect us to deliver. And I know and think we are getting there. The elements are becoming clearer, even though on the issue of IP we have a long road ahead. We need to work harder and come together to try to see if we can get to where Ambassador Pitfield said. Let us try to see how we can come together on all the elements including IP. With all the contributions made, we can find a continuum if we sit down and are willing to negotiate and talk to each other. I hope we can progress on this in the days ahead.

I want to thank all the contributors, individual countries like Chinese Taipei, Brazil, the EU and many other Members. The Ottawa Group has also put a lot of work into this. But I also want to thank Ambassadors Tan and Spencer for the work that they have done – the excellent work they put together which they have handed over to Ambassador Walker. We are all looking forward to this facilitation process, as I said earlier, working with the GC Chair. The essentials are all there. I think they are before us. I am happy many of you found some meaningful outcome or learning from the 21 July meeting that we had – the dialogue with the manufacturers. I believe there are also issues we can pull out from that in order to enable us to arrive at a credible package.

Fourth, on dispute settlement, what I heard is that an outcome is needed which, at a minimum, should be a common understanding on the reforms of the dispute settlement system that we want. We cannot have a very high level of ambition on this, but everyone has said that as a rules-based organization, going to MC12, we need to have a minimum of understanding on what all Members want the dispute settlement system to look like. After that, perhaps we can then consider what type of a work programme or timeline we could put together post MC12. That is the basics that I have heard, and I hope we can get there.

Fifth, on WTO Reform, of which the dispute settlement system is a part of, it is clear that the desire to work on this remains. And the idea of a Working Group that has been suggested is a good one that we should think about. But I believe that Members need to come to a common understanding of what is meant by WTO Reform. I said the same to the Ottawa Group yesterday when they were reviewing it. We should agree on what elements constitute this – even within the core functions of the WTO – monitoring, transparency, negotiations and, of course, dispute settlement because as I have listened to Members there are different interpretations of what WTO reform is all about.

So, I think the first job for the Working Group if we can get that together is to actually try and make sure we have a common basis of what we mean by the Reform. On issues of monitoring and transparency, let me just make one point that is very dear to me. We want to strengthen the monitoring and transparency function. But many Members do not allow the Secretariat to collect information or if they do, they do not allow the Secretariat to publish it. So, I really am puzzled about how we can strengthen transparency and do our monitoring in the absence of this.

It is quite embarrassing when I see Heads of other organizations using or referring to trade statistics which we are not allowed to publish or collect. The IMF, the World Bank, even private places like St. Gallen are quoting statistics which this organization is supposed to be an authority on. But our staff are not allowed to put that together and they are not allowed to publish them. So, if we want to do WTO Reform, I really do want people to reflect on this transparency and monitoring function. Transparency is a word we throw around a lot among the Membership. But I think it means different things to different people. We need a common definition on what we mean by transparency if we really want to reform.

So, let me reiterate, that on WTO Reform, I believe that the first task is to figure out and make sure that we are all sharing the definitions of reform.

Sixth, on S&DT, this is a central tenet of the WTO. Let us not stonewall the issue but work together to try and make a go at it. I know this issue is difficult all around, but we cannot get away with it. We need to engage, and we need to work with Kadra and the G90 to see how practically we can move forward and what our approach should be to those proposals that have been made specifically – and we may have to come back to the issue of S&DT in a broader way.

In closing, let me make a couple of remarks. This is our last TNC before the summer break. Over the past four months that I have been here, although it feels like 4 years already, you have worked very hard, and you have worked together. And I think together, we have gotten a lot done. So, I really want to thank you for your hard work.

- We have moved on fisheries subsidies negotiations further than we have due to the brave work of Ambassador Wills and the Secretariat team. Yes, it looks tough, but we have a fighting chance to conclude by MC12. This historic Ministerial meeting that we held after 4 years of not having one has given us, as many Members said, political boost and direction. Let's not lose this. Let's seize this. Let us show that we can complete the

multilateral negotiations. That's what we are about, isn't it? Multilateralism. If we want more of it, then we have to show we can really do it. Otherwise, people won't believe us.

- We have placed the WTO squarely at the centre of the solution to COVID-19. This is the second thing I think we have done through your work on the WTO's response including all the submissions that I referred to earlier. The WTO is now seen as a critical entity in monitoring supply chains and working with manufacturers to scale up output. It was not always that way. I think you all remember when I came and I shared with you how I would be participating in meetings with WHO, CEPI, GAVI and all other organizations dealing with the response to the pandemic. And they would be talking about these issues without mentioning the WTO. Today, this is not the case. We have made clear that we are part of the solution to this problem – and our name is being mentioned. Beyond being mentioned, we are actually expected to help solve problems. So, I urge us again to seize on this new momentum where we are seen as being part of the global common solution to a global common problem. And let's work with it.
- We have also strengthened ties with international organizations. This is the third thing we have done, working with WIPO, WHO, IMF and World Bank on a whole series of issues. We have strengthened outreach to the manufacturers, to the private sector and we have continued to reach out to civil society. We are even planning to do some work with the private sector on voluntary monitoring, if it is possible. So that outreach that many of you asked for, that working with other international organizations, I think it is beginning to happen and is the third thing that I think we have made progress on.
- And of course, due to your good work, we have advanced discussions on a number of issues that you mentioned today such as MSMEs, Gender, E-Commerce, Trade and Climate, Services Domestic Regulation, Investment Facilitation and so on. And I could sense the excitement in the voices of Members including Ambassador Cancela of Uruguay as he talked about MSMEs which was palpable. So, thank you all for bringing this sense of passion to all that work.

Let me close by saying that I remain hopeful that, together, we can deliver meaningful, quality outcomes for the people we serve. For all the differences of opinion we heard today, it is clear that this noble objective is one that everyone shares. So, I invite you to always keep that in mind. If we keep in mind that we are here to serve people, it really helps us to overcome the seeming differences that we have. I want to reiterate that I am here to help. My door remains open to all. I am willing to work as hard as it takes, and I hope to see many of you coming forward so that we can work together.

My statement today will be circulated as a JOB/TNC document. I also plan to provide a report of our 15 July Ministerial Meeting and two Informal TNC/HoDs in June and in July to the General Council on Tuesday under Agenda Item 1.

With that I end my statement. Thank you very much.

STATEMENT BY AMBASSADOR DACIO CASTILLO, CHAIR OF THE GENERAL COUNCIL

Thank you very much Director-General for convening this TNC and Heads of Delegation meeting which is helpful as we find a collective way forward from now until MC12. I commend you DG for placing a high value on delivering meaningful outcomes and for your earnest efforts in this regard.

As I have provided a report on my recent consultations at the Informal General Council meeting yesterday, I will just highlight a few points.

We are approaching a crucial moment – with MC12 just around the corner. We have to start paving the way now for the various areas to move forward.

We have heard the reports of the NG Chairs today and of Ambassador Walker's and mine yesterday. A lot of work needs to be done and we do not have much time.

This calls for us to focus our work on the key priority issues – and begin preparing possible outcomes. And for our Ministers to be in a position to consider the results before they meet at MC12, we need to conclude our work early.

With this in mind, as I said yesterday, we should aim for texts as soon as possible in the various areas of work that Members are aiming to deliver. So, I intend to resume work immediately after the summer break.

Next week's formal GC is considered by delegations as a marker in the lead up to MC12. Your interventions today will inform those discussions. So, I encourage all of you to participate in this spirit and to remain constructively engaged in the intense processes ahead.

And in concluding, allow me as GC Chair to sincerely thank the Director-General for her tireless engagement, efforts and determination in continuously bringing Members together towards a successful MC12. I also thank you, DG, for your leadership in bringing together key stakeholders and participants in a series of high-level events; and for being at the helm of the constructive collaboration between relevant agencies. I very much look forward to continuing working in close collaboration with you in the second part of this busy year as we sketch together with Members the path forward towards MC12.

**ORAL REPORT BY AMBASSADOR SANTIAGO WILLS (COLOMBIA),
CHAIR OF THE NEGOTIATING GROUP ON RULES**

Since my last report on 3 May, the Negotiating Group on Rules (NGR) has continued to work intensively leading up to the Ministerial-level meeting of the Trade Negotiations Committee (TNC) that took place last week on 15 July.

Let me first thank all of you and your delegates for the dedication and flexibility demonstrated during this intense period of work. You engaged almost non-stop, including on some weekends, early mornings and late evenings, and sometimes at short notice. The Ministerial meeting last week was productive, and it would not have been possible without your hard work.

Shortly after making my last report to the TNC on 3 May, and based on the meetings and consultations held with delegations, on 11 May, I introduced a further revision of our draft working text, in document TN/RL/W/276, with an introduction explaining each element of the draft text in document 276/Add.1.

Following the circulation of the text, I held consultations with over forty delegations and groups of delegations representing nearly the full Membership of the WTO. The objective of these consultations was to hear the key reactions and concerns of delegations.

A number of common themes emerged from these consultations, which then served as a basis for structuring work in the NGR for the rest of May and June. This work was based on each of the pillars, that is: subsidies to IUU fishing; subsidies to fishing overfished stocks; and subsidies contributing to overcapacity and overfishing; as well as cross-cutting issues such as notifications and transparency, and dispute settlement. In addition, special and differential treatment was integrated throughout the discussion of the pillars, as well as being discussed during a dedicated session.

The meetings were held at the Heads of Delegation (HoDs) level in various configurations. To ensure transparency and inclusiveness, the work was structured such that everything discussed in smaller groups was also discussed in open-ended meetings.

Let me also take this opportunity to thank the DG for following our work closely during this period and making a lot of time in her schedule to join us for a number of these discussions.

This work was productive and on 30 June I presented to the Negotiating Group a revision of the draft text, in document TN/RL/W/276/Rev.1. As you know, this is the version of the text on which Ministers based their remarks at the Ministerial-level meeting of the TNC on 15 July.

As you no doubt listened in carefully to our Ministers on 15 July at the TNC meeting at the Ministerial level, I will not repeat what was said during that meeting. Instead, let me highlight some key political guidance from our Ministers that will help us plan our next steps.

First, Ministers said that the current status quo of not having any disciplines is not an option, and that we need to bring the negotiations to a meaningful, balanced and credible conclusion as soon as possible, well ahead of MC12. To make this happen, we need to develop as quickly as possible a clean text that all Members will be in a position to adopt. In practical terms, this means completing our work by early November at the latest.

To get to this point, Members need to engage in a solution-oriented mode, with the authority to engage flexibly in order to get to landing zones, efficiently.

Another key message from last Thursday is that the draft text is not perfect – many Ministers raised issues with specific aspects of the text. On some issues, gaps are larger than on others. But it was encouraging to hear Ministers engaging on the draft text. Clearly, as many Ministers said, we need to move to Member-led, text-based negotiations. Of course, that is the purpose of the draft text, something Members can use to pursue their positions in seeking amendments, additions or deletions.

So, we have an instruction to finish as soon as possible; we were told that Heads of Delegation should use the necessary flexibility to do so; and we have a draft text, which we now need to collectively improve to use on line-by-line negotiations. This brings me to my last point on our next steps.

As we all are well aware, MC12 begins on 30 November and whatever outcome we produce here, Capitals will need enough time to review and deliberate about it. So effectively, we have September and October for this work. Given this short time, we can expect that our work during the fall will be intensive and at times uncomfortable.

Clearly there is no time to lose. I am still consulting with delegations and groups on the details of how best to structure work in the fall, and I will circulate a communication on that toward the end of next week. For today, I will provide a general outline of my ideas based on what I have heard so far.

First, I intend to start work from 1 September with consultations in different formats with interested delegations; then commence the intensive text-based work not later than the week of 13 September, i.e., following Jeûne Genevois.

Our engagement will have to be very different from what it has been to date if we are to deliver as Ministers expect. This means no more conceptual exchanges of views or reading of written statements of positions. The positions of all delegations are well-known. To make progress, we now must work exclusively on the basis of specific suggestions to add, delete or amend the language in the draft text, in ways that will increase convergence and ultimately lead to a final consensus outcome. This work will be at the HoDs-level, to ensure that the needed authority to make compromises is present in the meeting room, bearing in mind that HoDs may need technical support from their experts. As Chair, I will be there to facilitate the discussions; but ultimately, it will be up to Members, in a 'give and take' exercise, to find the landing zones that everyone can live with.

Clearly, some parts of the current draft require more work than others and I suggest that we start with these bigger-picture issues, and work on them until early October. Given the nature of these issues, I expect that we will need to work in different formats with different groups of Members depending on the issue. In order to ensure transparency, I would suggest holding open-ended meetings, also at the HoD-level, once or twice a week during this phase. At those meetings I would report on the ongoing work in smaller formats, and all delegations would have the opportunity to discuss all of the issues raised.

On the specific issues to be addressed during this period, it is premature for me to suggest a definitive list but they will include the issues raised by many Ministers on 15 July, such as the issues of balance, special and differential treatment, and distant water fishing, as well as some elements not currently reflected in the draft text.

The objective of this first stage would be to improve collectively the draft text to be used in the next stage, starting in early October, of line-by-line negotiations.

From this point on, I expect we will be meeting in open-ended format every day to go through the text clause-by-clause with an aim of producing a clean text well before MC12. When I say "line-by-line" or "clause-by-clause" I do not necessarily mean starting with the first line of Article 1. Which clause we start with will depend on work in September. To leave enough time for Capitals to consider the results of the work, I suggest that we aim to finish this second stage by late October.

I would just recall here that I am still consulting with delegations on how we proceed in the fall, so what I have just outlined is subject to further refinement. And of course, how we proceed also depends on COVID-related developments and meetings of other WTO bodies. With that said, my plan is to distribute a suggested detailed work plan with a schedule of meetings for the first stage of work toward the end of next week.

More broadly, let me underscore that this phase of the work will be time-intensive and will require flexibility and a high degree of engagement, particularly by HoDs. We will need to adapt our processes to be able to deliver "as soon as possible, ahead of MC12" as Ministers affirmed. This means using our time efficiently to make the needed progress on each issue and then move on.

Given this, whatever the anticipated schedule, we will need to be prepared to adjust it as we go along, and in accordance with the pace of our progress on different issues.

To conclude my report, let me highlight that all delegations have worked extremely hard to get to where we are today, but we are not done yet. Time is running out and there is still difficult work to be done, so we have a very busy schedule ahead of us. As I see it, this is good news. It means that we are close to getting it done and that we are in the final lap, where every step you take is harder than the one before.

Our Ministers have given us the guidance on how to get there. I am confident that Members are up to the task of finally concluding these negotiations.

Before I conclude, let me share a personal thought. Unfortunately, the lack of recent successfully negotiated outcomes in the WTO, and several deadlines missed on these particular negotiations, seems to have contributed to creating a sense of comfort with failure; in my view, to a degree that we now fear success more than we fear failure. As I mentioned earlier, despite the ongoing need to bridge gaps amongst Members' positions, a positive conclusion of the fisheries subsidies negotiations is within reach. We have two options in front of us: we either stick to our zones of comfort and fail yet again; or we act with boldness, pragmatism, and responsibility and reach success. In engaging in the upcoming stage of the negotiations, I would like to invite you to choose the latter.

**ORAL REPORT BY AMBASSADOR GLORIA ABRAHAM PERALTA (COSTA RICA),
CHAIR OF THE SPECIAL SESSION OF THE COMMITTEE ON
AGRICULTURE AND SUB-COMMITTEE ON COTTON**

I would like to say a few words on the latest developments in the agricultural negotiations.

As you are aware, I circulated under my own responsibility my report on the state-of-play and way forward on 17 June in document JOB/AG/202 in which I sought to identify under each topic elements that could potentially form the basis for an agreement at MC12. The report was discussed at our last CoA SS meeting on 21 and 24 June and was generally well received.

As stated on many occasions in recent months, my intention remains to circulate a first draft text for a possible outcome at MC12 before the summer recess.

In that regard, I intend to convene a last meeting of the CoA Special Session before the summer break on 29 July. The purpose of this meeting would be to introduce this first draft text, which will be prepared under my own responsibility.

This draft text is intended to be a first step in the creating of a Ministerial agricultural outcome at MC12 to help Members embark on a focused text-based negotiation from September onwards. Therefore, the text is bound to evolve with the discussions of Members.

Following the indication by many Members in June that they were still in the process of preparing new submissions, I convened a CoA SS meeting and the Dedicated Sessions on PSH and SSM earlier this week to give them the opportunity to present these submissions and also to enable me to take them into account as I prepare my draft text for the consideration by Members.

Not less than 11 submissions were on the agenda of these meetings that finally took place over 3 days - 19, 20 and 22 of July. The discussions were so intense and we did not have time to go through all the topics and I plan to reconvene next week the SSM dedicated discussion.

The number of new submissions to which we should add a few others that Members have announced they would submit soon, and the intensity of the discussions constitute, without any doubt, an encouraging signal of Members' engagement.

I am also encouraged by the 15 July Formal TNC meeting at Ministerial level on Fisheries Subsidies that demonstrated Members' commitment to seriously engage to deliver multilateral outcomes by MC12.

And it is fair to say that all Members also agree on the need for a credible and meaningful agricultural outcome at MC12. Such an outcome would demonstrate WTO's ability to respond to key challenges facing the agriculture sector and prepare the ground for an intensive and successful post MC12 continuation of the agriculture negotiations.

However, several major gaps in negotiating positions still need to be narrowed and, in particular, on the two priority issues: Domestic Support and PSH.

This makes the finalization of a first draft text by the end of the month an extremely challenging task.

My assessment of the state of play and possible way forward which will be reflected in this draft text and its subsequent revisions will be based only on Members' inputs and discussions.

I will therefore need the support and cooperation of all of you in this exercise before and after the circulation of this draft text, to narrow the gaps and find balance, identify trade-offs and strike compromises.

To paraphrase Elon Musk, "if you are trying to produce a text, it is like baking a cake. You have to have all the ingredients in the right proportion." I am only the cook, but I need the proper ingredients and in the right proportion.

In other words, this draft text will be more your collective text than mine.

I will continue my consultations in the coming days and I call on Members to engage without any further due in a spirit of compromise and with a heightened sense of urgency.

**ORAL REPORT BY AMBASSADOR KADRA AHMED HASSAN (DJIBOUTI),
CHAIR OF THE SPECIAL SESSION OF THE COMMITTEE
ON TRADE AND DEVELOPMENT**

As you are aware, earlier this year, I launched a series of informal, open-ended meetings of the CTD SS. The purpose of these meetings, of which there were five in total, was to explore how to move forward on the ten proposals on special and differential treatment submitted by the G-90. In each meeting, delegations were asked to focus on two proposals, so that over the course of the five meetings, an in-depth discussion would have taken place on all ten proposals.

In order to have a constructive and focused series of meetings, I requested delegations to approach the discussion on each proposal on the basis of two questions. Delegations were firstly asked for their views on which elements of each proposal might convergence be found. They were also asked to consider where the difficulties lie in each proposal and why, and how could these be overcome.

The first in this series of meetings was held on 8 February and focused on the proposal concerning the Enabling Clause and the proposal concerning LDC accession.

The second meeting, held on 12 March, focused on the proposals concerning the TRIMs Agreement and Article 66.2 of the TRIPS Agreement.

The third meeting was held on 27 April and focused on the proposals concerning the TBT Agreement and the Customs Valuation Agreement.

The focus at the fourth meeting, held on 17 May, was on the proposals concerning the SPS Agreement and the Agreement on Subsidies and Countervailing Measures.

And finally, on 18 June, the Committee focused on the proposal concerning Sections A and C of GATT Article XVIII, and the proposal concerning Section B of GATT Article XVIII.

Though the discussions that took place in these meetings were useful to some extent, they triggered little in terms of substantive exchange on these proposals. I think that a greater engagement amongst Members would have been more fruitful. I therefore regret to report that, over the course of the five meetings, I did not see the level of engagement that I had hoped on the substance of the proposals. On the one hand, the delegations that have concerns with these proposals are not willing to engage in discussions on substance, as they have stated that these proposals have already been considered before. On the other hand, while shedding further light on their proposals, the G-90 – along with some other Members – continue to believe that their proposals provide a good basis for taking the discussion further.

At each of the five meetings, I strongly stressed the importance of finding a way forward in these negotiations, and in this light I encouraged delegations to work together to identify a new approach to the work in the CTD SS which would be acceptable to all. I also stressed that it is in the hands of Members to find this way forward. As Chair, I remain committed to convene meetings and facilitate as many discussions as are needed, but it is ultimately up to Members to show the necessary flexibility and political will to collaborate, so as to collectively determine how the work in the CTD SS can advance.

In terms of next steps, my intention is to convene a formal meeting of the CTD SS soon after the summer break in September. This will allow Members to take stock, in a formal setting, of the work that took place in the first half of this year. Such a meeting would also provide Members an opportunity to discuss what would need to be done in order to make progress in our discussions in the CTD SS.

I would urge all Members to use the summer break to consider this stalemate seriously. It is my assessment that, unless there is real engagement on the substance by all Members, we will not be able to make the progress we need to see in order to have a concrete outcome on the G-90 proposals by MC12. I reiterate my call to Members. I am sure that they heard me in the informal meetings that it is important that they contribute to finding solutions on the way forward in these negotiations.

**ORAL REPORT BY AMBASSADOR ZHANAR AITZHANOVA (KAZAKHSTAN),
CHAIR OF THE SPECIAL SESSION OF THE COUNCIL FOR TRADE IN SERVICES**

I am pleased to provide this report to the TNC in my capacity as Chair of the Special Session of the Council for Trade in Services.

In June, I invited delegations to consult with me so that I could hear their views on how they see our work on services addressed in the context of MC12. In those consultations, I discussed with groups and individual delegations representing over half of the Membership.

I reported on those consultations at an informal meeting of the Special Session on 30 June. My report was subsequently circulated as JOB/SERV/309.

The consultations yielded three general take-aways, in my view:

- First, there seemed to be a good level of convergence on the importance of GATS commitments and of working towards improved commitments in the context of the built-in agenda;
- Second, the consultations revealed a good appreciation of the exploratory discussions that have taken place since MC11 and that there was good support for market access discussions to continue and even intensify after MC12.
- Third, I heard a significant level of support for seeing services trade well addressed in a ministerial outcome document at MC12.

On this last point, many delegations said they wished to see a specific paragraph on trade in services. Elements mentioned by delegations in that regard included the following:

- Underscoring the relevance of exploratory market access discussions undertaken;
- Recognition of the pandemic's impact on services trade and of the role of services trade in facilitating resilience and supporting the economic recovery;
- And, in that context, reaffirmation of the built-in agenda to improve commitments and revitalize work.

At our meeting of 30 June, I invited interested delegations to put forward drafting suggestions as soon as possible, and indicated that I would convene a meeting early in September to allow Members to discuss any suggestions received.

Chair, I hope that the membership will be able to find elements of convergence. That would of course depend on the type of language contemplated, and would only happen if a good dose of realism and pragmatism is exhibited. Naturally, I will continue to stand ready to assist as appropriate.

**ORAL REPORT BY AMBASSADOR KOKOU YACKOLEY JOHNSON (TOGO)
CHAIR OF THE SPECIAL SESSION OF THE DISPUTE SETTLEMENT BODY**

I will be very brief as my statement is not a report as such. However, it seemed important to remind delegations that the circumstances around the work of the DSB in Special Session have remained unchanged since my last report to the TNC in October 2020. At that time, I reported my assessment that delegations recognized it was unlikely to be productive to discuss improvements to Dispute Settlement procedures generally, as long as issues with the overall functioning of the dispute settlement system, arising from the debate around issues relating to the functioning of the Appellate Body, remained unresolved. I think all delegations will be aware that we are still awaiting concrete progress in this area, so the basic situation remains unchanged.

That said, I would like to stress that I remain available to meet with any delegation wishing to discuss any issues relating to the work of the DSB in Special Session. If there is interest in such discussions, my door is open.

To conclude I take this opportunity to appeal to all interested delegations on the need to reflect on finding a way to move forward on the work of DSB SS in connection with Appellate Body issues.

ANNEX 2**STATEMENTS BY MEMBERS AT THE INFORMAL TNC AND INFORMAL HODS MEETINGS
HELD ON 23 JULY 2021**

Following the General Council Chairman's statement under Item 1 of the agenda of this meeting – "Report on Informal TNC and Informal HODs Meetings", the statements delivered by: Uruguay (Informal Working Group on MSMEs); Australia (Joint Statement Initiative on Electronic Commerce and CAIRNS Group); Switzerland; Singapore; Ecuador; Pakistan; Japan; Nigeria; Mexico; Barbados (CARICOM); Argentina; Iceland (Informal Working Group on Trade and Gender); European Union; Indonesia; Brazil; Republic of Korea; Kingdom of Saudi Arabia (Arab Group); Norway; Panama (Article XII Members); China; New Zealand; Mauritius (African Group); Honduras; Costa Rica (Joint Initiative on Services Domestic Regulation); Russian Federation; Moldova; Chile (Structured Discussions on Investment Facilitation for Development); Nepal; United States; Sierra Leone; India; Canada (Structured Discussions on Trade and Environmental Sustainability and Ottawa Group); Chinese Taipei; South Africa; Paraguay; Colombia; United Kingdom; Malaysia; Jamaica (ACP); Turkey; Bangladesh; Egypt; Chad (LDCs); Viet Nam; Peru; Vanuatu (Pacific Group); Thailand; Uganda and Cameroon; are included below as part of the Minutes of the General Council meeting.

1. Uruguay (Informal Working Group on MSMEs)

I make this statement as coordinator of the Informal Working Group on MSMEs. Since our last HoDs meeting, the MSME Group met twice in an open-ended format on 4 May and 24 June. I am pleased to report that good progress has been achieved on the MSMEs draft Ministerial Declaration. We hope to finalise the declaration at our next meeting on Monday next week. The Declaration will take stock of the progress achieved since the establishment of the Group, in particular on the adoption of our December 2020 Package which is, in itself, a deliverable. It will also pave the way for future work. The implementation of the package is clearly a priority, but we are also thinking about new issues. Good discussions have taken place since the beginning of the year on various topics, including on innovation policies and how they can help MSMEs grow and trade, rural MSMEs', trade digitalisation, MSMEs' cyber-readiness, and low-value shipments.

Besides the MSMEs Ministerial Declaration, a concrete MC12 deliverable will be the launch of the Trade4MSMEs platform. The platform looks to support MSMEs and policymakers by bringing trade related information together in one place and linking to reliable information resources. The platform will include guides for MSMEs and policymakers. The MSME group also launched a Digital Champions for Small Business initiative on MSME Day in June, with the partnership of the International Chamber of Commerce and the International Trade Centre. The initiative aims to support small business participation in international trade by helping them to go digital. Industry associations, chambers of commerce and NGOs with MSME and digitalisation focus, have been invited to submit proposals. The winners will be announced at MC12. These two initiatives reflect well the spirit in which we work. That is a spirit of pragmatism and a solution-oriented mode.

As I have often said, the MSME Group is both a think-tank — incubator of ideas — but it is also a "do-tank". Our objective is to generate concrete deliverables through recommendations, soft law and tangible solutions to improve the participation of MSMEs in international trade. MSMEs are key economic actors, representing the vast majority of businesses in every economy, but they struggle to participate in international trade and the current pandemic has had a devastating impact on them. Our next meeting will take place on Monday 28 July and is open to all interested Members. We hope that many of you will join us and support our work and our Ministerial Declaration. On this occasion, we will be honoured with the participation of WIPO Director-General, Mr. Daren Tang, to explore together synergies to help MSMEs. The more Members support our Ministerial Declaration, the stronger the message that we send to the world will be that the WTO and we, the governments, really care about small businesses, our economies and our people.

2. Uruguay

Uruguay thanks the Director-General, the Chair of the General Council and the Chairs of the negotiating groups for their reports. I wish to refer to what was said in the area of agriculture. As

we said in our meeting held on 21 June, the WTO cannot grant itself the luxury that agriculture simply be forgotten at MC12. We cannot come back with empty hands once again. That is the reason why I wish to launch an appeal to all Members, especially to the largest and most influential ones, to demonstrate the political will and constructive spirit needed if we want to go beyond the logjams. We want to be able to arrive at a result that is significant and credible to continue moving forward to reform the three pillars of the Agreement on Agriculture. Without prejudging the importance of transparency, we recognize that improvements must be part of a broader package at MC12. As we see it, the various prerequisites and the formats for notifications would not be a significant breakthrough required from this organization, after six years without having a breakthrough in agriculture. Especially, looking at the situation, some Members are adjusting the requirements to their own needs without contributing in a very effective way to heighten transparency. Uruguay does not believe that the presentation of proposals which are unbalanced or maximalist, at this time of the process, would be conducive to arriving at a consensus to bring home a multilateral result; a result which is absolutely necessary for developing countries. On domestic support, we must have an agreement that sets forth an objective that has clear principles and parameters, so that we can have a limitation and reduction of the levels that are authorized for domestic support. Of course, this is distorting production and trade, as it was already agreed upon a long time ago.

On JOB/AG/177/Rev.2, this is the strongest basis through which we can arrive at such a result. We stand ready to work together with other Members to find the way forward and to address all the various concerns and needs within this approach. At the same time, we hope that MC12 will also be the time when we can lay the foundation to give a new impetus to negotiations on market access in the run up to MC13. To have the framework for negotiations presented by Uruguay and other Members, is the proper basis to bring forward negotiations on this theme. That is a high priority to our delegation.

Another theme that should be part of the package is a decision on purchases for humanitarian purposes and the application of restrictions for exports. This initiative was defended by the authorities of humanitarian agencies and it should not, in any way, stand in the way of an agreement on the basis of the breakthroughs reached in 2020, without linking this to other themes. This is a modest package, but this is the minimum level of ambition that we need, as we see it, to be seen as being credible and taken seriously by the rest of the international community.

When it comes to the other areas, any advancement on public stockholding and a special safeguard mechanism must have a level of ambition which is in keeping with market access and domestic support. In the current situation, it seems it will be difficult to have a permanent solution for public stockholding in the time we have ahead of us between now and November. The divergence of views that we see, and the lack of sufficient information on the programmes that are in force, have been pointed out time and time again. Uruguay considers that we can have a lasting solution that would give rise to a broadening of what was agreed upon in Bali. This perpetual clause, without robust measures on safeguards or transparency, would be a blank check because there can be distortion for both production and trade. Finally, we wish to underscore the fact that any results on agriculture at MC12 must presuppose steps forward and not back-peddalling when it comes to the reform mandated in the Agreement on Agriculture, and seeking to set up an agriculture system that is well-adjusted to the market and fair regarding the progressive reduction in the level of support and protection.

I wish to refer to the theme of fisheries subsidies. With regard to this negotiation, we have the strong commitment of Members that posited their commitment to be able to finish up the negotiations, and this before MC12. This means reconciling different technical, legal and political differences. This is a very arduous undertaking. We will have to get ready for an intensive period of line-by-line negotiations. We wish to support the work programme of Ambassador Wills to arrive at a text which, in fine, will make it possible for the negotiations to be successful. We can only find a viable solution if we decide to eschew very extreme positions. We have to comply with our mandate. It is only by shared dissatisfaction that we can give rise to success.

3. Australia (Joint Statement Initiative on Electronic Commerce)

Co-Convenors' Report on E-Commerce

I will first provide a report on work under the Joint Statement Initiative on Electronic Commerce on behalf of the co-convenors: Australia, Japan and Singapore.

Momentum in the negotiations remains strong, and we have made good progress since our last report in May.

We have now cleaned or virtually cleaned six articles. At our most recent plenary meeting, just yesterday, participants welcomed clean text achieved in e-contracts, and nearly clean text achieved in online consumer protection and in open government data. We also 'parked' text on transparency, subject to the final legal structure.

We also met on 20 May and 21 June. Our 20 May meeting included constructive discussions on data flows and localisation, and reflected broad recognition that these issues should be addressed in the JSI.

Our 21 June discussion included positive discussions on legal architecture. There was wide agreement that a range of viable legal pathways exist for integrating outcomes into the WTO framework, including the use of GATS and GATT schedules and Annex 4. The plenary meetings also included updates from small groups to ensure transparency.

Looking ahead, we will issue an updated consolidated text in coming weeks, and will hold monthly plenary meetings in the second half of the year. Small groups will remain an important tool for driving progress.

The JSI remains open, transparent and inclusive: meetings are open to all WTO Members and papers are available on the WTO portal.

I would like to thank all JSI participants for their hard work and the progress achieved so far this year, and I look forward to more good progress as we approach MC12.

4. Australia (Cairns Group)

Reform in agriculture is a priority for the majority of WTO Members, as seen today and as we have seen for many years. On 23 June, Australia's Minister for Trade, Tourism and Investment chaired a meeting of Cairns Group Ministers.

Cairns Group Ministers underlined that it is essential for MC12 to deliver an ambitious, concrete and equitable outcome in agriculture. Ministers reinforced their commitment to making progress in all three pillars of the Agreement on Agriculture – domestic support, market access and export competition – with a view to ensuring a balanced and progressive reform process and a level playing field for trade in agriculture.

Cairns Group Ministers called for a Ministerial Decision at MC12 that addresses agricultural trade- and production-distorting domestic support. Ministers noted that the Ministerial Decision must be of sufficient ambition and specificity to enable meaningful reform of trade- and production-distorting domestic support entitlements. To this end, Ministers of the Cairns Group underscored that the Framework for Negotiations on Domestic Support should be the basis for this Decision.

5. Australia

There is no question that MC12 represents the best chance in several years to secure some significant wins on the board for our organization.

For Australia's part, we're confident that a multilateral package on fisheries subsidies negotiations, agriculture, COVID-19 response and a new process on WTO reform is well within our reach.

On agriculture, beyond the Cairns Group statement just made now, we look forward to the Chair's draft text next week and are committed to working with other Members to ensure MC12 makes a meaningful step forward on domestic support. We will be pragmatic, but our patience is not unlimited.

On our COVID-19 response, at this week's successful High-Level Dialogue on vaccines, stakeholders again made clear that there are several trade barriers that are impeding the global pandemic response, particularly the manufacture and distribution of crucial vaccines, including tariffs, exports restrictions and trade facilitation. The recently revised Trade and Health Initiative makes a significant

contribution to the MC12 package on this subject and we urge all members to join the growing list of cosponsors.

On fisheries subsidies, we are committed to reaching an outcome ahead of MC12 – for the sake of global fish stocks, which are declining rapidly. For this same reason we must ensure that the disciplines on harmful subsidies do not include significant carve-outs, to ensure they will help rebuild, rather than worsen, global fish stocks.

In addition to these multilateral outcomes, the joint statement initiative on services domestic regulation is now very close to conclusion, particularly in light of the recent positive announcement from the US this week. We can and should reap that harvest.

Of course, MC12 also needs to set up the organization for a stronger future. We need to chart a reform path that will ensure we can restore a fully functioning and binding dispute settlement system as soon as possible. We need a reform path that establishes rule making through plurilaterals as a central part of our work. A new process on these issues is essential, and we should ensure it is an inclusive one, to ensure we can all contribute our voice in this organization's future.

6. Switzerland

Today, we have less than three months to work until the 12th Ministerial Conference. Great efforts are still needed in all areas to achieve concrete results.

Under these circumstances, it is important that we agree now on the objectives and priority issues. Our goal should be to achieve meaningful results on a limited number of issues and to provide a positive perspective for the future work of the WTO. This will allow us to refocus on the most promising issues and objectives after the summer break.

There are two priority issues for the Ministerial Conference:

First, finalizing an agreement on fisheries subsidies to implement a critical sustainable development goal and second, to develop a tangible and sustainable WTO response to the global health crisis that has severely affected our lives and economies. In our view, this response is a holistic approach to effectively address the pandemic and fend off future health crises.

On the other issues, the levels of ambition need to be adjusted in light of progresses achieved so far. Decisions at the Ministerial Conference could take the form of immediate outcomes, political commitments or work programs. A common understanding of the way forward after MC12 will also be particularly important for systemic issues, including WTO reform and dispute settlement. We also support making permanent the tariff moratorium on electronic transmissions.

In addition, we look forward to making concrete progress on all Joint Statement Initiatives. The conclusion of negotiations on domestic regulations in services is within reach and would send a strong and positive signal.

Since we do not know the conditions under which the Ministerial Conference will take place, basic foresight requires that we present the Ministers with mature and stabilized draft decisions.

In summary, Madam Chair, we need to prioritize and focus our work after the summer break on the most crucial issues. In a pandemic context, we must also strive to finalize draft decisions as soon as possible.

7. Singapore

Thank you Chair, for providing clear direction and focus for today's meeting. I recall that during one of your first meetings at the CBFA in May 2021, you quoted an old Nigerian proverb, which I will attempt to paraphrase as follows: "if you do not know your destination, you would not know what road to take".

Fortunately for us, we do know the destination. The short-range destination for the WTO is MC12 while the long-range destination for Members is to ensure that the WTO remains relevant and fit-for-purpose to address 21st century challenges. But to get to these destinations, Members must

answer two key questions honestly. One, does every Member agree that these are the destinations that we are all committed to arrive at. Two, what are the roads or pathways that will lead us to these destinations? In other words, how do we get there? Let me share three thoughts.

First, I would like to believe that every Member agrees that the success of MC12 should be our short-term destination. Of course, much will depend on how we define "success", but as DG Ngozi has consistently emphasised, there must be deliverables in at least two key areas, namely, fisheries subsidies negotiations and WTO response to the COVID-19 pandemic. It is evident from the 15 July Ministerial TNC Meeting that while deep differences remain among Members, there was also a palpable sense of purpose to deliver an outcome in fisheries subsidies negotiations. It is equally clear that Members must deliver a meaningful outcome on WTO response to the COVID-19 pandemic. We have in place a process in the form of Ambassador David Walker as Facilitator, and we also have a sound foundation in room document RD/GC/14. As the crisis of a generation, Members must realise that not having any outcome at MC12 will be the worst outcome of all as it will further call into question the relevance of the WTO.

Second, Members must cast our eyes beyond the MC12 horizon and look at the long-range destination of what a WTO, which is fit-for-purpose for the 21st century, will look like. In my mind's eyes, I envisage a WTO that can do three things. One, a WTO that can formulate trade rules in new and emerging areas like digital trade, trade and environmental sustainability and trade and health. Two, a WTO that has an effective and efficient two-tier dispute settlement system so that it can discharge its adjudicatory function. Three, a WTO that can effectively carry out its monitoring function by promoting transparency and expanding free and fair international trade. This is the only way for the WTO to continue to remain as the backbone of the multilateral trading system.

Third, if Members agree that these are our short-range and long-range destinations, then we must commit to an intensive post-Summer work programme, exercise real flexibility and avoid megaphone negotiations to achieve meaningful deliverables as soon as possible, ahead of MC12. In the longer term, Members must avoid sacrificing the systemic interests of the WTO at the altar of narrow national interests. Ultimately, Members must build greater trust among ourselves and avoid adopting a zero-sum approach in our negotiations. Instead of win-lose, we should strive to achieve win-win outcomes that will deliver concrete benefits to our citizens and strengthen the WTO.

Time is running out, and we must redouble our efforts ahead of MC12. The road ahead may be long and winding, but we can get to our destinations if we work together.

8. Ecuador

Director General, Ecuador expects results from the Ministerial Conference in November, we must prove that the multilateral trading system is relevant in the current international context, where the economy and trade are suffering from the impact of COVID-19. Our priorities:

Fisheries subsidies

We thank and congratulate the Chair of the negotiating group, Ambassador Santiago Wills, for the work he has done.

With respect to these negotiations, Ecuador reiterates its commitment to them and its willingness to reach an agreement that fulfils the mandate as soon as possible. Therefore, in order to be constructive, it supports the use of document RD/TN/RL/276/Rev.1 as the basis for future work.

The issues must be addressed in a holistic and inclusive manner since all the elements covered by these negotiations are interlinked. Thus, given the short time we have to reach an agreement, we call for work to begin promptly on the phase of genuine, text-based negotiations in which concrete and effective decisions are taken.

When developing the disciplines, Ecuador considers it essential that the specific realities of each Member should be taken into account, particularly of those which, like Ecuador, see fisheries as a development tool and an opportunity to improve the lives of many people, men and women, mainly with limited resources, who make a living from this activity. Therefore, equitable and effective special and differential treatment, as well as adequate technical and capacity building assistance, are indispensable elements for the final outcome of these negotiations.

It is well known that Ecuador considers it fundamental that the disciplines of this agreement include guarantees for artisanal fishing, given the high socio-economic sensitivity of the fisheries sector in all countries and considering that it has been demonstrated time and again that the harmful subsidies granted to industrial fishing have led to the critical situation of the seas.

Agriculture

We congratulate the Chair of the Committee on Agriculture in Special Session (COA SS) on the work done in the complex task entrusted to her.

Currently, making progress in the negotiations is largely dependent on Members' political choices and ability to listen to other people's opinions. Despite our efforts, it is still like talking to a wall. It is not realistic or constructive that, after months of intensive work, the focus remains on achieving only transparency outcomes.

We must remain ambitious, there is sufficient technical evidence on the need for a genuine and thorough review of all the subparagraphs on domestic support, including Annex II.

The mandates are clear and market access is part of one of them. This pillar, which is this organization's *raison d'être*, must not be neglected.

As has already been pointed out by Uruguay, the proposal for a framework for negotiations (JOB/AG/198), submitted by Ecuador together with other Members, is a suitable basis for further discussions on this issue, which is a top priority for my delegation.

Health and Trade

We thank Ambassador Walker, as the facilitator of the WTO response to the pandemic, as well as Ambassadors Tan and Spencer for their work in support of this important process.

Ecuador advocates the active management of the organization and its reform so that it can play a leading role in the recovery of international trade in the post pandemic era and, of course, we must first address the immediate public health emergencies.

This is a matter for all WTO Members and we therefore hope that any discussion on this topic will be inclusive and transparent, and that the views of vaccine importing countries, like Ecuador, will be reflected in any document.

In the short term, we need to try to remove any trade barrier that prevents access to medical equipment, and in particular to vaccines against COVID-19. It will take us years to beat this health crisis; by thinking about future pandemics we are dealing with this crisis, in the short term.

In addition to other points already raised by Ecuador and other countries of the region on several occasions, I would like to stress the need for the immediate or prompt elimination of all restrictions on exports of COVID-19 vaccines and their components. Those that are in place must be notified.

There must be full commitment to prohibit any future restriction on COVID-19 vaccine exports and their components. The current proposals on this issue are not sufficient and should be strengthened, in line with the language used to avoid agriculture export restrictions.

Joint initiatives and Working Groups

Ecuador values the different negotiating approaches that, in this forum, have enabled us to move forward on issues on the current global agenda and, in this connection, we note with great interest the evolution of the negotiations on investment facilitation, SMEs, e-commerce and gender.

9. Pakistan

Chair, given recent events, it would be appropriate for us to address the issue of fisheries first. We appreciate all efforts to bring together Ministers and their representatives in a virtual Ministerial meeting to take stock of the negotiations and discuss a way forward. Reports from the event especially in some of the press, tend to celebrate a move towards conclusion and showcase elements

suggesting an agreement on various elements. While it is no doubt good to be optimistic, such reports tend to gloss over some fundamental issues that the Ministers have highlighted in their responses to the questions. Speaking for my own Minister and having heard many others, some of those fundamental issues, if not resolved, have the potential to threaten any outcome on this subject. To quote from my Minister's statement, "without effective, unconditional, and undiluted flexibilities in all areas of disciplines, except for illegal fishing, a conclusion of the agreement would be in jeopardy. Unfortunately, the present draft text makes special and differential treatment conditional upon transparency requirements and dilutes it to something only notional in effect. This approach can severely limit our progress".

Chair, while recognising that small scale and artisanal fishermen are important, reports from the Ministerial suggest this was agreed as a form of special and differential treatment. To be sure, we heard many voices in the room calling for this type of fishing to remain outside the scope of disciplines as they do not fall within the mandate and are not harmful.

Allow me to seek clarity today from the membership, as my Minister did on the 15th, on what exactly do we mean by the oft-quoted "sustainability mandate"? We find that it is used quite often to limit the scope of special and differential treatment but also to create allowances for large-scale, industrial fishing activities that are actually harmful. To be sure, no such mandate of allowing subsidies for overcapacity and overfishing in the name of sustainability has been mentioned in SDG 14.6 or in any other mandate. Sustainability requires polluters to pay, and pay first. It requires the harmful to be limited and the not harmful to be allowed for the sake of sustainable livelihoods and a sustainable environment.

To conclude on fisheries Chair, while we seem to be getting a text together for agreement, imbalances in the text are quite stark, differences on fundamental issues remain, and disagreement on core disciplines for sustainability and development is still entrenched. We, therefore, believe that if we are to conclude a meaningful and high-quality agreement on fisheries subsidies, which is definitely Pakistan's objective, we should listen to everyone and thrash out the sticking points in a realistic manner. Ignoring not one, but several elephants in the room, will not lead to a good conclusion and we must not let our haste at this stage make waste of the progress made.

At the same time, Director-General, Pakistan appreciates your proactive initiative on TA for implementing whatever disciplines we might eventually come up with, and your efforts to design an instrument in consultation with both potential beneficiaries and donors. But as I mentioned earlier no amount of TA, no matter how well designed can overcome any structural impediments that an agreement may create in the development of such sectors in developing countries.

Turning from saving fish to saving human lives, Chair, we remind Members that despite the high rate of vaccination and apparent return to normalcy in a few countries, the pandemic is far from over. The new delta variant is proving to be deadlier than all those before it. The need for immediate, affordable, and equitable access to COVID-19 vaccines, along with other essential medicines and equipment can no longer be ignored. Cosponsors had presented a comprehensive revised proposal for a waiver from certain TRIPS obligations that would allow scaling up of production and availability of such vaccines and products. It was heartening to note that the membership had agreed to enter into text-based negotiations in order to pass this waiver. Unfortunately, certain delegations still seem reluctant to engage with the text and continue to stall the discussions with preliminary questions which have been answered in writing and orally in a thorough manner.

At the same time, Chair, we wish to appreciate your attempts as Director-General to provide leadership on this issue and find every possible solution to the current situation. On our part, we have maintained that Pakistan is open to all solutions that would help contribute to the scaling up, and affordable and equitable access of vaccines and other equipment. We feel that each proposal must be valued and examined on its merit and a combination of approaches is workable.

Similarly, in agriculture, Pakistan remains concerned that the existing anomalies in the Agreement must be addressed. Without very large subsidisers agreeing to cut domestic support first, movement will be difficult. Livelihood and food security concerns in developing countries continue to mount in wake of the pandemic and, therefore, the need for levelling the playing field in agriculture trade remains paramount. Specific entitlements for developing countries and interests of NFIDCs must not be swept away and should rather constitute the main element.

In conclusion Chair, we remain hopeful and extend our faith in the membership to deliver on the objectives of sustainable development – manifested in higher standards of living, achieved through a structural transformation of our economies, greater technological capabilities, and production capacities. This, leading up to MC12, must remain the cornerstone of our activities and the end result of our endeavours. This is true for all negotiations and discussions on reforming the organization. We hope that we make 2021 truly memorable by following a more developmental approach at the WTO.

10. Japan

Fisheries negotiation

At the Ministerial TNC Meeting on fisheries subsidies, WTO Members successfully expressed their commitments toward concluding the negotiation as soon as possible before MC12. Based on these commitments, it is our task to go back to text-based negotiations immediately to narrow down the gaps in the text. Our time is limited. We have to find a landing zone, with the mindset that all Members should contribute appropriately to marine sustainability through disciplines on fish stocks that each Member is responsible for. Japan is ready to continue intensive negotiations toward achieving this goal.

Pandemic

It is crucial for the WTO to deliver a concrete outcome on its response to COVID-19 at MC12. We greatly appreciate Ambassador Walker's efforts as the facilitator. At MC12, we should agree on a Ministerial Declaration as well as a Ministerial Decision on health that holistically include important factors, in particular, trade facilitation, export restrictions, production expansion of COVID-19 vaccines and therapeutics, and intellectual property. This will ensure that the WTO can contribute, not only to responding to the current crisis, but also to preparing for future pandemics.

We believe that the draft General Council Declaration on Trade and Health (WT/GC/W/823), with fifty-two co-sponsors including Japan, will be a good basis for the MC12 outcome. We call for Members to support this draft Declaration.

Agriculture

Addressing export restrictions on foodstuffs is critical in our response to the global crisis. As the world's second largest net food importer, Japan has serious concerns that export restrictive measures negatively affect other Members' food security and global agricultural trade in time of crisis. Japan, with like-minded Members, submitted a concrete proposal (JOB/AG/207) to enhance transparency and clarify rules on export restrictions at MC12. We must work hard to ensure that the WTO plays a leading role in building a more crisis-resilient world economy.

Achieving an outcome in the area of transparency at MC12 is another priority. Some say it lacks ambition, but I can say that it is a basis for ambition. Transparency-related issues are a cross-cutting prerequisite to negotiations. Any negotiations on new rules would require, as a first step, the building of common understanding based on available transparent data and facts. Today, the European Union, the United States, Canada and Japan will submit a proposal for transparency improvements in agriculture, and we strongly hope it will be the basis for a realistic and ambitious outcome at MC12.

Transparency/Notification

As for the WTO reform, enhancing transparency and strengthening notification requirements is one area where we hope to achieve a concrete outcome by MC12. As one of the proponents, Japan has put forward a draft General Council Decision (JOB/GC/204/Rev.6) to the General Council next week. The proposal incorporates a series of improvements in response to Members' comments, and we invite Members to give it their consideration and support it to improve transparency.

Dispute settlement

The reform of the WTO dispute settlement system remains a matter of urgency. At MC12, we must show progress toward restoring the proper functioning of the dispute settlement system. Members

should soon restart discussions to this end, including on how to address the concerns surrounding the Appellate Body.

JSIs

Japan has high hopes for achieving tangible results on the Joint Statement Initiatives at MC12. We can expect to conclude negotiations on services domestic regulation. On e-commerce, Japan, as one of the co-conveners, would like to facilitate and intensify negotiations on key issues such as cross-border data flow, while bearing in mind various challenges faced by developing Members. We also hope to see substantial progress in investment facilitation.

Other issues (environmental sustainability, LPF)

Trade and environmental sustainability is one area that will require greater attention from Members in the run up to MC12. Japan believes that the WTO should contribute to global carbon neutrality, including through both tariff elimination and rule-making on regulatory issues.

Last but not least, Japan continues to place emphasis on ensuring a level playing field, including strengthened rules on industrial subsidies, SOEs, and forced technology transfer. We would like to promote this important agenda here at the WTO.

11. Nigeria

Nigeria wishes to thank you and the Chair of the General Council and the Heads of respective negotiating Group for your respective reports and efforts in advancing respective negotiations. At the outset, we wish to associate ourselves with the statements delivered on behalf of the African Group and the ACP.

Chair, let me begin by congratulating you, and the Membership for successfully organizing the 15 July Ministerial Trade Negotiations Committee virtual meeting (TNC) on Fisheries Subsidies. We believe with intensified engagement in respective negotiations, Members would be able to make the progress that is required to deliver MC12 outcomes on respective issues that would speed up post COVID economic recovery, and support building of resilient economies. Nigeria looks forward to fair, balanced, and equitable MC 2 outcomes on issues such as Fisheries Subsidies, Agriculture, COVID-19 response, WTO Reform, DSU, TRIPS, E-Commerce, Trade and Development and other JSIs such as MSMES, Services Domestic Regulation at MC12. However, we envisaged that some of these issues will have ministerial decision outcome while others will have developed work programme for post MC12. The outcomes should reflect a balance of the issues of interest to Members and views; balance in terms of political perspectives; and Members' development priorities.

On fisheries subsidies, we will continue to show requisite flexibilities so we can collectively achieve balanced outcomes consistent with SDG 14.6 and our mandate. We have taken note of some positive modifications in the revised Draft Consolidated Text of 30th June 2021. Though the text is not perfect, we believe the basic elements of the landing zones contained therein would foster requisite discussions towards timely delivery of outcomes consistent with the mandate. On the issue of special and differential treatment, we believe artisanal and small-scale fishers are not responsible for the rapid depletion of global marine fish stocks, and in our view, they should be excluded from the scope of application of the discipline. However, we are flexible on this issue, and we share the views of some Members that a key component of special and differential treatment is for poor and vulnerable artisanal fishers in developing country Members and LDC Members. Nevertheless, the final outcomes should also take into account the need for policy space for some developing countries to develop their fisheries sector.

On agriculture, we are of the view that the negotiations should be approached from a development perspective, so we can achieve outcomes that address the structural causes of food and livelihood insecurity and foster the building of resilient agricultural sector. The African Group has tabled some proposals in the COA-SS that we believe will foster discussions towards the delivery of balanced and development-oriented outcomes. These proposals are: (i) COVID-19 and the Food Security Crisis Calls for urgent Action at the WTO - Elements of a Food Security and Livelihoods Agenda; (ii) Draft Ministerial Decision on Domestic Support: Disciplines on Final Bound AMS Entitlements; (iii) Draft Ministerial Decision on Permanent Solution on Public Food Stockholding (Peace Clause Plus) and (iv) Draft Ministerial Decision for Delivering on a Special Safeguard Mechanism for Developing Country

Members. We call on Members to engage constructively so we can collectively achieve fair, equitable and balanced MC 12 outcomes on agriculture.

On development, we wish to register our appreciation for the tireless efforts of the Chair of the CTD SS in advancing the discussions on the 10 Agreement-specific special and differential treatment proposals of the G-90. We believe the revised special and differential treatment proposals tabled by the G90 are critical to increasing trade opportunities of developing countries and LDCs, speed up their post-COVID economic recovery, and support building resilient economies. We therefore call on developed countries to engage constructively in the discussions of this proposal and refrain from frustrating the discussions as well as the adoption of the proposal. We encourage the membership to engage constructively on these issues so we can achieve meaningful outcomes.

Madam Chair, Members must do everything possible to address the impasse of Appellate Body and ensure that the DSU is fully back to function very well.

Regarding the Work Programme on Electronic Commerce, Nigeria looks forward to the adoption of an inclusive MC12 agenda that is geared towards addressing the difficulties undermining the gains of developing countries from global digital trade.

In conclusion Chair, Nigeria is pleased with the progress being recorded in the ongoing open, transparent, and inclusive discussions under the respective Joint Statement Initiatives. We are confident that the outcomes of these initiatives will take into account our development priorities and avail us the requisite tools to further unlock our economic potentials. We therefore call on all Members, especially developing countries, to join these initiatives so we can collectively shape the discussions and deliver development-oriented outcomes.

12. Mexico

Let me begin by thanking the Chairs of the various negotiating groups and the coordinators of the Joint Initiatives for their reports on the status of the discussions.

I would also like to thank you, Madam Chair, for your report and your analysis of the situation. We agree with you that, less than three months before MC12, we need to work with real pragmatism and devote our efforts and limited time, to issues that enjoy a greater degree of convergence. We cannot allow ourselves the luxury, yet again, of a Ministerial Conference with no outcome, even more so when we had four years to work on it.

In this regard, the recent Meeting of the Trade Negotiations Committee at Ministerial Level on Fisheries Subsidies has provided us with a number of lessons, including:

- While the text is considered the basis for the negotiations, there are still major, if not conflicting, differences of opinion among some Members on particular topics;
- If we do not show the necessary flexibility and limit ourselves to pointing out only what is impossible for us to accept, we will not be able to move forward and conclude these negotiations before MC12; and,
- The virtual format meant that real interaction among ministers, which might have allowed us to find common ground, was not possible. This is something about what we need to reflect on in the run up to MC12.

I think it is timely and necessary to commend the Chair of the Negotiating Group on Rules, Ambassador Santiago Wills, who has persevered and made considerable efforts to provide us with a text which, as I said, is a good basis for the negotiations.

With regard to agriculture, despite the efforts of both Ambassador Abraham and the various facilitators, it has become clear that the divergent positions expressed mean that we must lower our expectations of an outcome at MC12 and that we should perhaps think about how to shape a future agenda.

On services, Mexico is in favour of any Ministerial outcome that includes a statement recognizing the importance of trade in services and the fundamental role it plays in supporting economic growth,

which is key to efforts to build resilience and stimulate the economic recovery in the wake of the pandemic.

On the matter of Joint Initiatives, we believe that services domestic regulation is a serious contender and that it is time to clean up the few square brackets that remain in the text. Major progress has also been made on e-commerce and investment facilitation.

Madam Chair, Mexico cannot envision an MC12 without a clear commitment to solving the current dispute settlement system crisis. It is time to take a step forward on this issue, which has already lasted for more than two years and at each DSB meeting, 121 WTO Members request that the processes to fill the Appellate Body vacancies be launched. It is time to act responsibly. The dispute settlement mechanism puts all of us in this organization on a level playing field.

It is undeniable that trade has an important role to play in the post pandemic economic recovery and the fight against COVID-19, and MC12 offers an opportunity to demonstrate that. The Trade and Health initiative, which is already sponsored by 53 members, together with the elements that emerged from consultations led by Ambassadors Spencer and Tan, which will be combined with Ambassador Walker's consultations, are an important step in this direction and can form a good basis for multilateral discussions.

Lastly, the summer break offers us an opportunity to reflect on what each of us from our trenches can do to promote the system and seek ways to translate political commitments into concrete actions in Geneva.

You can count on our delegation to work, as we have always done, to strengthen our system and deliver positive results.

13. Barbados (CARICOM)

This statement is delivered on behalf of the CARICOM Group. The Group aligns itself with the statement to be delivered by Jamaica on behalf of the ACP Group. We wish to thank the various Chairs for their reports and updates. We appreciate the efforts of Ambassador Santiago Wills in steering our work in the Negotiating Group on Rules to advance these longstanding negotiations as we look ahead to MC12. We also wish to applaud the leadership of the Director-General in convening the TNC Ministerial meeting held on 15 July and for providing our Ministers with the timely opportunity to address the Membership directly on their priorities, core concerns and commitments in these negotiations. We reiterate the commitment of our Ministers to continue our proactive and constructive engagement in these negotiations as we press towards a balanced agreement that is a win-win for all of us. In this regard, we wish to underscore some of our key concerns. CARICOM member states rely heavily on the maritime jurisdictions and require policy space to ensure that all their marine resources contribute to their current and future sustainable economic growth and development, given the small landmass of the region. Small and vulnerable economies (SVEs) are not amongst the major subsidisers and have a negligible impact. CARICOM states continue to strongly advocate for the inclusion of an appropriate *de minimis* exception from the Article 5 prohibitions for small developing fishing nations. Also, CARICOM's artisanal and small-scale fishing take place both within and beyond twelve nautical miles. Thus, an exemption granted to artisanal and small-scale fishing should extend beyond the territorial seas to include EEZs.

On agriculture, we acknowledge and applaud the work of the Chair of the Committee on Agriculture in Special Session, for the dedicated and steady work in this critical area. Agriculture continues to make vital contributions to the economies of CARICOM states with respect to GDP, employment, exports, food and security, and livelihood. The ongoing pandemic, our persistent exposure to natural disasters and the effect of climate change continues to expose the vulnerability of our agriculture sector and the need for adequate policy space to build the sector's resilience. Looking towards the Ministerial, we fully support an outcome which allows us to maintain the status quo with respect to Article 6.2 of the Agreement on Agriculture. Moreover, whilst we appreciate the importance of achieving outcomes in the areas of transparency and notifications, our interests are much broader than these areas. Accordingly, having recourse to a special safeguard mechanism which responds favourably to our desire to increase domestic production to improve food security is critical. Furthermore, we call for progress on public stockholding for food security purposes and trade distorting domestic support. We will continue our constructive engagement on all issues and remind Members to take into account the unique circumstance on which countries like ours operate.

Regarding e-commerce, we thank the Chair of the General Council for consulting extensively with Members in recent months, paving the way for us to begin constructive discussions on the Work Programme and the moratorium in the lead up to MC12. The issues selected for discussion at Structured Discussions held on 5 July are important and timely. We thank the WTO Secretariat for the presentations on considerations on electronic transmissions under the Work Programme for the last two decades, as well as those Members who shared their national experiences relating to their internal non-discriminatory taxes on electronic transmissions. The CARICOM Group is also pleased to have the opportunity to share perspectives on e-commerce challenges and opportunities in the context of the COVID-19 pandemic and also to identify specific areas on which support would be welcome. We look forward to the resumption of these structured discussions following the summer break and commit to fully engage in this important dialogue. The group is cautiously optimistic that a good faith dialogue in the period ahead can lead to tangible progress and, at the first instance, mutually agreeable recommendations on the Work Programme and the moratorium for the consideration of Ministers at MC12.

On services, the services sector contributes approximately up to 75% of the GDP of CARICOM states. However, some of the subsectors on which the region heavily relies on, such as tourism, are sensitive to the impacts of natural disasters, climate change and other exogenous shocks, such as the pandemic that we are currently facing. Any outcome which emanates from MC12 must focus on positioning and repositioning the services sector of developing countries and LDCs on a path of recovery and growth. We therefore call on Members to share their experiences with a view to identifying areas of good practices with respect to recovery, growth and resilience. We also call on Members to be open to provide technical assistance and capacity building (TACB) to support developing countries and LDCs in strengthening their services sector.

On reform, we reiterate the importance that CARICOM assigns to preserving the principle of Special and Differential Treatment (SDT) for developing countries that are Members of the organization. Our interest is in maintaining access to SDT within the WTO. In this regard, we cannot support any proposal which seeks to weaken our access to SDT, including limiting SDT almost exclusively to income-based criteria, transition periods and TACB. We also wish to renew our call for the urgent resolution of the blockage to the appointment process of the Appellate Body. We are prepared to play a constructive role in discussions on proposed reforms to strengthen the functioning of the appellate mechanism and broader dispute settlement reform. Other areas of reform such as the strengthening of the legislative and transparency aspects of the organization also remain important to us. We take note of the work being done under the responsibility of the Director-General as well as Member-led discussions.

The ongoing COVID-19 pandemic is unlike anything we have seen in our lifetime. CARICOM member states are still reeling from the impact of the pandemic. We look on with dismay, as rates of vaccination remain as low as 6% in some of our member states. The WTO has a role to play in ensuring that all countries have access to vaccines, therapeutics and treatments for COVID-19. CARICOM calls on WTO Members to be open to all possible solutions to combat the pandemic, including unblocking supply chains, enhancing manufacturing capacity and also invoking appropriate intellectual property flexibilities. Members should uphold their transparency and notification obligations and refrain from imposing export and other restrictions which deny other countries fair and equitable access to COVID-19 vaccines, therapeutics and treatments. We should also be mindful that the solutions that we identified to combat the current pandemic are likely to serve as a blueprint for a response to future health crises. Finally, CARICOM stands ready to work with the Director-General and the entire Membership to deliver meaningful outcomes at MC12. We have to demonstrate to the rest of the world that the WTO remains relevant and that it belongs rightfully alongside other important multilateral bodies in global governance.

14. Barbados

At the outset, we wish to thank you, Director-General, for your constructive report and to applaud you on the excellent work that you are doing with Members to ensure that MC12 is a success, and also in promoting the continued relevance of the WTO. Barbados looks forward to joining other Members on 15 July, ensuring our commitment to conclude a multilateral agreement on fisheries subsidies by the end of the year. We think that this would send a powerful message to the global community regarding the WTO and the state of our fisheries stocks as well as to concretise the relevant ability of the WTO to get the job done. I must say that it is unacceptable for Members to allow the status quo to continue for us to allow it to be institutionalised in the Agreement within the

WTO under the guise of sustainability. The focus of any prohibition in a WTO Fisheries Subsidies Agreement in the area of overcapacity and overfishing, must be on subsidies to large-scale industrial fishing, which statistics show can contribute most to the types of fishing outlined in our mandate. We must also seek to ensure that those that are not responsible for the problem of overcapacity and overfishing do not pay the price for others that do; I really wish to reiterate that point. We therefore believe that, with some amendments to the draft text, we could arrive at a landing zone that could allow us to reach consensus before the Ministerial. Such amendments would include, inter alia, the reflection of a de minimis threshold in line with what has been promoted by the CARICOM and the ACP groups for some time, as well as critical adjustment to transparency, notifications and due process elements.

We thank you for the initiative in developing the concept note for the establishment of a WTO funding mechanism to finance technical assistance and capacity building, in support of implementation of new WTO fisheries subsidies disciplines. We wish to stress that we fully agree that the proposed fisheries subsidies funding mechanism and broader concept of technical assistance and capacity building can in no way be seen as a substitute for Special and Differential Treatment for developing countries. Barbados' position is clear and continues to be that TACB under any fisheries subsidies agreement must be included, and that the proposed fisheries WTO funding mechanisms must be accessible to all small and developing states (SVEs).

On services, Barbados welcomes the opportunity to work with others in finding possible language on services market access for the Ministerial. Such language should be reflected ensuring that any future work in the area include the vulnerable sectors for countries like Barbados and others which were severely impacted by the pandemic, as well as those which have proven to be opportunities for us to ensure recovery and sustainable growth. Our position, for the most part, has been outlined in the ACP submission to the Council for Trade in Services in Special Session in March.

We are cognisant of the limited time that we have left between now and the Ministerial and the myriad of issues that we would need to cover in the WTO, and the wider international context. Despite this, Barbados stands ready to work with the Director-General and all Members to ensure that MC12 is a resounding success and that we set an ambitious work programme for the post-MC12 period.

15. Argentina

I would like to touch on four matters: fisheries subsidies negotiations, the WTO's response to the pandemic, agriculture, and dispute settlement.

With regard to fisheries subsidies negotiations, Argentina reaffirms its commitment to continuing to do its utmost to ensure that, before the WTO's Twelfth Ministerial Conference (MC12), we can conclude a multilateral Agreement on Fisheries Subsidies. Argentina, as a coastal country with an extensive maritime coastline, has participated actively and will continue to do so in the negotiations. It has done so through specific proposals, in order to identify elements of convergence among the membership, to enable it to reach an ambitious agreement that contributes to the sustainability of the oceans and their resources. We shall not repeat what we stated a few days ago, our position is well known. We believe it is essential to have ambitious disciplines, particularly in relation to illegal fishing and fishing by large distant water fleets. In addition, there are certain safeguards that we deem essential (regional fisheries management organizations (RFMOs) and territoriality).

We believe that we have reached a point at which we must now move to a text-based approach, to negotiations between Members, in an inclusive and transparent way. Regarding the concept note on a WTO Funding Mechanism that was circulated, we see technical assistance as positive. However, we note a great deal of detail in certain points, such as point 4.2 and point 6.B. We understand that we need to work within the remit of the WTO, and we note that the document contains a number of references, including to fisheries management and surveillance or monitoring of waters, which could go beyond the mandate. We will follow the discussions, but would seek a clarification of the scope of such initiatives.

With regard to the WTO's response to the pandemic, we would like to take this opportunity to thank Ambassador Walker for the report he presented yesterday and to convey Argentina's full support for his work.

It is crucial for Argentina that the WTO's response to the pandemic is one of the outcomes of the upcoming MC12.

The process to reach such an outcome must be guided by the principles of transparency, openness and inclusiveness, and must promote consensual solutions while respecting and promoting the rules-based multilateral trading system.

Several proposals linking trade policy and health have been put forward over the past months by groups of countries and by individual delegations. All of them are valuable and there is much overlap between them, as we all understand that international trade and the WTO have a central role to play in the production, distribution and access to the vaccines, treatments and diagnostics needed to combat COVID-19. It is therefore necessary and logical to channel these individual efforts towards a collective outcome.

Nonetheless, we recognize that these initiatives only appealed to a fraction of the membership and we understand that they contain elements that we are not all in a position to accept.

Argentina considers that all the proposed solutions need to be analysed in light of an imbalance in access to vaccines and treatments. We must therefore be able to reach achievable and realistic agreements that will bring us closer to the ambitious goal of ensuring equitable access to vaccines and treatments to end the pandemic.

For Argentina, any outcome that is reached must be consistent with WTO rules, without altering acquired rights or prejudicing future agreements or negotiations, while reaffirming the existing trade policy tools to address the pandemic. Valuable aspects of this matter have been discussed in the G20 and could serve as a reference point. The various circumstances, efforts and challenges faced by developing countries must also be taken into account.

Finally, we consider that the calls, suggestions and/or recommendations that emerge must not be addressed solely to states. The private sector has a central role to play in all aspects related to the production and distribution of goods and inputs, including access to health technologies.

On agriculture, for Argentina the agricultural negotiations are not only important because they relate to the most distorted international market sector and the slowest to demonstrate substantial progress, but also because for developing countries, producers and exporters of agricultural goods, agriculture is a fundamental means of rebuilding our economies in the post-pandemic period.

Moving forward with a domestic support reduction programme involving all aspects of Article 6 of the Agreement on Agriculture and all Members, in accordance with the principle of proportionality, is a priority for Argentina. We consider that the framework for negotiations presented in January 2020 in document JOB/AG/177 provides a sound basis for entering into these negotiations.

My country notes that as much as the pandemic imposed exceptional circumstances on all Members, we are concerned about the establishment and implementation of new, large scale domestic support programmes, which we hope will be temporary and consistent with multilateral rules.

Furthermore, we consider it essential to make progress on market access, an area in which we have also been constructive, through the proposal contained in JOB/AG/198. We could work on tariff simplification, strengthening transparency and removing the special agricultural safeguard. We could also consider moving forward with a work programme under this pillar for MC13.

On export competition, we could work to strengthen transparency by monitoring all forms of export subsidies and all measures with equivalent effect, ensuring that the historic elimination of export subsidies agreed in 2015 is not undermined.

We are open to listen and negotiate in good faith with all Members on concrete proposals under each of the pillars with the aim of advancing an ambitious, realistic and balanced negotiating package for the next Ministerial Conference.

However, notwithstanding our preferences, given the time constraints and divergent positions, we believe that energy should be directed towards reaching an outcome on domestic support, as it was

identified by the chair of the Committee on Agriculture in Special Session (CoA SS) as the area most likely to achieve an outcome at the next MC12.

Finally, regarding the dispute settlement system, Argentina, as a developing country and a frequent user thereof, believes that a rule-based system is the best alternative to facilitate economic growth, confidence building, predictability and stability in our trade relations. Such a system exists and is the fruit of our decades long multilateral experience.

We are aware of the systemic concerns of some Members, but we also believe that there needs to be sufficient flexibility on this matter to be able to build a collective way forward.

Argentina again reiterates its openness to discuss proposals to strengthen the agreed system to invigorate the Appellate Body, as part of the outcomes of the upcoming MC12.

16. Iceland (Informal Working Group on Trade and Gender)

Trade and Gender

As co-chair of the Informal Working Group on Trade and Gender I would like to report on the ongoing work. The Informal Working Group is based on the objectives of the 2017 Buenos Aires Declaration on Trade and Women's Economic Empowerment and of the Interim Report establishing the Group (WT/L/1095/Rev.1). The Group has been designed as an open and transparent body and does not intend to create a new set of agreements or rules.

Members agreed to focus their work on 4 key pillars: 1) experience sharing; 2) how to apply "gender lens" to the WTO; 3) review of analytical work done by the WTO Secretariat and other WTO stakeholders; 4) and contribute to the Aid-for-Trade Work Programme. This substantial technical work will form the content of an MC12 outcome.

On 30 April, the Co-Chairs proposed a framework supporting the concrete actions and the substantial focus that would be included in the MC12 outcome of the Informal Working Group (INF/TGE/W/3). The Co-Chairs also met with the Director-General on 1 June and the discussion showed alignment between the Co-Chairs' and the Director-General's ambitions for MC12 on trade and gender.

Following the 23 June meeting, some Members and Observers, which we call the "Friends of Gender", started working on a first draft. This work of the Friends remains open to all Members wishing to participate.

So far, the MC12 outcome on trade and gender would include a Joint Ministerial Statement, a recap of what has been accomplished since 2017 and a Roadmap.

The next regular meetings of the group are scheduled to take place on 23 September, 18 October and 24 November. They will continue to serve as platform for Members and Observers to exchange technical work and experience on trade and gender. Priority will however be given to MC12 discussions given the tight schedule towards the Ministerial meeting.

Lastly, during the Public Forum, the Co-Chairs will organize a session titled "Women in international trade: the fastest economic recovery". This session will bring together a spectrum of businesswomen to discuss the gender specific challenges that they are facing when dealing with international trade. The results of the discussion will then be compiled into recommendations that will be presented to the Informal Working Group on Trade and Gender.

17. Iceland

And now putting on my Icelandic hat I would like to say a few words on Fisheries subsidies. Iceland would like to congratulate the Director General as well as Ambassador Wills for the successful Ministerial meeting on July 15. The Ministerial meeting was an important milestone and met our expectations in many respects. The level of participation clearly showed how important the negotiations are and how critical it is that the WTO delivers an agreement ahead of MC12.

As a fisheries nation, Iceland has for decades put responsible fishing practices and sustainable fisheries at the core of national policy. Concluding an effective agreement which successfully puts an end to harmful subsidies practices in fisheries, is likewise a matter of national priority.

Chair, the Ministerial meeting has given the WTO renewed momentum to conclude an effective agreement that will successfully put an end to harmful subsidies in fisheries.

Iceland recognizes that special and differential treatment will be a key component of our agreement, providing needs-based and temporary flexibilities for artisanal fisheries in poor and vulnerable communities in developing and LDC Member countries.

In the last decades, a considerable part of the Icelandic development cooperation has been in the field of sustainable fisheries. We want all fisheries to be responsible and sustainable, despite the capacity restraints that some Members have raised during these negotiations. Accordingly, Iceland welcomes the proposal for the creation of a "Fisheries WTO Funding Mechanism" to support the targeted implementation of new fisheries subsidies disciplines by developing and least developed countries (LDCs), in cooperation with other international institutions.

18. European Union

MC12 is four months away and we still have a great amount of work to do, with Members quite divided on many of the key files. The European Union is committed to reaching MC12 outcomes that would set us on a path towards the kind of deep reform of the rules-based trading system that is needed if the WTO is to survive as a relevant body. But, clearly, this can only be achieved if all WTO Members are committed.

As of September, we need to be ready to be in full negotiating mode and have a clear, intensive process of engagement in place in Geneva, which will allow Members to coalesce and focus on achieving compromises on the key elements of an MC12 package that would be both reasonable and meaningful.

The European Union's priorities for MC12 are four-fold: concluding the fisheries subsidies negotiations, achieving an outcome on trade and health, finding some progress on agriculture and improving the overall functioning of the WTO.

Firstly, on fisheries subsidies, the 15 July Ministerial meeting usefully reconfirmed our shared objectives to reach a meaningful agreement. Unfortunately, big gaps remain on some key issues. This should be a wake-up call to the membership. Reaching a deal will require intense work to find a balance on the core provisions based on sustainability and using fisheries management measures as well as targeted special and differential treatment. We thank Ambassador Wills for his work programme, but would want to stress that when designing the autumn negotiating programme, we have to recognize that small group discussions are the only way real progress can be made, while of course ensuring transparency to keep the whole membership engaged. This is true for any line-by-line discussions too. Despite the challenges, we are optimistic that we can make this happen by MC12.

I would also note that the European Union is supportive of a funding mechanism to provide technical assistance that is focused specifically on helping developing countries to implement commitments they have taken.

Second, on trade and health, the European Union and co-sponsors of the revised draft Declaration on Trade and Health have provided a contribution to the process on the multilateral response to the COVID-19 crisis. We believe that the prospective MC12 declaration can build on that. Various Members have recently made proposals on how WTO Members can build crisis resilience from a trade perspective. The recent US proposal on trade facilitation is also an element of the puzzle. We hope that Ambassador Walker will find a point of convergence of all these proposals and propose a way forward on that basis.

Third, on agriculture we are worried about the prevailing gaps and hardening of positions as demonstrated in the last CoA-SS meeting. At this stage, we see any outcome extremely challenging to achieve. Putting aside a few totally unrealistic proposals notably tabled this week, there are several issues which could be ripe for a decision at MC12 and could be part of a credible agricultural

package. The European Union sees a possibility of immediate deliverables on transparency on which the European Union will submit today to the CoA-SS a co-sponsored proposal; in addition on export restrictions including on the World Food Programme decision, and on the Bali TRQ decision review. These are areas that can be ripe for an outcome at MC12 if Members are committed to deliver on these. They could be part of a broader agriculture package for MC12. As regards domestic support, we support a work programme for pursuing work post-MC12 on trade distorting domestic support that sets the direction of travel, as well as on the issue of public stockholding.

MC12 should also launch a serious process of discussion on how to improve the functioning of the negotiating, monitoring and deliberating functions of the WTO. The WTO needs to be able to update its rules in a more flexible manner and provide a service to its Members through better monitoring of trade policies. In order to deliberate on these matters and set a path towards reform by MC13, we should set up a Working Group that looks into institutional improvements of the functioning of the WTO.

Linked to this, MC12 must include an outcome on dispute settlement. For this, we need to find convergence by MC12 on a time-limited work programme for agreeing on a package of reforms of the WTO dispute settlement system necessary to restore a fully functioning dispute settlement system. The objective should be to achieve this goal, including a reformed Appellate Body, within a defined time period and in any event no later than by MC13. This is absolutely imperative for the credibility of the WTO.

Finally, the European Union attaches great importance in making a significant progress in the Joint Statement Initiatives ahead of MC12. We in particular look forward to concluding the well-advanced domestic regulation negotiations. The United States joining these negotiations earlier this week will certainly facilitate reaching our objective. The European Union strongly encourages other Members who have been considering joining this JSI, to take a prompt decision.

19. Indonesia

During the last TNC meeting in May, we send our condolences to India for the spike of COVID-19 infection that has taken many lives. Today, my country and many other countries are experiencing the same devastation. I need to say it again: this pandemic is far from over. But in countries with a significant roll-out of vaccines, the rise of infection no longer parallels the mortality rate. For others facing inequality of access to vaccines, we are defenceless against this crisis.

Nothing is more important for the world at the moment than addressing this crisis. We must take bold action to address this pandemic. Addressing export restrictions, tariffs, or non-tariff barriers alone will not be sufficient to address this pandemic. We need open cooperation, not depending on market mechanism to protect the interest of few companies. Knowledge and know-how are global public goods that need to be shared to increase the production of vaccines and essential medical products to counter this crisis.

The WTO needs to finalize the temporary TRIPS waiver without much delay. The TRIPS may not be the ultimate solution. But it leads to a real change in ramping up diagnostics, therapeutics, and vaccines across the globe. Global economic recovery squarely depends on the ability to overcome the pandemic. Clearly, a solution-oriented conversation is urgently needed on securing timely, affordable, and equitable access to vaccines and therapeutics. We must, therefore, find a balanced outcome on the TRIPS waiver.

The next important agenda in our table is to finalize the mandated issues at MC12.

Indonesia continues to reiterate that we need to deliver critical mandated issues in agriculture in this Ministerial Conference. Therefore, a permanent solution for PSH, and operable SSM are highly important to take part as outcomes in MC12. Indonesia and G33 co-sponsoring Members are drafting a realistic and reliable permanent solution for PSH as a basis of discussion towards MC12, of which the proposal is underway. Indonesia requests all Members to sincerely consider the proposal and look at the document that will be circulated shortly. The outcomes on PSH and SSM are being delayed for almost 10 years. If the priority of resolving mandated issues that have been long overdue is still not taken seriously in good faith, to find a solution in the form of a landing zone proposal, we need to reconsider support for the achievement of other agricultural pillars, including the fisheries

subsidies. Therefore, we urge other Members to work towards a constructive outcome on the permanent solution.

On fisheries, we note that much work needs to be done to resolve imbalances and other technical issues to move forward with the negotiation. Respecting the principle of common but differentiated responsibility in this discipline is a key ingredient to achieve a balanced discipline

On e-commerce, emanating from the 1998 Work Programme, Indonesia strongly believes that the outcome on the e-commerce moratorium at MC12 will depend on our ability to clarify the scope and definition of electronic transmission.

More so, at a time when governments are facing the worst fiscal and economic crisis due to the pandemic, a clear assessment can help governments on deciding the continuation of the moratorium.

On special and differential treatment, we support the G90 agreement-specific proposals. Indonesia strongly believes that special and differential treatment is a treaty-embedded right, and the Doha mandate emphasizes making special and differential treatment provisions precise, effective, and operational.

Madam Chair, our next priority is to restore the Appellate Body, which is at the core of the two-stage dispute settlement system. Without a functional Appellate Body, there is little purpose in negotiating new trade agreements. Indonesia would once again call on Members to renew political will to resolve this issue.

20. Brazil

Brazil is strongly committed to the multilateral trading system and supports a reform to modernize and revitalize the WTO. We need to start by achieving concrete and meaningful results at MC12.

Fisheries Subsidies

One of these deliverables is the conclusion of the fisheries subsidies' negotiations. The Chair's text offers a good basis for the core disciplines of the future agreement. Brazil continues, however, to consider that basic prohibitions combined with exceptions based on management measures might not be enough to decrease the pressure on maritime fish stocks. It is important that the Chair's text contemplate, in some way, complementary approaches, such as "cutting and capping" mechanisms. That would send a strong message to the world that WTO Members are committed to ambitious sustainability goals.

Agriculture

Another issue closely linked to sustainability objectives is agricultural domestic support. The current pandemic has shown how excessively loose agricultural rules and limits allow for sudden increases in global trade-distorting domestic support, especially for those Members that already concentrate most of the expenditures in agricultural subsidies. Reforms have stalled in the past ten years. Worse, some countries have rolled back earlier reform efforts. MC12 must deliver a framework for capping and proportionally reducing trade-distorting domestic support along with a working program clearly defined for MC13. Brazil maintains that transparency is not enough as an outcome on domestic support for MC12, nor as a sound basis for post-MC12 work. We also strongly support the Ministerial Declaration on SPS, which is a way forward in helping farmers worldwide to thrive.

Dispute Settlement System

Another priority for Brazil is the Dispute Settlement System. The WTO Membership should, at a minimum, agree at MC12 on launching negotiations to re-establish a fully operational Appellate Body no later than MC13. This could be done, for instance, in a MC12 Ministerial Understanding on the role and procedures of the Appellate Body. Any multilateral solution should encompass the unblocking of appointments of new Members of the Appellate Body, as well as the preservation of two levels of "adjudication" and the negative consensus.

MC12 Package

In Brazil's perspective, the MC12 package should also contain:

- a Ministerial Declaration on trade and health;
- an agreement on a pathway that leads to the flexible geometry of plurilateral negotiations at the WTO;
- deliverables on subsidies across all sectors;
- the conclusion of negotiations on investment facilitation and domestic regulation, a multilateral outcome on MSMEs, a stock-taking declaration on e-commerce and its way forward; and
- an agreement on enhanced transparency and notifications.

MC12 can be a turning point for the WTO. I am confident that we can find pragmatic solutions to achieve concrete results.

21. Republic of Korea

Importance of a successful MC12

We have waited 4 years for this biennial Ministerial meeting to be materialized. It would be a big mistake if we fail to grasp this opportunity for meaningful outcomes for MC12, not least because the credibility and future of the WTO is at stake.

As you said, Chair, it is high time we concentrate our efforts to identify items which are achievable by MC12 and others that need more time to reflect on.

From my delegation's perspective, I would like to highlight some of the areas of negotiations where we should work together to obtain successful outcomes for MC12.

Negotiations on Fisheries Subsidies

First, on Fisheries Subsidies, Korea appreciates the efforts you and Ambassador Wills made for a successful Ministerial meeting that took place on July 15th. As you said, Chair, we were able to witness the entire membership's collective willingness to engage in the negotiations to reach a long-awaited conclusion of the negotiations, hopefully in advance of MC12.

I welcome Ambassador Wills' plan to proceed with the process of text-based negotiations based on the draft text in front of us from early September. I would like to assure you and Ambassador Wills that while Korea has a few areas of concern, it will engage in upcoming intensive negotiations in a constructive and responsible manner so that a balanced text could be produced at the end of the day.

Agriculture

With regard to agriculture, my delegation appreciates Members' collective efforts through CoA-SS to build bridges in the run-up to MC12. The 3-day long intensive CoA-SS meetings this week showed that wide gaps still remain on some core issues, such as domestic support, export competition, and PSH. In spite of a bumpy-looking road ahead to MC12 in agriculture, Korea welcomes the Chair's efforts to introduce the first draft text by the end of July and to have a last CoA-SS meeting before the summer break.

On Ministerial agricultural outcomes, Korea would like to reiterate the importance of transparency all across the pillars, and in particular, in the domain of export restrictions. Enhanced transparency in export restrictions will contribute to food security in global markets, which is of critical importance for developing countries and net-food importing countries. Exempting WFP food procurement from export restrictions should also be a part of MC12 deliverables.

JSIs

It is encouraging that in many different areas of JSI negotiations progress is being made. JSIs are critical for updating the WTO's rulebook and making the WTO more relevant to the priorities of today.

I would like to reiterate the standing invitation for the broadest possible engagement of Members in the ongoing JSI negotiations.

Korea is pleased that the United States announced its intention to formally join the Services Domestic Regulation Joint Initiative. My delegation also welcomes Peru's decision to be part of the Joint Initiative on Investment Facilitation.

On substance, we believe that the formal participation by the United States in the Services Domestic Regulation Joint Initiative will help generate the momentum needed for us to bridge the gaps in a few remaining outstanding issues. Korea strongly supports the goal of concluding Domestic Regulation negotiations by MC-12.

Significant progress has been achieved on Investment Facilitation. I look forward to working toward the cleanest possible text before MC-12.

On e-commerce, I am encouraged by the fact that this week we have now two more clean texts, namely on e-contracts and transparency, and look forward to having some further progress before the summer break. Korea stands ready to contribute to helping produce as many clean texts as possible by MC12.

Trade and Environment

Tackling climate change and achieving carbon neutrality is an urgent task today. My delegation believes that the WTO should play an important role in environmental sustainability. Liberalizing trade in environmental goods and services and ensuring transparency and predictability of trade-related environmental measures are one of the most effective ways to facilitate our transition to low-carbon economy. WTO Members are encouraged to strengthen discussions on trade and environment for potential MC12 deliverables. To this end, a joint proposal by Australia, Singapore and Korea is on the table for consideration.

DSB

Last but not the least, the dispute settlement system. Restoring the two-tier dispute settlement system of the WTO should be a main priority for the entire membership as part of our collective efforts to make the WTO a better functioning organ. By MC12, I believe, we should come up with a concrete work plan to deal with this matter. My delegation remains flexible as regards the way through which this vital issue can be addressed, as long as constructive discussions among Members with specific timelines are ensured.

22. Kingdom of Saudi Arabia (Arab Group)

The Arab Group would like to thank you Madam Director-General for your report including your assessment and suggestions to Members on the way forward. We also would like to appreciate the valuable efforts of you Madam Director-General and the Chair of the Negotiating Group on Rules to make the Ministerial meeting of 15th July a successful one. Let me also extend our thanks to the Chairs of Negotiating Bodies for their reports and assessments.

In the coming few months and after the summer break, we need more than ever to intensify our efforts and to engage in a solution-oriented mode with the sense of urgency and necessary flexibility to achieve a consensus that leads to positive outcomes for MC12.

Looking ahead towards MC12, allow me to highlight the Arab Group views on some certain areas that we see as priorities for MC12:

The first one is COVID-19 pandemic and the vaccines. The Arab Group believes that the WTO can play an important role in ensuring the global supply chain of critical medical products and in making vaccines available for all Members in need. We emphasize the importance of equitable worldwide access to COVID-19 vaccines for economic growth and trade to bounce back from the pandemic, especially in developing and least developed countries. We urge countries to come together and avoid the temptation of "vaccine nationalism", because the health of people and the economy will not be safe until everyone, everywhere has access to the tools necessary to end this pandemic. We

commend all recent calls and initiatives reached between international organizations including WTO to enhance their support to Members battling COVID-19.

The second area is fisheries subsidies. We were encouraged by the constructive engagement among Ministers and Heads of Delegations during the Ministerial meeting on fisheries subsidies last week. We observed a clear boost of momentum towards concluding the negotiations on fisheries subsidies with the aim to have a meaningful and balanced outcome for each Member. We believe that the meeting provided us with the necessary political guidance on how to move forward with this important issue. We believe that the instructions provided by our Ministers during that meeting should be taken as the basis of our future work to narrow the gap of differences and to find common ground and landing zones, in order to generate consensus before MC12. We also think that allowing more policy space for developing Members to develop their domestic fisheries in these negotiations will lead to a successful conclusion.

The third area is agriculture. We welcome the Chair's recent report in which she outlined the contours of a possible deal on agricultural trade in the run-up to the 12th Ministerial Conference (MC12). We think it represented an accurate assessment of the situation. We also emphasize the urgency of achieving progress at MC12, and encourage all Members to engage constructively in the technical discussions in order to achieve a successful outcome on this crucial issue.

The fourth area is the WTO reform. We believe that an active engagement, a strong political will and a full understanding of the scope and elements of proposed reform are required to advance WTO reform. We also underscore the importance of a well-functioning Dispute Settlement Body. We therefore encourage all Members to double their efforts to find ways to restore and improve the functioning of the WTO dispute settlement system.

In the area of accession to the WTO: Accession to the WTO can present a window of opportunity to acceding countries to integrate beneficially into the global economy. The Arab Region is one of the areas of the world with the largest number of countries outside the multilateral trading system. Of the 22 Members of the Arab League, 13 countries are WTO Members and eight countries are in the process of accession. We hope that MC12 should be an opportunity to deliver in this area to ensure more universality of the organization, particularly for those who still in the process of accession. We also underline that the accession of LDCs should be conducted under a "fast track" approach

23. Saudi Arabia

Before I conclude, I would like to make a statement on behalf of the Kingdom of Saudi Arabia on WTO reform. In this regard, I would like to refer to the Riyadh Initiative on the future of the WTO, which was launched by the Saudi Arabian G20 Presidency and annexed to the G20 Trade and Investment Ministers Communiqué that was circulated as a WTO document (WT/GC/221), and gained the recognition of the G20 Leaders at the Riyadh Summit as indicated in their declaration that was circulated as a WTO document (WT/L/1101). In light of this, we believe that the Riyadh Initiative could form a good basis for further discussion among the entire membership towards the necessary reform of the WTO and we request to add it to the list of initiatives on the WTO reform discussions and consultations.

In conclusion, the Arab Group stands ready to work constructively with WTO Members towards successful outcomes at MC12.

24. Norway

Norway has for quite some time identified the WTO response to the pandemic, fisheries subsidies and WTO reform as the key areas for delivery at MC12. Today, I will however limit my comments to the negotiations on fisheries subsidies, as this is the most important and urgent issue before us on the agenda of the Trade Negotiations Committee.

Results are long overdue. The world's oceans, as well as fishermen and women everywhere, need a meaningful agreement that answers the call for more sustainable fisheries. It is about much more than saving fish. It is about securing a healthy marine environment for the sake of people of this generation, and for generations coming after us. We need to conclude the negotiations this year. Kicking the can down the road as we have done so many times in the past is not an option.

We heard and acknowledge the various views voiced at last week's Ministerial. We noted that many Ministers said that no outcome would be the worst of all results, because the current unsustainable practices will continue to deplete our common resources. We must not let the perfect become the enemy of the good.

We also heard that a result that seems to cement the status quo is not an acceptable outcome. We agree. We do however believe that the Chair's draft text contains elements of a realistic landing zone that can be built upon so that the end result will be significant changes in current practices. Let us therefore engage directly with each other in text-based negotiations so that we can conclude a deal that will make a difference.

To get to a deal will require all sides to compromise. Permit me in that context to make a couple of comments specifically on overcapacity and overfishing. To us the most important thing is to immediately discipline the largest fisheries nations, the top 25 or so, and Norway being among them.

We heard the call for a *de minimis*. Norway is ready to discuss how we can accommodate the requests from the smallest fisheries nations for more lenient disciplines for them, including on transparency and on invocation of the flexibilities.

We have also noted the concerns regarding the core discipline in 5.1.1. Norway is ready to look at whether the text should include greater commitments by some Members, especially the largest fisheries nations which also includes the biggest subsidizers, to ensure that subsidies do no harm, while at the same time accommodating other Members with the necessary flexibilities to be able to make use of 5.1.1.

Norway agrees with the Chair's proposal for a two-staged, intensive negotiation in September and October. We will continue to engage constructively in our common search for a meaningful deal that can be concluded and accepted by all members as soon as possible.

Finally, Chair, allow me to suggest that we consider reinstating the informal time limit for interventions in the TNC as a means of streamlining our proceedings.

25. Panama (Article XII Members)

I am making this short statement on behalf of the Group of Article XII Members. The Group would like to reiterate our previous calls for the need of levelling the playing field in the ongoing negotiations, not just in agriculture. We look forward to receiving the first draft text for a possible outcome on agriculture next week and hope that our Group's messages will have been considered and integrated.

Chair, our Group has been actively engaging with the informal Sub-Group on the WTO response to the pandemic as well as the General Council Facilitator-led process. Many Members have applied trade restrictive measures on essential health-related goods and services, that were nevertheless consistent with their WTO commitments. We believe our Group's agenda of levelling the playing field in access and other commitments could have facilitated a more coordinated response to the COVID-19 pandemic, by keeping open markets and supply chains for essential medical supplies and services. Higher levels of commitments by the original Members, to the level required of our Group, can for the same reasons be an important ingredient in a multilateral trading system that can better respond to future pandemics.

Lastly, Chair, we take note of the recently circulated document on the State-of-Play of Accessions and reiterate our support to the ongoing accessions. We hope to welcome new Members to the WTO by MC12.

26. Panama

Panama would like to thank you, Ambassador Santiago Wills and the Secretariat for organizing the Ministerial Meeting on fisheries. We are pleased that following this meeting we will launch text-based negotiations in order to conclude an agreement with effective and ambitious disciplines. We support your intention and that of the Chair to organize meetings of various kinds, respecting transparency and inclusiveness, and rapidly informing Members of any meeting that is not open-ended, and also of the results achieved.

One lesson we must learn from the fisheries Ministerial meeting is that negotiations for MC12 – in terms of both topics of negotiation and declarations or decisions – must be concluded well before the Ministerial Conference. The hybrid format is not well suited to high level negotiations. We must also make arrangements for post MC12 work in order to revive the WTO's negotiating function. Here we must at least agree to establish work plans – with timelines, milestones, etc. – throughout the integrated agenda and multilateral negotiating groups, not only in agriculture.

In agriculture, Members need to agree on comprehensive reform across all pillars of agriculture. A thematic balance is required with respect to Members' concerns and priorities. Those who insist on looking at only a limited aspect condemn us to continued paralysis at the multilateral level.

The services negotiations, part of the integrated agenda, are also essential to move from impasse to outcomes. Perhaps we will have more incentive to give the attention that these negotiations require, in view of their importance for the recovery and sustainability of trade in the post COVID era. Also in services, the negotiations call for a balance between the access and rules aspects.

So, it is of the utmost importance that during the Ministerial Conference we Members establish the role of the WTO in relation to COVID-19 and its contribution to the economic recovery of Members.

We also call for time to be devoted to discussions on other topics such as the extension of the moratorium on the cases of non-violation under the TRIPS Agreement, pending a substantive discussion of the topic. We must find the political will to resume substantive work on e-commerce, and to extend the moratorium on tariffs on electronic transmissions.

27. China

Please allow me to join others to sincerely commend you, Ambassador Wills, as well as the dedicated Secretariat staff who have worked tirelessly to make the 15 July TNC Ministerial meeting happen. We thank the Chairs of the different negotiating groups for their reports.

On fisheries subsidies, China supports Ambassador Wills' workplan for autumn. We believe that such a clear roadmap will help us prepare for the final stretch after the summer break. It will translate the strong, critical message we have heard last week, into constructive engagement and the demonstration of flexibilities in the text-based discussions. After last week's successful meeting, hopefully we can all sense a positive signal and a new momentum for our negotiations. As stated by our Minister Wang Wentao, China will continue to participate in the negotiation and contribute to its swift conclusion. To this end, we should avoid introducing new elements into this final stage of discussions. As Fiji mentioned, we are closer than ever to success in the history of this negotiation, but we still have many difficulties to overcome. Various concerns, including ours, need to be addressed in a very short period of time. Adding new elements which are not covered by our mandate and have not been tested in the last twenty years will only overload our already very heavy work and drive us away from a possible success.

This is the last TNC meeting before the summer break. Many colleagues previously called upon having a reality check or a stock take of progress in order to clarify next steps after the summer. I hope that through today's engagement, Members could come to an understanding to make subtractions rather than additions. As we have only three working months left before MC12, we should pragmatically identify possible deliverables and devote our energy and resources after the summer break to have them materialised. Last minute surprises are not an option, be it with new agenda items for the Ministerial, or additional elements in specific negotiations, we should bear in mind that we should not overload the agenda. China, in a pragmatic and objective point of view, expects MC12 with outcomes on the following areas:

1. Restoring the Appellate Body, or at least having a workplan which explicitly outlines the next steps and basic principles for restoring and improving the Appellate Body.
2. Completing the fisheries subsidies negotiations.
3. Reaching critical commitments on pandemic-related issues, including the way forward and specific decisions on certain areas such as the TRIPS waiver.

4. Achieving a PSH solution on agriculture. In this regard, we could add a statement made by Indonesia on behalf of the G33.

5. Making progress in existing JSI discussions, including investment facilitation, e-commerce, trade and health, trade and the environment, women empowerment, MSMEs.

Lastly, China supports the start of a consultation process on a Ministerial outcome document immediately after the summer break under the General-Council Chair's capable leadership. The document should deliver a positive and encouraging signal to the international community, demonstrating solidarity instead of a split of the membership.

28. New Zealand

On fish, we too take heart from the Ministerial meeting last week, and let me express our thanks to you Director General for your leadership in this respect. It was a technically impressive meeting, and we commend those working behind the scenes who made it happen. Substantively, it was not what we hoped for. We, along with other APEC economies, hoped to be concluding in July. It is imperative that we now work intensively and line by line to ensure a quality outcome is concluded, in line with our mandate in SDG 14.6, as soon as possible ahead of MC12. Technical assistance and capacity building as needed for implementation should be one part of an overall package of disciplines, with discussions on the mechanics rightly taking place in tandem.

The negotiations on fisheries subsidies must be concluded ahead of MC12. We commend Chair Wills for his determination, and the indications he has given today for our work in September to conclude in October.

Achieving an earlier outcome on fish delivers on the overdue SDG 14.6 deadline and will allow MC12 to focus on other pressing global matters. For New Zealand, as for all other delegations who have spoken today, COVID-19 and the WTO's Response to the Pandemic is clearly one of those issues.

As you said Chair, in my systemic Facilitator capacity, I provided an update on that multilateral process to General Council Members yesterday and will report formally at the General Council meeting next week.

As current APEC host, New Zealand can report strong recognition from Ministers of Trade on 5 June and from Leaders in an unprecedented additional informal retreat held on 16 July on the importance of using trade as a tool to respond to the pandemic.

Beyond the pandemic response, MC12 must deliver on agriculture. We look forward to CoA-SS Chair's first draft text in that regard. We agree with Brazil that transparency will not be enough. We must at least agree on the negotiating parameters to guide us towards a meaningful outcome on domestic support. As Ambassador Mina reported from Cairns Group Ministers, the Framework for negotiations on domestic support is a realistic and achievable starting point. MC12 needs to set clear parameters and timeframes for domestic support negotiations that build on the principles of the framework and which reflect the views of the WTO membership.

You have asked us, Chair, to discuss the way forward. There is work we must do before MC12, work for MC12 itself and work beyond MC12. The way forward will involve discussions in a range of formats. There are issues that we must continue to work on collectively after MC12. Here, New Zealand has not lost sight of the need for WTO Reform, and the urgent need for restoration of a fully functioning binding dispute settlement system.

The Joint Statement Initiatives, grounded with a clear goal of multilateralism and based on principles of inclusion and transparency, are also an important feature of our way forward.

29. Mauritius (African Group)

The African Group remains committed to constructive discussions and a meaningful outcome at MC12. On specific issues, Chair, I start with fisheries subsidies and commend you for the successful holding of the Ministerial Conference on 15 July 2021. We heard some 104 Ministers and that in itself is comfort about the continued engagement of Members in the WTO.

The message from African Ministers is clear. The text on the table will serve as a useful basis for discussions after it has been balanced. This balance will best be measured by the responsiveness of the text to the mandate which has been given to us for the negotiations.

The African Ministers also clearly articulated that special and differential treatment is not only about artisanal and small-scale fisheries but about policy space to develop their fisheries sector. They also highlighted the need for any outcome to deliver on sustainability and to disallow any flexibilities that will oppose the achievement of sustainability. Indeed, the mandate is about eliminating harmful subsidies in the direction of achieving sustainability.

The African Group looks forward to resuming negotiations with other Members in September to re-balance the Fisheries text consistent with all aspects of the mandate.

Agriculture

Turning to agriculture, I note that FAO data shows that already 174 million people across 58 countries, mostly from Africa, are grappling with serious food consumption gaps or above-usual acute malnutrition.

Food security remains of high importance to the African Group and we are glad you specifically mentioned this in your statement, Director-General. We unfortunately note that there has been little to no progress made on special safeguard measures and public stockholding. A critical, but yet long standing mandated issue that also remains unresolved is the curbing of trade distorting domestic support measures to ensure a level playing field towards fair and equitable trade. This has a direct implication on the development of lesser developed countries that not only rely on agriculture for their livelihood, but also lack the means to subsidise their farmers to compete in markets.

With a view to concretely advancing the discussions towards a meaningful outcome for MC12, the African Group has tabled proposals on (i) domestic support; (ii) public food stockholding; (iii) special safeguard mechanism; and (iv) COVID-19 and the food security crisis. We trust that Members will earnestly engage on the ideas proposed by the African Group in these proposals, and we stand ready to interact in meaningful discussions.

TRIPS Waiver

There is no doubt that recovery from the pandemic will be long and tedious. In fact, we are not even out of the pandemic, let alone the first phase of recovery. Due to the inequitable distribution of vaccines, the African continent is struggling to manage the health crisis. The percentage of vaccination in Africa stands at a mere 2% in comparison to the global average of around 40% which is twenty-fold more than Africa. There will be little economic recovery if the problem of vaccine accessibility is not addressed. We therefore reiterate our support for the proposed TRIPS waiver to allow the ramping up of vaccine production, especially in developing areas of the world.

In this regard, while we are glad that text-based negotiations have begun, we realise that there is still resistance from a few. We would like to highlight that the TRIPS waiver proposal is a necessary and crucial component to a WTO response to the pandemic and that this is critical to boost and diversify production. We therefore look forward to the additional collaborative work that is required from us, such as providing access to raw materials in the manufacturing of vaccines and the transfer of know-how and technology that will be required to achieve the desired outcome.

LDCs waiver

On a more positive note, we welcome the decision of the TRIPS Council (in document IP/C/88) to extend the transition period under TRIPS Article 66.1 for LDCs until 1 July 2034. We commend the TRIPS Council Chair for his stewardship in reaching this encouraging outcome. We also rejoice that the TRIPS Council could eventually recognize the special economic, financial and administrative constraints that LDCs continue to face, and their need for flexibility to create a viable technological base, particularly exacerbated by the long-term social and economic impacts of the COVID-19 pandemic. Finally, on this point, we would like to recall that the LDC Group's request contained a post-graduation element on which the understanding between Members is that the post-graduation element of the LDCs request would be best pursued under the other LDC proposal being considered by the General Council. We call upon Members to engage in that discussion constructively, in good

faith and to reciprocate the flexibility the LDC Group demonstrated to build the necessary consensus for adopting the extension decision.

Special and Differential Treatment

I now turn to the discussions on special and differential treatment. Special and differential treatment remains crucial to dealing with existing structural imbalances and for providing a level playing field to developing Members and LDCs.

We thank the Chair of the CTD SS for all her efforts to advance discussions and seek the support of Members for the G90 proposals on special and differential treatment.

E-commerce Work Programme

Lastly Chair, let me touch upon the concerns of the African Group with regards to the digital divide, which became even more apparent during the pandemic. E-commerce, tele-working, tele-schooling and home delivery services present a huge challenge across the continent. We firmly believe that the WTO can play a leading role in harnessing institutional coherence and helping bridge the gaps so that we may substantially address the digital divide. With the needs of modern society being increasingly incumbent on digital technologies, we request that the 1998 Work Programme on E-commerce be accelerated and reviewed, taking into account the developmental benefits that flow from such advances and the benefit to the global e-commerce community.

Before I end, Chair, let me thank the Ambassador of Iceland for his report on Trade and Gender and recall that we had proposed that the Committee look at how unpatented technology can be accessed and be made available through programs such as She Trades of the ITC to empower women entrepreneurs to improve their efficiency and the quality of the products. I do believe that working on this issue with the Working Group on Transfer of Technology could lead to a real outcome in favour of women entrepreneurs.

In conclusion Chair, COVID-19 has affected African countries in significant ways, we firmly believe that development should remain at the centre of the work of this institution and we need to ensure that the WTO contributes to the economic recovery efforts of our Members. This is crucial to the continued relevance of the WTO to developing countries.

30. Honduras

Honduras thanks you for your report and the report submitted by the Chairs of the various negotiating groups. As you have mentioned earlier, time is not on our side. After the summer break, we will have only three months to complete the necessary work for the Ministerial Conference, which should not prevent us from achieving meaningful results, but it is imperative to be pragmatic and focus on a realistic and viable number of outcomes.

For Honduras, the WTO response to the pandemic is a priority, and we agree with a number of Members that the subject of trade and health must be integral and central to MC12. The challenges associated with the pandemic are many and highly complex, starting with the most urgent: the equitable distribution of vaccines.

We strongly believe that trade is a necessary conduit for the socio-economic recovery of our countries, not only to help us bring this pandemic to an end but also to be well prepared for the future. In this regard, we welcome the efforts made by the Chair of the General Council and his facilitator, Ambassador David Walker, as well as the document circulated by Ambassador Spencer and Ambassador Tan yesterday. Honduras stands ready and is committed to work towards an effective and equitable solution to this issue.

In the fisheries subsidies negotiations, we consider it a priority to achieve convergence on the outstanding issues, we must therefore pursue the technical discussions. We also believe that we must all make efforts and show willingness and flexibility to recognize the importance of an effective and adequate special and differential treatment (SDT), without undermining the objective of improving the sustainability of the oceans. Furthermore, there is a need to recognize the importance of the topic in terms of food security, employment, poverty reduction and livelihoods for poor artisanal fisheries in our countries and to enable us to develop our fisheries sector.

On agriculture, we believe that we should continue our efforts to narrow the gaps in the negotiating positions and achieve a balanced and credible outcome, which addresses the current imbalances and reduces and limits trade and production distorting support on the basis of proportionality.

We must also focus our negotiations on the core issues of the unfulfilled agriculture mandate, by retaining the flexibilities and producing a meaningful result with a permanent solution on public stockholding (PSH) and a comprehensive and balanced outcome on the special safeguard mechanism (SSM).

With regard to the reform of the WTO, we believe that MC12 is a key opportunity to update the rules of the organization. We welcome the efforts made by various Members on this issue, and agree that Ministers at MC12 should provide clear guidance on how to proceed on this matter.

To conclude, Madam Director-General, Honduras would like to thank you and the Chair of General Council for your proactive engagement aimed at ensuring a successful Ministerial Conference. It is now up to us, the Members, to work towards achieving effective and necessary outcomes, that are in the interest of each and every Member of this organization.

31. Costa Rica (Joint Initiative on Services Domestic Regulation)

I welcome the opportunity to provide an update on the open-ended negotiations in the context of the Joint Initiative on Services Domestic Regulation. Since my last report, the Initiative has moved a very important step closer to achieving a meaningful outcome in time for the next Ministerial Conference. At the last open-ended meeting on 20 July, the United States announced its decision to join the Initiative and to actively support the conclusion of this negotiating process by MC12. With the participation of the United States, the total number of Members committed to an outcome stands at 64. These Members comprise most of the 50 largest services traders, as well as some small developing economies, which all together account for more than 85% of world services trade.

The high level of commitment of services-trading Members is testament to the importance of this negotiation. Above all, as we all know, enhancing transparency and predictability of regulatory frameworks to harness the potential of services trade is a crucial element in the post-COVID economic recovery. Let me emphasize that the positive economic impact of an outcome will spread to all WTO Members, as services suppliers from all Members – including non-participants - will benefit from the reduced trade costs that the negotiations will bring about. Nonetheless, JSI participants are working hard to persuade as many Members as possible to join the Initiative. This is because it is evident that the greatest benefits will come from each Member implementing the disciplines at home, thereby benefitting particularly their own small and medium sized services suppliers.

Let me report also that, from our last meeting, it emerged clearly that the Initiative has moved closer to concluding work on the text-based pillar of the negotiations. Participants have expressed their readiness to exercise the necessary flexibility and pragmatism to solve the remaining outstanding issues in the negotiating text. With MC12 only 4 months ahead, agreeing on a clean Reference Paper will represent a crucial milestone and will facilitate the preparation and exchange of revised draft schedules incorporating improved commitments on services domestic regulation.

Madam Chair, just a few weeks ago, the Global Services Summit outlined the clear expectation of hundreds of services businesses around the world that WTO Members deliver a long due outcome on services domestic regulation by MC12. The Initiative has a real opportunity to achieve a result that will have a concrete impact on the operations of services suppliers and will contribute to reinvigorate stakeholders' confidence in the negotiating function of this Organization. We will not squander this opportunity.

To conclude, in keeping with the open, transparent, and inclusive nature of this process, the Initiative is ready to engage with all interested Members, to address any questions, needs, and concerns. I invite all Members not already part of this process to engage actively in the discussions and consider joining the Joint Initiative on Services Domestic Regulation.

32. Russian Federation

We wish to thank the Director-General for convening this meeting and for her assessment as Chair of the TNC regarding the current situation and her suggestion for our work ahead. I would agree

with the Chairs of the negotiating bodies and the previous speakers that we have, indeed, a very intense working schedule for the fall session. MC12 will take place in only three working months and we have to do our utmost in order to deliver a meaningful package for the Conference.

On fisheries subsidies, Russia highly appreciates the Director-General's devotion and her personal efforts as well as those of the NGR Chair, to bring us to a successful conclusion of the negotiations. As our Minister said during the 15 July TNC meeting, Russia is ready to actively and constructively engage in overcoming the remaining difficulties, although some of them still are of a systemic nature. We suggested to Ambassador Wills some particular ideas regarding technical and organizational arrangements of our work in September and October and we hope that those will be taken on board in the detailed working plan he is going to deliver next week.

What we need now is to make a sober and objective assessment of the state of play in the negotiating process, especially when it relates to public outreach. Upon the press conference held on 15 July, the media quoted the following statement made by the Director-General: "We have a text that has been agreed and blessed by all the Ministers and Heads of Delegations". Of course, this phrase was taken out of the overall context of the Director-General's intervention. However, several international media made it central in describing the outcomes of the event. That was quite confusing and misleading in the view of my capital, and perhaps in others as well. We admit that there is need for a certain level of optimism regarding the perspective of our negotiations. In fact, there is a famous joke amongst scientists that, in order to make a breakthrough in scientific discovery, one needs three persons in their team: an optimist, a pessimist and a person with creative thinking. I think we have enough optimists on our team, some of us would also agree to play pessimists. But we now require people with creative ideas. We believe that exaggerated optimism may seriously harm our work at this stage; let us not artificially inflate optimistic expectations, at least publicly.

On agriculture, we wish to thank all the delegations that tabled proposals for the CoA-SS meeting held last week. Russia, along with other Members, is looking forward to considering the documents. We hope that over the summer break the membership can explore all the initiatives and begin text-based negotiations in the fall. In our view, the most realistic outcome at MC12 on this negotiating track would be the adoption of a clear and detailed roadmap for further negotiations accepted by all Members. Such a roadmap should contain an understanding on key principles for further negotiations, a base for reduction and a list of support programmes subject for future reductions. At this stage, we believe that any figures of quantitative parameters would not be helpful as the outcome of the negotiations should not be predetermined. Since the negotiations are unlikely to be successful without a clear and timely understanding of the current situation regarding agriculture, an outcome on enhancing transparency is critically needed at MC12 as well.

On other MC12 outcomes, we are looking forward to a balanced result and, in the long term, ensure that the rules-based multilateral trading system responds adequately to the challenges posed to the global economic environment. Russia has put forward a number of specific proposals to improve the deliberative function of the WTO. In particular, we have tabled an initiative on transparency in applied tariffs as well as a communication reflecting our main priorities and expectations for decision-making to be done at MC12. We observe that many of the points we have outlined – in particular regarding WTO reform, the resumption of the work of the Appellate Body, the strengthening of the negotiating function – coincide with the views expressed by many other WTO Members.

33. Moldova

Moldova supports the ongoing discussions for MC12 preparations and for WTO response to the pandemic. While we appreciate the Chairs and Facilitators-driven work in keeping this process transparent and inclusive, we also share the view of many other colleagues that we have to focus on priorities, and concrete achievable results. Besides an outcome on fisheries, one of these refers to the discussions on WTO response to pandemic.

Moldova is committed to the ongoing work through supporting the draft Declaration on COVID-19 and Beyond: Trade and Health Initiative, document WT/GC/W/823, which we believe contains the most relevant and important elements for trade policy related actions designed to contribute to the WTO response to the current COVID-19 pandemic and what is most important to enhance resilience against future pandemics.

Furthermore, speaking about deliverables, on Joint Initiatives, Moldova fully supports and commends the high level of engagement and hard work of members within all JSIs. As many other Members, we see these Joint Initiatives as potential deliverables by MC12 and beyond. We also welcome very intensive activity and discussions within the TESSD (trade and environmental sustainability structured discussions).

On e-moratorium, the Republic of Moldova continues to support the extension of the moratorium on electronic transmissions with a view to making it permanent. We also support the necessity of extension of the moratorium under the Article 64.2 on TRIPS non-violation complaints.

Generally, on the services dimension, we are very pleased to support the ongoing discussions within the Committee on Specific Commitments (CSC) on the improvement of transparency and technical accuracy of specific commitments through conditional commitments. Moldova is interested in engaging and supporting proposals/activities aimed at enhancing clarity, predictability in Members' Schedules of specific commitments, as well as those targeting a higher liberalization of trade in services.

On SPS discussions, Moldova would be interested in any activities focusing on issues related to the transition to sustainable food systems with a view to support the process, while – at the same time – preventing any disguised restrictions on international trade.

In the negotiations on agriculture, we commend the active work of Members based on submitted proposals, and we look forward to receiving the first draft text for a potential outcome on agriculture, planned to be presented next week. At this point we align to the statement delivered by Panama on behalf of Article XII Members. Additionally, the Republic of Moldova considers it a priority to address the existing imbalances between the commitments of Members that acceded to the organization under Article XII and those of the original Members in all 3 pillars of agriculture negotiations, particularly focusing on market access and domestic support.

Furthermore, we would like to express our concern related to the impasse created on the appointment of officers for the subsidiary bodies of the CTG, as well as other committees within this house. It is essential that we, as Members of this organization, ensure a smooth work of its assisting bodies in a responsible manner.

Equally, along with other 120 members, the Republic of Moldova, reiterates its concern on the paralysis of the Appellate Body. This issue must remain a priority for all Members and we will continue to support the necessity and to call upon the resolution of the issues affecting the Dispute Settlement Body.

Finally, we reiterate our support for the ongoing accessions and we would be happy to welcome new Members on board.

34. Chile (Structured Discussions on Investment Facilitation for Development)

Let me first report on the latest developments regarding the Joint Initiative on Investment Facilitation for Development, in accordance with its open, inclusive, and transparent nature. I would like to focus on the outcome of the last meeting, held on 12-13 July, during which participating Members took stock of the progress achieved since the beginning of the year and planned for the work ahead up to MC12. On the occasion, participating Members expressed satisfaction with the significant progress achieved in the negotiations. They highlighted the importance of the "Easter Text" circulated last April, which was deemed a milestone in the process, as it allowed negotiations on the basis of a single text and to focus on those matters that need further work. In particular, participants' dedication and constructiveness allowed the group to make progress in two key pillars of the future Agreement, namely Sections II on Transparency of Investment Measures and III on Streamlining Administrative Procedures – as well as in most of Section IV on Focal Points, Domestic Regulatory Coherence, Domestic Supplier Databases and Cross-Border Cooperation. Likewise, participants were able to find common language on the "firewall" provision – an issue on which Members have exchanged in length.

While participants agree on the importance of promoting sustainable investment, further discussion on Responsible Business Conduct and Measures Against Corruption is still needed. In addition, Small Discussion Groups on Scope and Movement of Business Persons for Investment Purposes, which are

open to all Members, have made important progress, with notably two text contributions from the Group on Scope.

Regarding the priorities for the months ahead, participants have emphasized the need to focus more on the scope of application of the future Agreement, as well as on Section V on Special and Differential Treatment, including technical assistance and capacity building, which is key to help developing and least-developed country Members implement the future disciplines. Reflecting this – Dominica and Grenada submitted a comprehensive proposal on special and differential treatment this week.

Before the end of July, I will circulate a first revision of the "Easter Text", which will reflect the progress achieved since April and lay the groundwork for intensive negotiations in the second semester. The aim of participating Members is to further clean up the text with a view to achieving a concrete-substantive outcome by MC12.

The process will continue to be Member-driven and result-oriented. More than 36 proposals have been submitted by a wide array of Members, including several developing countries as well as some least-developed countries – a case in point is Cambodia, who just recently submitted a proposal on anti-corruption.

Investment facilitation can play an important role in supporting economic recovery at this challenging time. Mindful that this initiative is "pro-multilateral" we will continue our outreach efforts. Last week, Peru announced that it will also join the initiative and we hope more Members will follow so we can develop the text with a "bottom-up" approach, taking into account the interests and concerns of all, particularly developing countries and LDCs. I want to thank once again participating Members for their commitment and constructiveness.

35. Chile

In your meeting invitation you asked us to focus on two points. First, a preliminary assessment of the Ministerial level meeting held on 15 July; second, the topics that could form part of an outcome at MC12.

Fisheries subsidies negotiations

On fisheries, we would like to congratulate you and the Chair of the negotiations for the Ministerial level meeting last week. The fact that it was the first exercise of its kind in four years and that almost two thirds of our Ministers participated, is in itself an achievement. Second, the meeting reaffirmed Members' commitment to conclude the negotiations and inject political capital in order to do so by MC12, using the latest version of the Chair's negotiating text. Third, it was also clear from most of the statements that the current text still lacks an adequate balance while giving importance to some considerations that contradict the sustainability of our marine resources. If we want to limit the flexibilities and the political space of all, the major subsidizers must show their readiness to reduce their subsidies. The logic of trying to technically link special and differential treatment to the hybrid approach will not bring us closer to the conclusion of the negotiations.

We welcome the report by the Chair of the negotiations and support his outline of the intensive work programme for the coming months.

Madam Director-General, we welcome the reports by the Chairs of the negotiating groups and coordinators. We have less than 60 working days before MC12. We need to be realistic and collectively agree that we will not be able to bring to the negotiating table all the topics that we would like. The Ministerial Conference will take place in a complex scenario. Only the most urgent issues should be resolved and be part of the outcome of the Conference – above all, the response to the pandemic, particularly in areas that fall within the competence and functions of the WTO. This response must be holistic, ambitious and balanced, and must provide Members with the tools to deal with the different challenges arising from the pandemic, while providing a lesson for future pandemics. The world is watching and will judge us for what we are able to achieve. Other organizations have played their part; the WTO must do the same.

We need to agree on a process at MC12 to discuss WTO reform without prejudging Members' vision of what that means or what should be included in the reform.

Apart from the decisions to be taken by Ministers on the moratoria and on key issues in agriculture, beyond transparency, not much more can be expected by November. But as you pointed out this morning, limiting deliverables does not mean that we leave behind or forget the other topics. On the contrary, we must collectively agree on post-MC12 work programmes, in some cases with clear parameters and a clear commitment to embark on these processes. This is not what Chile would have liked as an outcome of the Ministerial meeting, but it is what we now see is realistically possible.

Finally, the Ministerial meeting last week highlighted the limitations of virtual meetings. Considering that at this stage a face-to-face MC12 cannot be guaranteed, we must work on its preparation assuming that it will be virtual, which means that the heavy work must be done here in Geneva. We cannot assume that we will be able to rely on our Ministers at the end of November to resolve the issues that we are unable to settle here.

36. Nepal

I also thank you for the comprehensive briefing on the state of the play in trade negotiations. I commend the Chairs of Negotiating Bodies for their updates.

In the context of the upcoming MC12, the 15 July Ministerial meeting has become an early signal of positive outcomes with some expectations that our Ministers have shown with enhanced level of commitment.

I wish to associate our statement with the statement delivered by Chad, on behalf of the LDC Group, Mongolia, on behalf of the LLDC Group and Panama, on behalf of the Article XII Group. In the context of the MC12, I would like to briefly highlight three priority areas as follows:

First, responding to the COVID-19 pandemic in a timely manner, by ensuring access to affordable vaccines and medications for all, specially LDCs and LLDCs, should be our priority at this critical situation. Concluding the text-based negotiation on TRIPS waiver proposal, strengthening trade facilitation, avoiding export restriction, and increasing support in LDCs and LLDs, among others, would be highly desired.

Second, bridging the huge gaps in the existing WTO laws and system, in particular between the founding and acceding Members, has become essential for a fair, rule-based, predictable and inclusive world trading system through a meaningful WTO reform. In this context, I would like to recall my views expressed in earlier meetings and reiterate my call to constituting a working group to deal with the reform agenda, with a special mandate and a fixed timeline through MC12, to make needful reforms of the WTO laws and system, to deliver results for people at large across the globe in a just and inclusive manner.

Finally, LDCs and LLDCs have been facing unique challenges and difficulties in their development endeavours and these groups have been the hardest hit by the pandemic. Therefore, a clear roadmap with a special package of additional support measures for LDCs and LLDCs, has become absolutely necessary for levelling the playing field. Expediting the implementation of existing supports for LDCs, technology transfer, support for bridging the huge digital divide to benefit from the digital economy through the E-commerce Work Programme, an effective implementation of the services waiver, simplified rules of origin, capacity building for enhancing export competitiveness, adopting the LDC Group's submission on Trade Related Challenges of the LDCs and Way Forward: a Draft for MC Decision, contained in document WT/GC/W/807; and adopting an LLDC-specific work programme by the MC12, among others would be some areas of our priority for LDCs and LLDCs.

37. United States

I would like to begin by highlighting our call for realism as we undertake our work during a pandemic, which will impact our ability to prepare for MC12.

We see little scope for negotiated outcomes and caution against a host of new work plans or working groups on issues where there is little chance of consensus.

The United States urges a targeted approach focused on the WTO's contribution to recovery from the pandemic, and addressing a manageable set of WTO institutional issues.

Specific MC12 outcomes could include accelerating the implementation of the Trade Facilitation Agreement and proposals on transparency and notifications and on the SPS Agreement.

We will also continue to work diligently on special and differential treatment reform and will look for ways that we can use the WTO to make trade a force for good, a means to raise wages and achieve greater economic equality and security for all.

We look forward to working with Members on these and other important issues that can make the WTO more relevant to the everyday lives of our people and make MC12 a success.

Turning to the fisheries subsidies negotiations, I would like to underscore the statement of my Minister during the WTO Ministerial meeting on July 15.

The United States is committed to working with Members to reach a conclusion to the negotiations, but it must be a meaningful conclusion.

While the current negotiating text can serve as the basis for a Member-led, text-based negotiation, it does not yet contain the elements required for reaching conclusion.

The United States has proposed a targeted approach to ensure that highlighting and addressing the use of forced labour on fishing vessels are part of any outcome. This is an important way for the WTO to positively impact the lives of our fishers and workers.

There are other key elements missing from the negotiating text, and significant shortcomings must be addressed.

This includes the approach with respect to special and differential treatment. A blanket approach to special and differential treatment with permanent carveouts is neither appropriate nor effective. It also does not reflect the reality that some self-declared developing country Members are among the largest producers and subsidizers, or among the wealthiest Members of this organization.

The United States is committed to continuing to work constructively with Members to reach an agreement that can make a serious and credible contribution to ending harmful fisheries subsidies.

As some Members have noted the proposed funding mechanism, I wanted to comment that we are reviewing the concept note, but have serious concerns with respect to this approach from both a substantive and institutional perspective.

Substantively, Members are already providing technical assistance on these matters through a variety of mechanisms, both bilaterally and through other institutions. We question the value of duplicating such efforts.

Moreover, it is difficult to assess the purpose or need for this funding mechanism given the number of open questions remaining in the negotiating text, including the shape of the actual disciplines or the approach to special and differential treatment. In certain respects, the concept note appears to overstate what is currently contemplated by the Chair's text.

Institutionally, we are greatly troubled with the approach taken by the WTO with previous funding mechanisms, and we are concerned a mechanism of this nature for fisheries will yield the same result.

38. Sierra Leone

Thank you, Madam Chair, for all the work you have been doing for the global community, particularly on COVID-19 and on various issues that are extremely important and dear to us. The most urgent and burning issue for us is the global pandemic. We have been speared with some of the most severe consequences of the COVID-19 pandemic. It has been very destructive in our region; quite a number of people have died, and it has disrupted the economic activity. I am extremely grateful for the work that you have been doing in pushing the TRIPS waiver. Sierra Leone immensely supports the TRIPS waiver to allow for the ramping up of vaccine production, especially in developing countries. Developing countries are disproportionately impacted by the pandemic. We, as an LDC, have only been able to vaccinate up to 2% of the population. The virus is spreading very fast. The recent

variant has been very deadly – regarding the previous variant, people got infected but not sick, but currently people are getting sick on a very large scale and actually dying. We are happy that you have been pushing very strongly on this TRIPS waiver.

We believe that sharing know-how behind making COVID-19 vaccines is key not only to scale up production, but also to address emerging variants. It is also the case that the TRIPS waiver may accelerate the scaling of some COVID-19 vaccines. It may also encourage existing vaccine products businesses to step up their technology transfer efforts. In this context, we welcome text-based negotiations over a TRIPS waiver at the WTO and call on all Members to exercise flexibility during the negotiations, as the TRIPS waiver can lay an important foundation to an innovation ecosystem.

We also would like to thank the Chairs of the WTO negotiating groups for their reports. I would like to begin with the recently concluded Ministerial TNC meeting held on 15 July. My delegation welcomes the WTO Members' commitment to conclude the negotiations before MC12 in December. The negotiation should state the case that there is consensus on the importance of food and livelihood security of artisanal fishers in developing countries and LDCs like ours. I wish to congratulate the Director-General and Ambassador Santiago Wills for the successful organization and outcome of this meeting. Sierra Leone looks forward to participating constructively in text-based negotiations to this end. We reiterate our commitment to support efforts for a balanced text and an outcome that ensures the sustainability objectives of the negotiations.

Sierra Leone is obviously very much interested in the issue of agriculture. It is an extremely important issue for us. We look forward to receiving a text that is balanced. We continue to encourage discussions to be Member-driven. In this regard, we believe that support for the African Group's proposal tabled with a view to concretely advance discussions towards a meaningful outcome for MC12 is imperative.

In concluding, I wish to talk about WTO reform. Sierra Leone supports the WTO reform agenda and reiterates its commitment to the principles of inclusiveness, fairness and equity as well as the balance of rights and obligations; to the advancement of the interests of developing countries; to the application of differential and more favourable treatment. We look forward to a fair, balanced and development-oriented MC12 package.

We reiterate our support for the leadership of the Director-General, for the WTO and for some of the great innovative steps you have been taking to revive this extremely important organization.

39. India

Chair, the loss of life and livelihood caused by the pandemic need tangible and meaningful solutions. Solutions that allay the concerns of all and most importantly, address the needs of the developing including least developed Members. In that regard, we have an important task today, to agree on the key deliverables for MC12, that is expected from this organization.

COVID-19 is mutating and producing new deadly variants and unfortunately it is not going on vacation. Vacation/Summer break is needed for healthcare and other frontline workers throughout the globe; not for Geneva diplomats. Can we resume after 2 weeks of break? We need to work and need to deliver.

WTO's Response to the Pandemic

Chair, in the wake of the pandemic there have been many proposals on the WTO's response to the current pandemic as well our preparedness for future pandemics. We need to work and deliver on some of these proposals quickly. At the same time, we should not try to push market access agenda and take away policy space available for Members and impose cumbersome obligations that serve to benefit a few in the name of pandemic. No doubt, we need to work on supply chain bottlenecks. However, doing away with the legitimate policy instrument of export restrictions or aiming for making temporary elimination of tariffs a permanent measure, or calling for stringent transparency obligations, will not guarantee access to vaccines, therapeutics or diagnostics, or access to food for the most vulnerable. In fact, such a step is likely to lead to a flight of these critical final finished products to the highest bidder, making them inaccessible to the resource-poor, further aggravating the current divide which we are seeing.

Chair, the proposal on a waiver from certain provisions of the TRIPS Agreement has been discussed threadbare for the past ten months in the TRIPS Council. Despite the agreement among Members in early June to start the text-based negotiation, it is unfortunate that a few Members have failed to engage in the text-based negotiation. Few Members ensured that we are unable to meet the deadline set by the TRIPS Council Chair for reaching the necessary landing zone by end-July. During COVID-19, only a robust response by the WTO for the pandemic, of which the TRIPS waiver is an integral part, can restore the credibility of this organization. Therefore, it is high time this organization prioritizes saving human lives and livelihoods over all other priorities. Even though there are estimates for manufacturing of 11 billion doses by the year end, the doubts remain. In the 21 July event, in order to increase manufacturing, three areas were identified by the Director-General of the World Health Organization, and these were technology transfer, supply chain resilience and intellectual property waiver. Chair, let me also point out that we have learnt certain lessons during discussions in the TRIPS Council. While we continue to hear about the importance of a rules-based organization, what we are seeing is that the rules and procedures are conveniently and selectively interpreted. Doing so may help few Members on a particular subject, but these selective interpretations are creating precedence which may also be used by other Members.

Agriculture

Chair, millions have regressed deeper into poverty during this pandemic and their food security is another critical issue for this organization. A simple, efficient, and a permanent solution on extending PSH for food security purposes to new programs and new products is therefore a key deliverable. In this regard, I suggest that the new submissions by the Africa Group and the proposal being worked upon by G33 are a good basis for CoA SS to take the process forward.

Services

Movement of healthcare professionals: a multilateral outcome in this regard will be appreciated, particularly in view of the current pandemic. We need to be aware of new forms of trade barriers in the name of a "selective use of vaccine certificates".

Special & Differential Treatment

Madam Chair, let us give a chance to G90 proposals on special and differential treatment.

We must show progress on restoring the two-stage dispute settlement system.

Fisheries Subsidies

The Ministerial TNC on 15 July provided us a good opportunity to take stock of where we are in the negotiations. Listening to the Ministers, it was evident that Members agreed that status quo is not the preferred option because irrational subsidies and overfishing by many countries is hurting the interests of our fishermen; but it was also evident that significant gaps still exist. I am sure delegations would have analysed and taken note of what the Ministers said. Speakers representing more than 80 delegations said they did not believe the draft consolidated text is balanced to call it a landing zone for them. We heard Minister after Minister calling the text imbalanced and requiring it to be reworked to make it a negotiating text. On the issue of special and differential treatment, once again speakers representing more than 80 delegations said that what the text offers on special and differential treatment is grossly inadequate and they rejected the notion that special and differential treatment should be restricted to artisanal fishing and that too within 12 nautical miles. They also demanded the text should provide sufficient policy space for developing their future fishing capacities for achieving equitable growth. Ministers/Members emphasized that, if this agreement is about sustainability, based on the principle of common but differentiated responsibilities, biggest subsidizers who are responsible for the present state of marine resources, should take greater responsibility and to reduce their subsidies and fishing capacities.

Chair, if we truly desire that the WTO should deliver this outcome at MC12, we should admit that it requires huge amount of work to close the gaps and also flexibility on part of Members. Expecting flexibility only from others may not lead us to an end. Any narrative that we have an agreed text would be self-defeating and erodes Member's trust in the process. Chair, we request that all the statements made by the Ministers/Members at the 15 July TNC giving the political guidance should

be released quickly as part of the minutes of the meeting and the Chair's concluding reports be added as an addendum to it.

Global Recovery

Chair, it is ironical how differentiated the path to a global recovery is today. The world seems to be moving on two separate tracks what is being called K-shaped recovery. Experts have given the economic rationale for accelerated provision of vaccine to the world population. This could be the highest return on public investment. We have made similar economic arguments earlier, but I hope Members will pay heed to the assessment by the experts.

Finally, Chair, the WTO must act as a catalyst to minimise the loss of life and livelihood and aid in the acceleration of global economic recovery. MC12 must deliver on critical areas like permanent solution on PSH, TRIPS waiver and a balanced outcome on fish subsidies. This balanced agenda will ensure that while we rebuild and recover, we also restore the waning credibility of this institution.

40. Canada (Structured Discussions on Trade and Environmental Sustainability)

I will provide a report of the work under the Trade and Environmental Sustainability Structured Discussions (TESSD), an update on the Ottawa Group, and some thoughts on behalf of Canada.

TESSD co-sponsors, other WTO Members, and outside stakeholders met on 19 July to discuss elements for a draft MC12 Ministerial statement on trade and environmental sustainability and to seek feedback on whether this paper contains the right elements. As co-Chairs, Canada and Costa Rica will reflect on the input received and come back to co-sponsors and interested Members with guidance on next steps. Time is short, and we must work efficiently to finalize the text of the Ministerial statement.

The objective of the statement, which we hope will be supported by as many Members as possible, is to articulate a desire to advance our understanding of issues at the nexus of trade and environmental sustainability; to lay out a roadmap for our work after MC12; and to underline the importance of working transparently and collaboratively with outside stakeholders and experts. This concludes my update on the Structured Discussions.

41. Canada (Ottawa Group)

On the Ottawa Group, Ministers met virtually on July 22 to continue discussions on WTO reform with a view to helping ensure a successful MC12. Ottawa Group Ministers discussed trade and health, including a reaffirmation of their commitment to working with co-sponsors of the proposed Trade and Health Declaration to continue to build support for it. Ministers also reiterated their support for pragmatic approaches to address issues of importance to both developed and developing Members, including through plurilateral negotiations.

Ottawa Group Ministers also had an opportunity to discuss priorities for MC12 with the US Trade Representative, Ambassador Katherine Tai. The fisheries subsidies negotiations and pandemic response were key topics of discussion. Many Ministers recalled the importance of continuing to advance work in agriculture. Ministers also discussed other initiatives and negotiations. Many Ministers welcomed the United States to the negotiations on domestic regulation of services and emphasized the importance of concluding them by MC12.

In the last few months, the Ottawa Group has advanced work on critical issues and continued to push forward on WTO reform. We are firmly committed to carrying on this work ahead of MC12 and beyond to ensure action on issues of systemic importance.

42. Canada

I would also like to share some thoughts on behalf of Canada. With regard to fisheries subsidies negotiations, Ministers have recently given us their support to conclude a meaningful agreement before MC12. The next step is therefore to deepen our understanding of the issues underlying our different positions, and then identify concrete ideas to bridge the remaining differences between us.

In agriculture, Members must move forward on domestic support by agreeing on a framework for negotiations subsequent to MC12. We also need to agree on concrete results in agriculture, which

will include improvements in transparency on applied tariffs, domestic support and export competition. Members should also agree on the exemption of World Food Programme humanitarian purchases from export restrictions. On public stockholding for food security purposes, we remain constructively engaged and have recently presented a technical submission. For Canada, any outcome on this issue for MC12 will need to be commensurate with the level of ambition regarding domestic support.

In addition, on sanitary and phytosanitary measures, we need to move forward with a Ministerial Declaration to ensure that the SPS Agreement and Committee are well placed to address emerging challenges.

On trade and health, Canada remains committed to contributing to the WTO's efforts with respect to COVID-19 and future pandemics. We support the facilitator's work. We will also continue to promote the proposed declaration on trade and health, a revised version of which was circulated last week and will be discussed next week in the General Council.

On discussions at the TRIPS Council, we note that the TRIPS Council will report at the General Council next week that it will continue its discussions.

Recognizing the important role that services play in the global economy and recovery, Canada welcomes the level of engagement in exploratory market access discussions in the CTS-SS and is looking to move these forward.

On the three negotiating JSIs, Investment Facilitation, Services Domestic Regulations and E-commerce, Canada would like to thank the coordinators, co-conveners, facilitators, and the Secretariat for their hard work. We will continue to engage constructively to make progress by MC12. On Services Domestic Regulation, a conclusion by MC12 is possible, and the recent announcements by the United States and the Kingdom of Saudi Arabia bring us closer.

Canada remains ready and willing to engage on reform of the dispute settlement system.

To conclude, Chair, Canada sees the next Ministerial Conference as a focussed meeting that sets us on track for the future and has a targeted set of outcomes.

43. Chinese Taipei

Let me first thank you for convening this meeting to take stock of the work and to discuss the next steps. We also thank the reports by the Chairs of various negotiation groups.

On fisheries subsidies negotiation, the constructive responses from Ministers at the TNC meeting on 15th of July have provided political guidance and support needed for Members to start a new stage of negotiations. We look forward to the intensive two-stage discussions in September and October respectively as arranged by Ambassador Wills.

There is a reminder in regard to the fisheries subsidies negotiation: When conducting further discussions, the Chair and Members might want to consider discussing the possible introduction of preambular paragraphs for the instrument. It would be unimaginable for such an important instrument without a preamble to guide its future operation.

On the issue of the WTO's response to the COVID-19 pandemic, Members generally agree that it should be one of the highest priorities for MC12. We support the thematic discussion led by Ambassador Walker as early as possible. Concerning the themes to be discussed in the initial stage of discussions, we would suggest to also include the livelihood-related economic recovery aspect of disadvantaged Members affected by the pandemic. In addition, considering the cross-cutting nature and the high complexity of the issues, it would also be important for us to reflect whether the current WTO's institutional framework is sufficient to address these issues or whether Members should consider creating a new Committee on Trade and Public Health, so as to tackle the related issues in a horizontal and holistic manner.

For the remaining months leading to MC12, we would be very pleased to see substantial progresses on JSIs. Particularly, we look forward to finalizing negotiations on Services Domestic Regulation and making substantial progresses on E-commerce and Investment Facilitation Negotiations. These will

demonstrate to the world that the WTO is able to introduce commercially meaningful new rules to respond to the rapidly changing economic environment.

On the issues of the WTO and the Appellate Body reform, we share the views that these are amongst the areas of highest importance and that we have to show progress at MC12. Practically, since we only have three working months left to engage in discussions on these important issues prior to MC12, it would be unrealistic to produce substantive results. However, it should be possible and important that we start discussing certain detailed work programs as early as possible so that Ministers can adopt them at MC12 to launch the negotiations and that Members can immediately start substantive negotiations on the reform issues thereafter.

Chair, we are still optimistic on the meaningful outcomes for some issues at MC12 and stand ready to continue constructively participating in negotiations.

44. South Africa

We associate ourselves with the statement by the ACP and the Africa Group.

South Africa wishes to reiterate that the development agenda from which the TNC derives its mandate should remain the cornerstone of our work towards MC12. The vaccine inequity is resulting in a two-track recovery process. The AfDB estimates that economic growth in Africa shrank by 2.1% in 2020 due to COVID-19. The hardest hit were resource-dependent regions. Africa must build better by prioritizing health outcomes and economic recovery that is centred on structural transformation. The long-outstanding issues must remain the focus for the membership and the Secretariat if we are to achieve the Ministerial mandates and deliver on the WTO developmental imperatives. Over the last 18 months, we experienced socio-economic challenges of alarming proportion, the road to recovery is going to be difficult. To get meaningful and credible outcomes at MC12, we must get our priorities right.

In this regard, for South Africa the WTO response to COVID-19 is key. It is however, disappointing that we are still not in solution mode in the text-based negotiations on the TRIPS waiver. This is a necessary, temporary, targeted and proportionate component for any outcome on a WTO response to COVID-19. We want to reiterate that the cost of inaction by the WTO is measured in human lives. We must move beyond ideological debates towards a balanced outcome underpinned by a people-centred approach. To make progress we must focus on (i) how to come up with a waiver that addresses the interests and concerns of all and (ii) get out of the binary between the waiver and the European Union proposal. The two are not substitutes but contribute from different perspectives and should both be welcomed with a view to find landing zones on both. A WTO response to COVID-19 is fundamental to a meaningful outcome at MC12. The credibility of the outcome will be judged on the basis of whether it is boosting and diversifying production across the world.

Second is agriculture, we need to work on a food security and livelihoods package and in this regard, our views are well articulated in the submissions that the Africa Group recently tabled. The outcome cannot be limited to transparency and a work programme. We will continue to advocate for substantial reform of trade distorting domestic support; including on cotton; as well as PSH and SSM. A decision on the WFP is possible if the ACP proposals are integrated. We underscore that special and differential treatment must be integral to any outcome on agriculture, and must preserve policy space, including under Art 6.2.

Third is the Fisheries Subsidies Negotiations, the Chair's text could form the basis of an outcome, but remains unbalanced in respect of various elements. In order to make progress, the text needs to be reconfigured to more closely align to the mandate to address harmful subsidies and to provide appropriate special and differential treatment. The flexibilities provided to big subsidizers under the sustainability approach is extraordinarily wide, while special and differential treatment flexibilities that are mandated are narrow in application. Common but differentiated responsibility is going to be critical. The disciplines must target large scale fishing and the biggest subsidizers must take the greatest responsibility.

Fourth, we must preserve the principles that underpin the WTO both in terms of consensus decision making and special and differential treatment. Multilateralism is important now more than ever. Regarding special and differential treatment, this is a treaty-embedded right and remains important in ensuring fair and equitable outcomes in the WTO. The CTD-SS must deliver on its mandate on

the G90 Agreement Specific Proposals if we are to move forward. The level of ambition cannot be lowered further. We continue to be concerned by the lack of constructive engagement by some Members on multilaterally agreed mandates.

Regarding development, we reaffirm the importance of implementing WTO Ministerial and General Council Decisions, that keep development at the centre of the work program.

Further, on e-commerce, the multilaterally mandated work is the Work Programme and the outcome on the e-commerce moratorium at MC12 will depend on clarifications with regard to the scope and definition of electronic transmissions. We reiterate our position on the TRIPS NVC moratorium.

The dysfunctionality of the Appellate Body remains a concern, MC12 must agree on a framework or at least a pathway towards an urgent resolution of this. This will need to be in its own track given its systemic nature and not be linked to WTO reform discussions. A dysfunctional Appellate Body renders further negotiations pointless since new and current outcomes cannot be enforced.

In relation to WTO reform, the paper on Strengthening the WTO to promote development and inclusivity (WT/GC/W/778/Rev.3) remains our departure point. We must recognize that trade is not an end in itself, it is a means to enhance livelihoods, employment and sustainable development. WTO reform does not mean accepting either inherited inequities or new proposals that would worsen imbalances. Reforms must be premised on the principles of inclusivity and development.

On JSI, the paper (WT/GC/W/819) on The Legal status of JSIs and their Negotiated Outcomes captures our views, including the new systemic challenges presented by JSIs. We look forward to a further discussion in the General Council on this.

In conclusion, success at MC12 will depend on the delivery of multilateral outcomes. We stand ready to work constructively with Members in this regard.

45. Paraguay

We appreciate the reports presented by you and the Chairs. My delegation would like to focus on the following priorities:

First, the WTO's response to the pandemic. We thank Ambassador Walker for his report. Paraguay has participated in GRULAC's consultations with Ambassadors Tang and Spencer aimed at moving forward in the Working Subgroup established for this purpose. We believe that the declaration presented jointly by Colombia and Paraguay, on behalf of several Latin American and Caribbean delegations, at the General Council in May represents a good contribution with ideas and deliverables that could be explored by the WTO, particularly in the area of export restrictions, trade facilitation, services and regulatory harmonization, to ensure better and more equitable access to vaccines. We will be circulating a communication within the next few days for inclusion in Ambassador Walker's report.

We have also followed with great interest the discussion in the TRIPS Council on intellectual property responses. We repeat, we are a country that does not have local vaccine production capacity, and it is therefore imperative for our delegation to find a consensus solution that allows us to have immediate and effective access to the importation of vaccines against COVID-19.

Second, agriculture is a priority topic for Paraguay. The reform cannot continue to expand. Four months away from the Ministerial Conference, the submission of extreme proposals that will not lead to consensus will only benefit those Members seeking to maintain the status quo.

Regarding domestic support, we consider that document JOB/AG/117/Rev.2 is the most realistic and feasible basis for a Ministerial outcome in this pillar. We reiterate our call to Members who are really interested in advancing the reform to explore joint avenues for the incorporation of their interests with consideration of their sensitivities in this context.

On market access, we reiterate that this pillar is absolutely a priority for my delegation, and any Ministerial outcome should include the way to revitalize these negotiations, which can deliver greater trade benefits. As mentioned by the delegations of Uruguay, Ecuador and Argentina, we believe that

document JOB/AG/198 is a realistic contribution towards moving forward on this pillar, with a view to the development of post-MC12 modalities.

With regard to other topics, we understand that in order to achieve a balanced and consensus-oriented outcome, they should be part of the agenda. However, the level of ambition of these should be comparable to the overall level of ambition in the negotiations. In this regard, and as we did in CoA SS recently, we note that a permanent solution on public stockholding would not appear to be a realistic and achievable outcome for this Ministerial Conference. The recently submitted proposals cannot form the basis for our negotiations, since they do not address the concerns of non-proponents and would not lead to the consensus required. We remain open to discussing constructive ways to move forward on all the mandates.

We reiterate that transparency is not and cannot be an end in itself, and a Ministerial outcome that adjusts certain notification formats or makes improvements to computer systems without addressing improvements in the rules would not be sufficient for us. Moreover, we once again note that attempts to accommodate the rules and behaviour of Members would generate additional obstacles to the advancement of outcomes on transparency for MC12.

On the SPS Ministerial Declaration, of which we are proponents along with almost 40 Members, we hope that it can be adopted multilaterally and that the work programme we seek to establish can contribute to advancing discussions on the challenges that we face today and will have to face in the future. We invite all Members to join these efforts and hold constructive discussions on the scope of the proposal.

In conclusion, we reaffirm our commitment to moving forward on the Joint Initiatives on E-commerce, Investment Facilitation for Development, MSMEs, Services Domestic Regulation, and Trade and Environment. We would like to emphasize that in the plenary of yesterday's E commerce initiative, together with Ecuador and Guatemala, and supported in the room by a number of countries in the region, we focused on the importance of development issues. Hence, we are exploring the possibility of presenting a discussion paper on the development dimension soon in the context of this initiative.

46. Colombia

I am making this statement on behalf of Ambassador Santiago Wills, who in this session is focusing on his work as Chair of the fisheries subsidies negotiations.

The delegation of Colombia thanks the Chairs of the negotiating groups for their reports and for their dedicated work, and also recognizes the direct engagement and dedication of the Director-General in the various matters, with the aim of achieving concrete outcomes for the Ministerial Conference (MC12).

I will mention four specific points in this statement that are of fundamental importance for Colombia, relating to the ongoing negotiations from which we hope to have positive outcomes for MC12, without prejudice to the fact that we would like to make progress on many other topics, which we do not mention expressly in this statement.

First, in the fisheries subsidies negotiations, we welcome the very positive results of the Ministerial level meeting on 15 July. Not only the large number of high-level participants but also the commitment and willingness of Ministers to conclude the agreement before MC12, reaffirm that we are very close to achieving an outcome with the level of ambition that the present time calls for. Colombia supports the work plan for the month of September onwards, presented today in the report, and is committed to moving forward vigorously with text-based negotiations and finding points of convergence.

Second, in agriculture, as is known, it is a priority for Colombia to move forward on the domestic support pillar. Indeed, state subsidies to agriculture have a trade distorting effect that prevents a level playing field in international markets, to the detriment of medium sized and small countries, in addition to the harmful effects of subsidies in terms of environmental sustainability. Members must make ambitious and proportional contributions to reduce these distortions. The domestic support framework sponsored by multiple Members offers an ambitious and flexible path that we hope will

serve as a point of reference, will create more and more convergence and will allow the negotiations to be intensified in the second half of the year.

Third, with regard to trade and health, we are grateful for Ambassador Walker's work in facilitating these discussions and for his report. This is a highly relevant issue in the current pandemic situation and requires concrete outcomes. Colombia, together with a group of Latin American countries, has expressed on several occasions its deep concern about a number of trade practices that hinder and limit the importation of vaccines, and therefore deprive our citizens of timely and equitable access to these goods. We have also put forward ideas to improve the collective response to the pandemic using the tools of the multilateral trading system, for example through deeper actions to avoid export restrictions, discussion of common regulations and standards, dialogue on the temporary movement of health professionals, and mechanisms for facilitating trade in essential goods.

The General Council will address a number of initiatives on these matters and endorse the methodology proposed by Ambassador Walker. Colombia is ready to participate actively in the thematic dialogues and sessions, with a view to achieving convergence between the views and proposals. The joint work to be undertaken from September must lead us to a multilateral response to this pandemic, which, far from coming to an end, continues to affect the economic and health systems of developing countries.

Lastly, with respect to the initiatives for WTO reform, Colombia considers that this is a key issue for the relevance and future prospects of the rules-based trading system. A frank and determined dialogue is required to lay the foundations for this process, which must place the WTO at the forefront of global trade trends and prevent further delay in the development of global rules. This involves addressing issues such as trade in services, e-commerce, investment, and of course trade related environmental issues. Moreover, and without further delay, MC12 must find a practical and pragmatic solution with respect to the two-tier dispute settlement mechanism.

Of course, Colombia is ready to participate actively and constructively on an ongoing basis in this process.

47. United Kingdom

Thank you very much, Director-General and thanks also to the Chairs of the various Committees and Negotiating Groups, Informal Working Groups and the rest who have briefed us on their work in the course of the day. As you and indeed the Chair of the General Council reminded us, we have a particularly long agenda for the General Council next week which allows us to spend even more time in this marvellous building. Now, I am not sure whether that is a good thing or a bad thing. On the bad side, I suspect it shows that we have probably got too much on the table for MC12 and that we need to narrow down that agenda after the summer break and certainly my delegation will be ready to be here on 1st September, ready, able and a little tanned from the Genevois sun and keen to make progress.

I think there is also a good side to it because I think it shows that delegations right across the membership see the WTO as a vehicle to tackle some of the big issues of the day. That is a good thing for us. We want to address the economic and human cost of the pandemic of which so many people here today have spoken, and rightly, countries which are right in the thick of the pandemic right now. A 100 days away from the COP26 summit in Glasgow, it reminds us that we need to play a role in addressing climate change. Just this week our own country released a border trade report on green trade, and we have also announced our plans for our own new developing countries trading scheme consultation, which inspires to be more sustainable as well as simpler and more ambitious and more pro-growth. We have a choice as to whether we wish in this organization to be enabling the green revolution in the global economy or merely to watch from the side-lines. And third, the other good point I think is that there is a widespread recognition, as our Icelandic colleague and others have commented, that this organization has a role to play in helping the 10 million plus women-owned MSMEs across the globe. We have a role to play, if we want, in empowering those businesses and inseminating the global economy.

I take positives away from the fisheries subsidies Ministerial the other week. Not least the extraordinary commitment that you have shown, that Santiago has shown to bringing us to a solution. And as others said, the failure of this organization to reach agreement on this negotiation after 20 years would be a pretty bad blow to multilateralism in this organization. More broadly it

would show that we can't actually meet the sustainable development goals that are own leaders have signed up to and it's not good news for our fish or our fishing communities. We really do need to make an effort and I pay tribute to Santiago for his plans to really knuckle down on this in September.

Secondly, we pay tribute to you, indeed, to Dr Tedros and Daren Tang at WIPO, for bringing us together in the symposium on Wednesday. There are clearly still issues that divide us here, but I think your attempts to focus on practical solutions and practical ways in which through greater public/private collaboration and greater international collaboration we can really address quickly and effectively this issue about vaccine equity, is to be commended and we will work with you and others to that end.

Third, the other positive I take from today and from recent weeks is the dynamism of the plurilateral negotiations in this house, and I would really like to offer my own warm welcome to the decisions by the United States and the Kingdom of Saudi Arabia this week to join the Services Domestic Regulation effort. I think that it is a really important piece of work and one which should be taken forward. As others have said, there is an important piece of work that we need to be taking forward on WTO reform, including clearly dispute settlement but also issues like market distorting practices. So, the question is how do you find common ground between all these different ideas, between the bad and the sometimes good? By recognising partly that all these issues are important to some or all of the delegations here, but also that they can be taken forward in different ways at different speeds and in different ways.

Director-General, as you said at our informal meeting yesterday, some, we hope, are going to be substantive outcomes for MC12. Some may be the subject of new work programmes, new processes. Some will be taken forward multilaterally, some will be taken forward plurilateral, that is the nature of this organization as it has developed over the years. I think our job when we come back in September and indeed at the General Council meeting next week is to listen to each other, respect each other's priorities, ask ourselves some hard questions about how different issues can best be taken forward in this organization and at MC12. But also to focus on another controversial idea in this house, to focus on substance over process and to try and really work out how MC12, how this organization, could add real value to this work. And in the competition between Chinese and Nigerian proverbs and the works of Wittgenstein let me add the words of the great Scottish Poet, Rabbie Burns, "now's the day and now's the hour".

48. Malaysia

Firstly, I must thank all the negotiating group Chairs for their reports. After listening to Chairs' reports and Members' remarks this morning, allow me to share my delegation's views and perspectives on the following:

Concluding the Fisheries Subsidies negotiations is an immediate priority for all of us. From the Ministerial Level TNC on Fisheries Subsidies held last Thursday, it was obvious that no Members had disputed that we need to conclude these 20 long years of negotiations. However, while Malaysia is committed to conclude the negotiations as soon as possible, the importance of positioning fisheries in the context of food security and national economy for many Members cannot be overstressed. For this reason, we hold the view that the outcome of this negotiations must reflect the WTO principles of non-discriminatory trade, predictability and transparency, fair competition, and encouraging development and economic reform.

On agriculture, it is imperative to make meaningful progress in agriculture for a fair agriculture trading system. The domestic support pillar remains a priority for many Members, including Malaysia. We need to start text-based negotiations as soon as possible after summer break.

On the dispute settlement mechanism, we truly hope that the Appellate Body impasse could be resolved expeditiously, and to restore the WTO's two-stage dispute settlement function before the Ministers meet in December.

On the WTO's response to the COVID-19 pandemic, I commend the General Council Chair on the appointment of Ambassador Walker as the facilitator. It is our hope that the various works on response to pandemic to be further streamlined as we are approaching MC12 in a couple of months' time.

Overall, Madam Chair, we must begin prioritising key issues and focus on the low hanging fruits. We also hope that the facilitator-led process would help streamline our work in various areas in a transparent and inclusive manner.

On logistics, we are quite concerned as we are still not able to firm up on the arrangements on the format of meeting

49. Jamaica (ACP Group)

The ACP Group thanks you for your report. We also thank the Chairs of the WTO negotiating groups for their reports. As we move closer to MC12, it is important that we accelerate the consolidation of the package to be presented to Ministers.

Fisheries Subsidies

We thank you for an excellent job in the organization of the Ministerial TNC of 15 July. The ACP Group considers it a useful session. We listened to Ministers' commitment to concluding negotiations as soon as possible. We heard Ministers reiterating that we adhere to the mandate of MC11 and raised concerns with regards to the imbalances in the text. Particularly, we take note that Ministers have ruled out the option of special and differential treatment being limited to artisanal and small-scale fishing or transition periods with technical assistance and capacity building. We listened to the majority of the 104 Ministers who took the floor calling for special and differential treatment in the form of policy space to facilitate the responsible development of the fisheries sectors in developing countries and LDCs. We will participate constructively in text-based negotiations to this end, especially in light of Ministers overwhelming conclusion that a lot of work is needed to bring balance to the consolidated text.

It is our goal to ensure that an outcome is effective in the global fight against IUU fishing and global fish stock depletion, target major subsidizers and large-scale industrial fishing, provide policy space for smaller fishing nations, and not contain loopholes that can be easily used as a pretext to maintain the status quo. Common but differentiated responsibility should underpin the outcome.

Agriculture

Turning to agriculture, the ACP Group takes note of the Chair's intention to circulate a draft text next week. This could assist us in advancing our work for MC12. We await its content and will engage in a solution-seeking mode. Agriculture is too important for ACP Group Members to allow for yet another Ministerial to pass without an outcome on this file. We expect the text to pursue balance, inclusivity and we believe discussions should be Member-driven. Our priorities in the negotiations are PSH, SSM, cotton and trade distorting domestic support. Given the thrust towards rural development and agricultural reform, we expect a maintenance of Article 6.2. We expect these elements to be reflected in the text to be circulated. An outcome package based only on transparency does not reflect the critical role that the WTO plays in global agricultural trade. The WTO must do more.

Services

MC12 provides an opportunity for the WTO to play an important role in the rebuilding process and in our quest for bolstering the resilience of the services sector in developing countries and LDCs. As is well known, the services sector is significantly impacted by the pandemic. In that context, engagement with a view to promote the recovery of the sector and address the negative impact of the pandemic on the services sector, including through the in-built flexibilities for developing and least developed countries, will be critical.

E-commerce

As it relates to the e-commerce moratorium, we need to continue discussions on issues surrounding the moratorium as well as issues relating to the digital divide. We are working on technical papers on various issues. We need to focus on how we can reinvigorate the Work Programme given our specific interest on the development dimension of this longstanding area of work in the multilateral framework of the WTO, and believe that MC12 provides an avenue to pursue these objectives.

Development

On special and differential treatment, the ACP Group aligns itself with the Declaration by the G90 contained in WT/GC/234, which will be discussed under agenda item 13 of the General Council meeting. Special and differential treatment is a fundamental pillar of the WTO and should not be dispensed with in current nor future agreements. We believe that an outcome for MC12 based on the G90 proposals would assist our national efforts to stabilize our trade imbalances, including those arising from the COVID-19 pandemic, build back better and successfully integrate into the global economy and global trading system. We therefore call for constructive engagements on this file.

Intellectual Property

Turning to TRIPS-related issues, Chair, vaccination remains the most durable solution to the COVID-19 pandemic. Yet, our Members do not have equitable access, while there are Members in possession of more than required to inoculate their entire population. With this in mind, we have already seen an emergence of measures prohibiting the entry of unvaccinated people in some economies. Undoubtedly, this will negatively impact the ACP Group's economies with our low level of vaccination due to lack of access to vaccines. Our economies are highly dependent on international trade, and our nationals, including those who travel to provide services, are witnessing restrictions on their participation in international trade. The WTO has an important role to play in facilitating swift, timely, affordable and equitable access to the vaccines and therapeutics to combat the pandemic. The proposals in IP/C/W/669, we believe, seek to respond to these issues. We have consistently supported its general objectives. We must resolve the issue of access. We also think our approaches should assist us in using the TRIPS to deal with future pandemics.

WTO's response to COVID-19

We take note of ongoing work in various formats on the WTO's response to the impact of the COVID-19 pandemic. Our governments have had a very painful experience with the virus, both from an economic and social perspective. We look forward to seeing these efforts progress to maturity, so that a decision can be taken by Ministers at MC12.

WTO Reform

On reform, the ACP Group remains committed to the principles of inclusiveness, to fairness, and equity in the balance of rights and obligations, to the advancement of the interests of developing countries through the application of differential and more favourable treatment, and seeking to ensure that trade functions at all times as an instrument for raising standards of living and employment, and for promoting sustainable development. The ACP Group believes that the vital interests of Members would be greatly compromised should the reform and modernisation sought not be anchored in these enduring values. Looking towards MC12, the ACP Group continues to prioritize the restoration of the proper functioning of the two-tier Dispute Settlement System. Ministers should also be presented with a Reform Work Programme consistent with the principles that we have outlined.

In closing, Chair, we look forwards to these developing interests being a part of an outcome package for MC 12. We will engage positively and do so in a solution-seeking mode. The WTO will miss a golden opportunity, presented by the environment in which we operate, if we ignore or minimise the views of others that emanate from their unique circumstances. The crafting of an MC12 package should be done in a fair, balanced and development-oriented manner. Resolving these issues by MC12 is critical to our stabilization and rebuilding efforts in light of the COVID-19 impact on our trade capacity and development goals.

50. Turkey

We thank you, Director-General, and the Chairs of Negotiating Bodies for the updates and information provided on recent activities as well as suggestions for the way forward. Let me share the issues that Turkey believes we should further focus our attention on in the run up to MC12.

First, fisheries subsidies negotiations; the sustainability of fisheries resources is indeed crucial for all our nations. It is our debt for next generations and to our planet to conclude these negotiations as soon as possible.

Last week's meeting at Ministerial level confirmed the high-level commitment among Members. We all acknowledge that significant gaps still remain in substantive areas which require hard and intense work ahead. To this end, we are ready to work in every configuration, as long as transparency and inclusiveness is ensured. In this regard, we support the workplan announced by Ambassador Wills this morning.

Second, the pandemic. In this area also, a lot of work is needed to bridge the gaps and find a possible landing zone. Members continue to be divided between different approaches and we believe that each proposal has its own merits.

To secure an outcome, all sides should show flexibility and good-will, act constructively and seek common ground. Addressing concerns raised about the existing proposals in a swift manner is equally important. The potential outcome must make a significant and real contribution to the daily fight against the pandemic in every country. Due to the urgency of the actions needed, we believe we should focus on common denominators where all membership can come around and discuss long-term agendas after we deal with this urgency.

Madam Director-General, we fully support your third way approach and believe that it significantly contributes to the WTO's relevance.

Third, Appellate Body. We will have a Ministerial Conference when this organization lacks one of its strongest features. Its absence has a devastating effect on the rules-based multilateral trading system. The Appellate Body is a must for trade in a predictable environment.

We should restart discussions as early as possible to restore the two-tier dispute settlement system.

Fourth, agriculture. Turkey is committed to reach an outcome in this field, with a priority on domestic support pillar. Current methodology, which provides some Members huge flexibility, has been impeding the level playing field for a long time now. Turkey also supports the PSH proposal for food security purposes, which was submitted by the G33. Another priority is SSM, to protect agricultural markets from import surges that may lead to devastating results for poor and vulnerable farmers. We need meaningful and balanced outcomes in agriculture. We hope that Members will be able to bridge the gap in these areas before MC12.

Apart from the multilateral agenda, I will also touch upon very briefly on plurilaterals. We are pleased with the good progress in respective JSIs and very much welcome outcomes during MC12.

On your question about how to move these issues forward from September to MC12, let me just mention a few keywords, some of them was also highlighted by you, the Chairs of the negotiating bodies and Members: using the time more wisely, an excellent planning, inclusiveness, transparency, a further focused work, a result and solution-oriented approach, constructive engagement, flexibility and compromise.

51. Bangladesh

First of all, I thank you, Madam Chair, for convening the informal TNC meeting. Holding this after the Ministerial level meeting is very timely. I hope this will help speed up the negotiation process on various important trade issues as we strive to achieve some tangible outcomes at MC12. I would reiterate what you said in your introduction, if we want concrete outcomes, we have to utilize this very little time and every little opportunity that we have at our disposal before MC12.

We thank the distinguished Chairs of the different negotiating groups for their comprehensive presentations on the status of negotiations in their respective areas. I cannot agree more that we need to make further progress in order to contribute to the deliverables of MC12 and thereby strengthen the multilateral trading system.

We echo the views of others on the ongoing negotiation of fisheries subsidies. I believe that the 15 July Ministerial level TNC meeting gave us some directions to work for reaching consensus, taking due care of the concerns of developing countries, particularly of the LDCs. In this regard, a summary reflecting the views expressed by our Ministers during the Fisheries TNC would be highly appreciated. It would help us navigate in the right direction and find convergence. Let me reemphasize that if we want to have the fisheries subsidy document as a possible deliverable of the forthcoming MC12, we

have to limit our debates within the mandate. Any deviation or derogation will only make things complicated and our job difficult.

On the proposal to create a trust fund for the fisheries discipline, we are considering the concept note that we received recently. Countries like ours need technical assistance and capacity building in various areas. So, we look at this proposal from that perspective. However, such funds have to be adequate, predictable, effective and beneficial. Moreover, such fund should not substitute the broader demand for special and differential treatment for certain categories of countries on the basis of development. In this regard, we have heard your reassuring voice.

As you are aware, the LDC group has a submission under consideration by the General Council of the WTO. Before commenting on that, I like to take this opportunity to thank the Members once again for approving the LDC submission on the extension of transition under TRIPS Article 66.1.

Now, the other submission of the LDC Group, as you know, is at the General Council seeking extension of LDC specific special and differential treatment and other support measures for a certain period after graduation. Again, we are most thankful to the General Council Chair Ambassador Dacio Castillo for his informal consultations with different groups and individual delegations. The LDC group has recently received some inputs from different delegations and we are working on these. We hope that Members will favourably consider this submission as an achievable outcome for the forthcoming Ministerial Conference.

The COVID-19 pandemic is continuing its devastation around the world with second and third waves, and we are not sure when we will have a respite. Some countries are opening up their economies with substantial progress in vaccination, whereas most others are struggling to control the pandemic with very little vaccine coverage. This unequal and inequitable situation with regard to vaccination is not going to secure us as nobody is safe, if everybody is not safe. The production and distribution of vaccines, therapeutics and other medical equipment necessary for the prevention, containment, and treatment of COVID-19 should be available to all, irrespective of who we are, where we are. In the immediate term, we need to scale up vaccine production through the sharing of technology and formulas with those pharmaceutical industries who have the capacity to produce vaccines, located in various parts of the world.

We appreciate your role Madam Director-General in bringing important stakeholders, including the WHO across the table to discuss possible way forward. We want to see tangible progress. In our view, TRIPS or any other instruments should not hinder unconditional, affordable, equitable and timely access to medical advances made in fighting this deadly virus. Therefore, we would like to see completion in the negotiations of the waiver proposal at the TRIPS Council. We thank Ambassador Walker for his informal consultations with different groups and individual delegations to find an early outcome.

Finally, we look forward to working closely with all Members and engaging constructively in all the pending negotiations in the coming days.

52. Egypt

Thank you, Madame Director-General, for giving me the floor and for your sincere efforts to achieve concrete deliverables in MC12. We also thank the Chairs of the WTO negotiating groups for their thorough reports.

Egypt would like to associate itself with the statements delivered by Mauritius and Saudi Arabia on behalf of the African and Arab Groups, respectively.

Time remaining till MC12 is very short. That is why I believe, like many of us, that we must be rational about the deliverables we can achieve on the multilateral level during the Ministerial, taking into consideration the limitations imposed by the pandemic.

We need to urgently decide on the format of MC12 in a realistic manner that would ensure equal participation for all Members, given that we cannot predict how the pandemic will evolve in the upcoming months.

Speaking of the current global health crisis and its severe impact on the global economy, especially on developing countries, we should work towards an agreement during MC12 on a set of support measures highlighting the important role the WTO can play in facilitating timely, affordable and equitable access to vaccines and therapeutics to combat the pandemic.

We reiterate that WTO Members should collectively reach a comprehensive response package that includes a consensus reached on the TRIPS waiver proposal, and addresses all the broader concerns pertaining to supply-side constraints hampering vaccine production. In this regard, I would like to highlight the constructive contribution of the Joint WTO-WHO Meeting held last Wednesday, and we commend you Madame Director General for your continued efforts in bringing together all relevant stakeholders, including international organizations and the private sector, to help Members further understand the relevant challenges, such as those related to financing, incentivizing research and production, raw material availability, and export restrictions, and the list goes on.

I need not repeat our negotiating position on fisheries subsidies that was stated during the TNC Ministerial on 15 July, which we believe was a good opportunity to mobilize political will towards reaching an outcome on this long overdue issue. In addition, we thank you Madame Chair and Ambassador Wills for sharing the concept note entitled "Fisheries Subsidies WTO Funding Mechanism" and welcome this initiative, as long as it is not a substitute for special and differential treatment in the text of the Agreement. We look forward to further constructive engagement with you and the membership on finalizing its elements.

On agriculture, the number of new proposals and communications presented in the COA SS meetings this week testifies the interest of Members to achieve an outcome come MC12. We refer to the proposals by the African Group regarding the historical imbalances in this important sector of international trade. We hope that a concrete outcome can be achieved, particularly in the mandated issues, and we urge Members to give priority to proposals that will contribute to improving food security in developing countries during the pandemic.

On development, we highlight that the impact of the current pandemic on developing countries and LDCs has exacerbated the economic and developmental challenges they face, and thus we call upon our development partners to take a fresh look at the G90 agreement-specific proposals in the CTD-SS in the context of the pandemic, and away from the political debate about special and differential treatment.

On WTO reform, we believe that MC12 offers a good opportunity to give structure to our reform efforts. We need to engage in a serious dialogue on the wider balanced reform agenda that addresses the three intertwined core functions of this organization; namely we must restore the dispute settlement function, revitalize the negotiating function, and activate the deliberative function with improved transparency. Needless to say, we must construct such an agenda with development at its core. Hence, adopting a visionary work program to that effect at MC12 would contribute to restoring credibility in the multilateral trading system and empower the WTO to face the unprecedented global challenges it faces. Scoring wins on individual negotiating subjects is no doubt needed. At the same time, we need to also address systemic challenges that hinder the functioning of this organization.

To conclude Madame Chair, we stand ready to work constructively and in good faith with all Members towards meaningful and balanced outcomes at MC12 and beyond. Finally, I wish you all a well-deserved summer break after the General Council meetings.

53. Chad (LDCs)

On behalf of the LDC Group, I would like to thank you for convening this meeting and for presenting your report on the status of the WTO negotiations. I would also like to thank the Chairs of the negotiating groups who have reported to us on the work of their respective bodies.

On fisheries subsidies, the LDC Group welcomes your engagement and congratulates you on the success of the TNC meeting at Ministerial level. We need to continue with this momentum. We believe it is essential to take account of the concerns expressed by the LDCs.

Responding to the expectations of artisanal fishers, including poor and vulnerable fishers, is a key element of special and differential treatment. From this perspective, an exemption from the main

ban on subsidies that contribute to overcapacity and overfishing, as contained in Article 5.5(a) of the Chair's revised text, is an equally important component of special and differential treatment. We also reaffirm the importance of technical assistance to LDCs and welcome the idea of a trust fund to support and complement the fisheries agreement.

With regard to the discussions on COVID-19 vaccines, the LDC Group welcomes the text-based process for initiating negotiations. Indeed, the urgency is increasing due to the proliferation of new variants.

Our Group also welcomes the fact that, in less than nine months after the onset of the COVID-19 pandemic, the scientific community has developed vaccines. It is difficult to accept that 18 months after the outbreak of the pandemic, we are still not in a position to make this discovery accessible, and thus provide the basis of a response to help address this global public health challenge. The relevance of the multilateral trading system and the significance of the World Trade Organization are at stake.

We take this opportunity to commend you for your efforts and for holding a high-level dialogue with the World Health Organization and the World Intellectual Property Organization as part of discussions with industry and other stakeholders, to explore solutions to accelerate production and access to vaccines. Such solutions should be brought into line with the waiver proposal in order to respond to the global emergency situation. We welcome the approach to integrate possible solutions within a multilateral framework, with transparency and inclusivity as fundamental principles in the process.

With regard to agriculture, the growing impact of the COVID-19 pandemic on our food security, as a result of the surge in food prices, underscores the relevance of the African Group submission contained in JOB/AG/206, which highlights a number of important areas where agricultural trade rules require reform. We are in favour of transparency and encourage transparency in the area of export competition. However, the notification requirements must be commensurate with the level of development of Members and should not add to the workload of LDCs in particular. In addition, we must give priority to the current challenges of reducing domestic support. The negotiating framework to discuss reductions in domestic support must be fair and balanced. On the issue of cotton, we urge Members to take into account the next C-4 submission aimed at providing modalities for negotiations on the three pillars of export competition, domestic support and market access.

We support the work of Ambassador Gloria Abraham Peralta, which will facilitate a possible text on agriculture for MC12. The LDC Group also wishes to congratulate Ambassador Kadra Ahmed Hassan for his effective management of the work in the Committee on Trade and Development in special session. Our Group stands ready to engage constructively and pragmatically on issues in the G 90 context on specific proposals submitted.

The LDC Group reaffirms its full commitment to the ongoing negotiations and other work of the WTO. We support a strong, equitable and inclusive multilateral trading system that respects the rule of decision making by consensus in the WTO. We look forward to Members having a constructive state of mind with a view to achieving fruitful outcomes in relation to the 12th Ministerial Conference.

The LDC Group will soon submit its consolidated proposals for MC12 on its priorities, including LDC graduation, technology transfer, agriculture, implementation of preferential rules of origin and WTO reform. We hope to provide relevant elements with a view to strengthening the important role that the WTO can play in global governance, in particular on trade regulation in terms of rulemaking, deliberations and implementation.

Lastly, Madam Chair, regarding the Ministerial Conference, we thank you and the Chair of the General Council for your commitment and efforts to ensure an efficient organization of the Ministerial Conference this year. From this perspective, we would need to have more information on travel, COVID-19 testing, vaccines and quarantines, which may be necessary to attend the Geneva-based event.

On virtual access to the Conference, it is important to ensure the proper functioning of connections and facilities, including drawing up a "plan B" for any possible difficulty when LDC ministers take the floor. We found that the Ministerial meeting on fisheries subsidies seemed to work well in virtual mode. However, the WTO could begin now to gather information to assess the difficulties, if any,

experienced by Ministers from the LDCs. We should anticipate all possible issues that could arise for LDCs that have connection problems.

Whatever the approach in trade negotiations, there is a need for understanding and flexibility in order to move in the same direction towards a positive and constructive outcome for all. We are aware that there is still a lot of work to be done for Members to reach agreements. However, we maintain a positive approach, and we remain committed, as far as possible, despite our numerous constraints. We are wholehearted in our willingness and we will continue to work constructively.

54. Viet Nam

First, I would like to thank you, Madam Director-General, for convening this meeting which is a very good opportunity for the membership to reflect on the TNC Ministerial meeting held on 15 July and on the preparations for MC12. We also thank the Chairs of the negotiating bodies for their respective reports.

Second, with regard to fisheries subsidies negotiations, we share the assessment made by the Chair of the Negotiating Group on Rules. While the answers to both questions are mostly affirmative – which gives us confidence in the process – gaps between positions remain among a number of Members concerning key elements in the negotiating text. In this regard, we also share the stance of urgency to work harder to find a landing zone so that the negotiations can be concluded before MC12. Hence, we support the workplan that Ambassador Wills outlined to deal with the key differences, before coming back to line-by-line textual negotiations. Given that Ministers at the 15 July TNC Ministerial meeting authorised Heads of Delegations to move the negotiations forward, we suggest that delegations be immediately involved in resolving the key issues when the negotiations resume after the summer break.

Third, on agriculture, we agree that agriculture is critically important in terms of livelihoods and food security, poverty eradication and socio-economic development. We support agriculture reforms for sustainable development, ensuring a fair and undistorted agriculture production and trade. We call for continued support and constructive engagement to discuss the work on negotiations on domestic support in agriculture, humanitarian purchase of food for the World Food Programme, and our joint proposal on an SPS Declaration at MC12.

Fourth, we highly appreciate the High-level Dialogue co-hosted by Madam Director-General and the WHO Director-General, to step up efforts to increase COVID-19 vaccine production and equitable access. We are of the view that the demonstration of the WTO's concrete and effective response to the pandemic by MC12 is a common goal of the membership, as the WTO is a part of the global efforts in coping with the pandemic as mentioned in many ASEAN/APEC Leaders and Ministers' statements. We thank the facilitator of the multilateral process, Ambassador Walker, for sharing with us his response ideas in a structured manner. We support his outline noting that the response contains a great deal of substance. We support having an independent document as well, in the form of a decision, to be action -oriented, but it can also be flexible in the form of a declaration to achieve consensus. Given the pressing need for an effective response to the pandemic, we support pushing forward text-based discussions on the proposed TRIPS waiver and start text-based discussions on the WTO's response to the pandemic as soon as possible.

Fifth, we support continuing the WTO reform discussions to ensure the WTO's relevance, especially on dispute settlement to restore the full operation of this very important function of the WTO. It is also one of the greatest desires of Viet Nam and almost all Members. Of course, we support resuming discussions on this issue at the General Council level for results at MC12.

Finally, Viet Nam reaffirms its commitment to working closely and constructively with you, Madam Director-General, and with other Members for the preparations towards a successful MC12.

55. Peru

Fisheries Subsidies

My delegation would like to reiterate its gratitude to you and Ambassador Wills for your hard work in organizing the successful ministerial meeting we had last week in the context of this committee, which without doubt gave a fresh boost to these negotiations. It has been encouraging to hear from

the membership that while there are a number of issues to be discussed, the current consolidated text contains the basic elements that can lead us to consensus. I have also been pleased to hear recognition for the importance and cross cutting value of artisanal fishing for all.

Regarding how to address the principle of special and differential treatment, I would like to reiterate that Peru as a developing Member is aware of the need for the implementation of such treatment in this process. However, it is also aware that this implementation should not affect the ambition and utility of any agreement we reach in the coming months. This balance will not be simple to achieve, and perhaps it will be the most complex task that we have ahead of us, but I am convinced that with the necessary flexibility we will be able to address this challenge.

Agriculture

My delegation associates itself with the statement made by Ambassador Mina from Australia on behalf of the Cairns Group. I would also like to thank Ambassador Abraham for her report and her hard work in coordinating the negotiations. My delegation is aware of the gaps that still divide us in various aspects of the negotiations, but as a member of the Cairns Group, we believe that we must intensify our efforts to achieve concrete outcomes at the Ministerial Conference this year, seeking to make progress of some kind on all three pillars of the negotiations.

Regarding the domestic support pillar, Peru considers that the framework for negotiations put forward by some members of the Cairns Group contains the basic minimum elements for consensus on the subject. In this regard, we appreciate the recent incorporation of Lao PDR as a sponsor of the proposal and encourage other Members with similar interests to do the same.

Electronic Commerce

We support the work being done by the Informal Group. We believe that progress can be made in areas where there is a high degree of convergence, as demonstrated by the results of some small format working groups, and we support the commitment to intensify work to narrow the gaps in those areas where consensus has not yet been reached. Our delegation believes that achieving a high-level outcome on e-commerce is crucial for promoting economic development, advancing the digital transformation of our economy, increasing the participation of our companies in our countries and improving access to goods and services in the new digital economy.

Micro, small and medium-sized enterprises (MSMEs)

My delegation supports the work being done by the Informal Group, in particular the package of statements adopted by the Group, which we hope will have the broad support of WTO Members. The COVID-19 pandemic has had a severe impact on all our countries, especially developing countries, not only in terms of human lives but also in terms of livelihoods and life projects. We are fully convinced that international trade represents a unique opportunity for our MSMEs to quickly resume their activities and contribute to the necessary economic recovery process, and that the WTO can make a significant contribution to facilitating these opportunities and making them viable.

The Path to MC12

The return of the summer break will leave us in a race against time to achieve the deliverables that we consider feasible by the end of the year. Peru remains committed to all WTO negotiating processes, and considers that with increased efforts and commitment, together with flexibility, we will be able to achieve an agreement on fisheries subsidies, outcomes in agriculture and progress in restoring the Dispute Settlement Body.

56. Vanuatu (Pacific Group)

I deliver this statement on behalf of the Pacific Group and we associate ourselves to the statements made by the ACP Group and the LDC Group. Our Group thanks the Chairs of the various negotiating groups for their reports and for their efforts in assisting Members to move the negotiations forward in preparation for MC12 in November.

On fisheries subsidies, this remains a top priority for the Pacific Group. We commend the Chair of the Negotiating Group on Rules (NGR) for his continuing work and the release of a revised text on

30 June. We also commend the Director-General and the Chair of the NGR for successfully convening the Ministerial TNC meeting on 15 July 2021. Our Ministers stated that the draft text that was issued is a good basis for negotiations going forward. They have encouraged delegations to engage, negotiate and deliver an outcome before MC12. Our Ministers also recognized that there is much work to address the imbalances in the draft text which must focus on the disciplines on the reduction in harmful subsidies, and not discipline fisheries management. This agreement must not bring fisheries management under scrutiny and must not undermine the rights of Members, especially coastal states, under international agreements. Special and differential treatment is critical. We must deliver meaningful special and differential treatment for those that do not have yet sufficient capacity, especially for small island states that depend on fisheries. We note your reference, Director-General, to the technical assistance and capacity building concept and some of the understandings from the informal consultations held earlier this week. We commend your initiative for technical assistance and capacity building to establish a mechanism, and we look forward to further discussions on this. We note in your statement that this funding is not a substitute for special and differential treatment. Notwithstanding, our priority is to complete the negotiations on the text so that we can be clear on our commitments before we frame the scope of the funding. Our view is that technical assistance and capacity building must not contemplate the WTO coming anywhere near a fisheries management system as we have consistently maintained. We note the timeframe being proposed for the completion of the fisheries subsidies agreement and we support this proposal. We will commit ourselves to that engagement.

On development issues, the Pacific Group thanks the Chair for continuing to take this work forward, to deepen discussions on the ten G90 proposals.

On services, we support intensified discussions to find solutions to the adverse economic impact of COVID-19 on Members' services sectors, especially for those most vulnerable and disproportionately affected due their dependence on one or two sectors. In terms of the services sector itself, we believe that many Members recognize the significant contribution of services to their economies, but the emphasis in the WTO is not yet there. We hope that a new focus on services be considered so that there is an outcome on this at MC12.

We consider the work on the WTO's response to COVID-19 as a priority for MC12. We are already witnessing a third wave of infections of COVID-19 and new variants. This will continue to affect our economies, economic recovery and rebuilding. We need to work to prioritize our negotiations on elements of available WTO policy tools that can ensure equitable access to affordable vaccines and medical supplies, which are required to help us all to combat COVID-19. The Pacific Group looks forward to engaging in the various process, including the horizontal process established by the Chair of the General Council and led by Ambassador Walker to deliver an outcome. We reiterate our engagement to engaging constructively in negotiations and work towards concrete outcomes for MC12.

57. Thailand

I have heard there are a number of differences here, but I am still not losing hope. Thailand has a number of issues that we believe should be shown in the MC12 package. As I stated at the previous TNC meeting, the past (legacy issues such as fisheries subsidies and agriculture), present (the WTO response to the pandemic), and future issues (WTO Reform) are still on the table, and we remain to adhere to this expectation.

In the interest of time, I would like to highlight 3 issues that we consider are important to our future work:

First, on the agriculture issue, while we support the transparency element and recent proposals, we are looking for an agriculture package for MC12 that includes Domestic Support. We are not yet ready to give up. We also appreciate the Chair of COA SS' statement that the draft text will be circulated next week, and we are willing to participate. As members of the Cairns Group, we will reach out and engage with other Members who have not been our like-minded in order to turn them into like-minded friends.

Second, on fisheries subsidies, I would like to show my thankfulness to Madame Chair and Ambassador Will for your tireless efforts and leadership in convening the Ministerial TNC Meeting. Thailand is strongly supportive on the Chairman's current text. We agree with nearly 80% of the

text, and for the remaining 20%, we are preparing to engage with other Members in order to reach a mutually agreed outcome.

However, we do not want to see any new elements or issues introduced into the text at this stage, as we are talking about a 20-year negotiation. If any new issues arise, we should work on them as part of a work program. We also can hear a lot of support in the Chair's text, and we are looking forward to supporting the Chair to reach the possible landing zone.

Third, the WTO response to the pandemic. This is an issue that is dear to our heart, and we cannot thank you enough for Madame Chair initiative on the WTO and WHO High Level Dialogue. Such a dialogue is really useful and informative, and I hope you will hold it again in the future to help Members gain a better understanding of the technical aspects.

On the substance, based on the things that I heard from many consultations in many configurations, there is common ground that Members need to do as much as possible to accelerate access to vaccines and nobody in this room has disputed that.

I heard from the WTO and WHO High Level Dialogue that there are a lot of trade related issues that the WTO can deal with in the future, but since we have a milestone at MC12, I am not confident that we can take up everything at this moment. However, this is the one area that the WTO can engage positively with the world economy in the future. While we have to be more practical in finding outcomes that we can achieve at MC12, we can do more work program related to trade and health issue.

Finally, all of the issues we need to work on in the future are text-based on the entire package by October at the latest. Otherwise, if the Ministerial TNC Meeting is held in a virtual format, the Ministers will be able to make statements but will not be able to engage in any meaningful discussion. Therefore, if we have virtual MC12, the text must first be agreed upon by Ambassadors in Geneva before being further presented to capitals.

I am confident that Madame Chair and the distinguished Chairs of Negotiating Bodies will establish the text that will assist us in reaching a meaningful MC12 in November.

58. Uganda

At the outset, my delegation aligns itself with the statements delivered by Mauritius, Chad and Jamaica on behalf of the Africa, LDC and ACP Groups. We thank you very much for your report. We thank the Chair of the General Council for his report and the Chairs of the negotiating groups for their reports.

Madam Director-General, MC12 is months away now. While the format and other modalities are yet to be agreed upon, it can be agreed that it is critical that any outcome of MC12 is meaningful, not just to a few Members but to the entire membership. This means that those issues that are of common interest to all Members must be prioritized to allow us to make the most efficient use of our time.

After close to four years since the last Ministerial Conference in 2017, the world is watching, much more than ever before, eagerly waiting for the contribution of the WTO in improving the livelihoods of its Members especially the developing and least developed among them.

Addressing trade distorting domestic support, reinvigorating the 1998 Work Program on Electronic Commerce as mandated by our Ministers at various Ministerial meetings and reconsideration of the Moratorium on Customs Duties on Electronic Transmissions, reviewing the provisions on special and differential treatment in line with the existing Ministerial mandate, and ensuring effective market access under the LDCs services waiver, in pursuit of trade policy instruments that will promote industrialization for structural transformation, remain our priorities. Indeed, reform of the WTO for us encompasses addressing many of these longstanding issues.

Madam Director-General, it is almost impossible to imagine moving forward on these and other important issues when the COVID-19 pandemic is still raging on, bringing about new challenges every day. It is important that the WTO is seen to deliver and indeed delivers a solution or solutions to help in overcoming the pandemic and recovering from its impact. We applaud the progress in the

facilitator-led process in this regard and stand ready to work with all Members to achieve a meaningful result.

Finally, Madam Director-General, we very much welcome the work being done in fisheries subsidies negotiations in pursuit of SDG 14.6. In the same vein, because it is of critical importance to us, we invite Members to exhibit the same level of ambition in completing the Doha Round pursuant to SDG target 17.10, as one of the key means of implementation of the Agenda 2030.

59. Cameroon

Cameroon associates itself with the statements delivered by Mauritius on behalf of the African Group and Jamaica on behalf of the ACP Group. From the outset, we congratulate you on the quality of the organization of the TNC meeting of 15 July on fisheries subsidies and reiterate our constructive commitment to making the 12th Ministerial Conference a success.

Madam Chairperson, you have highlighted the considerable differences between the Members on the issue of fisheries subsidies negotiations and indicated the interest of all Members in showing flexibility if we are to reach a fair and equitable agreement at the 12th Ministerial Conference. As so well-elaborated by you, the outcome of the said negotiations will have to duly respond to the mandate which calls for: prohibiting certain subsidies that contribute to overcapacity and overfishing, eliminating subsidies to IUU fishing, and granting special and differential treatment that takes into account the development needs of countries. Be assured that Cameroon will work with all Members towards a text that effectively prohibits harmful subsidies, ensures effective sanctions against operators engaged in illegal fishing and takes into account the development needs of developing countries, as well as the polluter-pays principle that governed any sustainability instrument. Artisanal fisheries cannot be held responsible for the much-maligned actions of industrial fisheries, on which the instrument should focus. The outcome of these talks will largely depend on the willingness of subsidising Members to reduce their subsidies.

We welcome your efforts to establish a trust fund and your willingness to take into account the remarks made by Members in the establishment and operation of this fund.

With regard to agriculture, we welcome the concrete proposals made by the African Group, which are a solid basis for concluding discussions on domestic support measures, sanitary and phytosanitary rules and the holding of public stocks. It would be desirable to see the same drive to reach a minimum agreement in the area of agriculture as observed on another subject. Our populations have been waiting for concrete answers on agriculture for a very long time and the relevance of this organization at MC12 will be judged by its capacity to respond to these expectations. Though we commend the efforts of Members in moving forward negotiations on agriculture, it may be wise not to limit our ambitions to the adoption of a work programme whose outcome remains uncertain.

Concerning the response to the COVID-19 pandemic, we reiterate our appreciation for the decision of the President of the General Council, Ambassador Castillo, who has appointed Ambassador Walker to coordinate this action and renew our support for them. The WTO cannot remain silent at a time when humanity is facing a pandemic with multifaceted consequences. The waiver of certain rules on intellectual property rights, the limitation of export restrictions, and the support for financing small and medium-sized enterprises proposed by Côte d'Ivoire, are all necessary measures from which we will gain by giving our approval. This is why we welcome the textual discussions on the various related proposals and intend to work with all Members to bring them to a rapid conclusion.

Finally, speaking of development, Cameroon draws the attention of all to the fact that any reflection on the future and the reform of this organization cannot be without an effective special and differential treatment. For this reason, we remain attentive to the discussions underway in the Committee on Trade and Development in Special Session, and share the concerns of the Chairman of this Committee, Ambassador Kadra, who invited the Members to truly listen to the proposals of the G90 and to show a constructive commitment. We are open to any new approach that allows developing countries to meet their development needs and address systemic inequalities.

ANNEX 3**STATEMENTS JAMAICA (ACP GROUP) AND CHAD (LDC GROUP) AT THE E-COMMERCE
STRUCTURED DISCUSSIONS HELD ON 5 JULY 2021**

Following the requests of Jamaica and Chad under item 6, the statements made by Jamaica on behalf of the ACP Group and by Chad on behalf of the LDC Group at the Structured Discussions on E-Commerce held on 5 July 2021, are included below as part of the Minutes of the General Council meeting.

1. Jamaica (ACP Group)

On behalf of the ACP Group, as many would be aware, we have been solid supporters of reinvigorating the exploratory discussions elaborated in the 1998 Work Programme on Electronic Commerce and have been consistent in the General Council meeting in not only supporting structured discussions, but also by requesting that such discussions cover all issues within the scope of the Work Programme.

In addition to the question of customs duties and electronic transmissions, other issues raised in the Work Programme should also be discussed within the structured discussions, including data localization, data flows, source code, and other issues pertinent to the digital divide that hinder the full participation of ACP countries. These discussions would encompass goods ordered online and delivered physically as well as goods and services ordered and delivered online. Issues regarding infrastructure also need to be discussed.

Deliberations under the Work Programme should explore solutions that support the inherent needs of all the WTO Members, particularly those amongst us that need to be enabled if we are to advance in closing the digital divide. The Group is aware that some Members are seeking to define electronic transmissions in the JSI plurilateral negotiations. While such a definition may appear to be a negotiated position, we are cognizant that over time a lot of debates would have taken place in the name of the E-commerce Work Programme in both the Council for Trade in Goods and the Council for Trade in Services.

Setting aside the divergences in views on whether electronic transmissions are a good or a service. We are interested in a clear and concrete review of some of the positions put forward by South Africa and India, for example, and other Members in a manner that helps us resolve this issue before MC12. We must keep in mind that there are revenue loss concerns, as well as the impact on consumers in developing countries, who would bear the cost of tariff. The same considerations will also be necessary for internal taxes, and the resolution on the issue of electronic transmission. We need not only take into account the present situation and activities of our economies, but also the future of what digital goods and contents will realistically become for all countries, as well as the level of technology that would ensure a level playing field, as the digital divide begins to close.

2. Chad (LDC Group)E-Commerce: Challenges and opportunities

I take the floor on behalf of the LDC Group. Thank you for organizing this discussion on a very topical issue, which is the relevance of electronic commerce in the present and the challenges and opportunities that go along.

Chair, as you may recall the LDC Group submitted a communication in November 2019 (WT/GC/W/787) highlighting a number of obstacles, barriers and challenges that impede electronic commerce from flourishing in our economies. We can highlight for instance lack of affordable ICT infrastructure; limited use electronic payments; weak regulatory frameworks, and lack of digital skills among enterprises.

According to ITU indicators for 2019, only 25% of LDC urban areas have internet connectivity in the home and 35 % using the internet overall, including mobile telephony. In contrast, only 10% connectivity at home in rural areas, with 19 % use of the internet overall, including mobile telephony. These figures are in stark contrast with those of developed countries and many developing countries. Internet connectivity is part of the bedrock of e-commerce-based infrastructure, without which we

cannot have e-commerce. Following the outbreak of the pandemic, the electronic commerce wave provided a significant lift to established players, such as platforms and third-party marketplaces, while traditional bricks and mortar companies seeking to sell online did not achieve the same success. This reflects the challenge in adapting business models in the short term related to operational costs, supply chain, regulatory approvals.

On the consumer side, habits and trust represent the other side of the coin to enable e-commerce to develop. Here we note that a change of mindset cannot occur overnight, even in a particular context such as the pandemic. For instance, preference for cash on delivery represents one aspect of a lack of trust in online payment solutions.

More fundamentally, lack of internet remains a critical hurdle for a successful increase in electronic commerce for LDCs. Towards the end of last year 2020, UNCTAD reported that only 19% of people in LDCs used the internet, in contrast this figure stood at 87% in developed countries. This is a challenge, which could not be addressed or be tackled in the two decades of the E-commerce Work Programme. Moreover, LDCs require assistance in building the necessary infrastructure for the internet to take root and spread. There may be signs that such an endeavour could be achieved faster than we could have imagined. Indeed, one clear principle in the field of information communication technology is that progress is not linear as shown by Moore's law and the power of ever faster processors. Recently, the founder of SpaceX, announced the launching of Starlink, an internet broadband service capable of covering all corners of the world, excluding the polar region. This would seem like science fiction for LDCs, yet it is not. It is the present future of our world. Yet we all must be included.

Certainly, on the infrastructural side, public-private partnership type initiatives can be more cost-effective given the high and if not prohibitive cost of the initial expenditure needed to build an internet network from scratch. Where governments can play a more active role is on the regulatory side, by for instance promoting an electronic commerce strategic framework. A national and regional strategy can streamline initiatives across different sectors, enable best practice sharing and contribute towards achieving scale. This can pertain, for instance, to data and data protection. With a clear sense of the rules around data protection, confidence can be increased among consumers and businesses on how, for instance, privacy is protected. This of course requires technological assistance and also adaptation to the realities of each country. A strategic outlook must also look into the issue of fees and taxes. We note that a certain number of countries such as Canada and Australia are pioneering systems to considerably simplify collection of taxes on MSMEs and cross border trade carried out online. We can definitely take inspiration from such initiatives to support cross border digital trade, and in particular that of our own enterprises, which by our nature of LDCs are all MSMEs. We would be keen to learn more how the systems put in place by these pioneers can support enterprises from LDCs and women entrepreneurs, to tap into new opportunities and facilitate their exports.

With regard to skills, the pandemic brought to light the power of online learning and education. Innovative learning tools could be adapted to the needs of entrepreneurs and aspiring start-ups to acquire the knowhow in running an online business. Given that language can constitute a barrier, adapting existing learning manuals and guides to e-commerce by universities, trade associations and professional bodies into languages of LDCs, could render the knowledge and information more accessible.

The pandemic has forced us all to rethink how businesses operate including sectors that can be regarded as viable, as fast growing and rapidly evolving, electronic commerce has gradually come to make inroads in countless sectors. From music, books to news and movies, we see that even content can be digitalized raising concerns about revenue loss from customs. More fundamentally, this raises the question of what sort of business models can thrive in such an environment?

This is a significant challenge, but at the same time we are presented with a unique opportunity that must be seized to support the growth of our businesses and in particular MSMEs. To be able to assist in this, we must adopt an empirical approach, mindful not to simply replicate what has already been done elsewhere, since each country has unique assets and comparative advantage. Carrying out needs assessments at country level can support better understanding where to begin in rolling out a strategic electronic commerce reform programme. Such assessments in LDCs need financial assistance. So, we also reach out to our trading partners to support us in this regard. To conclude Chair, unlike previous waves of globalization that mainly lifted the large boats, electronic commerce

can support smaller boats, benefit from the rising tide. For this, we still need to fulfil certain prerequisites as has already been touched upon such as greater internet access, upgrading skills, a coherent regulatory framework and an integrated financial and logistics system to name a few. These are all relevant to the development dimension underlying the electronic work programme, which form an integral part of the discussions. We are hopeful that these issues will receive the adequate attention.

ANNEX 4**STATEMENTS AT THE INFORMAL MEETING OF THE GENERAL COUNCIL ON 28 JULY 2021****Statement by the General Council Chair at the 28 July Informal General Council Meeting**Opening Statement

Good morning and welcome to this informal meeting of the General Council. Thank you for attending at such short notice. I have convened this urgent meeting to discuss the matter of the appointment of officers of subsidiary bodies of the Council for Trade in Goods. As you know, this matter is included in the agenda of our meeting – that is Item 22. Before I begin my statement on this issue, I would kindly ask the CTG Chair, Ambassador Purevsuren of Mongolia, to report in this informal setting on the CTG consideration of this matter.

[The Chairman of the Goods Council provides his report.]

Thank you very much, and I would like to place on record my sincere appreciation to the CTG Chair for his tireless efforts and engagement on this issue. Let me recall at this point that, on my part I held consultations regarding this matter, further to the call made to me as GC Chair. I met with group coordinators on 28 June and 1 July, and I then sent a communication to all delegations on 2 July in which I attached a proposed slate of names that was emerging from the consultations, together with two additional understandings. It was then brought to my attention that additional time was needed for some further consultations due to concerns expressed on the process.

At the Informal Meeting of the General Council on 22 July, I provided a brief update and noted that unfortunately a solution had still not been found. As the Goods Council Chair has just noted, the CTG meeting reconvened on 26 July and resumed the item on the appointment of officers, but regrettably the impasse could not be overcome.

Yesterday, the Director-General and I called for a meeting with group coordinators and some delegations. At that meeting, the Director-General and I emphasized our deep concern about the systemic and institutional repercussions that this continuing stalemate bears for the Organization. I think it is fair to say that we had a frank exchange of views on this matter.

I think it is also to be noted that strong concerns on the overall process on the appointment of Chairs were reiterated. In this context, I heard repeated calls for reforming the overall exercise. Specifically, I took note of the call for increased transparency in the appointment process, and of the need to avoid the miscommunication at different levels and unnecessary confusion that have occurred. As General Council Chair, it is my strong view that every effort should be made to avoid such situation in the future.

It is with this in mind that I am instructing the Chairs of the Goods Council and of the Services Council to immediately begin consultations on the overall process of appointment of officers in the respective subsidiary bodies so that the process can be reformed, and that this situation does not arise again. I would also ask the Chairs to report on their consultations at the next General Council meeting.

At this moment, and on this basis, I appeal to your sense of shared responsibility in giving positive consideration to the slate that I attached to my communication convening this Informal General Council meeting. I very much hope that we can formally agree on it under Item 22. Let me stress that this is an exceptional situation, that called for an unusual/exceptional response. Let us all ensure that this does not happen again in the future. This slate comes with the additional understanding that the CTG and CTS Chairs will undertake consultations on the overall exercise on the appointment of officers to avoid a repeat of such a situation in the future.

Closing Statement

Given our discussion today, I will make a proposal to the delegations once we resume in Formal Mode. The proposal would be for the General Council to take note of the consensus on the proposed slate of names for the appointment of officers to the subsidiary bodies of the Goods Council, as attached to the convening notice sent to all delegations on 27 July with the understanding that I, as

Chair of the General Council, would undertake consultations on the overall exercise on the appointment of officers to avoid a repeat of such a situation in the future. If this is agreeable, we can move forward.

Statement by the Goods Council Chairman at the 28 July Informal General Council Meeting

The exercise on the Appointment of Chairs to the subsidiary bodies of the Council on Trade in Goods is the cornerstone of the functioning of a large number of regular bodies at the WTO. Although the Guidelines for Appointment of Officers of WTO bodies in document WT/L/510 expressly states that Members should regard the appointment exercise as a relatively routine level and housekeeping function, the truth is that Members do not seem to see the election in this way and as a result, it has been increasingly difficult to conclude this routine function.

My predecessor, Ambassador Mikael Anzén (Sweden), launched the process at the CTG level immediately after the new General Council Chairperson was elected in February of this year. Despite a large number of consultations with the regional group coordinators, Members were not able to agree on the slate of names for the Formal CTG meeting on 31 March and 1 April. As a result, the CTG agreed to suspend agenda item 3 concerning the appointment of officers to the subsidiary bodies of the Council for Trade in Goods to allow the outgoing Chairperson, Ambassador Anzén, to continue his consultations on the slate of names of the Chairpersons of the subsidiary bodies.

On 23 June, Ambassador Anzén sent a communication to the regional group coordinators indicating that despite numerous meetings and consultations it had not been possible to reach agreement on a slate of names and that two group coordinators have recommended that he request the Chairperson of the General Council, Ambassador Dacio Castillo (Honduras), to seek a solution to the current impasse. Ambassador Anzén had made the request and Ambassador Castillo had accepted to oversee the process.

On 2 July, after the consultation with the regional group coordinators, Ambassador Castillo sent the communication informing Members that the group coordinators had reached an agreement and transmitted to agree the slate of names to their Members for their consideration. As part of Ambassador Castillo's consultations, a future understanding was reached, namely that the CTG and the CTS Chairs would undertake as soon as possible consultations on the overall exercise on the appointment of officers to avoid a repeat of such a situation in the future. He noted that there was an additional understanding regarding the allocation of the Chairpersonships for 2022 and he would inform accordingly the succeeding General Council Chair. Finally, Ambassador Castillo noted that it has been an extremely difficult process and the proposed slate has reflected a very delicate balance. For this reason, he has requested Members' collaboration and utmost flexibility for adopting the slate and allowing the 14 subsidiary bodies to continue operating normally in the coming months.

On 7 July, Ambassador Castillo sent a second communication noting that it has been brought to his attention that additional time was needed for some future consultations and that, as a result, the issue of the appointment of officers would remain suspended to allow those future consultations to take place. In addition, he indicated that it would be resumed at the appropriate moment by the CTG Chair. On 14 July, Ambassador Castillo held another meeting of the group coordinators, but agreement was still not possible. At the same evening, I convened an Informal CTG meeting with the objective of reporting on the situation. I did not make a report, but instead noted that it had come to my attention that future consultations were needed. I followed up with additional consultations with the group coordinators on 22 and 26 July and unfortunately consensus was still not possible.

In a communication dated 23 July, I also informed the Membership that the EU Member States' nominee to Chair the Committee on TRIMs, Mr. Tamás Vattai (Hungary), was in the process of moving and would no longer be available to Chair the Committee for which he had been nominated. As a consequence, EU Member States nominee to Chair the Committee on TRIMs is now Ms. Vilma Peltonen (Finland).

On Monday, 26 July, two days ago, I convened an Informal CTG meeting to report on the situation including the fact that no consensus was possible on the slate of names. A number of Members took the floor to express their disappointment that a solution had not been found and they voiced their systemic concerns about the blockage in this routine exercise. The formal meeting of the CTG, which had been suspended on the subject, namely agenda item 3, since 31 March and 1 April was

reconvened immediately afterwards. It was agreed that my report as well as the statement of the Members who so wished would be recorded in the minutes. The Council for Trade in Goods agreed to conclude agenda item 3 and took note that I would make a report to the General Council.

It is quite distressing and a sad reflection of what seems to be a systemic inability of this organization to agree on anything. Five months after a housekeeping procedure was launched and after multiple efforts by many, including the Chairperson of the General Council, consensus remained elusive and Members have yet to agree on the slate of names of the 14 CTG subsidiary bodies. Furthermore, it is an unprecedented situation. This is the first time that Members have been unable to agree on a slate of names at the CTG level and that has come to the General Council for resolution. I cannot overemphasize the importance of finalizing this task.

To my knowledge, there are already two subsidiary bodies that lack a Chairperson. We run the high risk of facing serious organizational problems with regular committees being placed under such a situation if this is not sorted out immediately. In addition, I would like to remind Members that the continued lack of agreement will bring serious repercussions to the organization during a Ministerial year. I urge Members not to underestimate the negative impact that this may have on the WTO. For this reason, I call all Members to exercise maximum flexibility and urge them to continue engaging with the view to solving this issue as soon as possible. I will be requesting the Secretariat to record this statement as my report on the agenda item 22 in the minutes of the meeting.

At their request, the statements by India on the 28 July Informal General Council Meeting and by Thailand on the Appointment of Officers to the Subsidiary Bodies of the Council for Trade in Goods – Report by the Chair of the Council for Trade in Goods (Agenda Item 22) are incorporated in the minutes of this meeting.

Statement by India at the 28 July Informal General Council Meeting

For the purpose of transparency, let me be very clear that it is India which has faced this problem of mistrust, lack of communication or misinformation. Therefore, it is my duty to explain to the Membership what has happened because most of the Membership were not part of these deliberations during at least last one month.

At the CTG meeting on 26 July, an attempt was made by some Members from a particular group to portray that India's position on the issue was aimed at targeting a particular Member that is Mexico and the GRULAC Group. Nothing can be far from the truth than that. We have been clear and unequivocal throughout this process that our concern is on systemic issues with respect to appointment of Chairs for WTO bodies in this organization not only for subsidiary bodies but also for the regular bodies. Therefore, we completely reject the statements made by some Members of the GRULAC delegations and Member of the Mexican delegation at the CTG meeting on 26 July.

If our objection is to Mexico or GRULAC as it was portrayed on 26 July then India could have objected to Mexico becoming CTS Chair this year and also could have objected to the GRULAC Chairs of TBT and SPS in the earlier years. Members may note that GRULAC has held the TBT Chairmanship twice since 2015 and the SPS Committee four times since 2015. Incidentally, one of our good friends from Costa Rica, Ambassador Gloria Abraham Peralta, is the sitting CoA SS Chair. So, this notion of trying to create that India is against GRULAC Members is very unfortunate.

As the CTG Chair has said, for India, the Chairmanship of these Committees is a housekeeping issue whereas for some delegations it is due to pressure from their capital and unfortunately pressure from private business interests. They have stated this on several occasions. Therefore, it is clear who is taking it as housekeeping job and who is taking it as some other thing – trying to use every tool and pressure possible to get the Chairmanship of TBT. This is most unfortunate during this entire process which most of the Members are not aware of, and if they are aware of, I will plea to them to please come out and speak the truth. We politely request colleagues in the Mexican

delegation to stop this misinformation campaign and also appeal to our friends from GRULAC not to fall into this trap or campaign being led by some individuals.

Narrating a story a hundred times will not make it become a fact. India has good, cordial and friendly relationship with both Mexico and the GRULAC region, and an attempt by some individuals to portray it otherwise does not benefit neither them nor the countries they represent. The recent examples during COVID pandemic which had shown how we have helped each other is one more example contrary to the narrative being built in the CTG and in the WTO. Few individuals are trying to portray their leadership in Geneva showing Geneva highlights and coming on the way of bilateral relationships of Members. These are highly deplorable. So called "Friends of the System" should guide correctly people who are being basically misled and misguided. People who are talking about transparency should be more transparent in their narrative and behaviour.

For us, the concern is not one Member. Our issue is with the process. Let me illustrate the procedural fallacy we have encountered during this process and bringing that out to the large Membership is the sole purpose of our position on this matter. Nothing that I am not going to say will be new to the GC Chair, the CTG Chair, the former CTG Chair, and incidentally the CTG Chair who is my coordinator. This is for dissemination to the larger Membership. In March 2021, the outgoing CTG Chair had clearly communicated to the GC Chair at that time that he has not been able to finalize the names for the two subsidiary bodies because of objections from India and one another Member.

However, during the consultation that you undertook to finalize the slate, you were not informed of our objection and you were given that only the Committee on Agriculture was left to be finalized and this reinforced what the CTG Chair has just now stated that the former CTG Chair has communicated to you that two coordinators approached you, that means out of four, two coordinators approached you to resolve that issue which was on the Committee on Agriculture involving developing countries and GRULAC. This was a clear failure of the process and if I may use the strong word – hiding information to the judge while asking the judge to deliver justice in this matter. The entire process was conducted by regional coordinators, and our regional coordinator was aware of our objection. But it is unfortunate that they have not related them in that meeting and I would be hoping that the regional coordinator will at least enlighten other Members on the reason for not thinking that India has not withdrawn from this.

It has also been mentioned that there was a gentlemen's agreement last year on the TBT Chairmanship for Mexico this year and that should be honoured. It seems that this gentlemen's agreement has only taken place between the outgoing CTG Chair, incidentally he was from GRULAC, and Mexico or at least known only to them and not to other regional coordinators. My request here would be that if it is known to any regional coordinator who are present here representing other groups to please come out with the truth if they are aware of this. India, which I have narrated before, the Director-General and the GC Chair as well as regional coordinators, India will take it as new facts on the table and move on, but hiding that information and spreading that there was a gentlemen's agreement, if we had known this, they could have informed us right at the beginning of the process and we would not have wasted what they are saying we have wasted five months or seven months, in the beginning itself we would not have wasted this time that if regional coordinators would have said that yes this deal was done last year and TBT is not on offer for any Membership except Mexico then we would have moved on and we would have withdrawn our candidature. This lack of communication has created this impasse for seven months.

Due to this lack of transparency on the part of everyone involved, that is the regional coordinators, the Chair of the concerned bodies, we have landed in the situation. Our primary concern here is the lack of a transparent system. Many Members have been in the receiving end of this non-transparent process and it has continued for many years. I am new to the system so I checked the records. Last year, we also had the same thing. The slate, I was told, was cleared just before the summer break. So it is not a new thing for this organization to ponder. Everyone has bilaterally talked about the system but they have not tried sincerely to solve this impasse for future years. And there is a reason for that, because it is said it helps interests of very few here – interests of some who conveniently fix Chairs at these bodies for their convenience and I am using strong words here because we have seen this process now for six months very closely and we have seen how people talk to each other and try to communicate misinformation.

It is because of this that we see some individuals repeatedly taking Chairmanship of one or another Committee year after year or what is called "committee shopping". Some of them are senior

colleagues. This would have encouraged younger colleagues for Chairmanships and mentor them. Unfortunately, we do not see that happening in the WTO. Similarly, we also see this practice of Chairmanships being exchanged and traded for future years. Side deals and so-called gentlemen's agreement even when there are no established rules of procedures for doing so. What we call as future trading and, in this case, it was short selling of chairmanship because the 2020 chairmanship for TBT was not up for developing countries, it was a slot for developed countries. Therefore, there was the candidate from Russia which then went to Australia – so this argument of Mexico that it was their turn in 2020 and they have been given this comfort to get it in 2021, in an equity market it is called short selling, which is not there, and you are selling it. Any other regulator would have intervened in this process. Unfortunately, in this case the regulator became party to that. Other Ombudsman in the form of regional coordinators kept quiet in this entire episode.

Because of these non-transparent practices, when they want to deny someone, all arguments and logic are used including the principles of rotation and balance – yet we know that the system of rotation is hardly being followed when you look at any Committee nor the principle of balance. Similarly, on the question of balance or representation, one Member taking two chairmanships – one is CTS and now in TBT, I do not know whether this is the true representation or wider representation. When they want to accommodate someone, suddenly some gentlemen's agreement which no one knows surfaces. And does this practice give us any sense of pride in an organization which talks about rules-based and transparency?

So Chair, to conclude, our concern is systemic. Therefore, at the formal General Council meeting today during the discussion on Agenda Item 22, if there is going to be an acknowledgement of the lack of transparency and miscommunication expanding on what you have now reported in the process which has led to this impasse this year, and if the GC Chair can assure Members that you will undertake a comprehensive overhaul of the selection process for appointment of Chairs for WTO bodies not leaving it to the CTG and CTS Chairs, both for regular and subsidiary bodies, as contained in the document WT/L/510 – we would consider accepting the slate of names proposed.

Let me make it clear that we are not here to secure Chairmanship of any Committee for this year nor seek any guarantee for subsequent years. At the end, I humbly reject the option or offer given to us in informal meetings or deliberations to have the TBT Chairmanship for the 2022 slate, as we do not believe in Chair shopping, future trading and sub selling of Chairs. Certainly, I would like to thank Members who have offered us.

Statement by Thailand on Agenda Item 22

Thailand is glad that we were able to conclude this agenda and we would like to thank all the Members concerned for their great flexibility. We are confident that with your great experience and your impartiality, as well as your capability, you will hold a consultation that will make everyone happy on this issue in the future. We are now close to MC12. Therefore, we should focus the discussion on substance rather than procedural issues. We look forward to working closely and positively with everyone in the future.
