The South Centre Monthly

March 2019, Issue 9

The South Centre Monthly is a monthly update which provides a snapshot of the publications and social media activities of the South Centre

PUBLICATIONS

Research Papers


Various WTO Members submitted a Communication to the WTO in November 2018 which, if accepted, would affect the implementation of Members’ transparency and notification obligations at the WTO. It would strengthen the already burdensome notification obligations and introduce new punitive administrative measures should obligations not be complied with. This paper provides information about WTO Members’ current notification obligations and their level of compliance; looks at the history of discussions on notifications, particularly in the Working Group on Notification Obligations and Procedures which took place in 1995 – 1996; and provides an analysis of the Communication. The analysis focuses on the extent to which the elements are consistent with or go beyond the current WTO disciplines. It concludes that non-compliance with notification obligations is real. However, rather than expanding obligations and introducing punitive measures, constructive and effective solutions should be based on nuancing of obligations in the context of a Special and Differential Treatment approach and through the use of incentives. It also acknowledges that countries with a chronic lack of capacities will continue to struggle with the WTO’s complex notification obligations and requirements until they attain higher levels of development and, thus, improved institutional capacities.

The digital economy has been growing exponentially in recent years thanks to new technologies that are promoting a global transformation. Key technologies responsible for this transformation have become the subject of intense discussions under the umbrella term 'fourth industrial revolution'. This paper offers a discussion on the differentiated impact of digital technologies on unemployment, capabilities building and technological catch-up for developing countries. It articulates some of the key issues and tradeoffs for developing countries that should be considered in policy discussions and deliberations. Two important conclusions for policy stand out from the analysis in this paper. Firstly, new digital markets introduce a range of market failures throughout the process of knowledge creation, knowledge mediation, value creation, value capture and trade in the digital economy. The new technology-mediated economy is imperfect, riddled with information asymmetries, monopolies, algorithmic intransparencies and ‘winner-takes-all’ effects. Secondly, these market failures intensify all existing government or institutional failures that have held back development in developing countries. Any pre-existing binding constraint – such as the lack of coordination for innovation, lack of ability to mobilize domestic resources, inability to create linkages, low resilience of the domestic entrepreneurship sector, tax avoidance, and the failure to regulate competition – will have a direct bearing on how the gains of the fourth industrial revolution can be secured. The real challenge for developing country policy makers, therefore, is to be able to articulate their own industrialization and developmental goals as part of the transition to the digital era and to enact policies that enable it. The paper also warns against technological determinism; an approach that simply focuses on widely applying existing digital technologies for the broader good of mankind without a discussion of its public policy implications.

The present policy brief analyses the language of taxation carve-out provisions incorporated in International Investment Agreements (IIAs), and its effectiveness with regards to restricting the protection and dispute settlement provisions of IIAs only to non-tax-related claims. It illustrates that even in cases where such carve-out provisions have been incorporated into IIAs, the broad language and lack of clarity in the drafting of such provisions have effectively allowed Investor-State Dispute Settlement (ISDS) tribunals to scrutinize tax measures adopted by States, and even determine that such measures resulted in a breach of State’s obligations under the agreement. It makes recommendations on how States could effectively implement such carve-outs when negotiating, reforming or drafting new international investment agreements.

Available from: [https://www.southcentre.int/investment-policy-brief-14-march-2019/](https://www.southcentre.int/investment-policy-brief-14-march-2019/)

The work of the United Nations Commission on International Trade Law (UNCITRAL) provides an opportunity to rebalance the international investment regime – but only if the full gamut of key issues are identified. Requiring investors to uphold standards of responsible business conduct (RBC) is largely a function of substantive rights and obligations, but it also presents procedural dimensions that fall within the purview of the UNCITRAL process. This policy brief explores the issues and discusses possible options for reform.


Investment Policy Brief 16, March 2019: The Future of Investor-State Dispute Settlement Deliberated at UNCITRAL: Unveiling a Dichotomy between Reforming and Consolidating the Current Regime

Reform of investor-state dispute settlement (ISDS) is being deliberated at the United Nations Commission on International Trade Law (UNCITRAL) Working Group III, which will be meeting in New York between the 1st and 5th of April 2019. For several years, the ISDS regime has been under scrutiny from voices in both developed and developing countries. ISDS reforms have been addressed in multiple forums, including national, bilateral, regional and multilateral levels, such as the United Nations Conference on Trade and Development (UNCTAD). Reforms could include moving away from arbitration as the norm for dispute settlement between foreign investors and host states or end up by introducing adaptations that might make arbitration in ISDS cases perform in a more acceptable way. Finding one-size-fits-all solutions in these deliberations is unlikely. Advancing relevant reforms would require full and effective participation of interested countries, equal opportunity for different points of views to be heard and integrated into the design of any potential outcome, and effective mechanisms to address any potential conflicts of interest within this forum.

US submitted two highly problematic proposals to the WTO in January and February 2019, undermining the place of Special and Differential Treatment (S&D) for developing countries at the WTO. In the first paper (WT/GC/757), US criticises the practice of self-declared development status by developing countries arguing that the North-South construct no longer makes sense due to “great development strides”. The second paper (WT/GC/764) – a proposed Decision for the General Council – provides a way to operationalise what was in the first paper. It gave criteria that would exclude 34 Members or 53.6 percent of global population from S&D treatment in “current and future WTO negotiations”. This fundamentally changes S&D from an unconditional right for all developing countries to a concession that may or may not be provided. Even for those developing countries that are not part of the 34 excluded Members, the US notes that in sector-specific negotiations, other Members could also be “ineligible for special and differential treatment.” This paper critiques the US approach on Special and Differential Treatment and concludes that these papers by the US cannot be the basis for any further discussions. All developing countries must be able to decide the pace of their adjustment to trade rules.


SouthViews

SouthViews No. 176, 6 March 2019: South Africa’s South-South cooperation 40 years after BAPA

As member states and the United Nations (UN) prepare to come together for the 2nd High Level Conference on South-South cooperation (SSC) forty years after the adoption of the Buenos Aires Plan of Action (BAPA), this article reflects on the journey South Africa has made in implementing technical cooperation with developing countries (TCDC). Although the Apartheid government of Pretoria was excluded from the discussions in Buenos Aires, in the last two decades South Africa has played a major role in SSC, promoting capacity building, exchange of experiences, and TCDC in Africa and intra-regionally. The article will explore the degree of compliance by South Africa with the 38
recommendations (Recs. 1-38) set out in the BAPA, and the follow up work still required, both nationally and globally, to advance the SSC agenda.

Available from: https://us5.campaign-archive.com/?u=fa9cf38799136b5660f367ba6&id=1fd20f5d8e

SouthViews No. 177, 13 March 2019: Preserving Special & Differential Treatment in WTO: statement by Ambassador Zhang Xiangchen of China at the General Council Meeting

There remain significant gaps between developing and developed WTO Members in terms of economic and social development, and developing Members still face tremendous capacity constraints in participating in the multilateral trading system. The fundamentals for the application of special and differential treatment in favor of developing Members remain unchanged. US Communications WT/GC/W/757/REV.1 and WT/GC/W/764 neglect this. Below is the statement by H.E. Mr. Zhang Xiangchen, Permanent Representative of China to the World Trade Organization (WTO), at the General Council Meeting on Communications of Development on 28 February 2019.

Available from: https://us5.campaign-archive.com/?u=fa9cf38799136b5660f367ba6&id=c57a8f1d46

SouthViews No. 178, 19 March 2019: South-South cooperation for confronting the neglected problem of snakebite envenoming: the role of Costa Rica

South-South cooperation in practice: CostaRica has played a leading role in South-South cooperation on snakebite envenomings & in promoting a WHO multi-stakeholder global action plan to address this neglected tropical disease.

Available from: https://us5.campaign-archive.com/?u=fa9cf38799136b5660f367ba6&id=aeeb21dbe2
SouthNews

SOUTHNEWS No. 241, 1 March 2019: Colombia’s statement on reform of investment protection agreements at opening session of the 12th Annual Forum of Developing Country Investment Negotiators

The need for reform of investment protection agreements is gaining momentum. Views about the scope and extent of such reform differ, but there is a growing consensus that asymmetries in and abuses of the investor-state dispute mechanism need to be addressed. Reproduced below is the statement (in Spanish) by Camilo Alberto Gómez Alzate, Director General of the Agencia Jurídica del Estado de Colombia, presented at the opening session of the International Institute of Sustainable Development (IISD)-South Centre 12th Annual Forum of Developing Country Investment Negotiators ‘Shifting International Investment Law Toward Sustainable Development: Strategies for renegotiation, reform and defence’, on the 27th of February 2019 in Cartagena, Colombia.

Available from: https://us5.campaign-archive.com/?u=fa9cf38799136b5660f367ba6&id=2665084cdb

SOUTHNEWS No. 242, 4 March 2019: European Union members confirm rejection of investor-State disputes to settle EU-based investors’ claims

Note on the Declaration made by Member States of the European Union (EU) on the legal consequences of the judgment of the Court of Justice of the European Union in Achmea and on investment protection in the European Union.

Available from: https://us5.campaign-archive.com/?u=fa9cf38799136b5660f367ba6&id=5ff0c84acb

SOUTHNEWS No. 243, 6 March 2019: SEEKING AN EFFECTIVE GLOBAL ACTION TO ADDRESS ANTIMICROBIAL RESISTANCE: Draft Recommendations of the Ad Hoc Interagency Coordination Group (see South Centre News on AMR below)

Available from: https://us5.campaign-archive.com/?u=fa9cf38799136b5660f367ba6&id=77720b269f

SOUTHNEWS No. 244, 11 March 2019: Developing countries should be at the forefront of ISDS and IIAs reform processes

There is sufficient evidence to firmly engage in a process of fundamental reform of the international investment agreements (IIAs) and investor-State dispute settlement (ISDS) system. Developing countries’ negotiators and experts discuss the way forward during the 12th Annual Forum of Developing Country Investment Negotiators held in Cartagena, Colombia on 27 February-1 March 2019.
SOUTHNEWS No. 245, 13 March 2019: Misappropriation of genetic resources: Dutch Court revokes patents on teff for failure to meet patentability criteria

On November 21, 2018 a Hague court revoked two patents that had been granted in 2003 by the Dutch Patent Office to Jans Roosjen on the processing of teff, a plant originating in Ethiopia and Eritrea. This decision sets an important precedent by putting an end, at least in the Dutch jurisdiction, to the undue appropriation through the patent regime of genetic resources. This practice is known as ‘bio-piracy’.

SOUTHNEWS No. 246, 21 March 2019: South Centre Statement at BAPA+40

Statement by Dr. Carlos Correa, Executive Director of the South Centre, at the Second High-Level United Nations Conference on South-South Cooperation (BAPA+40) Plenary, held in Buenos Aires in March 2019.

SOUTHNEWS No. 247, 26 March 2019: Promotion of Public Health through Competition Law and Policy: Discussions at the WTO TRIPS Council

At the World Trade Organization (WTO) Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) Council session on 13-14 February 2019, South Africa submitted a communication (IP/C/W/651) to discuss the promotion of public health through competition law and policy. The proposal by South Africa called for continuation of the discussion on the linkage between intellectual property (IP) and competition law and policy under the ad hoc agenda item on Intellectual Property and the Public Interest, with specific reference to exploitative excessive pricing and restrictive practices such as reverse payment agreements, strategic patenting and niche pricing of off-patent pharmaceuticals. It invited WTO members to share their experience of using competition law regimes to address anti-competitive practices that affect access to medicines and share challenges that they face in the enforcement of competition law to that end.
South Centre News on AMR

South Centre News on AMR No. 28, 6 March 2019: SEEKING AN EFFECTIVE GLOBAL ACTION TO ADDRESS ANTIMICROBIAL RESISTANCE: Draft Recommendations of the Ad Hoc Interagency Coordination Group

The Interagency Coordination Group on Antimicrobial Resistance (IACG) – established by United Nations (UN) Resolution A/RES/71/3 in September 2016 to coordinate UN agencies’ work on antimicrobial resistance (AMR) - was mandated to provide practical guidance so as to ensure sustained effective global action to address AMR and to submit a report to the UN Secretary-General in April 2019. Prior to the finalization of the report, the IACG has circulated a draft report to obtain inputs from various stakeholders on the draft recommendations. This process included a web based request for written submissions that was closed on February 19. The South Centre submitted comments to the IACG on the draft recommendations, which are reproduced in this article.

Available from: https://us5.campaign-archive.com/?u=fa9cf38799136b5660f367ba6&id=ec1f1f61e7

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Social Media

Twitter Highlights:

- **Top Tweet**: earned 2,908 impressions
  - Unveiling the unexpected: NEW Policy Brief by the @South_Centre finds that #SDS disputes of #tax related measures are increasing despite clear and unequivocal Tax Carve-Out provisions in #IIAs southcentre.int/investment-pol... pic.twitter.com/n5qdvnrQFX

- **Top mention**: earned 334 engagements
  - Just published, open access, making a statement on how I see the field of development studies, as it was and could be, not necessarily how it is.
  - Bringing Development Back into Development Studies onlineLibrary.wiley.com/doi/full/10.11...
  - @CriticalDev @RadleyBen @DevEconNetwork @South_Centre

View Tweet activity View all Tweet activity
Top media Tweet earned 2,414 impressions

Effective mechanisms need to be put in place to ensure accessibility and technologies critical to achieve #SDGs, noted Carlos Correa, @South_Centre Exec. Dir. at the #BAPA40 3rd interactive panel discussion webtv.un.org/en/ga/watch/3r...
#SouthSouthCooperation
#SustainableDevelopment
#PABA40
pic.twitter.com/XCGRqGR3p

MAR 2019 SUMMARY

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South Centre @South_Centre  Mar 29

We bring you the #ClimateFinance Readiness E-book - a useful reference for developing countries to access & more effectively utilise the complex web of climate finance information. E-book will be updated periodically. #climatechange #ClimateActionNow See southcentre/Climate-finance...

South Centre @South_Centre  Mar 29

Dr. Carlos Correa, Executive Director @South_Centre was pleased to participate at the First Advisory Board Meeting of the Saudi Authority for #IntellectualProperty, impressed by the vision and organization of this young institution.
THE STATUS OF PATENTING PLANTS IN THE GLOBAL SOUTH

Carlos María Correa, Oxfam Novib and Oxfam International

In a productive meeting with Ambassador Lansana Gberie of Sierra Leone @UNMissionGeneva, Carlos Correa @Correa_CEIDE, @South_Centre Executive Director, discussed the problem of #tax evasion by foreign mining companies and # Europe and #access to medicines.

IntellectualProperty provisions contained in #FTAs likely to aggravate current #inequalities, esp. in #developingcountries. Options for implementing #IP obligations while limiting potential negative impacts are explored in a new book, edited by renowned economist J.A. Ocampo.

AND INEQUALITY
Implications for Global Economic Governance

Columbia Univ. Press, Columbia’s Initiative for Policy Dialogue and Carlos Maria Correa

South Centre @South_Centre - Mar 22

Joint @South_group @South_Centre & @UNOSSC event on Enhancing National Ecosystems for SouthSouth and TriangularCooperation. @South_Centre & @SIEB jointly prepared report on national ecosystems. Dr. Correa, Exec Dir, opened the event w/ SIEB & UNOSSC and Yuvfer I.I moderated it.
South Centre @South_Centre · Mar 22
Costa Rica’s Minister of Foreign Affairs and Worship, Mr. Manuel Ventura Robles and Dr. Carlos Correa, Executive Director @South_Centre met on the sidelines of BAPA40. Discussions included the role of Costa Rica in SSC and possible further cooperation with the South Centre.

Mr. Jorge Chredler, R@UNGC, Director and Envoy of the Secretary-General on SouthSouth Cooperation & Dr. Carlos Correa, Executive Director @South_Centre signed an agreement at BAPA40 on SSC to enhance cooperation & link the two institutions to the light of outgasing of the Cortespeca.

South Centre @South_Centre · Mar 22
Effective mechanisms need to be put in place to ensure access to technologies critical to achieve #SDGs noted Carlos Correa. @South_Centre East, Dir. at the BAPA40 led interactive panel discussion with.r.org/go/worth/tr… #SouthSouthCooperation #SustainableDevelopment #BAPA40

South Centre @South_Centre · Mar 22
Dr. Carlos Correa, Executive Director @South_Centre moderated #BAPA40 side event on #SouthSouthCooperation for Access to #HealthTechnology organized by @NEST_SSC and @RIS_NewDelhi on 21 March. #SouthSouth #GlobalGoals

South Centre @South_Centre · Mar 22
Yusufu U. @South_Centre Senior Adviser on #SouthSouthCooperation stressed the need to strengthen institutional frameworks, address systemic issues and that SSC is not a substitute for NorthSouthcooperation at BAPA40 side event on FinancingDevelopetn in the #DigitalEra.

South Centre @South_Centre · Mar 21
Dr. Carlos Correa, @South_Centra Exec. Dir. met Dr. Bambang Brodjonegoro, Min. of National Development Planning & Amb. Ina Krisnambudi, Special Advisor, MFA on Economic Diplomacy of Indonesia at BAPA40 to discuss enhancing #SouthSouthcooperation towards achieving #GlobalGoals

Sachin Chaturvedi and Carlos Maria Correa

Carlos Maria Correa, R&RD Policy Center, UNOSC, and 2 others
South Centre @South_Centre - Mar 21
The ongoing #BAPA40 started with a large participation & great expectation of concrete outcomes to strengthen #SSSC as a tool for #development. The @South_Centre will participate & co-organize various side events. 
#SouthSouthCooperation See our recent work southcentre.int/tags/boyan-air...

South Centre @South_Centre - Mar 19
#SustainableDevelopment & #TradeEconomy: Taxation discussed at INU4A Technical Group, Lima, 14-15 March. To fight #taxavoidance, practices deemed legal under #OECD standards should be redefined as illegitimate if contrary to #taxationrights of #developingcountries.

South Centre @South_Centre - Mar 18
Ms. Marisa Roggens of Argentina was unanimously elected as Chair of the Group of Governmental Experts (GGE) on the UN Register of Conventional Arms (UNROCA). She is the first woman to chair a GGE in the area of conventionalarms since 1995. See ur.org/disarmament/up...

South Centre @South_Centre - Mar 18
The @South_Centre with partners @BDE_ELP @CCIL_Columbia & @PESonline hosted a meeting between 12-14 March 2019 with #developingcountry officials working on #investmentanddevelopment issues. #SDG2 MUNICIPAL #Investment #SustainableDevelopment

South Centre @South_Centre - Mar 12
The @South_Centre is conducting a course with ENARP/TRF-2 on judicial implementation of #TIIBTiles in the light of current tendencies in intellectualproperty and #accessmedicines.

South Centre @South_Centre - Mar 15
#TradeFair with China increased #domesticprices in the US, dramatically changed its supply-chain networks & reduced U.S. #exports/income by $1.4 billion per month by the end of 2018, according to report by @capr_org capr.org/active/publicat... #TradePolicy #Stayinformed #InvestinInnovation

South Centre @South_Centre - Mar 12
The @South_Centre is participating in the 3rd session of the IMO Commission on the Status of Women. The UN’s largest gathering on #genderequality at the UN HQ, New York, 11-22 March 2019. #womeninSTEM #equalprotection & #publicsafety are broad themes of discussion.

South Centre @South_Centre - Mar 11
The @South_Centre was pleased to meet Permanent Representative of Brazil to the #WTO and Other Economic Organizations in Geneva, H.E. Alexandre Guido Lopes Paola, to discuss forthcoming activities on #IP & #accessmedicines & continuous cooperation on #developmentissues.

South Centre @South_Centre - Mar 11
Agro dos Pêros 11 a 13 de março de 2019

South Centre @South_Centre - Mar 11
Carlos Maria Correa and Mission of Brazil to WTO