

Semester Report

January - June 2021



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^{1 2} summarizes the activities undertaken by the South Centre during the period 1st January to 30 June 2021. 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 of the outcomes of internal policy-oriented research and external contributions made as a result of cooperation with the Centre.

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1. Response to the COVID-19 Pandemic

The COVID-19 pandemic remains a global public health emergency in the first semester of 2021. The multilateral mechanisms put in place within the Access to COVID-19 Tools (ACT) Accelerator have had a marginal impact on enabling developing countries to respond effectively to the COVID-19 pandemic. Developed countries have purchased more vaccine doses than needed while most developing countries are struggling to vaccinate the population at greatest risk. Global inequity in vaccine access, as well as for medicines and diagnostics for mitigating COVID-19, has led to a 'two-track pandemic' whereby cases decline in some countries but continue to increase in others. Meanwhile, new variants have emerged that may spread faster and may accelerate the pandemic. To address the undersupply of vaccines, developing countries are aiming to scale up manufacturing capacity, such as the development of a mRNA hub in South Africa with the World Health Organization (WHO)'s support. However, these efforts are hindered by the reluctance of the leading manufacturers to voluntarily share intellectual property (IP) and know-how over COVID-19 health technologies through the WHO COVID-19 Technology Access Pool (C-TAP) initiative. In this context, advancing other mechanisms have taken increased importance, in particular the proposal for a waiver to certain obligations in the World Trade Organization (WTO) Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) under discussion.

The South Centre has produced a number of research papers, policy briefs, SouthViews and SouthNews articles and organized various webinars, briefings and expert consultations on the subject, as described below.

Publications

Reconsidérations sur la fabrication mondiale et locale de produits médicaux après le COVID-19 (Document de Recherche 118, Janvier 2021) *par Germán Velásquez*
<https://www.southcentre.int/document-de-recherche-118-janvier-2021/>

Repensando la fabricación mundial y local de productos médicos tras el COVID-19 (Documento de Investigación 118, Junio 2021) *por Germán Velásquez*
<https://www.southcentre.int/documento-de-investigacion-118-junio-2021/>

Repenser la R&D pour les produits pharmaceutiques après le choc du nouveau coronavirus COVID-19 (Rapport sur les politiques 75, Janvier 2021) *par Germán Velásquez*
<https://www.southcentre.int/rapport-sur-les-politiques-75-janvier-2021/>

**Expanding the production of COVID-19 vaccines to reach developing countries
Lift the barriers to fight the pandemic in the Global South (Policy Brief 92, April 2021)**
by Carlos M. Correa <https://www.southcentre.int/policy-brief-92-april-2021/>

Access to Medical Equipment in a Pandemic Situation: Importance of Localized Supply Chains and 3D Printing (SouthViews No. 213, 23 February 2021) *by Muhammad Zaheer Abbas, PhD*
<https://www.southcentre.int/southviews-no-213-23-february-2021/>

South Centre series on manufacturing capacity for COVID-19 kicks off with Brazil's Butantan Institute's experience with Sinovac (SouthNews No. 363, 1 April 2021) *by Vitor Ido*
<https://mailchi.mp/southcentre/southnews-south-centre-series-on-manufacturing-capacity-for-covid-19-kicks-off-with-brazils-butantan-institutes-experience-with-sinovac>



To watch the recording of the webinar, please go to:
<https://www.youtube.com/watch?v=H6dmVvxRiOo>

An overview of the growing legal measures and initiatives at national level and at the WTO to ensure access to Covid-19 vaccines by Vitor Ido (SouthNews No. 367, 22 May 2021) <https://us5.campaign-archive.com/?u=fa9cf38799136b5660f367ba6&id=bd2f68c9ac>

Una descripción general de las crecientes medidas legales e iniciativas a nivel nacional y en la OMC para garantizar el acceso a vacunas contra la Covid-19 (SouthNews No. 369, 3 de junio de 2021) por Vitor Ido <https://us5.campaign-archive.com/?u=fa9cf38799136b5660f367ba6&id=66bd3165d9>

Un aperçu du nombre croissant des mesures et initiatives juridiques au niveau national et à l'OMC pour garantir l'accès aux vaccins contre la Covid-19 (SouthNews No. 370, 3 juin 2021) par Vitor Ido <https://us5.campaign-archive.com/?u=fa9cf38799136b5660f367ba6&id=d1f8f65f93>

Investment agreements and intellectual property: concerns for developing countries on possible investor claims in the context of the COVID-19 pandemic (SouthNews No. 375, 10 June 2021) by Vitor Ido <https://us5.campaign-archive.com/?u=fa9cf38799136b5660f367ba6&id=183291e680>



To watch the recording of the webinar, please go to: <https://www.youtube.com/watch?v=4tLswcXpAxo>

Scope of Compulsory License and Government Use of Patented Medicines in the Context of the COVID-19 Pandemic (February 2021) <https://www.southcentre.int/covid-19-compulsory-licenses-table-february-2021/>

Scope of Compulsory License and Government Use of Patented Medicines in the Context of the COVID-19 Pandemic (March 2021) <https://www.southcentre.int/covid-19-compulsory-licenses-table-march-2021/>

2. Capacity Building Activities on TRIPS Flexibilities for Public Health

The use of TRIPS flexibilities is an enabling factor for broadening access to medicines and other medical products, increasing supply and lowering prices. 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 continued to provide expert legal and policy advice to Geneva-based missions, Ministries of Foreign Affairs, Ministries of Health and patent offices, as well as to impart virtual trainings using its e-learning platform. The South Centre has also continued to undertake reviews of national legislation and regulations, advancing recommendations for the effective use of TRIPS flexibilities to promote access to medical products. These services are available to developing countries at no cost, as a project supported by Unitaids. More information is available at <https://ipaccessmeds.southcentre.int>. A number of publications have been made on this subject in the semester.

Publications

Intellectual Property in the EU–MERCOSUR FTA: A Brief Review of the Negotiating Outcomes of a Long-Awaited Agreement (Research Paper 128, February 2021) by Roxana Blasetti, in collaboration with Juan I. Correa <https://www.southcentre.int/research-paper-128-february-2021/>

TRIPS Flexibilities and TRIPS-plus Provisions in the RCEP Chapter on Intellectual Property: How Much Policy Space is Retained? (Research Paper 131, June 2021) by Vitor Henrique Pinto Ido <https://www.southcentre.int/research-paper-131-june-2021/>

Interpreting the Flexibilities Under the TRIPS Agreement (Research Paper 132, June 2021) by Carlos M. Correa <https://www.southcentre.int/research-paper-132-june-2021/>

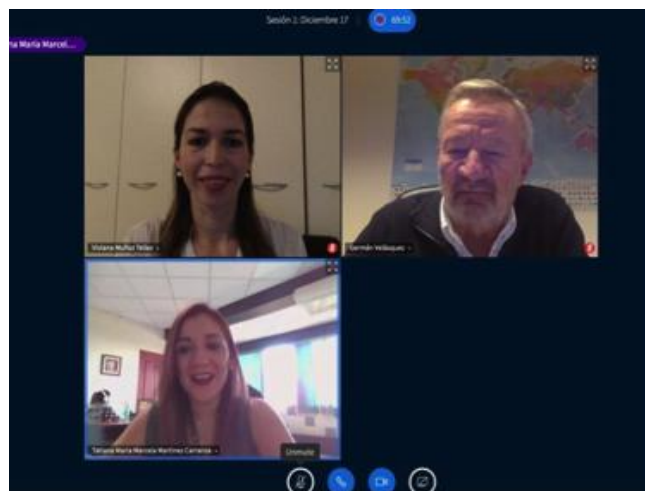
Competition Regulation in Healthcare in South Africa (Policy Brief 89, March 2021) by Hardin Ratshisusu <https://www.southcentre.int/policy-brief-89-march-2021/>

Compulsory license in Germany: Analysis of a landmark judicial decision (Policy Brief 91, April 2021) by Christoph Spennemann and Clara Warriner <https://www.southcentre.int/policy-brief-91-april-2021/>

The Role of Courts in Implementing TRIPS Flexibilities: Brazilian Supreme Court Rules Automatic Patent Term Extensions Unconstitutional (Policy Brief 94, June 2021) by Vitor Henrique Pinto Ido <https://www.southcentre.int/policy-brief-94-june-2021/>

Propiedad intelectual y acceso a medicamentos: una introducción a cuestiones clave – algunos términos y conceptos básicos (Material de capacitación 1, Junio 2021) por Germán Velásquez <https://www.southcentre.int/material-de-capacitacion-1-junio-2021/>

Building capacities on intellectual property and access to medicines (SouthNews No. 360, 17 February 2021) by Viviana Munoz <https://mailchi.mp/southcentre/southnews-building-capacities-on-intellectual-property-and-access-to-medicines>



3. Multilateral Negotiations: WIPO

The South Centre provided input for delegations on the questionnaire to inform the preparation of the Mid Term Strategic Framework for the next six years by the World Intellectual Property Organization (WIPO) Secretariat, under the new Director-General leadership. This framework will inform the preparation of the programs and budget allocation. South Centre has highlighted the need for WIPO to step up its response to COVID-19, particularly in undertaking patent landscapes for COVID-19 vaccines and fostering discussion on the use of TRIPS flexibilities.

Multilateral discussions in the different standing committees and ad hoc negotiating bodies in WIPO progressed slowly in the first semester of 2021 due to the prevailing COVID-19 pandemic situation. However, meetings of the different WIPO bodies are gradually being reconvened since June 2021. In this context, the South Centre engaged in providing preparatory support to developing countries for the 41st session of the Standing Committee on Copyright and Related Rights (SCCR) which was held from 28 June to 1 July. For developing countries, it will be important to ensure that the SCCR negotiations on the text of a broadcasting treaty are transparent and inclusive and are not advanced through informal negotiations with limited participation of all member States. It would also be critical for developing countries to ensure progress towards text based negotiations on copyright exceptions and limitations for libraries and archives, as well as for educational and research institutions and for persons with disabilities other than visual or print disabilities. Moreover, in view of the adverse impact of COVID-19 on access to educational material in remote online settings, particularly in developing countries, further discussion on copyright and COVID-19 will be important for developing countries.

Publications

WIPO Negotiations for an International Legal Instrument on Intellectual Property and Genetic Resources (Policy Brief 87, February 2021) by Nirmalya Syam
<https://www.southcentre.int/policy-brief-87-february-2021/>

4. Multilateral Negotiations: WTO

In the WTO, a major issue for developing countries in relation to intellectual property and transfer of technology relates to the proposed adoption of a waiver for the TRIPS Agreement obligations in relation to products needed to address the COVID-19 pandemic. A revised proposal was submitted by India and South Africa and supported by more than 100 countries. Discussions are ongoing in the TRIPS Council for text-based negotiations on the waiver. The other major issue in this area in WTO is the decision on the extension of the TRIPS transition period for Least Developed Countries (LDCs). The South Centre provided support in terms of preparation for the negotiations, public support for the proposals as well as research publications on these issues.

With regard to the TRIPS waiver, the revised proposal suggests that it would apply in respect of health products and technologies for the prevention, containment and treatment of COVID-19, including vaccines, diagnostics, therapeutics, medical devices, personal protective equipment, their materials or components, and their methods and means of manufacture. The waiver is proposed for a duration of at least three years, subject to annual review of the waiver as mandated under article IX.4 of the WTO Agreement. Despite the growing support for the proposed waiver, some developed countries, particularly the European Union (EU) members, continue to oppose it. Indeed, the EU has submitted an alternative proposal to the WTO General Council which, *inter alia*, focuses on facilitating the use of the available flexibilities under the TRIPS Agreement, particularly article 31 bis, without grant of a waiver. Thus, there is likely to be an insistence on the part of developed countries to limit the outcome of the negotiations on the proposed waiver to vaccines and also explore alternative solutions based on good faith collaboration on the part of intellectual property (IP) right holders. Such an outcome would be very modest and inadequate to address the needs of developing countries and LDCs. Hence, a critical challenge for developing countries will be to ensure that the waiver decision is sufficiently broad in scope and is not constrained by limiting conditionalities, or other alternative approaches that are insufficient in the current context. In this regard, the South Centre has undertaken a number of briefings for developing country delegates as well as public webinars on the legitimacy and justification for the TRIPS waiver. In addition, the South Centre has also organized interactive discussions with experts on the modalities of implementation of the waiver through appropriate national legal, policy or judicial measures, as well as explored options to safeguard the implementation of the waiver from TRIPS plus obligations under free trade agreements or challenges under international investment agreements (IIAs).

With regard to the extension of the TRIPS transition period for LDC members of the WTO, the South Centre supported the LDC group in preparing for discussions in the WTO for a decision on the duly motivated request submitted by LDCs for a further extension of the transition period available to LDCs under article 66.1 of TRIPS, which exempts LDC members from implementing the substantive provisions of TRIPS for IP protection and enforcement, during the transition period. The LDC group had, as part of this request, sought an extension of this period until their graduation, and then for another 12 years for LDCs following their graduation to overcome the challenges such countries face towards sustainable graduation due to the continuation of their vulnerabilities as LDCs and the adverse impact on their sustainable development due to the COVID-19 pandemic. In June 2021, the TRIPS Council extended the transition period for LDCs only till 1 June 2034. The South Centre issued a statement regretting the limited scope of this decision. Ensuring availability of the transition period after their graduation remains a critical issue for the LDCs, which is currently an element of a proposal submitted by the LDCs before the WTO General Council.



Publications

The TRIPS waiver proposal: an urgent measure to expand access to the COVID-19 vaccines (Research Paper 129, March 2021) by *Henrique Zeferino de Menezes*
<https://www.southcentre.int/research-paper-129-march-2021/>

Need for Extension of the LDC Transition Period Under Article 66.1 of the TRIPS Agreement Until Graduation and Beyond (Policy Brief 88, March 2021) by *Nirmalya Syam*
<https://www.southcentre.int/policy-brief-88-march-2021/>

Broad support for the extension of the transition period exempting LDCs from implementing the TRIPS Agreement – but consensus lagging at WTO (SouthNews No. 366, 20 May 2021) by *Nirmalya Syam*
<https://us5.campaign-archive.com/?u=fa9cf38799136b5660f367ba6&id=c431336f59>



To watch the recording of the webinar, please go to:
<https://www.youtube.com/watch?v=tAIMTQzFvNc>

Large soutien à la prorogation de la période de transition exemptant les pays les moins avancés (PMA) de la mise en œuvre de l'Accord sur les ADPIC - mais le consensus demeure en retard à l'OMC (SouthNews No. 371, 5 juin 2021) par Nirmalya Syam <https://us5.campaign-archive.com/?u=fa9cf38799136b5660f367ba6&id=7a9db21e0d>

Amplio respaldo por la extensión del período de transición que exige a los países menos desarrollados (LDC) de implementar el Acuerdo TRIPS; no obstante, se está demorando el consenso en la OMC (SouthNews No. 372, 5 de junio de 2021) por Nirmalya Syam <https://us5.campaign-archive.com/?u=fa9cf38799136b5660f367ba6&id=2f89ed802e>

Statement by the South Centre on the extension of the transition period for LDCs under the TRIPS Agreement (June 2021) <https://www.southcentre.int/statement-june-2021-2/>

5. Biodiversity, Access to Genetic Resources and Traditional Knowledge and Benefit-Sharing

Support for developing countries for the regulation of access to and utilization of genetic resources and associated traditional knowledge continues to be the focus of the South Centre work in this area. There are various interrelated international instruments in this area. The principal agreement is the Convention on Biological Diversity (CBD), and its subsidiary agreement the Nagoya Protocol. The Food and Agriculture Organization (FAO) Plant Treaty also regulates sharing of plant genetic resources for food and agriculture. In the WTO TRIPS Council, discussions continued, albeit without any concrete outcome, on the proposal for a mandatory disclosure requirement of the origin/source of genetic resources and associated traditional knowledge in patent applications. In WIPO, similar discussions ensue. The South Centre published in this period a research paper updating the status of discussions and main interests of developing countries in the various fora.

The South Centre is also supporting developing countries in the process for negotiation of the post-2020 global biodiversity framework and discussions on the link of biodiversity and health in the context of the COVID-19 pandemic. A policy brief was published on core elements for an effective and balanced post-2020 global biodiversity framework. The South Centre also participated in the meetings of the subsidiary bodies of the CBD and made a statement on the issues under consideration.

Publications

Misappropriation of Genetic Resources and Associated Traditional Knowledge: Challenges Posed by Intellectual Property and Genetic Sequence Information (Research Paper 130, April 2021) by Nirmalya Syam and Thamara Romero
<https://www.southcentre.int/research-paper-130-april-2021/>

Proposals to Advance the Negotiations of the Post 2020 Biodiversity Framework (Policy Brief 90, March 2021) by Dr. Viviana Muñoz Tellez
<https://www.southcentre.int/policy-brief-90-march-2021/>

South Centre Contribution in response to UPOV Circular E-20/246 (February 2021)
<https://www.southcentre.int/sc-submission-february-2021/>

South Centre Statement to the formal meeting of SBSTTA 24, Agenda Item 3: Post 2020 GBF (June 2021) <https://www.southcentre.int/statement-june-2021/>

6. World Health Organization

The COVID-19 pandemic continued to remain a global public health emergency through the first semester of 2021, remaining a core issue in the WHO. The issue of strengthening the WHO's role in emergency preparedness and response for future pandemics has also received much attention in the WHO discussions. For developing countries, the critical challenge will be to ensure that substantial focus remains on WHO coordinated response to the COVID-19 pandemic and ensuring that the mechanisms established to supply vaccines and other health technologies for responding to COVID-19 by developing countries are effective and fit for purpose. Till date, existing mechanisms such as COVAX, ACT Accelerator and C-TAP have had very marginal impact on enabling developing countries to respond effectively to the COVID-19 pandemic.

During the first semester of 2021, WHO member States engaged in a series of informal negotiations to decide the text of a resolution on strengthening WHO's emergency preparedness and response for future pandemics, as well as discussions on the possible launch of negotiations for a Pandemic Treaty. WHO member States are also engaged in discussions on exploring options for ensuring sustainable financing for WHO in a member State working group. These discussions are also informed by the findings and recommendations contained in the reports on WHO response to COVID-19 by an Independent Panel for Pandemic Preparedness and Response (IPPR), the review of implementation of the International Health Regulations (IHR), and the report of the Independent Oversight and Advisory Committee (IOAC) of the WHO Health Emergencies Programme.

The South Centre organized a number of preparatory briefings for the discussions on the text of the resolution on strengthening WHO's emergency preparedness and response for future pandemics, the recommendations of the reports of the IPPR, IHR Review and the IOAC, and the discussions in the Working Group on Sustainable Financing. The Centre also organized a general preparatory briefing for the World Health Assembly for developing countries. During the 74th World Health Assembly much of the time was dedicated to discussing the COVID-19 response and WHO's work in health emergencies. The Assembly considered the reports of three major review bodies - the IOAC, the IPPR and the International Health Regulations Review Committee (IHRC). The WHA adopted a resolution on WHO's emergency preparedness and response which established a working group of member States to discuss the recommendations of the three reports. The Assembly also adopted a decision to hold a special session of the World Health Assembly in November 2021 to consider developing a WHO convention, agreement or other international instrument on pandemic preparedness and response. The Centre also produced analysis on the proposed Pandemic Treaty.

Publications

Vaccins, Médicaments et Brevets. La covid-19 et l'impératif d'une organisation internationale (Livre, 2021) par Germán Velásquez <https://www.southcentre.int/book-by-the-south-centre-2021/>



Les réformes de l'Organisation mondiale de la Santé à l'époque de COVID-19
 (Document de Recherche 121, Janvier 2021) *par Germán Velásquez*
<https://www.southcentre.int/document-de-recherche-121-janvier-2021/>

A New WHO International Treaty on Pandemic Preparedness and Response: Can It Address the Needs of the Global South? (Policy Brief 93, May 2021) *by Germán Velásquez and Nirmalya Syam*
<https://www.southcentre.int/policy-brief-93-may-2021/>

The Proposed Pandemic Treaty and the Challenge of the South for a Robust Diplomacy (SouthViews No. 218, 19 May 2021) *by Obijiofor Aginam*
<https://www.southcentre.int/southviews-no-218-19-may-2021/>

Non-Aligned Movement Statement at the 74th World Health Assembly (SouthNews No. 368, 2 June 2021) <https://us5.campaign-archive.com/?u=fa9cf38799136b5660f367ba6&id=27c0fba88d>

South Centre Statement on World TB Day (March 2021)
<https://www.southcentre.int/statement-march-2021/>

South Centre General Statement to the Seventy-fourth World Health Assembly (May 2021) <https://www.southcentre.int/statement-may-2021/>

SOUTH CENTRE STATEMENT FOR THE 74TH WORLD HEALTH ASSEMBLY: Agenda Item 13.5. Antimicrobial Resistance (May 2021) <https://www.southcentre.int/statement-may-2021-2/>

SOUTH CENTRE STATEMENT FOR NAM HEALTH MINISTERS MEETING AT THE 74TH WORLD HEALTH ASSEMBLY (May 2021) <https://www.southcentre.int/statement-may-2021-3/>

7. Antimicrobial Resistance

Antimicrobial resistance (AMR) continues to be a critical health issue with severe effects for developing countries. In the context of the ongoing COVID-19 pandemic there are increasing concerns that antimicrobial use may have increased during the pandemic and that this could exacerbate AMR. Furthermore, the One Health response to AMR continues to be a challenge, but there is an increased awareness. The lack of financing for implementing national action plans (NAPs) is causing concern that progress on AMR may stall. The global governance for AMR was strengthened by the establishment of a One Health Global

Leadership Group on AMR (GLG) that has called attention to the need to increase global financial support.

As part of the efforts to broaden engagement of civil society organizations (CSOs) on AMR, the South Centre together with ReAct Africa held a CSO workshop from March 24th to 26th. The theme was “Increasing CSOs participation to address AMR and contribute to the global development agenda”. The main objective of the workshop was to build capacity on AMR advocacy for CSOs working in the human, animal, agricultural and environmental sectors – including those with substantial experience in advocating for health-related policy changes. The workshop also had the participation of the Africa Centres for Disease Control and Prevention (CDC) and the regional Tripartite Plus agencies (United Nations Environment Programme (UNEP), WHO Regional Office for Africa (AFRO), World Organisation for Animal Health (OIE) and FAO).

On 29 of April the United Nations held a High-level Dialogue on Antimicrobial Resistance. The purpose of the dialogue was to strengthen political commitment, take stock of progress, recommit to actions, and build back better from COVID-19. The dialogue also aimed at presenting practical steps to address current challenges to tackle AMR as part of future pandemic preparedness through a One Health approach while supporting the delivery of the Sustainable Development Goals (SDGs). The Executive Director of the South Centre participated in the first segment of the Dialogue. A report on the discussions was prepared and disseminated.

As part of the preparations for the World Health Assembly the South Centre prepared an information session for delegations on the growing problem of multi-drug resistant infections and access to antibiotics. The session examined antimicrobial resistance, pandemic preparedness and the need for innovation and access to antibiotics, drawing on lessons learned from the COVID-19 pandemic. The information session had the participation of the expert Dr. Anthony So, MD, MPA, second Professor of the Practice and Founding Director of the Innovation+Design Enabling Access (IDEA) Initiative at the Johns Hopkins Bloomberg School of Public Health and the Director of the Strategic Policy Program of ReAct.

The South Centre also continued to participate and support activities of the Antimicrobial Resistance Coalition – ARC Coalition.

Publications

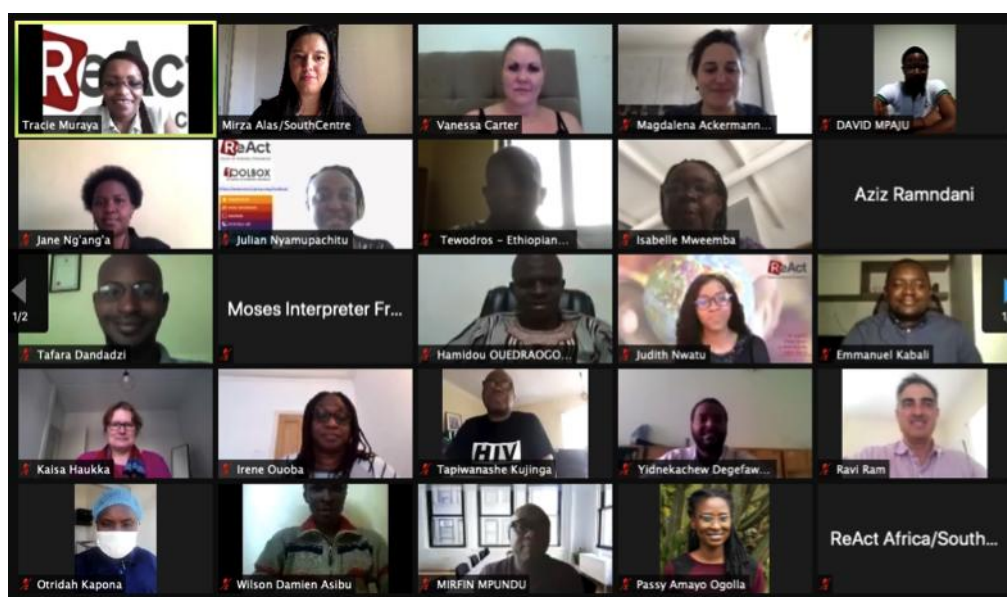
South Centre Supported Civil Society Awareness Campaigns During World Antimicrobial Awareness Week (WAAW) 2020 (South Centre News on AMR No. 47, 2 February 2021) by Mirza Alas <https://us5.campaign-archive.com/?u=fa9cf38799136b5660f367ba6&id=d1e859a749>

Advancing the One Health response to Antimicrobial Resistance (South Centre News on AMR No. 48, 19 February 2021) by Mirza Alas <https://us5.campaign-archive.com/?u=fa9cf38799136b5660f367ba6&id=cd6c7f8731>



To watch the recording of the webinar, please go to:
<https://www.youtube.com/watch?v=eRg7XMDSHIM>

ReAct Africa and South Centre bring together African civil society organizations to advance actions on antimicrobial resistance (AMR) (South Centre News on AMR No. 49, 20 April 2021) by Mirza Alas <https://us5.campaign-archive.com/?u=fa9cf38799136b5660f367ba6&id=148f6b346d>



Highlights of the UN High-Level Dialogue on Tackling AMR (South Centre News on AMR No. 50, 22 June 2021) by Mirza Alas <https://us5.campaign-archive.com/?u=fa9cf38799136b5660f367ba6&id=299c3d9635>



8. The 4th Industrial Revolution and its Impact

The socio-economic implications of the so-called ‘4th Industrial Revolution’ raises serious concerns among developing countries, as major changes, *inter alia*, in investment and trade patterns, labor demand and educational needs are expected. The Centre contributes with analyses of the possible implications of the new technologies underpinning such a ‘revolution’ particularly in relation to the formulation of industrial policies and technological catching-up strategies.

COVID-19 continues to exacerbate the use of digital technologies and big data for various social and economic purposes, including contact tracing, vaccine ‘passports’, digital educational technologies, e-health, etc. Collection and use of vast amounts of data have increasingly become a matter of regulatory and human rights concern, at the interface of privacy, community data sovereignty, technological catch-up strategy, industrial policies, among others. They also raise the concern of ‘data colonialism’ and questions about how to avoid purely extractive patterns with regards to data. Big tech firms are also put on the spotlight by antitrust agencies in various jurisdictions, while many developing countries continue to reflect on how to reduce the technological gap and leapfrog in their digital development strategies.

The 4th Industrial Revolution may also reiterate existing inequalities, increase precarity and bring exclusion; these are particularly crucial topics for developing countries to cooperate on and advocate for an international system that is apt to address and counter such detrimental consequences, including in race, gender, ethnicity, and sexual orientation discrimination, diminish the risks of new technologies, and promote technology transfer to the global South.

In this context, the South Centre continues to monitor processes and ongoing policy and regulatory discussions at the multilateral, regional, and national levels. For example, the South Centre participated in the United Nations Conference on Trade and Development (UNCTAD) Digital Economy Report 2021 - Peer Review on Data Flows and Development, which took place between 23-25 February.

It also organized a briefing on 3 March on the global digital cooperation architecture which is being elaborated under purview of the office of the UN Secretary-General, including the proposal of a new High Level Multi-stakeholder body that may have important implications on the development of global Internet/digital related policy, particularly with respect to the participation of the private sector in shaping digital cooperation. The issue is also at the crossroads of various topics, including Internet regulation, data governance, digital rights as human rights and intellectual property-related matters.

The Centre also collaborated with the Swiss Chinese Law Association in an event on competition law in digital platforms and the intersection between platform economies and intellectual property on 30 April 2021.

The South Centre continues to monitor issues pertaining to e-commerce at the WTO, disciplines on Big data, the discussions on artificial intelligence (AI) and frontier technologies at WIPO and digital health at the WHO. The South Centre is also working on a number of research outputs on these topics.

Publications

Technology and inequality: can we decolonise the digital world? (SouthViews No. 215, 6 April 2021) by Padmashree Gehl Sampath <https://www.southcentre.int/southviews-no-215-6-april-2021/>

An Introduction to the UN Technology Bank for the Least Developed Countries (SouthViews No. 216, 4 May 2021) by Spring Gombe <https://www.southcentre.int/southviews-no-216-4-may-2021/>

9. Climate Change and Sustainable Development

Due to the restrictions posed by the COVID-19 pandemic, the last in-person Conference of Parties (COP) held was the 25th Conference in Madrid between 2 and 13 of December 2019.³ In 2020, climate negotiations were postponed, and in its place the United Nations Framework Convention on Climate Change (UNFCCC) organized a series of Climate Dialogues. The first semester of 2021, all restrictions continued. Despite this, the UNFCCC secretariat, together with the UK Presidency, conducted the Climate Change Conference Sessions of the Subsidiary Bodies (SB) in virtual format, which were held from 31 of May to 17 of June 2021.

The Subsidiary Body for Implementation (SBI) and the Subsidiary Body for Scientific and Technological Advice (SBSTA) met during three weeks and the outcomes of the meetings were captured by informal notes in preparation for the adoption of documents in the next in-person COP 26 in Glasgow in November 2021.

The SB virtual meetings showed that positions of countries remain the same. On issues of interest for developing countries, no progress has been made. On finance for climate change, for instance, very little progress has been made in relation to the Paris commitments from developed countries to contribute 100 billion per year, which caused frustration from developing countries. COP 26 will be the set up to determine the new collective finance goal by 2025. In terms of substance, little or no progress has been made. Countries were “encouraged” to submit or communicate their new, enhanced nationally determined contributions (NDCs). Issues related to article 6 remain on the table unchanged as they were at COP 25. No progress was made on the critical issues of loss and damage and adaptations. Remarkably the virtual format of the sessions received strong criticism from many developing countries.⁴ There were problems with Internet connectivity, poor audio, power-cuts, as well as different time-zones, and other problems in capitals that hampered the effective participation and engagement of developing countries.

The South Centre is following the process towards the COP26. The virtual format of the meetings makes overall participation difficult. However, it is relevant not to lose sight of the

³ Under the Presidency of Chile.

⁴ Third World Network (TWN) Climate News Update No. 5.

negotiations, not only in the context of the UNFCCC but also in other forums like the World Trade Organization (WTO) where some initiatives have been submitted on environmental goods, as well as to follow unilateral measures related to climate change such as carbon taxes proposed by Spain, Japan and others and their possible impact on developing countries.

Publications

The UNFCCC Virtual Regional Workshops on Gender and Climate Change 2020

(Climate Policy Brief 25, February 2021) by *Mariama Williams*

<https://www.southcentre.int/climate-policy-brief-25-february-2021/>

Increasing ecocides: On the need for a new global platform for redress (SouthViews

No. 214, 26 February 2021) by *Dr S Faizi* [https://www.southcentre.int/southviews-no-214-](https://www.southcentre.int/southviews-no-214-26-february-2021/)

[26-february-2021/](https://www.southcentre.int/southviews-no-214-26-february-2021/)

Green Climate Fund (GCF)

With the support of the Green Climate Fund, the South Centre is engaged in a readiness project with the government of Lebanon for “Strengthening and enhancing Lebanon’s institutional arrangements and capacity to enable and optimize access to the Green Climate Fund”. The project includes a series of activities aiming to contribute to the enhancement of the government of Lebanon’s capacities for a further involvement with the GCF.

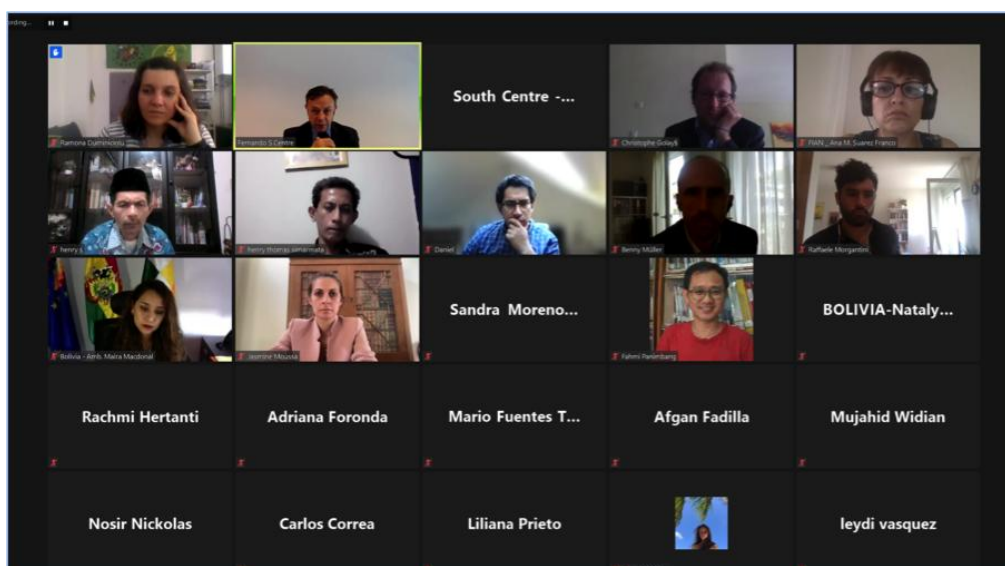
10. Responsible Investment and Human Rights

The UN Declaration on the Rights of Peasants and other people working in rural areas

The United Nations (UN) General Assembly adopted the UN Declaration on the Rights of Peasants and other people living in rural areas (UNDROP) in December 2018. However, after two years and a half of its adoption the implementation of the UNDROP is still pending in most countries.

Peasants in many places are still suffering discrimination and vulnerability. Things may have worsened due to the social and economic crisis produced by the COVID-19 pandemic, but no detailed data are available yet.

The UNDROP has contributed to expand the international human rights law to a highly vulnerable group; the challenge is now its implementation. In that regard, the South Centre organized a virtual meeting on the 4th of June 2021 to discuss the implementation of UNDROP. The event aimed to promote a debate about future actions to move forward the implementation of UNDROP. For this purpose, the South Centre convened representatives of governments, peasants’ organizations, notably La Via Campesina (LVC), academia, and civil society organizations.



Reform of the International Investment Regime and Human Rights

During the first semester of 2021, the South Centre has served as a platform for promoting dialogue on the challenges arising from the global investment regime, its effects on the right to regulate in the public interest, and to assess progress towards the development of alternatives in this area. The work has included policy research and workshops on the prevention of investor-State dispute settlement (ISDS) claims arising from States' measures related to the COVID-19 pandemic, and on ways to balance the rights and obligations of investors while safeguarding the sovereign right of States to regulate in the public interest for the attainment of the Sustainable Development Goals.

The South Centre engaged in partnerships with other institutions to enhance the capacity of developing country diplomats and negotiators participating in the United Nations Commission on International Trade Law (UNCITRAL) Working Group III (WGIII) which deals with the ISDS reform, including the organization of a preparatory workshop in preparation for the UNCITRAL 40th Session of the Working Group III.⁵ The South Centre also organized a closed consultation with developing countries on prevention of ISDS claims arising from the COVID-19 measures, and a virtual consultation on the preparation of the report to the UN General Assembly on human rights-compatible international investment agreements, together with the Working Group of Experts on Business and Human Rights.

The contribution of the South Centre has also included several policy briefs and submissions relating to different processes and mechanisms in the United Nations. They included a submission on the Working Program proposal by the Chair of WGIII, highlighting the need to include more time for the discussion of "procedural matters", an issue subsequently raised repeatedly by developing countries and reflected in the draft Work Program presented by the Chair.⁶ The South Centre also submitted a contribution to the UN Secretary-General Report to the General Assembly on Strengthening United Nations Action in the Field of Human Rights through the Promotion of International Cooperation, to the Special Session of the General Assembly on Challenges and Measures to Prevent and Combat Corruption and Strengthen International Cooperation and to the Third Session of the Expert Mechanism on the Right to Development. Policy research also considered what actions can be taken for

⁵ The preparatory workshop was co-organized together with the Columbia Centre for Sustainable Investment and the International Institute for Sustainable Development.

⁶ *Report of Working Group III (Investor-State Dispute Settlement Reform) on the work of its resumed fortieth session, Vienna, 4 and 5 May 2021 (A/CN.9/1054)*, para. 17.

'localizing' international investment arbitration and options available for States to face COVID-19 related ISDS claims.

Publications

Countries' Policy Space to Implement Tobacco Packaging Measures in the Light of Their International Investment Obligations: Revisiting the Philip Morris v. Uruguay Case (Investment Policy Brief 20, January 2021) by Alebe Linhares Mesquita and Vivian Daniele Rocha Gabriel <https://www.southcentre.int/investment-policy-brief-20-january-2021/>

Could COVID-19 trigger 'localizing' of international investment arbitration? (Investment Policy Brief 21, April 2021) by Danish <https://www.southcentre.int/investment-policy-brief-21-april-2021/>

Investment Policy Options for Facing COVID-19 Related ISDS Claims (Investment Policy Brief 22, June 2021) by Daniel Uribe and Danish <https://www.southcentre.int/investment-policy-brief-22-june-2021/>

The Right to Development and its Role in International Economic Law (SouthViews No. 212, 28 January 2021) by Olasupo Owoeye <https://www.southcentre.int/southviews-no-212-28-january-2021/>

Elaboration of a new draft Convention on the Right to Development kicks off at the UN (SouthNews No. 374, 8 June 2021) by Daniel Uribe and Danish <https://us5.campaign-archive.com/?u=fa9cf38799136b5660f367ba6&id=93f7d5dd82>



South Centre's Submission to the 3rd Intersessional Meeting for Dialogue and Cooperation on Human Rights and the 2030 Agenda for Sustainable Development, *Strengthening human rights for fighting inequalities and building back better* (January 2021) <https://www.southcentre.int/sc-submission-january-2021/>

Strengthening United Nations Action in the Field of Human Rights through the Promotion of International Cooperation (March 2021) <https://www.southcentre.int/sc-submission-march-2021/>

Submission to the Special Session of the General Assembly on Challenges and Measures to Prevent and Combat Corruption and Strengthen International Cooperation <https://www.southcentre.int/sc-submission-june-2021/>

11. International Tax Cooperation

The first half of 2021 witnessed historic developments that resulted in fundamental changes to the architecture of international taxation. Despite the difficulties posed by the COVID-19 pandemic, there were at least three relevant outcomes.

In February 2021, the UN High Level Panel on International Financial Accountability, Transparency and Integrity for Achieving the 2030 Agenda, known as the 'FACTI Panel', released its Report which contained 14 important recommendations aiming to promote the reform, redesign and revitalization of the global tax architecture.

In a historic development in May 2021, the UN Tax Committee provided its own solution to the taxation of the digital economy through a new article 12B in the UN Model Tax convention.

In June 2021, the Group of 7 (G7) came to an agreement on key elements of the taxation of the digital economy and on a global minimum tax of at least 15%. Subsequently, the Organisation for Economic Co-operation and Development (OECD)/Group of Twenty (G20) Inclusive Framework's agreement on the topic was largely along the same lines. The agreement marked a fundamental change to international taxation. Further details remain to be negotiated with a final agreement expected at the G20 meeting in October 2021.

The South Centre Tax Initiative (SCTI, <https://taxinitiative.southcentre.int/>) was very active organizing activities related to these three main international developments. It organized a briefing - well-attended by tax officials from around the world- on the taxation of software payments as royalties with a view to promoting the interests of developing countries in the April session of the UN Tax Committee. The SCTI presented its submission on the discussion draft on royalties and had presentations by the Base Erosion and Profit Shifting (BEPS) Monitoring Group. In partnership with the FACTI Panel Secretariat, the SCTI also organized a virtual briefing for the ambassadors of the Group of Seventy-seven (G77) and China in Geneva, as well as the SCTI's network of tax officials, on the recommendations of the FACTI Panel report.

In collaboration with the Global Alliance for Tax Justice, a civil society organization (CSO) nominated for the Nobel Peace Prize, a webinar was organized to discuss the key issues for developing countries in the OECD Inclusive Framework Negotiations on the Taxation of the Digital Economy and the latest developments at the OECD regarding the G7 proposal of the 15% global tax that was adopted by the Inclusive Framework.

In addition to these activities, the SCTI also conducted a peer exchange capacity building activity in partnership with the Government of Indonesia, for the tax officers of Bolivia and Argentina. This activity registered more than 130 participants and it was conducted in Spanish and English. Another peer exchange capacity building activity was held only for the tax officers from the Government of Bolivia with training provided by the government of Brazil and the co-Chair of the UN Tax Committee. The topics discussed in these activities were transfer pricing and country-by-country reporting risk assessment, negotiation of double tax avoidance agreements, exchange of information for individual taxpayers and taxation of the digital economy.

SCTI staff received several invitations for speaking in webinars and interviews with prominent media agencies; they shared their views on a variety of topics including the FACTI Panel Recommendations, taxation of the digital economy and reform of the UN Tax Committee.

Webinar
BUILD YOUR HOUSE ON YOUR OWN PILLARS
 Key Issues for Developing Countries at the OECD Inclusive Framework Negotiations on the Taxation of the Digital Economy

WELCOMING REMARKS
 13:00 – 13:05

PANEL DISCUSSION
 13:05 – 14:05

OPEN DISCUSSION
 14:05 – 14:55

CLOSING REMARKS
 14:55 – 15:00

REGISTER NOW

TUESDAY 15 JUNE 1 PM CET

Prof Carlos Correa
 Executive Director, South Centre

Dr. Dereje Alemayehu
 Executive Coordinator, CAT

Carlos Pratto
 Member of the Steering Group of the Inclusive Framework on BEPS (Argentina)

Sol Picciotto
 Coordinator of the BEPS Monitoring Group

Mathew Ghonjola
 Member of the Steering Group of the Inclusive Framework on BEPS (Nigeria)

Rajat Bansal
 Member of the UN Tax Committee

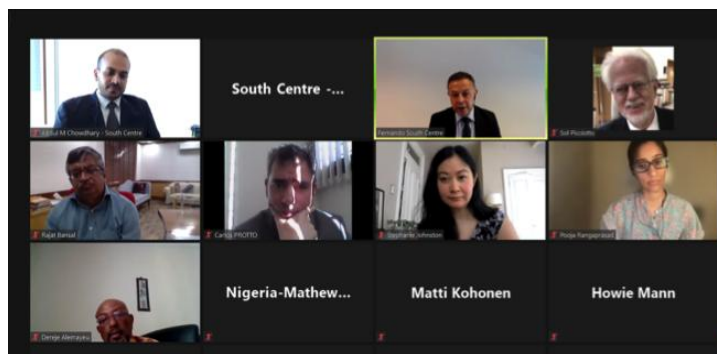
Pooja Rangaprasad
 Director of Policy and Advocacy, Society for International Development

Moderator: Abdul Muheet Chowdhary
 Senior Programme Officer, South Centre Tax Initiative, SDCC Programme, South Centre

Luis Fernando Rosales
 Coordinator, Sustainable Development and Climate Change Programme, South Centre

SOUTH CENTRE

GLOBAL ALLIANCE FOR TAX JUSTICE



To watch the recording of the webinar, please go to: <https://www.youtube.com/watch?v=6Ny0NtszUfw>

Publications

Making the UN Tax Committee more effective for developing countries (Tax Cooperation Policy Brief 13, February 2021) by *Abdul Muheet Chowdhary*

<https://www.southcentre.int/tax-cooperation-policy-brief-13-february-2021/>

The Tax Sovereignty Principle and Its Peaceful Coexistence with Article 12B of the UN Model Tax Convention (Tax Cooperation Policy Brief 14, June 2021) by *Kuldeep Sharma, ADIT (CIOT, UK)* <https://www.southcentre.int/tax-cooperation-policy-brief-14-june-2021/>

Conceptualizing a UN Multilateral Instrument (Tax Cooperation Policy Brief 15, June 2021) by *Radhakishan Rawal* <https://www.southcentre.int/tax-cooperation-policy-brief-15-june-2021/>

Opportunities and Challenges: Tax Cooperation and Governance for Asia-Pacific Countries (SouthViews No. 219, 31 May 2021) by *Sakshi Rai* <https://www.southcentre.int/southviews-no-219-31-may-2021/>

Improve nexus rule for fair distribution of taxing rights to developing countries (SouthViews No. 220, 28 June 2021) by *Radhakishan Rawal* <https://www.southcentre.int/southviews-no-220-28-june-2021/>

South Centre comments to UN Tax Committee on taxation of software payments (SouthNews No. 362, 29 March 2021) <https://mailchi.mp/southcentre/southnews-south-centre-comments-to-un-tax-committee-on-taxation-of-software-payments>

Capacity building for Latin American officials on international taxation (SouthNews No. 364, 19 April 2021) by *Luis Fernando Rosales, Abdul Muheet Chowdhary and Aaditri Solankii* <https://us5.campaign-archive.com/?u=f99cf38799136b5660f367ba6&id=38da48f394>



Comments on Discussion Draft: Taxation of Software Payments as Royalties (March 2021)

<https://www.southcentre.int/sc-submission-march-2021-2/>

12. Fisheries Subsidies

The first half of 2021 was characterized by intensive negotiations on fisheries subsidies, taking place online. South Centre assisted delegations in raising awareness, discussing alternatives and approaches to the draft texts and developing proposals.

13. Agriculture

South Centre worked with the Groups (e.g. G-33, African Group) and individual delegations to discuss and develop proposals on key issues of interest for developing countries including Domestic Support, Public Stockholding Programmes for Food Security Purposes (PSH) and Special Safeguard Mechanism (SSM), as well as food security in general.

14. E-commerce

On e-commerce, South Centre provided a platform for delegations to discuss the way ahead in the Working Party on Electronic Commerce and the implications of extending the moratorium on e-commerce transactions. In the second half of the year, South Centre plans to increase its engagement on e-commerce including raising awareness and increasing analysis on the issues in the Joint Statement Initiative (JSI) on the matter.

15. Investment Facilitation

South Centre's work on investment facilitation focused on providing inputs on clauses regulating the interface between the Investment Facilitation agreement and other bilateral investment treaties and investment agreements (several language proposals by the Centre are currently included in the draft negotiating text).

16. North-South FTAs (e.g. EPAs)

The South Centre continued to monitor various North-South free trade agreements (FTAs) negotiations, in particular the Eastern and Southern Africa (ESA) Economic Partnership Agreement (EPA) and the United States-Kenya FTA and provided on-request ad hoc advice.

The Centre also provided inputs on the Kenya-United Kingdom EPA to stakeholders in Kenya. While the National Assembly ratified the agreement, it agreed that the government must submit annual progress reports on the implementation of the Kenya-UK EPA and perform an annual economic impact assessment outlining the gains, losses and developments arising from the implementation of the Kenya-UK EPA.

17. African Continental Free Trade Area (AfCFTA)

The South Centre provided inputs to the AfCFTA negotiations, in particular, on market access and rules of origin. In view of the start of trading under the agreement as per 1 January 2021, South Centre provided inputs to a draft Ministerial Directive for the provisional implementation of tariff offers which meet the threshold of 90% of tariff lines.

Publications

Global Cooperation Instead of Confrontation (January 2021) by Peter Lunenborg and Fernando Rosales <https://www.southcentre.int/sc-document-january-2021/>



(Photo credit to owner)

18. South-South and Triangular Cooperation

The experience of the difficult fight to contain the spread of the COVID-19 pandemic and to cope with the resultant multiple crises has demonstrated once again the importance of South-South cooperation (SSC), its tenacity in times of crisis and its ability to connect countries at similar development stages, and above all the solidarity of Southern countries. Developing countries have exchanged their experiences and provided their limited medical personnel and pharmaceutical products to help the countries in the South in need. Countries gave full credit to SSC at the 20th session of the High-level Committee on South-South Cooperation convened in June 2021, which is the most important United Nations intergovernmental meeting on South-South and triangular cooperation (SSTrC) since the Second High-level United Nations Conference on South-South Cooperation (BAPA+40).

The divergent economic recovery has shown the lack of fiscal space and access to vaccines for developing countries. The spike of infected cases owing to the Delta variant has woken up the developed countries to the reality that individual countries would not be safe if the

pandemic has not been brought under control in all countries in the world. This has given a boost to North-South cooperation in the provision of vaccines and liquidity to developing countries.

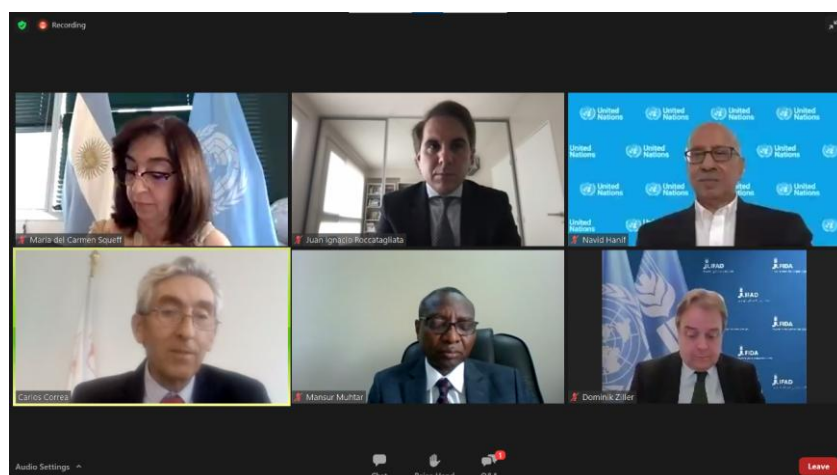
The South Centre has actively participated in the High-level Committee on SSC and other important meetings virtually, often in the capacity of panelists, in the first semester of the year. The research work has continued to focus on the ecosystem on SSTRC. So have the technical assistance projects. The South Centre has been mentioned in the United Nations Secretary-General's report for the 20th session of the High-level Committee on South-South Cooperation (SSC/20/2) acknowledging the contribution made by the Centre in research and training activities on SSTRC. The trilateral agreement with the United Nations Office on South-South Cooperation (UNOSSC) and the Islamic Development Bank (IsDB) has been reinforcing the Centre's work on SSTRC as the three institutions have worked closely on several fronts.

Publications

Policy Paper on National Strategies for South-South and Triangular Cooperation
(South Centre and IsDB Joint Publication, April 2021) <https://www.southcentre.int/sc-and-isdb-joint-publication-april-2021/>



South Centre participation at the 20th session of the United Nations High-level Committee on South-South Cooperation (SouthNews No. 373, 7 June 2021) by Yuefen Li <https://us5.campaign-archive.com/?u=fa9cf38799136b5660f367ba6&id=ab4ee0935a>





19. Development Finance

Finance for development and debt issues have been under the lime light since the onset of the COVID-19 pandemic. This is mainly because of the vast financing gap and the crushing debt burden for developing countries, both of which prevent countries from implementing effective counter pandemic measures to save lives and livelihood. The debt situation has become even worse with increasing pandemic expenditure and economic recession. More than 55% of low-income countries are in debt distress or high risks of debt distress. The international response is far from sufficient. The implementation of the Group of Twenty (G20) Debt Service Suspension Initiative (DSSI) has been hampered by the fear of credit downgrades. While the DSSI is expiring by the end of the year, only 45 out of 73 countries have applied for it.

The South Centre has done ahead of the curve analysis requesting the extension of the DSSI at the very early stage knowing the 6-month duration is far too short. In addition, papers were published on reforming the credit rating agencies drawing international attention to the issue. Right now, reform of the international debt architecture is an urgent issue though there is already complacency on the current situation. A policy brief was published to alert the international community that reform has not been started and should be undertaken.

Meanwhile, the South Centre has actively participated in important meetings like the G20 meetings and has spoken at webinars to disseminate research findings and influencing views on important issues.

Publications

Systemic reform of the international debt architecture is yet to start (Policy Brief 95, June 2021) by Yuefen Li <https://www.southcentre.int/policy-brief-95-june-2021/>

Financing for development from the perspective of the right to development (SouthViews No. 217, 14 May 2021), *Summaries of two reports by Saad Alfarargi, Special Rapporteur on the right to development* <https://www.southcentre.int/southviews-no-217-14-may-2021/>

20. Other Publications

STATEMENT OF THE CHAIRPERSON OF THE BOARD OF THE SOUTH CENTRE, H.E. MR. THABO MBEKI, TWENTY-FIRST MEETING OF THE COUNCIL OF REPRESENTATIVES OF THE MEMBER STATES OF THE SOUTH CENTRE, 11 FEBRUARY 2021 <https://www.southcentre.int/statement-february-2021/>

Statements made at the 21st Meeting of the Council of Representatives of the South Centre (March 2021) <https://www.southcentre.int/statements-march-2021/>

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