

Semester Report
January—June 2020

Achieving the Sustainable Development Goals (SDGs), particularly poverty eradication, requires national policies and an international regime that supports and does not undermine development efforts. The South Centre is an intergovernmental policy research think-tank composed of and accountable to developing country Member States. It conducts policy-oriented research on key policy development issues, and supports developing countries to effectively participate in international negotiating processes that are relevant to the achievement of SDGs. The Centre promotes the unity of the South in such processes while recognizing the diversity of national interests and priorities.

This Semester Report summarizes the activities undertaken by the South Centre during the period 1st January to 30 June 2020. It is intended to provide information, organized by themes, about recent developments in the areas covered by the Centre's Work Program, meetings organized or co-organized by the Centre to examine particular issues or provide analytical support for negotiations taking place in various international fora, and conferences and other meetings where the Centre has participated. It also informs about publications made.

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# Abbreviations and Acronyms

ACP African, Caribbean and Pacific Group of States

AfCFTA African Continental Free Trade Area

AFRETRAP Africa Energy Transition Program

AGOA African Growth and Opportunity Act

AI Artificial Intelligence

AMR Antimicrobial Resistance

AMS Aggregate Measures of Support

ASCM Agreement on Subsidies and Countervailing Measures

AU African Union

AUC African Union Commission

BEPS Base Erosion and Profit Shifting

CCSI Columbia Centre on Sustainable Investment

CEMAC Economic and Monetary Community of Central Africa

COASS Committee on Agriculture in Special Session

COP26 26th Conference of Parties (UNFCCC)

CSOs Civil Society Organizations

EB Executive Board (WHO)

ECIPE European Centre for International Political Economy

ECOWAS Economic Community of West African States

EPA Economic Partnership Agreement

EU European Union

FACTI Panel High-level Panel on Financial Accountability, Transparency and Integrity for Achieving

the 2030 Agenda

FDI Foreign Direct Investment

FfD Financing for Development

FTAs Free Trade Agreements

G20 Group of 20

G24 Group of 24

G33 Group of 33

G77 Group of 77

GARDP Global Antibiotic Research and Development Partnership

GCF Green Climate Fund

GILTI Global Intangible Low-Taxed Income

GSPOA Global Strategy and Plan of Action on Public Health, Innovation and Intellectual

Property

HIPB Health, Intellectual Property and Biodiversity Programme (South Centre)

ICSID International Centre for Settlement of Investment Disputes

IF Inclusive Framework

IF Investment Facilitation

IGC Intergovernmental Committee on Intellectual Property and Genetic Resources,

Traditional Knowledge and Folklore

IGOs Intergovernmental Organizations

IIAs International Investment Agreements

IMF International Monetary Fund

IP Intellectual Property

IPCC Intergovernmental Panel on Climate Change

IPRs Intellectual Property Rights

IsDB Islamic Development Bank

ISDS Investor-State Dispute Settlement

ITU International Telecommunication Union

IUU Illegal, Unreported and Unregulated fishing

JSI Joint Statement Initiative

LDC Least Developed Country

MC12 12th WTO Ministerial Conference

MERCOSUR Southern Common Market

MFN Most-Favoured-Nation

MPIA Multi-Party Interim Agreement

NAM Non-Aligned Movement

NDA National Designated Authority

NDC Nationally Determined Contribution

NGOs Non-governmental Organizations

NGR Negotiating Group on Rules

NTDs Neglected Tropical Diseases

OBEs Other Business Enterprises

OECD Organisation for Economic Co-operation and Development

OEIGWG Open-Ended Intergovernmental Working Group on Transnational Corporations and

Other Business Enterprises with Respect to Human Rights

PHC Primary Health Care

PSH Public Stockholding for food security purposes

R&D Research and Development

REEEI (LDC) Renewable Energy and Energy Efficiency Initiative for Sustainable Development

RoO Rules of Origin

S&D Special and Differential Treatment

SACU Southern African Customs Union

SBSTA Subsidiary Body for Scientific and Technological Advice

SCF Standing Committee on Finance

SCTI South Centre Tax Initiative

SDCCG Sustainable Development, Climate Change and Gender Programme (South Centre)

SDGs Sustainable Development Goals

SPS Sanitary and Phytosanitary measures

SSC South-South Cooperation

SSM Special Safeguard Mechanism

SSTrC South-South and Triangular Cooperation

TB Tuberculosis

TBT Technical Barriers to Trade

TDP Trade for Development Programme (South Centre)

TFAMR Codex's Intergovernmental Task Force on Antimicrobial Resistance

TNCs Transnational Corporations

TRIPS Agreement on Trade-Related Aspects of Intellectual Property Rights

UCMs Unilateral Coercive Measures

UHC Universal Health Coverage

UK United Kingdom

UN United Nations

UNCITRAL United Nations Commission on International Trade Law

UNCTAD United Nations Conference on Trade and Development

UNDESA United Nations Department of Economic and Social Affairs

UNDP United Nations Development Programme

UNFCCC United Nations Framework Convention on Climate Change

UNGA United Nations General Assembly

UNGPs United Nations Guiding Principles on Business and Human Rights

UNICEF United Nations Children's Fund

UNOSSC United Nations Office for South-South Cooperation

UNSG United Nations Secretary-General

UNTC United Nations Committee of Experts on International Cooperation in Tax Matters

US United States

WASH Water, Sanitation and Hygiene

WHA World Health Assembly

WHO World Health Organization

WIPO World Intellectual Property Organization

WTO World Trade Organization

## **Executive Director's Message**



Inequality is a defining challenge of our time. It has only deepened as a result of the COVID-19 emergency. Millions of people in developing countries depend on the income they get everyday, and for whom the option of confinement posed a dramatic dilemma: to face the risk of contagion or starvation. Many have lost their jobs, particularly as many small and medium enterprises collapsed. The gains in poverty reduction in many countries will be lost, but a few billionaires saw their combined wealth grow since the pandemic. Fighting inequalities should be the overriding theme on which the international community should focus its efforts during this health emergency and beyond.

While the right health and economic recovery policies need to be adopted at the national level, it is imperative to strengthen a multilateral system that supports and does not undermine development efforts to reduce poverty and inequalities. This requires a multifaceted approach that responds to the needs of the greatest part of the world population living in the South.

Thus, a multilateral solution to taxing the digitalized economy needs to be found that ensures a fair redistribution of taxing rights between source and residence countries. Concrete actions to stop the bleeding of resources from those countries caused by illicit financial flows need to be put in place. A prodevelopment agenda should guide the operation of the World Trade Organization so as to preserve a genuine multilateral governance of the trading system, guarantee a special and differential treatment for developing and least developed countries, restore a functional dispute settlement system and ensure the necessary policy space for members to determine their model of development without interference. Progress is also necessary in current negotiations on a legally binding instrument on transnational corporations and other business enterprises and human rights, to implement the right to development and to end unilateral coercive measures that severely undermine the realization of such rights. The World Health Organization should be empowered to act as the global health authority and effectively pursue its agenda, inter alia, to promote universal health care systems. Governments should be supported by the international system to use the flexibilities available under the TRIPS Agreement, particularly to ensure access to medicines (including biosimilars) and vaccines. Access to the latter according to clear national and international priorities should be ensured to address the COVID-19 crisis; however, how to respect priorities and preserve equity in access to future treatments and vaccines for COVID-19 remains uncertain. The investment regime requires a substantial reform including to prevent opportunistic investors' claims that may further deepen the financial crises many developing countries are facing. While the attention is now focused on ways of overcoming the current health and economic crisis, the global challenges such as those posed by climate change and antimicrobial resistance need articulated policies and constant efforts as well.

These and many other issues that are critical for a sustainable development, such as South-South and Trilateral Cooperation, finance for development, the impact of the new technologies on development, are part of the daily work the South Centre is undertaking -through policy oriented research, support for international negotiations, training & technical assistance - to support the efforts of its members and other developing countries, taking into account the diversity in their models of development and the need of finding common positions for their voices to be heard in international fora. The current pandemic has dramatically aggravated the multiple challenges our countries face, and has made it illusory for many of them to achieve the Sustainable Development Goals by 2030. This serious blow to the hopes of millions of people should not lead to inaction and frustration, but to a renewed commitment for the South to work together, on the basis of the principles of international cooperation and solidarity, to build up a more equal, resilient and sustainable society.

Dr. Carlos M. Correa

# 1. Innovation, intellectual property, technology transfer and protection of traditional knowledge

COVID-19 Pandemic

Developing countries are facing a major challenge to get timely and affordable access to the means necessary to fight the COVID-19 pandemic. These challenges do not only relate to the supply of existing products, but to the effective access to future vaccines, when developed. Limitations in manufacturing capacity and the barriers that may be created by intellectual property rights are issues of particular concern in this context. The South Centre has undertaken regular analyses to support developing country policies and negotiations in relation to the response to the pandemic. Key priorities in this area of work are to support coordinated global actions and national responses that accelerate innovation for effective testing, prevention and treatments and ensure access to protective medical equipment, diagnostic kits, medicines and vaccines. The South Centre has produced various publications including research papers, policy briefs, a call to action to governments and to multilateral institutions. It has also organized and participated in numerous webinars and briefings for government officials with a high number of participants. The expertise of the South Centre in relation to research and development, technology transfer and intellectual property issues has created strong demand for advice and participation in major discussions on driving the international response. A dedicated section was created in the website for the South Centre COVID-19 related publications and analysis (see <a href="https://www.southcentre.int/covid-19/">https://www.southcentre.int/covid-19/</a>).

### **Publications**

Equitable Access to COVID-19 Related Health Technologies: A Global Priority (Research Paper 114, June 2020)

By Dr. Zeleke Temesgen Boru

https://www.southcentre.int/research-paper-114-june-2020/

The COVID-19 Pandemic: R&D and Intellectual Property Management for Access to Diagnostics, Medicines and Vaccines (Policy Brief 73, April 2020)

By Viviana Muñoz Tellez

https://www.southcentre.int/policy-brief-73-april-2020/

Rethinking R&D for Pharmaceutical Products After the Novel Coronavirus COVID-19 Shock (Policy Brief 75, April 2020)

By Dr. Germán Velásquez

https://www.southcentre.int/policy-brief-75-april-2020/

Repensando la I+D para productos farmacéuticos después del choque de la Coronavirus COVID-19 (Informe sobre políticas 75, Mayo 2020)

Por Germán Velásquez

https://www.southcentre.int/informe-sobre-politicas-75-mayo-2020/

La pandémie de COVID-19: R&D et gestion de la propriété intellectuelle pour l'accès aux tests diagnostiques, aux médicaments et aux vaccins (Rapport sur les politiques 73, Mai 2020)

Par Viviana Muñoz Tellez

https://www.southcentre.int/rapport-sur-les-politiques-73-mai-2020/

La pandemia de COVID-19: el fomento de la I+D y la gestión de la propiedad intelectual para acceder a diagnósticos, medicamentos y vacunas (Informe sobre políticas 73, Mayo 2020)

Por Viviana Muñoz Tellez

https://www.southcentre.int/informe-sobre-politicas-73-mayo-2020/

Intellectual Property, Innovation and Access to Health Products for COVID-19: A Review of Measures Taken by Different Countries (Policy Brief 80, June 2020)

By Nirmalya Syam

https://www.southcentre.int/policy-brief-80-june-2020/

Intellectual Property and Trade Measures to Address the Covid-19 Crisis by the South Centre (Call for Action, 2020)

https://www.southcentre.int/call-for-action-ip-and-trade-measures-to-address-the-covid-19-crisis/

https://www.southcentre.int/wp-content/uploads/2020/04/Covid19-CL-Table-FINAL.pdf

COVID-19 PANDEMIC: ACCESS TO PREVENTION AND TREATMENT IS A MATTER OF NATIONAL AND INTERNATIONAL SECURITY (Open Letter, 2020)

https://www.southcentre.int/covid-19-open-letter/

COVID-19: An Opportunity to Fix Dysfunctional Biomedical R&D System (SouthViews No. 195, 14 May 2020)

By Sreenath Namboodiri

https://www.southcentre.int/southviews-no-195-14-may-2020/

Making Covid-19 Medical Products Affordable: Voluntary Patent Pool and TRIPS Flexibilities (SouthViews No. 200, 16 June 2020)

By Sudip Chaudhuri

https://www.southcentre.int/southviews-no-200-16-june-2020/

19/05/2020 - <u>SouthNews: Costa Rica and Chile announced an open, collaborative platform to combat COVID-19</u>

08/05/2020 - <u>SouthNews: The Covid-19 Pandemic: Intellectual Property Management for Access to Diagnostics, Medicines and Vaccines</u>

## Meetings/Webinars Organized



• 30 April - South Centre Webinar "The COVID-19 Pandemic - IP Management for Access to Diagnostics, Medicines and Vaccines" to discuss South Centre publications on COVID-19. The meeting was attended by more than 70 participants around the world.

## Meetings/Webinars Attended

- 7 April Executive Director participated virtually in an African Union meeting on Covid-19 Impact on Africa to discuss the use of TRIPS flexibilities including the Compulsory Licenses and Security Exception to expand local production of pharmaceuticals and medical equipment.
- 10 April Executive Director participated virtually a IDEAS-UNSAM meeting on Covid-19.
- 17 April, 21 April & 5 May Executive Director had meetings via Zoom with officials of the Government of Costa Rica to discuss Costa Rica's proposal to the WHO to create a pool of technologies and patents related to the Covid-19.
- 30 April Special Advisor on Policy and Health's presentation "Repensando el I+D para productos farmacéuticos después del choque de la COVID-19" at the Virtual Conference by La casa encendida.
- 6 May Program Coordinator attended virtually "Rapid innovation and agile manufacturing" as
  part of the Technology, Policy and Law during COVID-19 virtual speaker series organized by the
  Penn State University, USA
- 12 May Executive Director took part in the webinar "Will it be a long and winding road?: innovation and access to Covid-19 medicines" organized by the Global Health Centre of the Graduate Institute of International and Development Studies in Geneva.
- 14 May Executive Director took part in the webinar "The WHO Covid-19 Technology Pool: The solution to ensure global access to Covid-19 health technologies" organized by Health Action International, Knowledge Ecology International, Medicines Law & Policy, Pharmaceutical Accountability Foundation, and Wemos.

- 26 May- Program Coordinator took part in a virtual roundtable on the Role of Local Generic Manufacturers in the Development of and Access to Potential Therapies for COVID-19 with local generic manufacturers from low-and middle-income countries and experts working on access to medicines issues.
- 1-12 June Program staff participated in virtual national judges trainings organized by the Supreme Court of Justice of Paraguay to discuss the COVID-19 pandemic, IPR enforcement and access to medicines.
- 23 June Executive Director took part in a Zoom seminar "Innovación y propiedad intelectual en escenarios postpandemia" organized by the Facultad de Derecho UBA.

Multilateral negotiations, WIPO and WTO

Historically, international rules on intellectual property (patents, industrial designs, copyright, trademarks etc.) have been constructed with limited input from developing countries. This means that the policy space for crafting national IP regimes that are supportive of various policy goals is constrained by the international rules. The South Centre has continued to support developing countries in negotiations at the WIPO and WTO on issues of IP to ensure balanced and flexible new norms in the light of different national circumstances. The means of support include holding annual briefings to review the issues under negotiation and discuss strategies and advance proposals in the interest of developing countries. All major meetings in WIPO and the WTO TRIPS Council have been postponed as a result of the pandemic.

A key priority for developing countries for IP norm-setting is to establish rules within the IP system to tackle the illegal use or appropriation of genetic resources and associated traditional knowledge. The COVID-19 pandemic has delayed these negotiations in WIPO. The 41st session of the WIPO Intergovernmental Committee on Intellectual Property and Genetic Resources, Traditional Knowledge and Folklore (IGC), which was planned to take place from March 16 to 20, 2020, was postponed. This meeting would be the first one of the six sessions programmed under the new mandate given to the IGC by the WIPO General Assembly. The renewal of the biennial mandate 2020-21 was important as it established a specific work programme for the IGC, which directs it "to expedite its work, with the objective of finalizing an agreement on an international legal instrument(s) which will ensure the balanced and effective protection of" genetic resources, traditional knowledge and traditional cultural expressions. The South Centre continues to organize briefings to support a common developing country position and examine these issues in order to provide concrete recommendations for the way forward.

## **Publications**

Non-Violation and Situation Complaints under the TRIPS Agreement: Implications for Developing Countries (Research Paper 109, May 2020)

By Nirmalya Syam

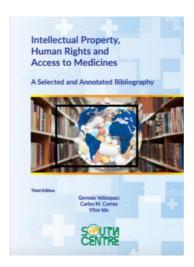
https://www.southcentre.int/research-paper-109-may-2020/

# Meetings/Webinars Organized

 27 February, Geneva - South Centre Annual Strategy and Planning Meeting on Relevant Bodies in the World Intellectual Property Organization (WIPO) Capacity building activities on TRIPS flexibilities for public health

The effective utilization of TRIPS flexibilities continues to present obstacles in many developing countries, because legal provisions are not adequate, the procedures are not sufficiently spelled out, or governments are concerned about possible challenges, including under investment law. The South Centre undertook several projects of national technical assistance and provided training activities in-person and in virtual format for government officials on this matter. For Bangladesh, a study was prepared on implications of graduation of LDC status with respect to the pharmaceutical sector and access to medicines. The study and its recommendations were then presented and discussed in a national seminar bringing together various ministries. For Angola, a report was produced on the national patent law, including recommendations to facilitate the use of TRIPS flexibilities for access to medicines having in view the country's LDC status. Capacity building activities also were undertaken with the judiciary in Paraguay. The South Centre also provided training for pharmaceutical patent examiners in India, from the patent offices in Kolkata and Chennai in February 2020. As a result of the pandemic, the South Centre is accelerating the establishment of an e-learning platform to be able to deliver training courses online. More information on the services that can be offered and supported by the South Centre is found at <a href="https://ipaccessmeds.southcentre.int">https://ipaccessmeds.southcentre.int</a>.

### **Publications**



Intellectual Property, Human Rights and Access To Medicines: A Selected and Annotated Bibliography, 3rd Edition (Book, 2020)

Authors: Germán Velásquez, Carlos M. Correa and Vitor Ido

https://www.southcentre.int/book-by-the-south-centre-2020/

Eighteen Years After Doha: An Analysis of the Use of Public Health TRIPS Flexibilities in Africa (Research Paper 103, February 2020)

By Yousuf A Vawda and Bonginkosi Shozi

https://www.southcentre.int/research-paper-103-february-2020/

Intersección entre Competencia y Patentes: Hacia un Ejercicio Pro-Competitivo de los Derechos de Patente en el Sector Farmacéutico (Documento de Investigación 105, Marzo de 2020)

Por María Juliana Rodríguez Gómez

https://www.southcentre.int/documento-de-investigacion-105-marzo-2020/

The Comprehensive and Progressive Agreement for the Trans-Pacific Partnership: Data Exclusivity and Access to Biologics (Research Paper 106, March 2020)

By Zeleke Temesgen Boru

https://www.southcentre.int/research-paper-106-march-2020/

Guide for the Granting of Compulsory Licenses and Government Use of Pharmaceutical Patents (Research Paper 107, April 2020)

By Dr. Carlos M. Correa

https://www.southcentre.int/research-paper-107-april-2020/

Public Health and Plain Packaging of Tobacco: An Intellectual Property Perspective (Research Paper 108, April 2020)

By Thamara Romero

https://www.southcentre.int/research-paper-108-april-2020/

Estudio Preliminar del Capítulo Sobre Propiedad Intelectual del Acuerdo MERCOSUR – UE (Documento de Investigación 110, Mayo de 2020)

Por Alejandra Aoun, Alejo Barrenechea, Roxana Blasetti, Martín Cortese, Gabriel Gette, Nicolás Hermida, Jorge Kors, Vanesa Lowenstein, Guillermo Vidaurreta

https://www.southcentre.int/documento-de-investigacion-110-mayo-2020/

Evolution of Data Exclusivity for Pharmaceuticals in Free Trade Agreements (Policy Brief 76, April 2020)

By Wael Armouti

https://www.southcentre.int/policy-brief-76-april-2020/

Articles 7 and 8 as the basis for interpretation of the TRIPS Agreement (Policy Brief 79, June 2020)

By Thamara Romero

https://www.southcentre.int/policy-brief-79-june-2020/

17/03/2020 - SouthNews: Public Health-Oriented Examination of Pharmaceutical Patent Claims: Sharing of Experiences at Indian Patent Offices in Kolkata & Chennai

03/03/2020 - <u>SouthNews: Government Agencies and Pharmaceutical Manufacturers in Bangladesh Discuss Draft South Centre Report on Impact of End of TRIPS Transition Period upon LDC Graduation</u>

## Meetings/Webinars Organized



• 9 February, Dhaka – Workshop organized by the South Centre and the Ministry of Finance of Bangladesh to discuss a report prepared by the South Centre for the Government of Bangladesh analyzing the impact of the loss of the transition period for implementation of the obligations relating to patent protection under the WTO TRIPS Agreement on the pharmaceutical industry in Bangladesh upon the graduation of Bangladesh from LDC status.





• 10-11 February, Kolkata & 13-14 February, Chennai – Workshops organized by the South Centre and the India Patent Office for patent examiners with a focus on the exchange of experiences on the application of rigorous patentability criteria for the examination of pharmaceutical patents.

# Meetings/Webinars Attended

- 26-27 February, Riyadh Executive Director attended the advisory board meeting of the Saudi Authority for Intellectual Property.
- 23 June Program staff took part in a Video webinar organized by the Boston University Global Development Policy Center on Bangladesh's graduation and implications for access to medicines and made a presentation on 'The End of the LDC Transition Period for Pharmaceutical Products Under the Trips Agreement Upon LDC Graduation: Implications for Bangladesh'.

## 2. Biodiversity, access to genetic resources and benefit sharing

Marine Genetic Resources

The South Centre continued supporting developing countries in the negotiations for a new treaty under the United Nations Convention on the Law of the Sea on marine genetic resources in areas beyond national jurisdictions. Sharing of benefits from access to and utilization of marine genetic resources, addressing the admissibility and scope of patent claims for inventions related to these resources, as well as capacity building and transfer of marine technology are some key negotiation priorities. The South Centre provided analysis to support the Group of 77 in the coordination and submission of new proposals to the negotiating text. The treaty was aimed to be concluded in 2020, with a session of the intergovernmental committee set to meet in March, which was postponed.

### Patents on plants

Advances in biotechnology have increased the use of the patent law to protect the outcomes of plant breeding based on both biotechnological tools (genetic modification, genetic editing, etc.) and conventional breeding. While the TRIPS Agreement set out minimum standards for IP protection, it left some policy space in article 27.3b for WTO members to design their national regimes related to plants, and even to exclude them as well as essentially biological processes to obtain them from patentability. The use of such flexibility, however, has been uneven in both developed and developing countries. As a result, some developing countries' patent laws allow for the protection of plants, including in some cases, plant varieties, and cells, genes and other components of plants limiting the access to biological materials for further research and breeding, or preventing farmers from saving and re-using seeds that incorporate patented materials (or, alternatively, subjecting them to the payment of royalties). There is scarce literature on the exceptions that, consistently with the TRIPS Agreement, may be introduced in patent laws to allow breeders to use patented materials for further research and breeding (the 'breeder's exception'), and farmers to save and reuse seeds (the 'farmers' privilege'). The South Centre is preparing a research paper that seeks to fill this gap, providing countries with some useful examples of normative approaches to address these issues and recommendations to fully use the TRIPS flexibilities.

## Other Meetings/Webinars Attended

 24 April - Program staff participated at webinar organized by the Supreme Court of Paraguay "Disruptive Green Technologies and Intellectual Property" to discuss about technology transfer, public policy, intellectual property and the Nagoya Protocol

# 3. Health and development issues

### World Health Organization

Effective global health governance structures are important to support developing countries achieve their public health goals. Many public health issues have a global reach and therefore require a global response for issues such as containing epidemics, supporting immunization programs, driving research and development for diseases that disproportionately affect developing countries, and tackling antimicrobial resistance. Strengthening health systems and ensuring access to medical products to all are an essential part of the 2030 Agenda for Sustainable Development. Discussions at the World Health Organization (WHO) have focused in this period on addressing the COVID-19 pandemic. The annual meeting of the World Health Assembly (WHA) of the WHO was held virtually on 18-19 May 2020 and discussed the global response to COVID-19, adopting Resolution WHA73.1 on "COVID-19 Response". The South Centre has

prepared a policy brief examining the content of the resolution (<a href="https://www.southcentre.int/wpcontent/uploads/2020/05/PB-78.pdf">https://www.southcentre.int/wpcontent/uploads/2020/05/PB-78.pdf</a>) as well as a short analysis on the countries' responses in the search for a coordinated approach to the COVID-19 crisis.

While the unprecedented COVID-19 pandemic has been the exclusive priority of discussions in the WHO, other important public health issues continue to remain relevant. These issues will be discussed by the member States in the World Health Assembly session later this year. The WHO Executive Board meeting in January 2020 had undertaken preliminary discussions on several issues, including primary health care, universal health coverage, neglected tropical diseases, ending tuberculosis, the global strategy and plan of action on public health, innovation and intellectual property (GSPOA), pandemic influenza preparedness, digital health, and WHO reforms among others. The South Centre had prepared a background note on these issues and organized a preparatory briefing for developing countries.

The next full session of the WHA will consider adopting an operational framework on strengthening primary health care, which is to be submitted by the WHO secretariat. For developing countries, it will be critical to ensure that the framework contains context-specific strategies for countries at different stages of PHC implementation, as well as how to provide sustainable financing. The EB has also recommended the WHA to adopt a global strategy for tuberculosis research and innovation. This strategy would need to be centred on promoting global R&D collaboration and pooling of resources for needs-driven innovation that ensures equitable access and availability to new TB tools, including infrastructure for R&D, diagnostics, medicines and vaccines. It would also be important that the issue of multidrug-resistant TB is also adequately addressed. The WHO secretariat has also been asked by the Executive Board to prepare a roadmap for neglected tropical diseases 2021-2030. It will be critical for developing countries that the roadmap sufficiently addresses challenges they face concerning access to treatments and diagnostic tools for NTDs, along with health systems strengthening. Another priority for the next regular session of the WHA will be to review the progress made on implementation of the GSPOA, for which the EB has requested the secretariat to present an implementation plan for recommendations of the review panel on implementation of the GSPOA. Member States also must address the recommendations of the review panel that do not emanate from the GSPOA but are related.

# **Publications**

Major Outcomes of the 2019 World Health Assembly (Policy Brief 71, January 2020)

By Mirza Alas and Nirmalya Syam

https://www.southcentre.int/policy-brief-71-january-2020/

The 73<sup>rd</sup> World Health Assembly and Resolution on COVID-19: Quest of Global Solidarity for Equitable Access to Health Products (Policy Brief 78, May 2020)

By Nirmalya Syam, Mirza Alas and Vitor Ido

https://www.southcentre.int/policy-brief-78-may-2020/

18/05/2020 - SouthNews: South Centre Statement at the WHA73

### Meetings/Webinars Organized

- 22 January, Geneva Working lunch on WHO Executive Board
- 28 April South Centre Webinar on COVID-19 and WHA

## Meetings/Webinars Attended

- 8 May Program staff attended a webinar "The COVID pandemic and the World Health Organisation: need for reflection and global solidarity" organized by the People's Health Movement and Tricontinental Research Institute. The webinar examined the current role of the WHO to address the COVID-19 pandemic and also the current challenges of the organization including funding structure.
- 18-19 May Executive Director and HIPB Program attended virtually the 73<sup>rd</sup> World Health Assembly. Executive Director made a statement on behalf of the South Centre.

### Antimicrobial Resistance

Antimicrobial resistance continues to be a critical health issue with severe effects for developing countries. Critical areas that need to be further highlighted include the need for a One Health response and, in particular, the examination of the environmental aspects of AMR. The South Centre has published a research paper entitled "Antimicrobial Resistance: Examining the Environment as Part of the One Health Approach" as part of the contributions to this area.

The United Nations Interagency Coordination Group, in its final report to the UN Secretary-General, recommended the creation of three governance structures to help guide global actions on AMR: a Global Leaders Group, an Independent Panel of Evidence, and a Multistakeholder Platform. Last year, the World Health Organization carried a series of consultation on the terms of reference of the Global Leaders Group and the outcome of the consultation was put forward for the consideration of the UN Secretary-General. The outcome of that process is still pending. The UN had also planned a High-level Dialogue on AMR that was supposed to take place in April 2020, where it was expected that a declaration would have been endorsed by the Member States to further action. However, the dialogue was canceled due to COVID-19 and no new date has yet been set. This June, the WHO also launched a consultation process for the terms of reference on the Independent Evidence Panel, where South Centre submitted comments as well as encouraged developing countries to participate and provide their feedback.

Furthermore, there are increasing concerns that antimicrobial use may have increased due to the COVID-19 pandemic and that this could exacerbate AMR. In this line, the South Centre is examining the relationship between AMR and the COVID-19 pandemic.

### **Publications**

Antimicrobial Resistance: Examining the Environment as Part of the One Health Approach (Research Paper 104, March 2020)

By Mirza Alas

https://www.southcentre.int/research-paper-104-march-2020/

10/06/2020 - <u>AMR News: Feedback Needed on the Model for an Independent Panel on Evidence for Action Against Antimicrobial Resistance</u>

03/06/2020 - AMR News: Call to nominate experts from developing countries to shape global policies on antimicrobial resistance

08/04/2020 - AMR News: WHO/UNICEF webinar training on WASH for health care facilities

18/03/2020 - AMR News: Food safety standards undergo revisions to protect consumers from antimicrobial resistance

15/01/2020 - <u>AMR News: Consumers International and South Centre at the Ad hoc Codex Intergovernmental Task Force on Antimicrobial Resistance (TFAMR)</u>

# Meetings/Webinars Attended

- 17 April Program staff attended the Africa CDC and ReAct Africa's webinar "COVID-19 and Antimicrobial Resistance" to examine the current evidence available on the linkages of COVID-19 and bacterial infections as well as some of the issues that may be of importance related to AMR.
- 30 April Program staff attended a webinar "High level discussion: Reflection on post Covid-19
   & Global Health including lessons for future responses to pandemics and AMR" organized by ReAct Africa and Africa CDC. The webinar examined some of the current responses to the Covid-19 pandemic as well as some lessons that could inform the response to AMR.
- 16 June Program staff attended a webinar "Bringing new treatments for drug-resistant infections
  to all who need them" organized by the GARDP. The meeting was to explain the projects and the
  current pipeline of products related to developing antimicrobials against priority pathogens as per
  the WHO list. The webinar also provided some information on GARDP Access Framework.
- 17 June Program staff attended a webinar "AMR threat during COVID-19 response taking action on antimicrobial stewardship" organized by ReAct Africa and the WHO AFRO office.

## **Other Health Publications**

La Judicialización del Derecho a la Salud (Documento de Investigación 112, Junio de 2020)

Por Silvina Andrea Bracamonte y José Luis Cassinerio

https://www.southcentre.int/documento-de-investigacion-112-junio-2020/

La Evolución de la Jurisprudencia en Materia de Salud en Argentina (Documento de Investigación 113, Junio de 2020)

Por Silvina Andrea Bracamonte y José Luis Cassinerio

https://www.southcentre.int/documento-de-investigacion-113-junio-2020/

COVID-19 Crisis and Developing Countries: Digital Health Perspective (SouthViews No. 198, 8 June 2020)

By Ambassador Fauzia Nasreen, Dr. Azeema Fareed, Ms. Huma Balouch Commission on Science and Technology for Sustainable Development in the South (COMSATS)

https://www.southcentre.int/southviews-no-198-8-june-2020/

"Nos estábamos comiendo la cama y la casa" (Le Monde diplomatique, April 2020)

By Germán Velásquez

https://mondiplo.com/nos-estabamos-comiendo-la-cama-v-la-casa

### Other Health Meetings/Webinars Organized



 23 June – South Centre Webinar "Reflexiones sobre la judicialización de la salud en America Latina" to discuss the causes and consequences of judicialization of health in Latin America (litigation demanding medicines and treatments in courts, often with very high prices), with a focus on the case law and regulation of Argentina, Colombia and Ecuador.

# Other Health Meetings/Webinars Attended

- 28 January 2 February, Bangkok Executive Director attended the Prince Mahidol Award Conference 2020 l UHC Forum 2020 on "Accelerating Progress Towards Universal Health Coverage" and spoke at the Plenary Session 3 on "UHC and the Changing Global Landscape" and the Parallel Session 3.5 "Making Global Trade Policies Work for UHC".
- 9 April HIPB attended the WHO/UNICEF webinar training on WASH for health care facilities
- 16 April Program Staff attended virtually the Africa CDC and ReAct Africa's webinar "Country
  responses to COVID-19 and the role of African CDC and Civil Society Organizations" which
  aimed to provide information on the situation that African countries were facing in responding to
  the COVID pandemic as well as the role of CSOs in supporting the response.
- 17 April Program Coordinator participated virtually as expert speaker at the European Youth Parliament's webinar "What strategy should EU follow to mitigate the impact of COVID-19 in developing countries?" to help to create awareness among the youth in around 40 EU countries about the special challenges COVID-19 creates for developing countries and policies EU can adopt to support them (report submitted).
- 5 May Executive Director participated virtually a DiPLO Foundation Web Debate "The UN response to COVID-19: Contributions, challenges, and lessons".
- 8 May Special Advisor on Policy and Health participated in a zoom meeting organized by the Colombian parliament called: "Public hearing, Colombia towards a pharmaceutical security."

- 19 May Executive Director participated in a webinar "Is Space Closing for Civil Society in Global Health?" organized by the Graduate Institute of International and Development Studies in Geneva.
- 2 June Executive Director spoke at a webinar on "Gobernanza de medicamentos, cooperación y solidaridad internacional" as part of the webinar series "Cooperación, solidaridad y gobernanza global: lecciones emergentes para la realización del derecho a la salud al final de la pandemia" organized by the SaluDerecho together with la Universidad de los Andes (Colombia), el Centro de Pensamiento, Medicamentos, Información y Poder de la Universidad Nacional de Colombia and Dejusticia.

# 4. The 4<sup>th</sup> industrial revolution and its impact on industrial policies and development strategies

The South Centre has continued to provide research for developing countries on how they may harness the potentials of the 4<sup>th</sup> Industrial Revolution, while taking into account the challenges, in order to support the development of their national strategies. The South Centre is also monitoring developments and participating in discussions in the field and across international organizations in Geneva, including the UNCTAD eTrade for All initiative. The South Centre provided analysis on the draft paper by WIPO on Artificial Intelligence and Intellectual Property. The South Centre also advanced its research work on the intersection between intellectual property and the digital economy as well as data governance. Two research papers are under preparation. Access by all to digital tools and the fundamental rights ('digital rights') associated with the storage, transmission and use of personal data will also be explored.

### **Publications**

The Fourth Industrial Revolution in the Developing Nations: Challenges and Road Map (Research Paper 102, February 2020)

By Sohail Asghar, Gulmina Rextina, Tanveer Ahmed & Manzoor Illahi Tamimy (COMSATS)

https://www.southcentre.int/research-paper-102-february-2020/

# Meetings/Webinars Attended

- 5 February, Geneva Executive Director spoke at a conference on Intellectual Property and Big Data & Blockchain organized by the University of Geneva.
- 29 April Executive Director spoke at the UNCTAD eCommerce Week webinar "Who owns our data? What is the role of intellectual property?"
- 23 June Program staff attended a webinar "Navigating Geneva's Digital Policy Landscape" organized by the Geneva Internet Platform discussing the knowledge on the organizations working on digital policy in Geneva (and beyond), as well as some of the key issues of concern (AI and data, e-commerce, cybersecurity, SDGs) in light of various stakeholders (IGOs, diplomatic community, media, private sector).

## 5. Responsible Investment for Development and Business and Human Rights

Responsible Investment for Development



Photo credit: UN Photo

The COVID-19 outbreak has impacted developing countries and Least Developed Countries (LDCs) the most. Developing countries need investment to finance their sustainable development efforts. However, there has been a very significant impact of COVID-19 on global foreign investment flows. IMF estimates that portfolio investors have already pulled out over \$100 billion from emerging economies¹. The outlook is also bleak for new investments, with UNCTAD estimating a drop of at least 40 percent in global FDI flows in 2020-21, with developing and least developed countries being the most severely affected. During the second half of 2020, Global FDI could fall below 1 trillion USD, and is projected to decrease by a further 5 to 10% in 2021. Similarly, economic and geopolitical uncertainty might have a detrimental effect on FDI inflows towards developing countries, in particular those dependent on natural resources and global supply chains.

States have adopted a number of measures aimed at limiting the effects of the COVID-19 outbreak, by protecting domestic industries for strategic sectors (e.g. health industry, energy sector, telecommunication, food production, etc.) and safeguarding the real economy, particularly by offering bonds or bailouts for the public in general and corporations. Nonetheless, such measures have also brought about a possible threat of an incoming flood of investor-State dispute settlement (ISDS) cases against States, which will not only hamper the ability of developing countries to have the necessary policy space to take emergency measures for fighting the pandemic, but will be detrimental for their recovery. Meanwhile, there have been several calls for a Moratorium on ISDS, particularly for measures aimed at fighting the pandemic. South Centre has signed the moratorium published by CCSI<sup>2</sup>.

This context has also impacted some of the current negotiations being held on the issue of international investment agreements reform and business and human rights. Although several measures have been taken by States to continue these efforts through a series of webinars and on-line informal consultations, the lack of access to new technologies of communication in some countries has limited the participation of developing countries and civil society organizations on these matters.

Nevertheless, developing countries continue at the forefront on the reform of international investment agreements (IIAs) and the need to safeguard the right of countries to adopt the necessary measures to articulate and apply policies designed to achieve equitable development have become more than indispensable to face the consequences of COVID-19. Discussions on reform of ISDS were taking place

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<sup>1</sup> https://www.imf.org/en/News/Articles/2020/04/07/sp040920-SMs2020-Curtain-Raiser

<sup>&</sup>lt;sup>2</sup> http://ccsi.columbia.edu/2020/05/05/isds-moratorium-during-covid-19/

at UNCITRAL Working Group III with the last session held in January 2020, but have now slowed down in the wake of the pandemic. The South Centre has continued to follow these discussions by participating in several webinars and on-line workshops related to informal discussions held by the UNCITRAL Secretariat and other civil society organizations. Similarly, it has made efforts to develop new strategic relationships with different stakeholders to increase political awareness about reform of IIAs and ISDS and accelerate the process for developing countries.

### **Publications**

The ISDS Reform Process: The missing development agenda (Investment Policy Brief 19, March 2020)

By Nicolás M. Perrone

https://www.southcentre.int/investment-policy-brief-19-march-2020/

Appeal in ISDS: Appealing for the Host State? (SouthViews No. 190, 26 February 2020)

By Grace L. Estrada

https://www.southcentre.int/southviews-no-190-26-february-2020/

"Intellectual property as protected investment: redefining the reach of investors' rights", Chapter 6 in Research Handbook on Intellectual Property and Investment Law, Christophe Geiger, ed. (Edward Elgar, June 2020)

By Carlos Correa

# Meetings/Webinars Attended

- 19 March Program staff attended Webinar: Role of a multilateral framework on investment facilitation for development in facilitating sustainable FDI, including corporate social responsibility organized by International Trade Centre (ITC) and the German Development Institute (DIE)
- 24 March Program staff attended Webinar: International Investment Law Assistance Mechanisms: issues, evidence, lessons learned, proposed solutions organized by Columbia Center on Sustainable Investment (CCSI) and the Ministry of Foreign Affairs of the Kingdom of the Netherlands
- 8-9 April Executive Director participated virtually at the ITCILO Course of Master of Laws in International Trade Law to discuss issues concerning investment and intellectual property protection.
- 14 May Program staff attended a webinar "Multilateral instrument on ISDS reform" organized by the UNCITRAL Secretariat and the ISDS Academic Forum as a follow-up on the topic of a multilateral instrument on ISDS reform. It focused on the possible architecture of a multilateral instrument that would aim at providing the framework for the implementation of various reform options.
- June 1 Program staff attended a webinar "Investment and Dispute Settlement in post-COVID 19 World" organized by the National University of Singapore Centre for International Law. The webinar was organized as part of a series which looks into how the COVID 19 pandemic would challenge and impact the international legal order.

- 1 June Program staff attended Webinar: International Investment Law in Times of Covid-19: States, Investors and Individuals: Need for Re-Balancing Rights and Obligations? organized by City University of Hong Kong, Public Law and Human Rights Forum
- 3 June Program staff attended Webinar: International Investment Law in Times of Covid-19: Settlement of Investor-State Disputes: Moving Beyond the Privileged Justice? organized by City University of Hong Kong, Public Law and Human Rights Forum
- 4 June Program staff attended Webinar: Treaty interpretation and control by State Parties over the interpretation of their investment treaty in the context of ISDS organized by UNCITRAL Secretariat and ISDS Academic Forum
- 18 June Program staff attended Webinar: Role of Mediation in ISDS organized by UNCITRAL Secretariat and ISDS Academic Forum
- 23 June Program staff attended Webinar: ISDS & COVID 19 in the EAC: Reflections, Experiences & Implications on government policy space organized by SEATINI Uganda
- 29 June Program staff attended webinar Draft Code of Conduct for Adjudicators organized by UNCITRAL & ICSID Secretariats

Business and Human Rights



The COVID-19 outbreak has also impacted the discussion on the issues of corporate accountability, and business and human rights. The income gap and inequality in the world have ramped up due to the current economic crisis exacerbated by the pandemic. According to the International Labour Organization, almost 94% of the working population is living in countries where lockdown measures were required, and stimulus packages were essential. This situation has aggravated the situation of workers and communities dependent on global value chains, where the lack of guarantees of decent jobs, including the right to social security and health care, has shown the impact of external shocks on the most vulnerable.

The South Centre has continued following up on the issue of the Legally Binding Instrument on Business and Human Rights. The Chairperson-Rapporteur completed two intersessional consultations online in May and June. The second revised draft is expected to be released in late July / early August. There has also been a push towards mandatory human rights due diligence legislation in European countries, like Germany and Switzerland. It will also be replicated at the European level, which shows a window of opportunity to

attain the broad objective of securing preventive mechanisms for corporate-related human rights abuses, but leaves a gap concerning the issue of access to justice and remedy for victims of such violations.

Similarly, a new project on the UNGPs+10 has also been launched with the intention of doing a stocktake of the achievements and shortcomings of the UNGPs, and building a roadmap for their implementation towards 2030 and beyond. The South Centre has continually supported developing countries in the negotiations towards a legally binding instrument and produced research in this area. The South Centre has also been engaging in work relating to the Right to Development in the UN Human Rights Council, in close interaction with the presidency of the Non-Aligned Movement (NAM) .

### **Publications**

Challenges and Opportunities for Implementing the Declaration of the Right to Development (Policy Brief 74, April 2020)

By Yuefen Li, Daniel Uribe and Danish

https://www.southcentre.int/policy-brief-74-april-2020/

The adverse human rights impact of economic inequality (SouthViews No. 192, 6 April 2020)

By Blerim Mustafa

https://www.southcentre.int/southviews-no-192-6-april-2020/

Reforming Responsibly: Why Governments Should Assess the Human Rights Impacts of Economic Reforms (SouthViews No. 193, 30 April 2020)

By Daniel Bradlow

https://www.southcentre.int/southviews-no-193-30-april-2020/

The post-Covid world needs a new social contract (SouthViews No. 197, 22 May 2020)

By Alfred de Zayas

https://www.southcentre.int/southviews-no-197-22-may-2020/

COVID-19 Economy vs. Human Rights: A Misleading Dichotomy (SouthViews No. 199, 12 June 2020)

By Juan Pablo Bohoslavsky

https://www.southcentre.int/southviews-no-199-12-june-2020/

11/05/2020 - <u>SouthNews: South Centre Senior Adviser Yuefen Li appointed as United Nations Independent Expert on Foreign Debt and Human Rights</u>

26/03/2020 - <u>SouthNews: South Centre Contribution to UNSG Report on Implementation of UNGA Resolution on Necessity of Ending the US Embargo against Cuba</u>

## Meetings/Webinars Organized

• 26 May – South Centre hosted the First Online Consultation towards the Sixth Session of the Open-Ended Intergovernmental Working Group on Transnational Corporations and Other Business Enterprises with Respect to Human Rights. The consultation aimed at stocktaking and assessing the fifth Session of the OEIGWG and its outcomes before the first informal consultation organised by the Chairperson-Rapporteur. It also served as an opportunity to exchange views among developing countries with the objective of finding common positions towards the Sixth Session of the OEIGWG on Transnational Corporations and Other Business Enterprises with Respect to Human Rights.

# Meetings/Webinars Attended

- 12 February, Geneva Open-ended Discussion on the Right to Development, Senior Advisor on South-South Cooperation and Development Finance spoke as panelist.
- 14 May Program staff attended Webinar: Three years on: How has the French duty of vigilance law influenced human rights due diligence? Organized by Herbert Smith Freehills and Teaching Business and Human Rights Forum
- 27 May Program Staff attended Webinar: Binding global treaty on human rights and business must address corporate capture organized by Citizen News and Indian Institute of Management (IIM) Indore
- 29 May First Intersessional Open Consultations on the Revised Draft Legally Binding Instrument on TNCs and OBEs With Respect To Human Rights
- 2 June Executive Director attended a webinar "When Borderless COVID-19 Hits Sanctioned Nations, What Gives?" organized by the Global Health Centre of the Graduate Institute of International and Development Studies in Geneva.
- 2 June Executive Director spoke at a webinar on "The Impact of Unilateral Coercive Measures (UCMs) on the Global Fight Against the COVID-19: Upholding the UN Charter, Promoting International Cooperation and Ensuring No One is Left Behind in Times of Pandemic" organized by the Permanent Missions of Belarus, China, Cuba, Iran, Nicaragua, Russia, Syria, Venezuela and Zimbabwe to the United Nations in New York.
- 25 June Second Intersessional Open Consultations on the Revised Draft Legally Binding Instrument on TNCs and OBEs With Respect To Human Rights

### 6. Gender and Development

In the case of this focal area there is no simple problem statement formulation. If one wanted simplicity for what is a complex, multi-dimensional issue that has been addressed over four world conferences and a 5-year review process, it would engender inequality and women's lack of empowerment in all societies. All of the areas from gender and trade, to gender and climate, etc. are led by so-called champions from the North, with Southern countries on a reactive footing. There are no simple words to define the current developments. Gender and trade, gender and climate change, gender and taxation, gender and investment, etc. - these issue areas witness a plethora of activities, most especially since the COVID-19 lockdown and the occurrence of virtual meetings. On the broad front this was to be the year of intense rounds of meetings planning for the big celebration of the 25th anniversary of the Beijing Platform for Action. But in the present

circumstances these plans are simmering through the weekly and bi-weekly meetings of various advisory groups. Academics and CSOs now offer a wide array of webinars on gender issues.



Photo credit: UN Women

### PARTNERSHIP DEVELOPMENT & OUTREACH

The South Centre has linked with universities, women's organizations and UN entities working on gender equality, women's empowerment and on sustainable development issues in both the North and South (primarily), most of which are new to South Centre. Those organizations and entities include:

- ❖ Beijing+25 Advisory and Core group
- Caribbean Feminist Action Network
- Center for Women's Global Leadership (Rutgers)
- ❖ Development Alternatives with Women for a New Era (DAWN)
- ❖ Gender and Trade Coalition (South Centre supported the creation of this group)
- ❖ International Association of Feminist Economics (IAFFE)
- ❖ UN Women
- ❖ Women in Development (WIDE) Plus (EU rope)
- ❖ Women's Working Group for Financing for Development (FfD)

# **Publications**

Political Declaration on the occasion of the twenty-fifth anniversary of the Fourth World Conference on Women (Beijing+25 Update Series 1, 13 March 2020)

https://www.southcentre.int/beijing25-update-series-1-13-march-2020/

Spotlight: Africa and the Implementation of the Beijing Platform for Action (Beijing+25 Update Series 2, 30 March 2020)

https://www.southcentre.int/beijing25-update-series-2-30-march-2020/

Spotlight: Asia-Pacific and the Implementation of the Beijing Platform for Action (Beijing+25 Update Series 3, 21 April 2020)

https://www.southcentre.int/beijing25-update-series-3-21-april-2020/

Spotlight: Arab region and the Implementation of the Beijing Platform for Action (Beijing+25 Update Series 4, 20 May 2020)

https://www.southcentre.int/beijing25-update-series-4-20-may-2020/

# Meetings/Webinars Attended

- 15 April Program Coordinator attended a webinar "Feminist Economics Perspectives on COVID-19" organized by the International Association of Feminist Economics (IAFFE).
- 16 April Program Coordinator attended a webinar "Gendered Impact of The COVID-19 Crisis: Holding Governments to Account" organized by the Center for Women's Global Leadership and the Rutgers's University to build a feminist economic perspective on the COVID-19 crisis.
- 22 April, 29 April & 6 May Program Coordinator attended the International Gender Champions' webinar series entitled "COVID-19 and Gender: Living up to the challenge". Champions discussed how to navigate the immense choices facing decision-makers in a gender-responsive way and embed better policies and practices, both within our organisations and in our programmatic work.
- 6 May Program Coordinator attended a webinar "Feminist Macroeconomics & COVID-19" organized by the International Association of Feminist Economics (IAFFE).
- 22 May Program Coordinator attended a webinar "Feminist Political Economy & COVID-19" organized by the International Association for Feminist Economics (IAFFE).
- 27 May Financial and Gender Impacts of COVID-19 First of a series of action-oriented dialogues on the macro agendas and the current crises, organized by Women's Working Group on Financing for Development (WWG on FfD).
- 3 June Program staff attended a webinar "Integrating Gender-Responsive Strategies into Climate and Disaster Risk Finance and Insurance Solutions" organized by the Forum for Agricultural Risk Management in Development (Farm D) and Insu Resilience Global Partnership
- 5 June Program Coordinator moderated the panel in a webinar "Trading away women's rights: How free trade has undermined women's human rights both before and during this time of pandemic" organized by the Gender and Trade Coalition A Feminist Alliance for Just Trade. The webinar explored from different regional perspectives to what extent and how the on-going Coronavirus pandemic has impacted women workers in the trade sector.
- 29 June Executive Director attended a Zoom meeting "Five years of commitment, collaboration & impact" organized by the International Gender Champions initiative.

### 7. Climate Change and Sustainable Development

The first half of 2020 is signified by the outbreak of the COVID-19 pandemic with implications on many if not all aspects of sustainable development, including new challenges and uncertainties in the fight against climate change. As countries are directing their attention and resources to tackling the health and economic crisis, there is a risk that climate efforts will become marginalized and deprioritized. 2020 was set to be an important year as countries were expected to review and increase their climate ambitions under the Paris Agreement, namely the Nationally Determined Contribution (NDC). But only a few countries have revisited their NDCs by the first half of 2020 and it is expected that the pandemic will constrain increased ambitions for the years ahead. The decision by the UNFCCC in April this year to postpone the 26th

Conference of Parties (COP26), the annual climate conference, from end of 2020 to November 2021 due to the outbreak of the pandemic only adds to the challenges to scale up much needed ambitions to limit global warming to 2 degrees Celsius or below.

Sustainable Development and Energy



The pandemic and the unfolding global recession have resulted in a temporary decline in greenhouse gas emissions and in new dynamics in the energy transition question. Developing countries are largely still in the midst of the pandemic and absorbed with the immediate measures to tackle the health crisis. Shortages in energy supply have become more visible as health systems are constrained in functioning at needed levels due to the insufficient and unreliable access to electricity, especially in rural areas.

The drop in global emissions that was experienced in the second quarter of this year is not sustainable as it is not an outcome of deliberate climate and economic policies (see <u>SouthViews</u>). The plunge in oil prices due to reduced economic activity actually incentivizes an uptake in fossil fuel use and it is feared that recovery plans will have a short-term economic focus which may mean more oil and gas. In this regard, a "green" recovery has emerged as the buzzword that calls for sustainable, resilient and equitable recoveries. Policy makers and governments are urged to align post-COVID-19 recovery strategies with the climate change and sustainable development needs.

Multiple webinars discussing this new reality and elaborating strategies were and are underway. Energy strategies globally and especially in the South need to be recalibrated and adjusted to the COVID-19 implications. The South Centre has participated and contributed to various such webinars and is preparing a series of webinars in July on the issue of sustainable energy systems in Africa in the COVID-19 context.

### **Publications**

The Africa Energy Transition Program (AFRETRAP) (Climate Policy Brief 22, February 2020)

By Rajesh Eralil and Youba Sokona

https://www.southcentre.int/climate-policy-brief-22-february-2020/

Will post COVID-19 pandemic lead to a climate compatible, more just, resilient and sustainable society? (SouthViews No. 194, 7 May 2020)

By Youba Sokona

https://www.southcentre.int/southviews-no-194-7-may-2020/

22/01/2020 - SouthNews: The new geopolitics of climate governance: distributing leadership for enhanced ambition

"Clean energy is vital to the Covid-19 response in the world's poorest countries" (Climate Change News, 28-05-2020)

By Tosi Mpanu Mpanu, Youba Sokona and Yacob Mulugetta

https://www.climatechangenews.com/2020/05/28/clean-energy-vital-covid-19-response-worlds-poorest-countries/

"Patents as environmental policy instruments", Chapter 19 in *Policy Instruments in Environmental Law*, Kenneth R. Richards and Josephine van Zeben, eds. (Edward Elgar, 2020)

By Carlos Correa

## Meetings/Webinars Attended

- 11-19 January, Dakar Africa "Deep Decarbonization pathways" Initiative/IDDRI-AFD
- 26-31 January, Faro Senior Advisor on Sustainable Development attended the IPCC Working Group II 3rd Lead Author Meeting
- 24-29 February, Paris Senior Advisor on Sustainable Development attended the IPCC 52<sup>nd</sup>
   Session
- 19 March Program Coordinator facilitated Module 7 The Climate Crisis in the Caribbean of an 11 Week Online Course (10 February-16 April 2020) "Society, Ecology and Economics (SEE) in the Caribbean How do we organize to live?" co-organised with the Institute of Gender and Development Studies, Nita Barrow Unit, University of the West Indies, and the Caribbean Feminist Action Network (CFAN).
- 14-24 April & 25-26 April Senior Advisor on Sustainable Development attended the IPCC Working Group III first virtual Lead Author meeting on 14-24 April and Synthesis Report Meeting on 25-26 April. More than 270 experts from 65 countries from the IPCC Working Group III on mitigation worked together online to start the preparation of a second draft of their contribution to the Sixth Assessment Report.
- 14-23 April Program Coordinator attended the IPCC Third Lead Authors' Meeting (virtual) and facilitated as Coordinating Lead Author (CLA) chapter 15 meetings, participated in cross chapters Break out groups (BOGs) and in CLA-IPCC Bureau meetings and specialized BOGs: sustainability, COVID-19, Just Transitions etc.
- 17 April Senior Advisor on Sustainable Development attended a webinar "Responding to the covid-19 pandemic economic crisis Building back better aligned to the SDGs and the Paris Agreement Aligning economic recovery with inclusive, decarbonized and resilient growth" held by the Germany Federal Ministry for the Environment, Nature Conservation and Nuclear Safety/ World Resource Institute. The focus of the webinar was to inform and guide approaches to reflate the economy following the COVID-19 pandemic in a way that will help society to "build back better" for more resilient, sustainable, inclusive economies following the crisis.

- 19 April Program Staff attended a webinar "Shared Responsibility, Global Solidarity: A Virtual Dialogue on SDG 17 and Public-Private Partnerships: COVID-19 Response and Recovery in the Framework of the 2030 Agenda" organized by UNDESA, IOE, USCIB's All In 2020 Campaign and the Business Partners for Sustainable Development (BPSD)
- May Senior Advisor on Sustainable Development and staff member attended the United Nations Economic Commission for Africa online debate on Africa's COVID-19 lockdown exit strategies. The objective of the webinar was to debate the policy choices, challenges and risks facing African governments in identifying appropriate lockdown exit options of the COVID-19 pandemic lockdown in Africa.
- 14 May- Program Coordinator & staff attended a webinar "COVID-19 Recovery and Renewable Energy in Africa" organized by the African Coalition for Sustainable Energy and Access (ACSEA), PanAfrican Climate Justice Alliance (PACJA) and a few other organizations. The webinar was to raise awareness about the effects of Covid-19 on energy choices for low-carbon and climate resilient development pathways and discuss the potential of renewable energy deployment in Africa in the post-Covid 19 recovery phase.
- 18 May 10 June Program Coordinator participated as coordinating lead author for Chapter 15 of the IPCC Assessment Report 6 in the IPCC Break-out groups (BOGs) on cross chapter topics: Digitalisation, International cooperation, Sustainable Development Pathways and COVID-19.
- 20 May Program Coordinator attended a webinar "What next for Agenda 2030? The COVID-19 crisis, inequality, and the future of the SDGs"
- 22 May Program Coordinator participated as a speaker in a Zoom meeting "COVID-19 Conversation on Jamaica and the Caribbean: A Future Economy" to discuss the Jamaican economy in the context of the health and economic issues raised by COVID-19.
- 25 May The Program attended "India-Africa partnership for sustainability in a post-pandemic world: Can it accelerate a new decade of action?".
- 2 and 4 June Global Forum on the Environment and Climate Change. Virtual Forum. Climate Change Expert Group (CCXG) OECD and IEA. To promote dialogue and enhance understanding among a wide range of countries on key issues in the international climate change negotiations and relevant to countries' implementation of their responses to climate change.
- 8 June Senior Advisor on Sustainable Development took part in a webinar "The Subsidiary Body for Scientific and Technological Advice (SBSTA) Chair information body with scientific community" organized by the UNFCCC Secretariat.
- 11 June Global Crisis, Global Risk and Global Consequences, Geneva Centre for Security Policy (GCSP) Covid-19 Webinar Series. The 12 episodes were dedicated to the global consequences of Covid-19.
- 23 June Post-Cotonou Agreement: Cross-Regional Perspectives and Resistance. The impending Post-Cotonou Agreement will define trade and development relations between Europe and 79 African, Caribbean, and Pacific (ACP) countries for the next 20 years. During the COVID-19 pandemic and beyond, the agreement will determine the capacity of ACP states to exercise their economic sovereignty and shape the path of their own recovery and development. Europe's negotiating positions push a liberalization agenda through attempts to enhance protection for their investors in ACP markets and secure "undistorted access" to ACP natural resources, effectively reinforcing neo-colonial patterns that ACP governments are concerned to transform. This discussion was organized by Regions Refocus, co-chair of the Gender and Trade Coalition.

### Climate Finance

The pandemic poses a high risk of eating up climate action in the South due to the scarcity of financial resources to tackle both the climate and health crisis simultaneously. This new reality makes it even more important for developing countries to get greater, faster and easier financial support in order to meet and possibly scale up their climate goals and ambitions. Developing countries continue to fall short of crucial financial, technical and capacity building assistance for meaningful climate action and for the implementation of the Paris Agreement. The outbreak of COVID-19 and the unfolding global recession are adding to the challenges to meet climate targets.

As the body assisting with the implementation of the tasks of the Financial Mechanism of the Convention, the UNFCCC Standing Committee on Finance (SCF) is currently preparing two key technical reports, the '2020 Biennial Assessment and Overview of Climate Finance Flows' and the '2020 Report on the Determination of the Needs of Developing Country Parties related to implementing the Convention and the Paris Agreement'. The SCF updated in April on the progress of the reports and launched a call for evidence to collect more information on data and methodological issues around climate finance.

### The Green Climate Fund



As one of the leading climate funds in the multilateral space and as part of the UNFCCC's finance mechanism, the Green Climate Fund (GCF) acts as an important 'transmitter' of climate finance from developed to developing countries and in this process also assists countries in building necessary capacities to access the fund and facilitate and coordinate national climate action.

In the first half of 2020, the GCF had scheduled two Board meetings, during which the Board makes various decisions and approves funding proposals. The Fund managed to convene the first Board meeting of 2020 in March (25th meeting of the Board (B25)) and successfully approved close to USD 619 million in GCF and co-financing for a total of six projects. The Board meeting took place at the same time COVID-19 was declared a pandemic and the agenda and format of the meeting were affected. However, this does not seem to be the case for the second Board meeting of 2020 (26th meeting of the board (B26)), which was initially scheduled to take place from 23 to 25 June 2020. At the time of writing this report in end of June, it was not known whether the Board meeting is taking or will be taking place and whether decisions are being made without the participation of external stakeholders and observers as stipulated in the Fund's 'Governing Instrument'. Observer groups have raised their concern about the complete lack of information on the operational procedures of B26 in the COVID-19 context. B26 would have several new project proposals up for Board consideration and approval.

At the beginning of the year, the South Centre initiated its work as a Delivery Partner under the GCF Readiness Programme and is committed to support developing countries in their efforts to access climate finance from the GCF. In February, the Centre launched its project implementation support to the National Designated Authority (NDA) of the Lebanese Ministry of Environment. The project titled 'Strengthening and enhancing Lebanon's institutional arrangements and capacity to enable and optimize access to the Green Climate Fund' aims to enhance institutional capacities of the NDA in order to access GCF funding and to develop a country programme for climate action. During the period covered by this report, the South Centre has followed up the activities and/or interacted, inter alia, with:

- ❖ The UNFCCC Standing Committee on Finance
- ❖ The OECD Climate Change Expert Group
- ❖ The Southern CSO Observer (Green Climate Fund)

### **Publications**

Flirting with the Private Sector: The GCF Private Sector Facility — achievements, challenges and constraints in engaging the private sector (Climate Policy Brief 23, March 2020)

By Rajesh Eralil, Mariama Williams and Dianyi Li

https://www.southcentre.int/climate-policy-brief-23-march-2020/

30/04/2020 - SouthNews: Spotlight on the 25th meeting of the Board of the Green Climate Fund

## Meetings / Webinars Organized

 7-9 March, Geneva – CSO Preparatory Meeting for the 25th board meeting of the Green Climate Fund

### Meetings/Webinars Attended

- 15 May Program staff attended a webinar "Consultation with GCF observer / Civil Society Organizations on the Sub-National Climate Fund (SnCF)" organized by the Green Climate Fund (GCF), Pegasus Capital Advisors, R20 Regions of Climate Action and International Union for Conservation of Nature (IUCN). The goal of the webinar was to introduce the SnCF to the CSO / observers of the GCF and to collect feedback in order to finalize the project proposal for the establishment of the SnCF (proposal to be submitted for GCF board review in the upcoming GCF board meeting).
- 21 May Program staff attended a webinar "Green Climate Fund (GCF) Webinar Series (1) GCF: basics, history, structure and what is has done so far" organized by the Asian Peoples Movement on Debt and Development (APMDD).

# 8. The South Centre Tax Initiative (SCTI)

Achieving the Sustainable Development Goals under the Agenda 2030 development framework requires countries to mobilize revenues at the domestic level, including through raising tax revenues. However, the interest of countries, especially developing countries, in seeking a more effective and just regime of international taxation has been hampered by several challenges in the current international framework that

requires more transparency, equity and strengthening of the rule of law. This has led to the recognition and a global consensus on the much needed reform of the international tax regime.

Arguably the single biggest issue in international taxation as of today is the taxation of the digital economy. This discussion has over time evolved into a discussion on the redistribution of taxing rights between source and residence country. This makes it historic as such a review is taking place after a century when the foundations of international taxation were put in place by the League of Nations. In January 2020, the OECD/G20 Inclusive Framework agreed upon a "Statement by the OECD/G20 Inclusive Framework (IF) on BEPS on the Two-Pillar Approach to Address the Tax Challenges Arising from the Digitalisation of the Economy."

This document is essentially now the negotiating text over the Two Pillar Approach to taxing the digitalized economy and has transformed the OECD Secretariat's proposal on the Unified Approach to Pillar One into a political document. The 137 jurisdictions of the IF are negotiating over the various aspects of the proposal and the original deadline for a consensus on the key aspects of the policy architecture was July 2020. The outbreak of the COVID-19 pandemic has meant this has now been postponed to October. The participation of the United States in the negotiations is also uncertain as it has indicated it may pull out as it perceives the proposal to be unfairly biased against US tech giants. This is despite the Two Pillar approach being largely based on US proposals of marketing intangibles and the Global Intangible Low-Taxed Income (GILTI) measures. Nevertheless, discussions continue, though the present design of the Two Pillar approach is largely seen as unfavourable to developing countries.

The pandemic has affected revenue collections which are expected to decline owing to reduced economic activity. Tax administrations have responded through relief measures which are a combination of payment deferrals, expedited refunds, changes in the calculation of the advance tax payments to reflect current rather than last year's tax liabilities and reduced social security contributions, to name a few. The OECD has also put out guidelines on tax treaty issues arising from the pandemic, such as employees being forced to stay in a foreign country longer than expected.

The UN Committee of Experts on International Cooperation in Tax Matters had its 20th Session in June 2020 which was held virtually owing to the pandemic. A key outcome was the creation of a drafting group of developing countries to propose adding a new Model Provision to the UN Model Double Taxation Convention between Developed and Developing Countries to facilitate taxation of the digitalized economy. The Committee also adopted new and revised chapters for the UN Practical Manual on Transfer Pricing for Developing Countries and approved changes to the UN model tax convention's commentary. New chapters were approved for inclusion in UN handbooks on tax dispute avoidance and resolution and on environmental taxation.

To support reform of the international financial system more generally and the tax system more specifically, the Presidents of the UN General Assembly and the Economic Social Council convened a High Level Panel on International Financial Accountability, Transparency and Integrity for Achieving the 2030 Agenda (FACTI Panel) in January 2020. The FACTI Panel is mandated to make recommendations on improving international institutional and legal frameworks related to financial accountability, transparency and integrity.

The South Centre Tax Initiative (SCTI) has been engaging with all of these ongoing developments with the aim of assisting the efforts of developing countries. On the Two Pillar discussion in the Inclusive Framework, it had made a submission to the OECD in November 2019. Subsequently, it established a Developing Country Expert Group to assess the two-pillar approach from the perspective of developing countries. A report of the Expert Group is to be published in the second half of 2020.

The SCTI has also been engaging with developing country members of the UN Committee of Experts on International Cooperation in Tax Matters, to assist them in formulating common positions that reflect the interests of developing countries. It has also been engaging with the FACTI Panel both through direct inputs via written submissions and also assisting individual Panelists.

After the outbreak of COVID-19, the South Centre also reached out to developing countries offering its services on helping them with revenue mobilization to finance the pandemic response. A series of countries have reached out and efforts are ongoing to help them collect revenue through policy advisory and capacity building through the SCTI's peer exchange mechanism. The peer exchange mechanism essentially facilitates tax administrations to share expertise with each other on topics of interest through resource persons.

The SCTI's flagship event, the Annual Developing Country Forum for South-South Cooperation in International Tax Matters, has been delayed owing to the pandemic. Nevertheless it will be resumed once conditions are suitable. (See <a href="https://taxinitiative.southcentre.int/">https://taxinitiative.southcentre.int/</a>.)

#### **Publications**

National Measures on Taxing the Digital Economy (Research Paper 111, May 2020)

By Veronica Grondona, Abdul Muheet Chowdhary, Daniel Uribe

https://www.southcentre.int/research-paper-111-may-2020/

The Role of South-South Cooperation in Combatting Illicit Financial Flows (Tax Cooperation Policy Brief 11, February 2020)

By Manuel F Montes

https://www.southcentre.int/tax-cooperation-policy-brief-11-february-2020/

Third Annual Developing Country Forum on South-South Cooperation in International Tax Matters (South Centre Tax Initiative Report, January 2020)

https://www.southcentre.int/scti-report-january-2020/



India and recent updates on the OECD/G20 Inclusive Framework's Two-Pillar Approach (SouthViews No. 191, 13 March 2020)

By Subhash Jangala

https://www.southcentre.int/southviews-no-191-13-march-2020/

### Taxing the Digital Economy to Fund the COVID-19 Response (SouthViews No. 196, 22 May 2020)

By Abdul Muheet Chowdhary and Daniel Uribe Teran

https://www.southcentre.int/southviews-no-196-22-may-2020/

17/01/2020 - <u>SouthViews (Previous)</u>: <u>Enabling and Benefitting from Tax Avoidance</u>: <u>The Case of Canada</u> in Africa's Extractive Sector

02/06/2020 - SouthNews: South Centre Tax Initiative submission to the FACTI Panel on improving cooperation in tax matters

14/01/2020 – <u>SouthNews: Third Annual Developing Country Forum on South-South Cooperation in International Tax Matters</u>

### Meetings/Webinars Organized

- 20 and 30 March South Centre Tax Initiative Team organized webinars on "Developing Country Expert Group Assessment of the Two-Pillar Approach to Address the Tax Challenges Arising from the Digitalisation of the Economy" to assess the OECD's proposal on taxing the digital economy.
- 12 June South Centre Tax Initiative Team organized a webinar "Peer Exchange Discussion prior to 20th Session of UN Tax Committee" with developing country members of the UN Tax Committee to assist developing countries to combine their efforts and expertise to promote their common interests in the UN Committee of Experts on International Cooperation in Tax Matters (UNTC) and its subcommittees.

## Meetings/Webinars Attended

- 30 January Program Staff attended Webinar: Financial Secrecy Index 2020 organized by Tax Justice Network and Tax Justice Europe
- 5 May Program Staff attended Webinar: Virtual consultation session: Improving cooperation in tax matters organized by FACTI Panel
- 15 May Program Staff attended Webinar: Beneficial Ownership Verification organized by Tax Justice Network
- 28 May Program Staff attended Webinar: Health versus Wealth? Tax and Transparency in the Age of COVID 19 organized by ICRICT, FTC, Oxfam, PSI
- 8 June Program Staff attended Webinar: Addressing the tax challenges of the digitalisation of the economy estimating the revenue and investment effects organized by OECD and DIW

## 9. WTO Reform and COVID-19

A major part of the last 6 months has been the emergence of the COVID-19 pandemic and how it has taken hold across the world. The WTO stopped physical meetings from March 16.

Nevertheless, there has still been a flurry of activity. Meetings were held virtually, and there have been quite many proposals submitted related to COVID-19 and trade measures or WTO Reform.

Many trade and other measures have been taken by WTO Members during these last months to deal with COVID-19. These include temporary liberalization of medical products, export restrictions on medicines, medical products and equipment, and also on some food items, and a range of other measures e.g. screening of investments in various sectors, subsidies being provided to companies.

Several Members have used the COVID crisis to suggest some permanent changes to WTO rules. Analyses of these proposals, however, show that the proponents are the ones that would benefit the most from these permanent changes. At the WTO, countries can already take liberalization measures unilaterally. Locking in these measures would foreclose developing countries' policy space to build their own medical and medical related sectors. The proposals or suggestions spearheaded by developed countries have included the following:

- Liberalization of goods relating to the medical sector
- Liberalization of agriculture, including discouraging the use of public stocks<sup>3</sup>
- Stricter disciplines on export restrictions, especially in agriculture
- More oversight of trade policies by regular committees (this issue is also in the pre-COVID 'WTO Reform' agenda)
- Digital trade rules due to the increasing use of digital tools across different economic sectors.

At the same time, there is an eerie silence on what is the most critical issue vis-à-vis the WTO and COVID-19 – the restrictions that the WTO's intellectual property rules are likely to have on supporting countries' access to pharmaceuticals and medical products (e.g. equipment, diagnostic kits, etc.).

In addition, together with the above COVID-19 agenda, there has been a strong demand from developed countries (and the WTO Secretariat) to move on the so-called 'WTO Reform'. This reform agenda is the same as what the same countries had proposed pre-COVID-19.

What is the 'WTO reform'? This has never been clearly defined nor multilaterally agreed to. Developed countries<sup>4</sup> have actively pursued a WTO reform since 2018 in response to the difficulties they experienced at the 11<sup>th</sup> Ministerial Conference in Buenos Aires (December 2017), particularly their inability to launch multilateral e-commerce negotiations.

The following are the elements of 'WTO Reform' put forth by largely developed Members:

- Strengthened transparency and notification procedures that would increase Members' burden and potentially change the balance of rights and obligations enshrined in existing Agreements, without taking into consideration the capacity constraints of developing countries.<sup>5</sup>
- Better functioning of regular committees proposing that when specific trade concerns are raised in writing (and any number can be raised), there must be written responses. An informal mediation

<sup>4</sup> See, e.g., <a href="https://ustr.gov/about-us/policy-offices/press-office/press-releases/2019/may/joint-statement-trilateral-meeting">https://ustr.gov/about-us/policy-offices/press-office/press-releases/2019/may/joint-statement-trilateral-meeting</a>; <a href="https://trade.ec.europa.eu/doclib/docs/2020/january/tradoc\_158567.pdf">https://trade.ec.europa.eu/doclib/docs/2020/january/tradoc\_158567.pdf</a>.

<sup>&</sup>lt;sup>3</sup> See WTO, "COVID-19 Initiative: Protecting Global Food Security Through Open Trade", Communication on behalf of Members of the Cairns Group, WT/GC/218, 17 June 2020.

<sup>&</sup>lt;sup>5</sup> See WTO, "Procedures to Enhance Transparency and Strengthen Notification Requirements under WTO Agreements", Communication from Argentina, Australia, Canada, Costa Rica, the European Union, Israel, Japan, New Zealand, The Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu, and the United States, JOB/GC/204/Rev.3; JOB/CTG/14/Rev.3, 5 March 2020. Also see analysis of the 2018 version of this proposal in <a href="https://www.southcentre.int/wp-content/uploads/2019/03/RP92">https://www.southcentre.int/wp-content/uploads/2019/03/RP92</a> Notification-and-Transparency-Issues-in-the-WTO-and-the-US-November-2018-Communication EN.pdf.

procedure has also been suggested. The intention is to use the regular WTO bodies as a forum to exert further scrutiny regarding members' trade policies.

- Setting aside the principle of decision-making by consensus when it comes to bringing new issues into the WTO rulebook, thereby allowing subsets of WTO members to develop new rules through 'open plurilateral initiatives'. <sup>7</sup> If successful, this would be a fundamental change to the WTO's 'constitution', the Marrakesh Agreement Establishing the WTO, which sets out very clearly that any amendments to the WTO rules must be preceded by multilateral consensus and ratification by Members.
- The removal of special and differential treatment (S&D) for many developing countries<sup>8</sup>. This would mean changing Members' existing rights and obligations in WTO Agreements. From being a right that is treaty embedded, S&D would be provided only on case-by-case basis depending on the goodwill and judgement of other Members.
- Introducing new disciplines on industrial subsidies and possibly state owned enterprises. This agenda is supposedly primarily targeted at China, but will hit all developing countries attempting to support their domestic industries.
- New digital trade rules with free data flows as the basis of these rules. This is primarily a US agenda; if this position prevails, it would disallow or render extremely difficult for Members to exercise their sovereign rights over the production, storage and transmission of data.
- Reform of the Dispute Settlement Body, which has been rendered non-functional by the US opposition to the appointment of its members. The EU has stepped in to propose an alternative 'Multi-Party Interim Agreement' (MPIA) which is an agreement for a group of signatories to go into arbitration should they have disputes with one another. How the outcomes of these arbitration cases sit with the multilateral WTO Agreements and its dispute settlement system is not entirely clear.
- Last but not least, in February 2020, the US also presented a paper requesting for the adoption of standards to distinguish between market and non-market economies for the purposes of WTO law. This proposal, already odd before the crisis given the US government's activist role in industrial policy, looks ludicrous in the context of COVID-19 and the strong intervention by the US federal government to support workers and companies.

Many developing countries have been hesitant to accept this 'WTO Reform' agenda, given that it is an agenda that is not theirs but it advances the interests of the more developed Members, and that the scope, content and the process of reform are unclear. Developing countries have noted that their long-standing list of demands and proposals at the WTO, particularly in agriculture, special and differential treatment including important flexibilities across some agreements, make up their 'reform' agenda<sup>9</sup>

<sup>8</sup> The US proposal excludes 34 developing countries from Special and Differential Treatment, based on these 4 criteria: i) Member of the OECD or in accession to the OECD; ii) Member of the G20; iii) a 'high income' country according to the World Bank classification; iv) accounts for 0.5 or more of global merchandise trade (imports and exports). See US' submission, WTO, "Procedures to Strengthen the Negotiating Function of the WTO: Draft General Council Decision", WT/GC/W/764/Rev.1, 25 November 2019.

<sup>&</sup>lt;sup>6</sup> WTO, "Procedural Guidelines for WTO Councils and Committees Addressing Trade Concerns, Draft General Council Decision", Communication from Albania, Australia, European Union, Hong Kong China, 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.5, 20 February 2020.

<sup>&</sup>lt;sup>7</sup> See Section 8.3 in Bertelsmann Stiftung, "Revitalizing Multilateral Governance at the World Trade Organization" (2018). Available from <a href="https://www.wto.org/english/news">https://www.wto.org/english/news</a> e/news18 e/bertelsmann rpt e.pdf.

<sup>&</sup>lt;sup>9</sup> This developing country agenda has been very clearly elaborated in WTO, "Strengthening the WTO to Promote Development and Inclusivity", Communication from the African Group, the Plurinational State of Bolivia, Cuba, Ecuador, India and Oman', WT/GC/W/778/Rev.2, 7 August 2019.

In light of all this, the South Centre has convened meetings and produced materials to respond to the proposals and to spur discussion amongst developing country negotiators. These meetings have been important in terms of the analyses provided and for sparking discussion on what developing countries' interests are in these areas.



#### Photo credit: WTO

#### **Publications**

US-China trade deal: preliminary analysis of the text from WTO perspective (Policy Brief 72, February 2020)

By Peter Lunenborg

https://www.southcentre.int/policy-brief-72-february-2020/

COVID-19 and WTO: Debunking Developed Countries' Narratives on Trade Measures (Policy Brief 77, May 2020)

By Aileen Kwa, Fernando Rosales and Peter Lunenborg

https://www.southcentre.int/policy-brief-77-may-2020/

Intellectual Property and Trade Measures to Address the Covid-19 Crisis by the South Centre (Call for Action, 2020)

https://www.southcentre.int/call-for-action-ip-and-trade-measures-to-address-the-covid-19-crisis/

https://www.southcentre.int/compilation-by-sc-trade-measures-adopted-by-countries-in-response-to-covid-19/

05/03/2020 - SouthNews: WTO Reform from the Perspective of Developing Countries

## Meetings/Webinars Organized

### **Physical Meetings:**

• 14 January, Geneva - Meeting on Stocktaking and Preparation for March General Council (GC)

- 3 February, Geneva Meeting on WTO Issues, 3 February 2020
- 5 February, Geneva Meeting on WTO Issues, 5 February 2020
- 24 February, Geneva Meeting for Preparation for Trade Negotiations Committee (TNC) and GC, including US' proposal on non-market economy

### Virtual Meetings:

- 15 April Meeting on WTO Issues
- 27 April Meeting on COVID-19 and WTO
- 7 May Meeting in Preparation for Informal General Council of 15 May
- 9 June Meeting in Preparation for the Council for Trade in Goods (CTG) General Council of 10-11 June

## Meetings/Webinars Attended

- 25 May Trade Responses to Global Health Crisis, Graduate Institute, Geneva.
- 26 May Re-orienting the Trade and Investment Regime for the COVID-19 Response, Global Development Policy Center and UNCTAD.
- 4 June Sustainable trade after COVID-19: Can we do better?, Institute for European Environmental Policy (IEEP) and Heinrich Böll Stiftung.
- 10 June FAO Insights on Trade and Markets.
- 17 June Trade Winds: What future for the global trading system?, Peterson Institute for International Economics.
- 17 June The President's 2020 Trade Policy Agenda, Senate Finance Committee hearing.

### 10. Fisheries subsidies

Fisheries subsidies negotiations are conducted by the Chair of the Negotiating Group on Rules (NGR). Six Facilitators are responsible for specific parts of the disciplines (IUU, overfished stocks, overfishing & overcapacity, scope/definitions, dispute settlement and S&D/institutional arrangements).

So far, the draft consolidated texts /compiled document has been prepared by two of the facilitators related to IUU and Overfished stocks. On the third discipline related to Overfishing and Overcapacity, the facilitator has just compiled the approaches submitted by the WTO Members as there are conceptual differences on the approach and the ambition levels thereof. As December 2020 is approaching (the supposed deadline for the fisheries negotiations), the NGR Chair tried to bring in the consolidated texts covering all the three areas of the discipline for initiating negotiations in formal mode. Negotiations had been put on hold because of the COVID-19 pandemic and are likely to resume in the coming months. The NGR Chair released the Chair's text on 25th June 2020 for formal negotiations to start in September 2020 after the summer vacation. A number of Members, particularly the "friends of fish" including some developing countries are trying to get the Decision to be adopted by December 2020, as per SDG target 14.6 mandate. Many developing countries (ACP, India) made it clear that formal negotiations can be initiated only when the situation back home improves and capital-based officials are ready to participate in negotiations given the technical nature of the discipline.

Regarding substance, the pillar on IUU fishing is most developed. This is a conditional prohibition, prohibiting subsidies when IUU fishing by a vessel is determined. Generally, positions are still quite far apart, a main area of contention being the approach to prohibition, i.e. list-based vs. cap based. List-based is akin to the prohibition of export subsidies in the ASCM and considered to provide more certainty and result in effective disciplining. Cap-based is akin to creating some kind of Aggregate Measures of Support (or AMS, which are trade-distorting supports in the WTO's agriculture rules), with the allotment of cap/AMS essentially determined by bargaining power. This is considered more feasible by proponents. However, there are doubts about how this would work in practice (the variety of measures in the cap is larger than AMS, lack of transparency even with current notifications, uneven allotments, how to bring a totality of measures in compliance with a cap, etc.).

Some important areas are not yet ironed out, e.g. a list of subsidies that are exempted from the disciplines (i.e. some kind of Green Box). With the list-approach this is actually less pertinent; since one would specify which are prohibited, the rest would be allowed. Another issue of contention is S&D. There is huge reluctance on the part of the developed countries to provide the flexibilities developing countries deem would be necessary, particularly for their small fisheries.

The other issue is focusing disciplines on large-scale fisheries. Work has gone into arguing for indicators describing large scale vessels, so that disciplines in Overfishing and Overcapacity could primarily be applied to these vessels.

Precedence exists in the annual and recurring UNGA resolution on sustainable fisheries calling for Vessel Monitoring Systems for large scale and distant water fishing vessels, and the practice in the International Maritime Organization to apply disciplines only to vessels beyond certain thresholds (e.g. only vessels with 'large' engines subject to emission control or crew safety requirements).

In light of the above, South Centre has been actively involved in supporting developing countries in the discussions on fisheries subsidies, particularly in research around large-scale fisheries as well as looking at what is required by developing countries in the area of Special and Differential Treatment.

## **Publications**

23/01/2020 - SouthNews: Prohibition of subsidies to large-scale and distant water fishing fleets for a sustainable ocean economy



## Meetings/Webinars Organized

### **Physical Meetings:**

- 13 January, Geneva Meeting on S&D in Fisheries Subsidies
- 18 February, Geneva Meeting on S&D and Disciplines in Fisheries Subsidies
- 19 February, Geneva Meeting on S&D and Disciplines in Fisheries Subsidies
- 27 February, Geneva Meeting on Fisheries Subsidies
- 4 March, Geneva Meeting on Fisheries Subsidies
- 5 March, Geneva Meeting on Fisheries Subsidies

## **Virtual Meetings:**

- 23 March Meeting on Fisheries Subsidies
- 24 March Meeting with China on Fisheries Subsidies
- 25 March Meeting on Fisheries Subsidies

## Meetings/Webinars Attended

- 4 May ACP Virtual Seminar. Back to Basics: Selected Fisheries Subsidies Negotiation Concepts underpinning Overcapacity/Overfishing/Overfished Discipline Proposals Explained, South Centre as speaker.
- 12 May World Ocean Summit Insight Hour, The post-coronavirus ocean economy: where do we go from here?, Economist.
- 18-22 May Program staff attended virtually the Chatham House 12th International IUU Fishing Forum.

## 11. Agriculture

Pre-COVID-19, Members were grappling with defining outcomes for MC12 in agriculture.

At the end of January this year, the G33 circulated submissions emphasizing the urgent need to agree upon a permanent solution on public stockholding for food security purposes (PSH) as well as an outcome on the Special Safeguard Mechanism (SSM). These longstanding items have become even more pertinent in the COVID-19 context.



It has become difficult to arrive at outcomes as some Members such as the US are pushing for an 'agricultural reset' and do not want to move on the issue of Domestic Supports. As of June 2020 the search for a Committee on Agriculture – Special Session (COASS) Chair successor is on-going and negotiations are likely to restart after the Chair's appointment.

The WTO Secretariat has been suggesting the idea to look at only transparency outcomes. Several proposals have been made in this respect including a broader US proposal which inter alia seeks punitive measures for Members that do not notify in time or fully and a Russian proposal to notify changes in MFN applied tariffs during the year. While some developing countries have also made some specific suggestions for transparency elements including in the Blue Box and reporting of Value of Production for products that receive product-specific Aggregate Measures of Support (AMS), many developing countries consider that transparency obligations as currently embedded in WTO rules are quite substantial and often onerous already for developing countries. The outcome document of the G20 Trade and Investment Ministerial meeting of May 2020 which had a specific paragraph on WTO transparency did not indicate further enhancement of transparency disciplines.

Adding to existing transparency obligations, already too much for most developing countries, would be overly onerous. Importantly, these notifications are often used by those Members with more capacity to question other Members' trade policy (often developing countries), hence curbing developing countries' policy space in the very important area of agriculture.

The outgoing Chair had highlighted the issues of export restrictions, domestic support and PSH as areas of work for MC12. He suggested that many Members urged an intensification of work towards an outcome on export restrictions at MC12 (JOB/AG/187). The SSM has also been mentioned – this is potentially a very important policy tool for developing countries. Various WTO Members (e.g. EU) have increased import duties in response to lower international prices for cereals whereas developing countries do not necessarily have such policy tools.

## Meetings/Webinars Organized

#### **Physical Meetings:**

- 27 January, Geneva G33 Coordination Meeting
- 21 February, Geneva Meeting on Agriculture

### **Virtual Meetings:**

- 8 April Meeting on Agriculture
- 22 April Meeting on Agriculture

## Meetings/Webinars Attended

• 20 March – Program Coordinator spoke at the virtual IISD informal policy dialogue on "Reforming agricultural domestic support: Options for MC12 and beyond"

#### 12. E-Commerce

The E-Commerce moratorium, agreed to by WTO Ministers in 1998 is being renewed every two years. This moratorium states that Members will not impose customs duties on electronic transmissions. The moratorium was last extended in December 2019 and will continue till the next Ministerial Conference of the WTO, now envisaged for 2021.

The December 2019 Decision said that:

"Members agree to reinvigorate the work under the Work Programme on Electronic Commerce, based on the existing mandate as set out in WT/L/274. The work will include structured discussions in early 2020 based on all trade-related topics of interest brought forward by Members, including LDCs, including on scope, definition and impact of the moratorium on customs duties on electronic transmissions."

Since the Ministerial Conference in December 2017, developing countries have called into question the renewal of the moratorium.

The full implications of the Moratorium were not clear when it was first adopted in 1998 as the digital economy was still at its infancy. Today, with the dramatic expansion of the digital economy, the impact of the Moratorium is much more significant, and will only increase even more with time. As goods will increasingly be traded electronically, the Moratorium, if continued, will mean zero customs duties on a larger and larger number of goods traded electronically. There will be tariff revenue losses. More importantly, zero tariffs will imply the loss of a very important policy instrument for developing countries' industrialization. All successful economies succeeded based on tariffs and other trade and industrialization policies. It would not be wise for developing countries to give up this policy tool, especially in the face of the steep challenges in developing their domestic digital sectors.

At the end of 2019, the ECIPE<sup>10</sup> and the OECD<sup>11</sup> issued two papers implying that the scope of the moratorium may be expanded to reach services as well. If this new understanding is accepted, it would widen further the scope of the moratorium. Its implications would also be amplified many times.

In March 2020, India and South Africa provided a submission to the WTO on the Moratorium stating that:

"4.1. Today Members are only waking up to the weighty impact of the moratorium assuming the scope of the moratorium is centered on digitized and digitizable goods i.e. interpretation 'b' in Section I above. We are still at the cusp of the digital revolution. The challenges of this digital revolution are even more daunting than anything we have seen before. Thus developing countries need even more support to industrialise including access to technology, infrastructure (including related to the digital divide), education of the labour force, and of course policy space and the use of tried and tested instruments to build production capacities including trade policies such as tariffs.

4.2. The moratorium will be equivalent to developing countries giving the digitally advanced countries duty-free access to our markets. All countries trying to catch up need time for their industries to become competitive before full liberalisation can be optimal. To do so whilst industries are still struggling will consign many developing countries to be only consumers. This will be catastrophic for economic growth, jobs, and the attainment of SDGs."

In light of the mandate given by Members in December 2019 to have 'structured' discussions on scope, definition and impact of the moratorium, the South Centre provided research and also organized many meetings in early 2020 to discuss the issues of the Moratorium.

<sup>11</sup>OECD, "Electronic transmissions and international trade – Shedding new light on the Moratorium Debate", TAD/TC/WP(2019)19/FINAL.

<sup>&</sup>lt;sup>10</sup> H. Lee-Makiyama and B. Narayanan, "The Economic Losses from Ending the WTO Moratorium on Electronic Transmissions", Policy Brief, No. 3 (Brussels, European Centre for International Political Economy (ECIPE), 2019).

Meanwhile, the Joint Statement Initiative (JSI) plurilateral discussions on E-commerce has also continued. South Centre has convened several meetings also to discuss some of the issues being negotiated in the E-commerce JSI.



Photo credit: ITU

## Meetings/Webinars Organized

### **Physical Meetings:**

- 10 February, Geneva Meeting on E-commerce Moratorium and Fisheries Subsidies
- 11 February, Geneva Meeting on E-commerce Moratorium and Fisheries Subsidies
- 9 March, Geneva Meeting on E-Commerce Moratorium

### **Virtual Meetings:**

- 8 May Zoom Online Meeting on E-Commerce and Free Data Flows
- 22 May Zoom Online Meeting on E-Commerce Rules at the WTO? Implications for Developing Countries in FRENCH
- 29 June Meeting to prepare for the Committee on Trade in Services (CTS) of 1 July dealing with a mixture of services and e-commerce issues

## Meetings/Webinars Attended

- 21 May "¿Lo digital es de quién lo usa? Soberanía tecnológica en Bolivia, FES, internetbolivia.org.
- 27 May Tecnopandemias: Vulneraciones a la privacidad y la libertad de expresión. FES, internetbolivia.org.

#### 13. Investment Facilitation

Work on Investment Facilitation (IF) under the Joint Statement Initiative (JSI) at WTO has continued. Despite of the change of the Coordinator <sup>12</sup> and the lockdown due to the COVID-19 two documents were released by the Secretariat:

<sup>&</sup>lt;sup>12</sup>The Coordination is held by Chile. Current Ambassador-Permanent Representative is Mathias Francke.

- Streamlined Text (Doc. INF/IFD/RD/45) issued the 17th of January 2020, and,
- The Informal Consolidated Text (Doc. INF/IFD/RD/50) issued the 22nd of April 2020.

The JSI processes at WTO do not have any formal multilateral mandates and they are bypassing the WTO rules of procedure. Negotiations on Investment Facilitation under the JSI raise several questions regarding how to formalize their outcomes to be part of the WTO legal system. To bring the outcomes of these negotiations into the WTO will require alignment with the WTO's amendment provision (Art X of the Marrakesh Agreement). However, it is unclear at this stage how the proponents of this initiative are going to approach this question.

The documents on the table bring together the proposal made by Member States in the last year. It is still unclear how discussions will evolve, but a preliminary reading of the texts raised some concerns with the contents and the level of ambition. The JSI clearly states that discussions "shall not address market access, investment protection, and Investor-State Dispute Settlement", however some of the language proposed are leading in that direction. To discuss the documents distributed by the Coordinator, the Secretariat has organized a cluster of meetings on the 5th, 24th of June and the 10th of July 2020.

In that regard the South Centre organized a virtual meeting with some developing country negotiators to have a preliminary discussion on how future rules in IF could pose challenges for developing countries.

## Meetings/Webinars Organized

• 22 June – Meeting on Investment Facilitation

### Meetings/Webinars Attended

- 11 February Webinar: The forthcoming negotiations on a WTO Multilateral Framework on Investment Facilitation for Development organized by International Trade Centre (ITC) and the German Development Institute (DIE)
- 30 April Program staff attended Webinar: A multilateral framework on investment facilitation for development: issues concerning implementation organized by the International Trade Centre (ITC) and the German Development Institute (DIE)
- 28 May 4th webinar on integrating an international framework on investment facilitation for development into the WTO organized by the International Trade Centre.

## 14. FTAs (EPA, post-Cotonou, AfCFTA)

AfCFTA. The Niamey Summit of June/July 2019 directed AfCFTA Member States to submit their final schedules of Tariff Concessions and outstanding Rules of Origin (RoO) to the next session of the Assembly in January 2020 and dismantling of tariffs would start not later than 1st July 2020. This time schedule has not been met. So far, several offers have been submitted or are close to finalization (including Egypt, Mauritius, Seychelles, Malawi, CEMAC, ECOWAS). SACU has indicated they will not submit a tariff schedule until the RoO are resolved. The COVID-19 crisis is delaying the process as well. At present, the AUC is looking for deliverables at the end of year. Agreement on substantive Rules of Origin which do not undermine the objective of AfCFTA (boosting intra-African trade, not third party trade) will be key. Issues for an outcome still being considered include for example the standstill clause (e.g. if AU Member States increase their MFN tariffs, they would not do so for African countries that are implementing the AfCFTA) and partial offers (classification of 90% of tariff lines instead of 100% of tariff lines). The South Centre, upon request, has provided inputs on these issues.



North-South FTAs (EPA, post-Cotonou). The negotiations towards a comprehensive ESA (Eastern South Africa) Economic Partnership Agreement restarted in earnest this year, beginning with the less controversial (but still important) issues such as SPS, TBT, customs/trade facilitation. This agreement will include provisions on IPRs, services/investment, government procurement, trade & sustainable development, etc., and is expected to be the template for EU FTAs with other African countries and regions. In the same vein, the US has opened negotiations with the first African country for a comprehensive trade agreement to be applied after AGOA expires in 2025. Furthermore, the post-Cotonou Agreement negotiations between EU and ACP countries including Region-specific (Africa, Caribbean, Pacific), which contains many trade-related provisions, have been extended until the end of the year.

## Meetings/Webinars Organized

• 10 February, Geneva - Meeting on the Post Cotonou Pacific Regional Protocol (with Pacific Islands countries)

## Meetings/Webinars Attended

- 6 May Platform to discuss the African CFTA
- 8 May "African Regional Intellectual Property Organization (ARIPO) under AfCFTA: Should Nigeria join or not?", Africa International Trade and Research
- 8 May Call on the intended US-Kenya Free Trade Agreement

# 15. South-South and Triangular Cooperation

On South-South and triangular cooperation (SSTrC), momentum was building up before the onset of the COVID-19 crisis, especially with the publication of the Islamic Development Bank (IsDB) and South Centre publication on *National Ecosystem on SSTrC*. The pandemic and the lockdown in various countries triggered the suspension of various activities. SSC national agencies in many developing countries which have no experience and capacity in coping with such kind of crisis have been uncertain about how to conduct SSTrC. In the past couple of months, the actions taken by some developing countries, the guidance from the United Nations and regional development banks have provided orientation and activities were subsequently revived. During COVID-19, SSTrC has proven to be an important tool to address the global emergency, as exemplified by the assistance provided by Cuban doctors and by China's support through

financing and supplies to various developing countries.<sup>13</sup> Moussa Mahamat, Chairperson of the African Union Commission, noted: "I would like to highlight support provided by China and Cuba. They supplied us with medical equipment, which was delivered to African countries" at the virtual NAM Summit themed "United Against COVID-19" on 4 May 2020.

The South Centre has been implementing the activities on SSTrC initiated prior to the pandemic with no interruption. To implement the national ecosystem on SSTrC, the IsDB and South Centre have started to work on one of the key pillars of the national ecosystem, national strategies on SSTrC.

The South Centre is also providing substantive support to the preparation of the 15th session of the ministerial conference of the United Nations Conference on Trade and Development (UNCTAD 15) through interactions with the G77+China and offering views to the Global Commission: Trade and Development Options 2020 of the host. The Centre has attended a series of meetings and offered inputs.

#### **Publications**

Contribution to the section on **Future of the international (development) cooperation system** in the GIZ book *Going Beyond Aid – International Cooperation between ODA and Universality. A collection of thoughts and perspectives* (June 2020)

By Yuefen Li

### Meetings/Webinars Attended

- 5 February Zoom meeting with Global Commission, Barbados on UNCTAD 15
- 13 February Zoom meeting with Global Commission, Barbados on UNCTAD 15
- 30 April Senior Advisor on South-South Cooperation and Development Finance and staff members of the SDCCG attended a webinar on "COVID-19 experience and lessons: Country-to-Country learning and South-South & triangular cooperation" organized by the socialprotection.org, with UNOSSC and UNICEF.
- 7 May Senior Advisor on South-South Cooperation and Development Finance and staff members
  of the SDCCG attended a UNDP & UNOSSC Webinar on Socio-economic Implications of the
  COVID-19 Pandemic on Developing Countries and Role of South-South and Triangular
  Cooperation.
- 14 May Senior Advisor on South-South Cooperation and Development Finance attended the Ambassadorial meeting of the Group of 77 and China "Standing dialogue on the impact of the COVID-19 pandemic on developing countries" as part of Preparatory process for UNCTAD 15.

## 16. Financing for Development

The COVID-19 pandemic requires developing countries to deploy immense financial resources to introduce the required lockdowns and social distancing to control the spread of the virus, which, as an

<sup>&</sup>lt;sup>13</sup> See e.g. <a href="https://www.newsfirst.lk/2020/03/18/china-extends-concessionary-loan-to-sri-lanka-to-combat-covid-19/">https://www.newsfirst.lk/2020/03/18/china-extends-concessionary-loan-to-sri-lanka-to-combat-covid-19/</a>; <a href="https://www.scmp.com/news/asia/southeast-asia/article/3075975/coronavirus-malaysia-gets-first-batch-chinese-aid-fight;">https://elpais.com/sociedad/2020-03-22/cuba-envia-a-italia-y-america-latina-brigadas-medicas-para-enfrentar-el-coronavirus.html.</a>

unintended consequence, have severely damaged almost all channels for governments to earn revenue including collapsing trade, plunging commodity prices, fall in remittances, sudden stop of tourism and the need to cut taxation. A synchronized economic recession is looming. Development finance is under the spotlight as developing countries need money to save lives and maintain social and economic stability. However, the exploding debt burden, to a large extent a legacy of the 2008 global financial crisis, was a pre-existing urgency the global community has to address.

The South Centre undertook research on the development finance challenges facing the developing countries which have been further worsened by the pandemic and tried to search for possible solutions. The Centre in the first half of 2020 actively assisted the Group of 77+ China in highlighting the development finance problem in its preparation for UNCTAD XV, participated in the United Nations finance for development process and the G24 meetings to put forward proposals for addressing the imminent problems and for future inclusive, sustainable and fairer economic recovery from the pandemic. The Centre also participated in meetings organized by various institutions, including NGOs and academia. The South Centre has been implementing the activities planned prior to the pandemic with no interruption, except some virtually, owing to the travel restrictions. For instance, the Centre submitted a statement to the G24 Ministerial meeting and participated virtually in the meeting.

#### **Publications**

The Weakness of Economic Multilateralism/La debilidad del multilateralismo económico (SouthViews No. 201, 23 June 2020)

By/Por José Antonio Ocampo

https://www.southcentre.int/southviews-no-201-23-june-2020/

14/04/2020 - SouthNews: South Centre Statement to G24

## Meetings/Webinars Attended

- 14 April Senior Advisor on South-South Cooperation and Development Finance attended the Virtual G24 meeting.
- 7 May Senior Advisor on South-South Cooperation and Development Finance attended a
  webinar on "Born Out of Necessity: A Debt Standstill for COVID-19" organized by the CEPR,
  London School of Economics and others to discuss a mechanism to implement a debt standstill
  which would free significant resources to cover some of the more immediate costs of the COVID19 crisis.
- 11 May Executive Director spoke at the virtual meeting of the UNDESA Inter-agency Task Force on Financing for Development.
- 28 May Senior Advisor on South-South Cooperation and Development Finance attended virtually the High-Level Event on Financing for Development in the Era of COVID-19 and Beyond. The Event was convened by the UN Secretary-General, H.E. Mr. António Guterres, the Prime Minister of Canada, H.E. Mr. Justin Trudeau, and the Prime Minister of Jamaica, H.E. Mr. Andrew Holness.



- 17 June Senior Advisor on South-South Cooperation and Development Finance spoke as a panelist at the Eurodad debt policy forum on debt and economic recovery.
- 23 June Executive Director attended a webinar "The G20 in the time of Covid-19: Challenges to the ideal of Club governance" held by the German Development Institute / Deutsches Institut für Entwicklungspolitik (DIE) and the South African Institute of International Affairs (SAIIA).



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