

**July 2019, Issue 13**

***A snapshot of the activities of the South Centre***



**Dr. Carlos Correa**

### **Message from the Executive Director**

Inequality is one of the greatest challenges that the world needs to face. Inequality is intimately linked with poverty. Although there has been progress in reducing poverty, a large part of the global population (overwhelmingly living in developing countries) is still denied access to a dignified life. While no poverty and reduced inequality are two of the outstanding Sustainable Development Goals, these and other goals are unlikely to be achieved by 2030. In fact, inequality is on the rise. Changing this situation will certainly require significant efforts at the national and regional level. But it also requires an international architecture that supports those efforts by respecting the policy space that countries need and coordinating constructive actions within the multilateral system. The current initiatives to ‘reform’ this system will only be legitimate if they recognize the gaps in the levels of development and contribute to effectively address them under a fair, pro-development system of rules. Please see last month’s *SouthViews* on “Understanding global inequality in the 21<sup>st</sup> century” by Jayati Ghosh, development economist and Professor of Economics at Jawaharlal Nehru University.

For the month of July, the South Centre released publications on the development agenda in the World Intellectual Property Organization (WIPO), the US’ Special 301 Report, the US-Mexico-Canada Agreement (USMCA) and access to affordable drugs in Mexico and how to control transfer pricing in Africa. In addition, news were published on, inter alia, the World Trade Organization (WTO) ‘reform’ and the contribution of development to human rights. Moreover, the Centre’s staff organized and participated in meetings on patent examination, South-South cooperation, climate finance, energy in Africa, universal health coverage and antimicrobial resistance, among others.

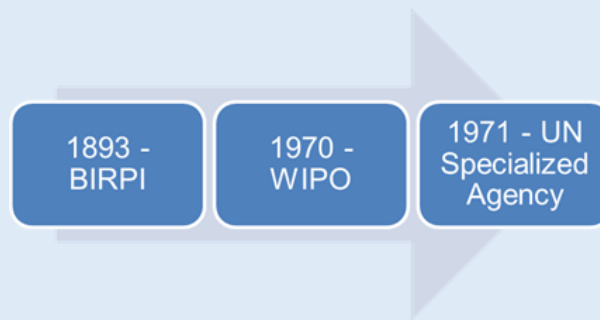
This South Centre Monthly provides more information on these issues and activities; we will welcome your comments.

## PUBLICATIONS

### Research Papers

#### **Research Paper 95: Mainstreaming or Dilution? Intellectual Property and Development in WIPO** by Nirmalya Syam

Available at: <https://www.southcentre.int/research-paper-95-july-2019/>



*The establishment of the World Intellectual Property Organization (WIPO) was fundamentally a response to the demand from developing countries for the United Nations (UN) to address development issues in the context of intellectual property (IP) protection. The establishment of WIPO was driven by the objective of seeking legitimacy as an organisation that is accountable to its Member States. While WIPO became a UN specialized agency, its approach to the development goals of the UN system was made subject to the objective stated in the WIPO Convention – that of promoting IP protection globally. Demands from developing countries for substantive revision of some of the provisions of the existing IP treaties were unsuccessful.*

*The recognition of WIPO as a UN specialized agency is also subject to the competencies and responsibilities of the UN and its other agencies, particularly the United Nations Conference on Trade and Development (UNCTAD), the United Nations Development Programme (UNDP), the United Nations Industrial Development Organization (UNIDO) and the United Nations Educational, Scientific and Cultural Organization (UNESCO). This means that work of WIPO with regard to activities for promoting intellectual creativity and facilitating transfer of technology in developing countries must defer to the work of these UN agencies. It does not have exclusive competency on intellectual creativity and transfer of technology over other UN agencies.*

## Policy Briefs

### **Tax Cooperation Policy Brief 8: Improving Transfer Pricing Audit Challenges in Africa through Modern Legislation and Regulations** by Thulani Shongwe

Available at: <https://www.southcentre.int/tax-cooperation-policy-brief-8-july-2019/>

#### **Third party loans and exploiting capital allowances**

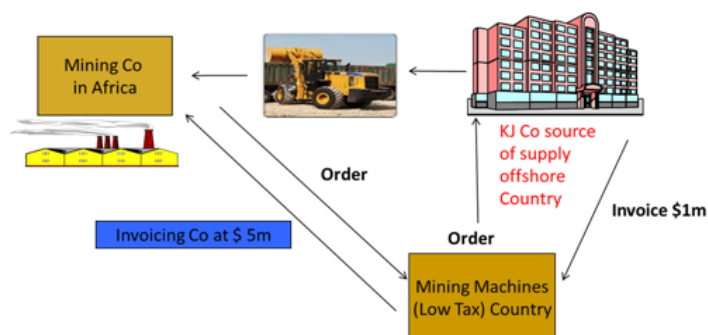


Figure 1: Mining Companies procurement from Manufacturing Companies

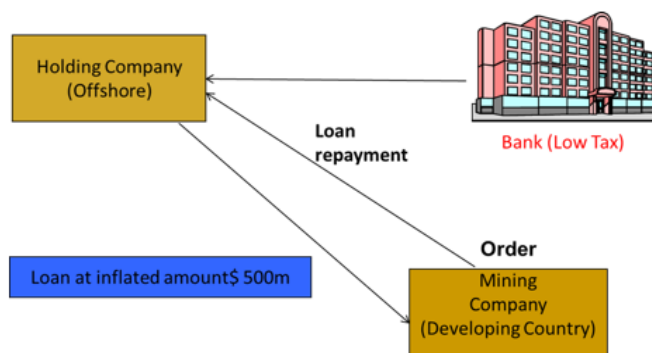


Figure 2: Mining Companies management and engineering (M&E) financing from Offshore Companies

*Auditing multinational enterprises often involves a broad range of complex technical issues, and transfer pricing (TP) is often the most important one. This is but one of the examples of such complex technical issues involved in tax auditing of multinational enterprises, particularly with regards to avoiding transfer pricing.*

*In the above example, multinational corporations can make use of over-charged expenses for goods and services rendered by companies in the same or related corporate group, and from high interests for intra-company loans to claim for excessive tax deductions and excessively benefit from tax incentives.*

*These measures not only reduce tax collection and tax revenue, but also show the need to develop stronger policy and legislative decisions that create a predictable and simple tax framework in tandem with the reform of the international tax regime in order to allow tax administrators to identify and prevent the abuse of tax planning schemes, in particular through transfer pricing.*

**Policy Brief 64: The USMCA must be amended to ensure access to affordable drugs in Mexico** by Maria Fabiana Jorge

Available at: <https://www.southcentre.int/policy-brief-64-july-2019/>

*The United States-Mexico-Canada Agreement (USMCA)'s intellectual property rights (IPRs) chapter grants longer and broader monopolies to originator pharmaceutical companies than those currently in force in Mexico at the expense of consumers and taxpayers. Mexico is without doubt the country that will be most negatively impacted due to these provisions.*

**Policy Brief 65: Time for a Collective Response to the United States Special 301 Report on Intellectual Property** by Viviana Muñoz-Tellez,

Nirmalya Syam and Thamara Romero

Available at: <https://www.southcentre.int/policy-brief-65-july-2019/>

*On 25 April 2019, the Office of the United States Trade Representative (USTR) released the annual Special 301 report for 2019. This report is a unilateral review and characterization of selected countries' intellectual property (IP) laws and practices on IP protection and enforcement. The report lacks empirical evidence and objective analysis. It reflects the strong influence of domestic industry actors on the foreign IP and trade policy of the United States of America (US). The report is a means to pressure countries bilaterally to increase IP protection and enforcement measures beyond existing international standards with disregard to public interest considerations. The threat of trade sanctions by the US is used to trigger legal and policy change in third countries.*

*A uniform and collective international response by the affected countries is long overdue. The US administration must be required to act in accordance with its obligations under the World Trade Organization (WTO) and World Intellectual Property Organization (WIPO)-administered agreements, and not take unilateral actions in violation of multilateral rules. The way forward is to continue dialogue in appropriate multilateral fora, recognizing the need for all countries to maintain policy space to use IP as a domestic policy tool.*

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**SouthViews, SouthNews and South Centre News on AMR**

**SOUTH VIEWS No. 182, 11 July 2019: The most expensive drug in the history of the pharmaceutical industry** by Germán Velásquez

Available at: <https://us5.campaign-archive.com/?u=fa9cf38799136b5660f367ba6&id=5569cbd117>

*"As the firm Gilead did with Sofosbuvir for Hepatitis C, Novartis intends to completely separate the price of the drug from its production and research and development costs. If the governments and the international reference agency for health, that is the WHO, accept the philosophy of "pricing models based on value", the sustainability of health systems will be in danger."*

*On May 27, 2019 the US FDA gave marketing authorization for Zolgensma gene therapy, from the Swiss firm Novartis. The price of the drug, administered in a single dose, is 2.125 million dollars, making it the most expensive drug in the history of the pharmaceutical industry.*

**SOUTHVIEWS No. 183, 12 July 2019: BAPA+40 is an Impetus to the Implementation of the 2030 Agenda for Sustainable Development by Yuefen LI**

Available at: <https://us5.campaign-archive.com/?u=fa9cf38799136b5660f367ba6&id=e4870ead10>



Photo courtesy of the United Nations Office for South-South Cooperation (UNOSSC) - <https://www.unsouthsouth.org/2019/03/29/second-high-level-united-nations-conference-on-south-south-cooperation-bapa40/>

*The United Nations Second High-level Conference on South-South Cooperation (BAPA+40) not only gave an impetus to the further expansion of South-South and Triangular Cooperation (SSTrC) but also to the attainment of the 2030 Agenda for Sustainable Development. Currently, the main task is how to implement the outcome document of BAPA+40.*

**SOUTHVIEWS No. 184, 19 July 2019: Understanding global inequality in the 21st century by Jayati Ghosh**

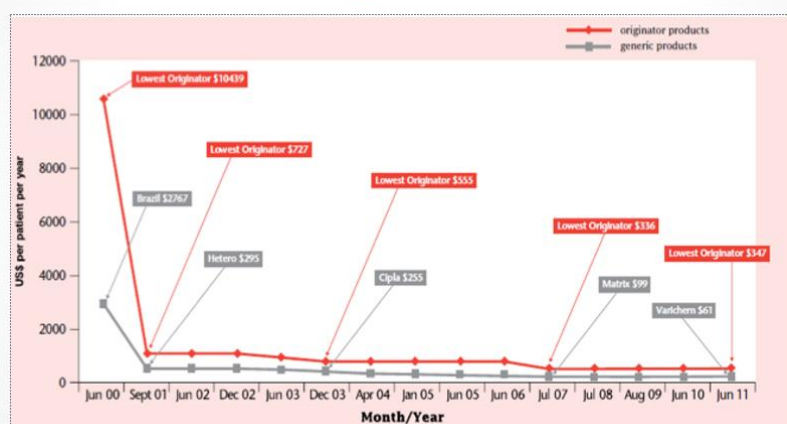
Available at: <https://us5.campaign-archive.com/?u=fa9cf38799136b5660f367ba6&id=3467583b61>

*Inequality has increased since it caught the attention of the international community. The claims that global inequality has decreased because of the faster rise in per capita incomes in populous countries like China and India must be tempered by several considerations. National policies are crucial in this worsening state of affairs and the international economic architecture and associated patterns of trade and capital flows encourage such policies. More national policy space is required for governments, especially in developing countries, to pursue policies that would move towards more sustainable and equitable development which in turn requires significant changes in the global architecture. None of this can be done without some international coordination, and there is a need to revive a progressive and acceptable form of multilateralism that supports the working people across the world, rather than the interests of large capital.*

**SOUTHNEWS No. 267, 17 July 2019: Public Health Perspective in Patent Examination by Thamara Romero**

Available at: <https://us5.campaign-archive.com/?u=fa9cf38799136b5660f367ba6&id=81301a35a5>

### Competencia: Genéricos influencia en la reducción de precios



Participants of the national training for patent examiners in Ecuador discussed about the importance of free competition for the reduction of the prices of medicines and the economic impact of the entry of the generic drugs into the market. (Image courtesy - presentation by Thamara Romero, Senior Programme Officer, Health, Intellectual Property and Biodiversity (HIPB) Programme, South Centre)

*The South Centre and the Ecuadorian National Service of Intellectual Property (Servicio Nacional de Derechos Intelectuales, SENADI) organized a national training on patent examination from a public health perspective with patent examiners and policymakers, in Quito, Ecuador on 1-2 July 2019. The event allowed for a rich dialogue and the discussion of practical examples and cases, including information on international practices.*



**SOUTHNEWS No. 268, 24 July 2019: Regional Workshop on South-South and Triangular Cooperation in Tunis**

Available at: <https://us5.campaign-archive.com/?u=fa9cf38799136b5660f367ba6&id=14a0af25bb>

- **National ecosystem would be instrumental in creating a more effective, cohesive and coordinated approach to SSC**
- **Provide guidance for SSC activities and raise 'South Consciousness'**
- **Determine gaps in national development goals which could be filled by SSC initiatives**
- **Identify and focus on specific activities with multiplier and catalytic effects in both SSC partner countries**

The importance of a national ecosystem (institutional framework) on SSTRC (Image courtesy - presentation by Yuefen Li, Senior Adviser, South-South Cooperation and Development Finance, South Centre)

*The South Centre, the Islamic Development Bank (IsDB), the Tunisian Agency for Technical Cooperation (ATCT) and the United Nations Office for South-South Cooperation (UNOSSC) organized a Regional Workshop on South-South and Triangular Cooperation (SSTRC). The aim of the workshop was to further strengthen cooperation with countries and organizations, share national experiences and explore how to strengthen the national institutional framework for SSTRC. Yuefen Li, the South Centre's Senior Advisor on South-South Cooperation and Development Finance, participated in the event. It was held in Tunis, Tunisia on 2-5 July 2019.*

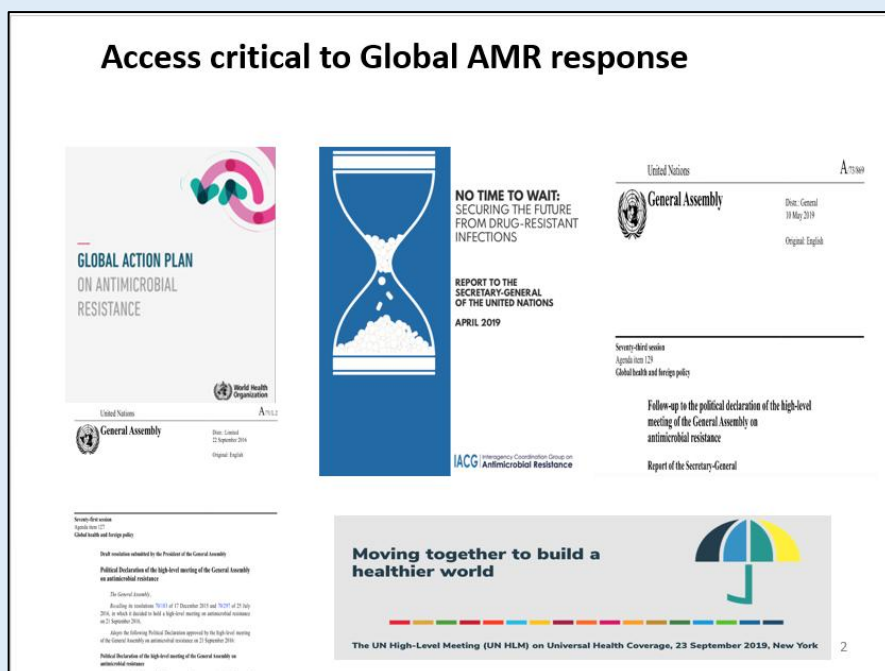
**SOUTHNEWS No. 269, 26 July 2019: The contribution of development to the enjoyment of all human rights**

Available at: <https://us5.campaign-archive.com/?u=fa9cf38799136b5660f367ba6&id=16de02a91f>

*Human Rights Council (HRC) Resolution "The contribution of development to the enjoyment of all human rights" (A/HRC/41/L.17/Rev.1) was adopted at the 41st session of the HRC on 12 July 2019, held at the Palais des Nations in Geneva. Sustainable development plays a key role in promoting and protecting human rights, including economic, social and cultural rights, as well as civil and political rights. International development cooperation and the promotion and protection of human rights are essential in ensuring that no one is left behind. The HRC called upon "all States to spare no effort to promote sustainable development, in particular while implementing the 2030 Agenda for Sustainable Development, as it facilitates the enjoyment of human rights". It also took note "with appreciation of the report of the Human Rights Council Advisory Committee on the contribution of development to the enjoyment of all human rights".*

## **SOUTH CENTRE NEWS ON AMR No. 29, 2 July 2019: The South Centre helps Asian countries tackle Antimicrobial Resistance**

Available at: <https://us5.campaign-archive.com/?u=fa9cf38799136b5660f367ba6&id=b2604f8435>



Access to antimicrobials is a critical issue for developing countries in tackling antimicrobial resistance. Barriers to access continue to be a critical challenge for developing countries in their efforts to tackle antimicrobial resistance. (Image courtesy - presentation by Viviana Munoz Tellez, Programme Coordinator, Health, Intellectual Property and Biodiversity (HIPB) Programme, South Centre)

*The South Centre and the Third World Network (TWN) brought together participants from 16 countries for a Regional Workshop on Antimicrobial Resistance (AMR) in Asia, from 24-26 June 2019 in Penang, Malaysia. Participants exchanged experiences and information on the AMR situation in the Asian region and at country level, and discussed progress achieved from the previous year and challenges.*

### **Other SouthNews**

**SOUTHNEWS No. 266, 16/07/2019** - [Access to medicines: US democrat lawmakers oppose intellectual property rules in the USMCA restraining access to affordable biosimilars](#)

**SOUTHNEWS No. 270, 30/07/2019** - [Human Rights Council calls for more policy coherence and coordinated actions to improve access to medicines and vaccines](#)

**SOUTHNEWS No. 271, 31/07/2019** - [Strengthening the WTO to Promote Development and Inclusivity](#)



## IMPORTANT MEETINGS AND CONFERENCES

In addition to the meetings described in SouthNews above, the South Centre also organized and/or participated in the following meetings:

**08–11 July 2019, Manila – United Nations Framework Convention on Climate Change (UNFCCC) Experts Meeting on Assessing and Determining the Needs of Developing Countries.** This meeting was hosted by the Asian Development Bank (ADB) and the governments of the Philippines and the Republic of Korea. The aim of the meeting was to explore ways and means to assist developing countries in assessing their climate finance needs and priorities based on available information. For the South Centre, who was invited by the UNFCCC Climate Finance Team due to its technical expertise and involvement in the assessment and determination of the climate finance needs of developing countries, the meeting helped to consolidate its analytical and empirical capacity to follow this workstream, which is becoming increasingly technical in addition to the political issues underlying climate finance discussions.

**08–11 July 2019, Algiers - Workshop on Designing the African Energy Sector Transition Program (AETP) / African Energy Commission (AFREC).** The African Energy Commission (AFREC) of the African Union Commission (AUC) has decided to develop an Africa Energy Sector Transition Program (AETP). The goal of the mission was to initiate the design of this program based on a visionary note that was drafted by the South Centre adviser on sustainable development and some other experts. The working session was imperative for the identification of various elements in the design and implementation of the AETP. The dialogues and brainstorming sessions helped to formulate a comprehensive work plan for the short- and mid-term. In addition, the session offered a platform to strengthen relationships between AFREC and core partners, including South Centre, and with the Algerian Ministry of Energy.

**15–19 July 2019, Geneva - The International Youth and Student Movement for the United Nations (ISMUN) Summer School on Human Rights and Development at the South Centre and the United Nations.** The focus was on social and economic rights, including the right to development and it provided a broad overview of the United Nations/South Centre work on human rights and development. South Centre staff made presentations on various topics that are a part of the curriculum.

**23–25 July 2019, Nairobi - Achieving Universal Health Coverage while addressing Antimicrobial Resistance.** The South Centre and ReAct Africa organized a second African regional conference. The meeting focused on the link between Universal Health Coverage (UHC) and Antimicrobial Resistance (AMR). The meeting aimed to: raise awareness of the urgency of addressing AMR, build understanding on the relationship between AMR and UHC, exchange and learn from country experiences, look into cross-learning opportunities from other health programs and develop inputs for keeping the political momentum on AMR high up on the global agenda. The meeting convened high-level policymakers from the health and agricultural sectors as well as AMR experts and civil society representatives with the participation of approximately 120 participants from 27 African countries. The conference also had the participation of regional representatives from intergovernmental agencies such as the World Health Organization (WHO), Food and Agriculture Organization (FAO) and the World Organisation for Animal Health (OIE).

**25–26 July 2019, Accra - Outreach event for English speaking West and North African countries on the Intergovernmental Panel on Climate Change (IPCC) Special Report on Global Warming of 1.5°C: significance and implications for Africa.** The main objective of the event was to provide a platform and opportunity for the African policy makers, scientific community, civil society and private sector to critically examine what is in this Special Report for Africa, specifically with respect to pace and scale of transformation needs consistent with limiting global warming to 1.5°C, in the context of sustainable development, poverty eradication and equity, considering adaptation and mitigation options. The event was co-convened by University of Ghana, the African Academy of Sciences, the United Nations University Institute for Natural Resources in Africa with the support of IPCC and gathered more than 300 participants from 10 African countries. The South Centre Senior Adviser on Sustainable Development made opening remarks and presentations, facilitated the dialogue between scientists and policy makers and also participated in a round table discussion with the youth.

## SOCIAL MEDIA AND PUBLICATION HIGHLIGHTS

### Twitter Highlights

JUL 2019 SUMMARY	
Tweets	Tweet impressions
71	89.7K
Profile visits	Mentions
5,060	165
New followers	
63	

#### Top Tweet earned 3,868 impressions

The recently concluded **#Mercosur** - EU **#trade** agreement preserves **#TRIPSflexibilities** on **#pharmaceutical** **#patents** & tests **#dataprotection**. A great precedent for future **#FTA** negotiations. See [trade.ec.europa.eu/doclib/docs/20...](https://trade.ec.europa.eu/doclib/docs/20...)

#### Top media Tweet earned 2,611 impressions

The **@South\_Centre** was pleased to receive Mr. Hajo Lanz **@HajoLanz** Director of the Friedrich-Ebert-Stiftung (FES) Geneva Office, to discuss areas of cooperation in the context of current international developments relevant for the achievement of **#SDGs** [pic.twitter.com/gfWHgeA6WJ](https://pic.twitter.com/gfWHgeA6WJ)



#### Top mention earned 281 engagements

**Global Antibiotic R&D Partnership**  
**@gardp\_amr** · Jul 16

Interested in **#research**, **#policy** and solutions to an urgent threat to global health, **#AntibioticResistance**? Work with a team in the **@Innovate4AMR** competition organized by **@reactgroup** **@IFMSA** **@South\_Centre** and supported by **@WHO** [bit.ly/2kam3bs](https://bit.ly/2kam3bs) [pic.twitter.com/YK7u5U2jZw](https://pic.twitter.com/YK7u5U2jZw)

The theme for 2019-20 is Antimicrobial stewardship in resource-limited healthcare settings, with the objective of ensuring access and increasing equity

You can submit proposals for **Innovate4AMR** till September 16

Signing up for updates is now easy- Go to [www.innovate4amr.wordpress.com](https://www.innovate4amr.wordpress.com)

or scan the QR code below using your smart phone

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## Top Facebook Engagements



## Most downloaded publication for the month

**Policy Brief 65: “Time for a Collective Response to the United States Special 301 Report on Intellectual Property”**

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