

ACP Group Statement

Informal TNC

25 June 2021

Chair,

We thank you for convening this meeting. We share your perspective that it is time to move forward with issues that are priorities for MC12. The three issues indicated in your convening notice are among the ACP Group's priorities for MC12.

WTO's response to the Pandemic

Chair,

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 organisations, facilitating discussions in committees and negotiation groups, and very recently, Chair, your convening an event on production and distribution of COVID-19 vaccines in April. We are seeing progress with the reduction of restrictive measures implemented in light of the pandemic. These initiatives should continue and be bolstered.

In addition, the ACP Group welcomes the appointment of a facilitator by the General Council in respect of work on the WTO's response to the COVID-19 pandemic. We believe it is a timely initiative and we will support Ambassador

Walker in his work with a view to having Ministers take a decision on the WTO's role.

We believe that the WTO should further enhance the pace at which it collaborates with international organisations such as the IMF, World Bank and regional organisations or country groupings to complement initiatives underway in these frameworks.

It is advisable that the WTO's response be guided by core principles. These principles could include 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 four approaches that the WTO should pursue in its response to the pandemic:

- 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 urge Members to ensure a timely conclusion to improve 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-related medical and health products are processed at the border, removing unnecessary export restrictions on these products and their raw material in order to better facilitate

transactions involving these products along the supply chain, and, from a trade and health perspective, pursue closer relationships between the WTO, the World Health Organisation and private sector stakeholders involved in the production and trade of these items.

- 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, and establishing a blueprint for future similar events.
- 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.
- Four, **collaboration with global economic governance organisations**- the WTO Secretariat should continue and enhance its collaboration with other international organisations, 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.

Agriculture

Turning to agriculture, we commend the Chair of CoA-ss for her hard work and enthusiasm. An outcome package at MC12 should include PSH, SSM, Cotton and trade distorting domestic support, particularly as it relates to eliminating AMS above *de minimis*. We stand ready to join discussions aimed at producing a post-MC12 work programme for other issues, such as market access, which should include issues of interest to our Group, such as NTBs, tariff simplification and S&DT. We cannot agree that the agriculture negotiation should focus on a transparency-only outcome.

The ACP Group remains open-minded and constructive. Hence, we are not against engaging on other ideas that would complement our proposals, but we are of the view that any approach adopted should accommodate the unique circumstances and concerns of ACP Group members.

For example, given the thrust towards rural development and agricultural reform in capitals, we cannot agree to changes to Article 6.2. We continue to study the impact of the pandemic on agricultural production and trade but given that data for the pandemic period are not yet available, we caution against

unrealistic expectations for developing countries and LDCs to make significant concessions at this time, as they will require agricultural policy space to help accelerate post-pandemic recovery efforts.

Dispute Settlement

Chair,

As it relates to dispute settlement, the most urgent priority is to restore the Appellate Body. This is a priority for MC12. We must collectively find a resolution to the Appellate Body impasse to ensure that we have a two-tier, transparent, independent dispute settlement system as envisaged by the DSU.

We cannot surrender the multilateral two-tier dispute settlement system to external remedies, notwithstanding how well intentioned they may be. The Walker process offered some ideas that we can continue to discuss. Without a fully functioning dispute settlement mechanism in the WTO, the Organisation loses its credibility and this could dampen enthusiasm to negotiate new rules. We also need to redouble our efforts to produce results in the DSB-SS process with a view to ensuring that the dispute settlement mechanism evolve to manage the many challenges it faces in dealing with trade disputes.

In closing, Chair, the ACP Group stands ready to engage constructively on these and other issues such as WTO reform, services, fisheries subsidies and special and differential treatment for a successful outcome at MC12. We reaffirm our commitment to a transparent, open, inclusive and rules-based multilateral trading system with the WTO as its core institution.

I thank you, Chair.