

## MC14 collapses amid US “heavy hand”

The World Trade Organization’s 14th Ministerial Conference (MC14) ended in a comprehensive collapse, with the chair’s summary confirming that members failed to reach consensus on any multilateral outcome. The ministerial’s failure reflects both the deadlock on key negotiating files and a broader struggle over the organisation’s future direction amid growing resistance to what many view as a United States “heavy hand” in the negotiations.

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..... **A L S O I N T H I S I S S U E** .....

- MC14 exposed US “heavy hand”; South countries need each other

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# Facilitator concedes reform push was evident amid MC14 failure

The Norwegian Foreign Minister who facilitated the reform discussions at the failed World Trade Organization’s 14th Ministerial Conference (MC14) in Yaounde, Cameroon reported that, despite persistent divergences, members showed clear commitment to advancing the WTO reform agenda.

*by D. Ravi Kanth*

GENEVA: The Norwegian Foreign Minister who chaired the discussions on reform of the World Trade Organization at the failed WTO’s 14th ministerial conference (MC14) in Yaounde, Cameroon, has acknowledged that “despite divergences, the importance placed on advancing WTO reform work was evident.”

The Minister-Facilitator led talks in four areas: foundational issues and WTO principles; decision-making and past mandates; development; and level playing field issues.

In his report (WT/MIN(26)/39) issued on 2 April, the Norwegian Minister-Facilitator, Mr. Espen Barth Eide, states: “Members recognized the value of the WTO, noting that it promotes trade and economic development, enhances predictability, and that several of its core functions are operating effectively, particularly its councils and committees, including in trade monitoring and addressing trade concerns in the SPS and TBT committees.”

In the same vein, Mr. Barth Eide argues: “At the same time, some noted that the WTO cannot solve all issues, including imbalances, overcapacity and overconcentration of production and economic security, and that this should be recognized not as a failure of the system but as an acknowledgement of the limitations of the WTO’s functioning.”

He notes: “It was also mentioned that the WTO Secretariat should focus on its administrative role of serving the Members and refrain from driving policy” – an issue repeatedly raised by the United States before and during MC14.

According to trade envoys familiar with the report, the Norwegian minister – like his trade envoy, Ambassador Petter Olberg, who conducted the WTO reform discussions that sparked major

controversies and claims of lack of credibility – presented a rather vague account without quantifying how many members underscored the need for reforms or how many countries said that the WTO should not venture into “all issues.”

The envoys, speaking on condition of anonymity, also raised serious complaints about how the Minister-Facilitator ran the small-group meetings, including excluding some major members without explanation at MC14.

### Foundational issues

On most-favoured-nation (MFN) treatment, the Norwegian Minister-Facilitator said: “Members expressed appreciation for the MFN as a cornerstone of the multilateral trading system, with some emphasizing its role in ensuring predictable and stable market access, particularly for smaller and export dependent economies.”

He did not specify how many countries referred to MFN treatment, which stipulates non-discriminatory trade as enshrined in Article I of the GATT (1994).

He further states: “Several Members also underscored the importance of maintaining and strengthening MFN as an effective tool for reducing inequality and safeguarding against power-based trade relations.”

According to the Minister-Facilitator, “there was broad recognition that the WTO’s foundational principles, including the MFN, remain indispensable to global trade, but are not functioning as originally intended.”

Without naming the United States and the European Union, the Minister-Facilitator maintains that “some Members highlighted that, for the WTO to remain

relevant, some of its rules, including the MFN, need to be adapted to reflect current economic realities.”

Without naming China, he adds: “It was pointed out that some Members [China] have industrialized successfully while under-complying with state aid and transparency requirements, creating advantages the system did not intend to provide.”

Citing unilateral measures, without naming the United States, which has upended MFN-based trade with its unilateral reciprocal tariffs, the Minister-Facilitator notes: “Moreover, it was highlighted that the selective application of the MFN principle in the context of unilateral measures, along with the increased use of the national security exception, has contributed to weakening trust in the system.”

Attempting to link MFN and level playing field issues, he said this relationship warrants “closer scrutiny as to whether stronger disciplines, such as more rigorous transparency and compliance with regard to state intervention and other sources of trade distortion, can safeguard MFN while addressing fairness concerns.”

He said that “the scope and parameters of security and domestic policy related measures under GATT Articles XX and XXI require clarification, given their increased invocation,” adding that “several called for a good faith effort to delineate what falls inside or outside the intended ambit of these exceptions.”

According to the Minister-Facilitator, “the issue of policy space – particularly the use of industrial policy – must be addressed directly” and that “many economies, developed and developing alike, are deploying strategic measures.”

Mr. Barth Eide said: “The challenge is to reconcile these practices with non-discrimination, predictability and development needs while acknowledging the diversity of the Membership including their domestic interests and economies.”

In a seemingly confused interpretation of the discussions, the Minister-Facilitator appears to have made observations such as “it was likewise noted that the Membership needs to address the challenges in the Organization’s functioning.”

Without revealing the number of countries, he states: “There were those who urged progress through inclusive

plurilateral approaches that avoid blockage while remaining anchored in WTO principles and preserving the multilateral character of outcomes.”

Trade envoys who asked not to be quoted said that, in short, the Norwegian Minister-Facilitator seems to indicate a need to move away from Articles IX and X of the Marrakesh Agreement, which clearly set out multilateral processes for reaching consensus on plurilateral initiatives.

Without naming China and the United States, the Minister-Facilitator says: “Persistent notification gaps, the proliferation of unilateral measures, and an expansive reliance on exceptions [special and differential treatment] have strained confidence that the existing rules are being respected.”

The Minister-Facilitator adds: “Several Members stressed that the core problem often lies not in the text of the rules but in compliance with them, warning that ongoing bilateralism and the lack of enforcement have contributed to a de facto reform of rulemaking, implementation and enforcement outside the WTO’s ambit” – a seemingly pointed reference to the reciprocal tariff havoc created by the United States.

Commenting on the dispute settlement system, the Minister-Facilitator observes: “Many Members highlighted the absence of a fully functioning dispute settlement system and stressed the need to restore it to ensure the effective implementation of rules.”

He said that “a few members pointed to the Multi-Party Interim Appeal Arbitration Arrangement (MPIA) as a viable and well functioning alternative mechanism for appeals.”

Several trade envoys, speaking anonymously, said the Minister-Facilitator should have explained how many countries called for a fully functioning dispute settlement system, without which the WTO’s enforcement function remains fragmented.

Mr. Barth Eide notes that there was “broad recognition that the WTO must continue to support the integration of developing and LDC Members into the multilateral trading system and the global economy,” and that “technology transfer, policy space for industrialization, and inclusive digital trade were highlighted as priorities.”

It is well known that special and

differential treatment (S&DT) is a treaty-based right anchored in the 1979 Enabling Clause.

According to the Minister-Facilitator, many members “consider S&DT essential in this regard, emphasizing the need to focus on persistent development challenges and to improve the effectiveness of S&DT.”

He further notes that “the principle of proportionality was articulated clearly: equal conditions do not imply identical obligations – responsibilities should reflect capacity to distort trade.”

Even though developing countries may claim S&DT on a self-designated basis, several industrialised countries led by the United States consider that “S&DT should primarily protect the most vulnerable, expressing concern that it is sometimes used by stronger economies.”

Highlighting the “Draft Ministerial Statement and the Work Plan,” the Minister-Facilitator states: “some voiced strong support while others described it as a most common denominator that could be built upon.”

Some members “expressed that agreeing to processes is not the same as producing concrete proposals, with a preference for focusing on discussing substance based on Members’ proposals.” He said that “good process is the indispensable tool for achieving substantive outcomes, calling for a transparent, inclusive and Member-driven post-MC14 reform process under the auspices of the General Council, with a two year horizon geared towards yielding meaningful and necessary reforms.”

## Decision-making

On decision-making and past mandates, the Minister-Facilitator admits that while “there was universal recognition that consensus is essential for inclusivity, legitimacy, and collective ownership of decisions and no Member suggested abandoning consensus-based decision-making,” many members “stressed the particular importance of consensus for developing and LDC Members as it ensures equality in decision-making regardless of Members’ size or economic power.”

He adds somewhat ambiguously: “At the same time, support was expressed for a more flexible decision-making approach based in consensus that would enable to deliver more outcomes” – a

demand of the “Friends of the System” group led by Switzerland, the United States, the EU, and China.

On the issue of consensus, the Minister-Facilitator states: “Many Members emphasized that the challenges do not stem from consensus itself, but rather from shortcomings in transparency, lack of inclusive engagement, failure to honour past mandates, and an erosion of trust.”

In their view, according to the Minister-Facilitator, “the priority, therefore, should be to preserve consensus while strengthening the processes that support it, such as ensuring early and open engagement, early sharing of information, improving transparency, and rebuilding trust.”

He said that “some participants also noted that existing rules already provide mechanisms to move forward in the absence of consensus, including voting procedures.”

In short, he said “they stressed the importance of making better use of these provisions, particularly those in Articles IX and X of the Marrakesh Agreement, rather than creating new approaches that would themselves require consensus to adopt.”

The Minister-Facilitator appears to favour plurilateral agreements, stating: “plurilateral agreements were broadly recognized as a pragmatic means of allowing like-minded Members achieve outcomes where consensus on multilateral outcomes proves difficult.”

He argues that “some Members noted that plurilateral agreements are already envisaged within the WTO rulebook and warned that preventing their incorporation risks rendering the WTO irrelevant.”

(It may be recalled that at MC14 India blocked the incorporation of the Investment Facilitation for Development Agreement (IFDA) into Annex 4 of the WTO Agreement on procedural and systemic grounds, while around 130 countries called for its incorporation, seemingly ignoring Article X of the Marrakesh Agreement.)

Mr. Barth Eide points out that “at the same time, Members stressed that plurilateral agreements must align with fundamental WTO principles” and that “plurilaterals should be transparent, open, inclusive, and not undermine multilateralism, but instead complement it.”

Members underscored that “the need for appropriate guardrails to ensure that non-participants are not subject to unintended obligations was also highlighted, alongside the importance of allowing any Member to join at a later stage.”

The Minister-Facilitator says, “there was a wide recognition of the need for flexibility, calibrated commitments, and transition periods that reflect differing levels of development as Members cannot all move at the same pace.”

He argues that “there was broad recognition of the need to honour existing mandates, particularly in agriculture and special and differential treatment (S&DT).”

He adds, “some Members emphasized the importance of stocktaking to assess what has been achieved and what remains outstanding.” Without naming countries, he said that “others drew a link between decision-making and past mandates, noting that unimplemented mandates fuel frustration and hinder progress.”

He maintains that “a view was expressed that only Ministers have the authority to discontinue mandates, and that mandates cannot be re-read, altered through reinterpretation or allowed to lapse implicitly.”

## Development

On the issue of development, the Minister-Facilitator notes “the cross-cutting nature of development in WTO work,” saying that “there were those who said that they participated in the WTO because they view trade as a catalyst for growth, structural transformation and poverty reduction.”

Highlighting the issue of policy space, according to the Minister-Facilitator, “there was wide recognition of the importance of preserving policy space for industrialization, digital transformation and economic resilience while safeguarding MFN and addressing negative spillovers from industrial subsidies and security-related measures.” However, he notes that “there were those who said that discussions on policy space should not be collapsed into broader industrial policy debates, arguing that the former are more advanced and should proceed on their own merits.”

Members of the G90 coalition, which had tabled Agreement-specific

proposals to strengthen the development disciplines, insisted that “self designation of development status remained a sovereign prerogative, and voluntary differentiation or opt out mechanisms may be pragmatic so long as they do not erode core WTO rights.”

The G90 coalition told the Minister-Facilitator that “Special and Differential Treatment (S&DT) remained a treaty embedded, foundational pillar that should be preserved and made more effective” and “cautioned against narrowing S&DT through ex ante targeting or rigid criteria, such as per capita thresholds or categorical labels, that could weaken access for developing and LDC Members.”

In contrast, the United States, the EU, and several other industrialised countries argued that “operationalizing the development objectives required targeted approaches that linked obligations directly to each Member’s capacity, making commitments fit for purpose.”

“In this regard, S&DT should not be reduced to exemptions and flexibilities alone,” they said, underscoring the need to “make rules more usable and outcomes more development-enhancing including by ensuring that the provision of S&DT is targeted and needs based.”

On agriculture, according to the Minister-Facilitator’s report, several South American countries highlighted agriculture reform “as integral to the development agenda in WTO work.”

“A comprehensive update under Article 20 of the Agreement on Agriculture – addressing trade-distorting support, improving market functioning and advancing food security – was noted as a tool to deliver meaningful development gains.”

On technology transfer, the Minister-Facilitator says: “A view was expressed that WTO Reform should facilitate technology transfer, capacity building and deeper participation in global value chains.”

## Level playing field

On level playing field issues, the Minister-Facilitator states: “Members noted that the global context has changed significantly since 1995, when the WTO was established amid growing economic integration, strong growth, and poverty reduction. By 2026, the environment

has shifted markedly, with ongoing inequalities, greater geopolitical and socioeconomic tensions, increased state intervention, efforts to secure supply chains, and intensifying competition over critical technologies and resources.”

While industrialised countries suggested “a credible level playing field as indispensable to restoring confidence in the multilateral trading system,” the Minister-Facilitator said that “some expressed the view that WTO should be forum to discuss LPF issues and resolve problems.”

Others noted that the WTO has not been fully effective and questioned its capacity to address these issues, leading to reliance on unilateral trade measures and negotiations. These members emphasised the need for concrete actions rather than merely procedural steps, he said.

The Minister-Facilitator states: “At the same time, there was broad recognition that the WTO can take certain actions, primarily by enhancing transparency. Many members observed that transparency deficits – marked by chronic under-notification and incomplete subsidy reporting undermined trust in and enforcement of WTO rules.”

It was noted that reform discussions should address how to improve incentives and disincentives for fulfilling notification obligations.

It was also suggested that the Secretariat could play a facilitating role by assisting Members, especially those with capacity constraints, in complying with their notification obligations.

However, the Minister-Facilitator said it was noted that, while transparency is crucial, it is not sufficient to address level playing field issues.

“There were those who saw that the current rules have not kept pace with the scale and form of state interventions, producing gaps that generated distortions and perceptions of unfairness. They suggested that reform should result in firmer disciplines on subsidies to deter distortions and tackle global overcapacity, including from non-market actors.”

“They also emphasised the need for a WTO that equips members with effective instruments to restore balance, noting that current trade defence measures are cumbersome, slow, and often too delayed to be effective,” said the Minister-Facilitator.

“Others said that calibrated policy

space was needed in order for rules not to constrain responses to legitimate objectives, since the current ones leave underlying distortions unchecked.”

“While some defended MFN as foundational, others noted that MFN could also impede levelling the playing field, particularly when confronting entrenched non-market practices. They pointed to unilateral measures, as well as bilateral and plurilateral negotiations, as necessary stopgaps amid their perception that the WTO has not been capable of addressing many of these issues.”

In conclusion, the Minister-Facilitator reiterated that “overall, despite

divergences, the importance placed on advancing WTO reform work was evident.”

Mr. Barth Eide said the world in 2026 is “much different than back in 1995 when the WTO was established.”

He said there are therefore certain questions that need some kind of response in order to keep the organization relevant.

“Allowing renewed fragmentation of the world economy would impose costs on all Members – large and small – undermining economic growth, trust, and the legitimacy of the rules-based multilateral trading system,” he cautioned. (*SUNS #10418*)

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## Power imbalances, plurilaterals and a paralyzed system

The New Zealand Minister-Facilitator who also facilitated the reform discussions at the failed World Trade Organization’s 14th Ministerial Conference (MC14) in Yaounde, Cameroon reported that members reaffirmed the continuing value of the WTO and the importance of conducting trade on the basis of most-favoured-nation (MFN) treatment and non-discrimination.

by *D. Ravi Kanth*

GENEVA: The New Zealand Minister-Facilitator who also led the reform discussions at the recently failed World Trade Organization’s 14th Ministerial Conference (MC14) in Yaounde, Cameroon, acknowledged that countries “agreed on the continuing value of the WTO” while conducting trade through “the principles of Most-Favoured Nation (MFN) and non-discrimination.”

In his summary report (WT/MIN(26)/39) circulated on 2 April, New Zealand’s trade minister, Todd McClay, states that “some core functions of the Organization are working well, such as those relating to Technical Barriers to Trade (TBT), Sanitary and Phytosanitary (SPS) measures, and Customs Valuation.”

It remains unclear whether McClay is suggesting that other functions – particularly the partially paralyzed WTO enforcement mechanism meant to ensure compliance with the agreements – are not operating in accordance with the WTO rules, said people familiar with the development.

However, the Minister-Facilitator notes that “there was a sense that the functions of the Organization are not as effective as they should be, with many commenting on the weakened dispute settlement system and the fractured negotiating function.”

He said that “the WTO supports development and poverty alleviation, with some emphasizing that the current reform process should have development at its centre, and some also recalled the importance of Special and Differential Treatment (S&DT).”

The Minister-Facilitator said that countries “noted that the WTO provides a framework for predictable trade, particularly important for smaller and vulnerable economies that might lack the capacity to negotiate the number and types of bilateral trade agreements offering the same coverage as the multilateral system.”

Emphasizing “the importance of a rules-based trading system,” McClay points out that “many raised the need

to refocus on existing mandates, such as agriculture, while also being open to discuss new issues where the current rule book is incomplete or not effective.”

Yet on the second day of MC14, the United States reportedly killed the agriculture negotiations, even as many members sought a clear mandate from trade ministers at MC14 on agriculture – a fact not seemingly reflected in the Minister-Facilitator’s summary report, said a South American participant who asked not to be quoted.

McClay said despite “widespread willingness to discuss reform and a willingness to discuss change including modernizing the Organization while also delivering on existing mandates,” several issues such as “geopolitics, unilateral measures, trade imbalances, new technologies, and environmental sustainability were raised as requiring a modernization of the Organization to provide effective solutions.”

He added that “some further noted there can be unfairness in the WTO, which sometimes manifests itself through power asymmetries.”

Without naming countries such as the United States and the European Union, the Minister-Facilitator points out that “a strongly held view by a minority was that a discussion is needed on principles such as the MFN and whether it is still fit for purpose in a changing world.”

He said: “Some confirmed a willingness to discuss these issues further as part of a wider reform agenda including how to ensure the WTO responds to the challenges of our times.”

During the discussion on the “draft Ministerial Statement and Workplan,” McClay says that participants “noted that Ministers needed to provide a clear and strong political mandate for reform work to continue in Geneva, with some considering the Organization could not wait for the next Ministerial for such mandate.”

However, there was no agreement on either the draft Ministerial Statement or the Workplan when MC14 concluded amid chaos in the early hours of 30 March, said participants who asked not to be quoted.

On decision-making and past mandates, New Zealand’s Minister-Facilitator notes that the “session on Decision Making and Past Mandates saw constructive exchanges and generated

some concrete ideas.”

According to McClay, participants discussed four topics: “namely: consensus; the role of plurilateral initiatives; past mandates; and the draft Ministerial Statement and work plan.”

On the issue of consensus, according to the Minister-Facilitator, “all participating representatives agreed that consensus in the adoption of WTO decisions remains highly valued and the cornerstone of the institution.”

He argues that though it is not perfect, “it helps mitigate asymmetries of power and ensure inclusiveness, equality and fairness.”

More importantly, decision-making by consensus “protected smaller economies, ensuring they benefited from the multilateral trading system (MTS).”

Without naming the United States, the EU, China, or the “Friends of the System” group (in which New Zealand is an active member), the Minister-Facilitator said that “some representatives acknowledged that consensus as currently practiced was holding up decision-making, noting that there had been only two changes to the rulebook in recent times.”

Without naming Indonesia, McClay suggested that “reference was made, as an example, to the inability of members to agree to the additional provisions on fisheries subsidies, held up by one Member.”

(New Zealand is also the coordinator of the “Friends of the Fish” group at the WTO.)

Without quantifying the number of countries, McClay notes that “many representatives recognized that consensus could not be a veto, with some emphasizing the need to take account of minority concerns and protect the interests of all Members, in particular developing countries and LDCs.”

He further said: “Concerns were raised that efforts to move away from or undermine consensus would hurt the interests of smaller economies and that they could lead to inflexibility or lack of transparency and inclusiveness in decision-making processes.”

The discussion on “plurilateral initiatives,” according to the Minister-Facilitator, “showed some support but also unease with plurilateral initiatives, with some representatives concerned about a two-speed WTO and the impact on small and vulnerable economies.”

Echoing the participants’ views, he says that “a balance should be struck between past mandates and plurilateral negotiations,” adding that “plurilaterals should support the WTO and advance the rulebook by reinforcing and building on the existing rules.”

In the same vein, he notes that “many representatives emphasized the need for transparency and inclusivity in any discussions on plurilaterals to ensure that the views and interests of all Members were taken into account, even those of Members that might not adhere to plurilateral outcomes from the start.”

In reality, the discussions on plurilateral initiatives are invariably dominated and decided by powerful members while the majority of small and vulnerable economies remain marginal or insignificant players, said participants who asked not to be quoted.

McClay notes “there was openness and support for integrating plurilaterals in the WTO,” with “many [countries] pointing to existing mechanisms in the rulebook for doing so.”

He said other participants noted during the discussion that “progress on plurilaterals was being blocked, including with respect to the Investment Facilitation for Development Agreement (IFDA), by a minority.”

(The IFDA’s incorporation into Annex 4 of the WTO Agreement was blocked by one member – India.)

Without providing the number of countries, the Minister-Facilitator says that “some noted that consensus decision-making and plurilateral agreements were not incompatible, noting that other international frameworks regularly completed negotiations that were not adhered to by all parties from the start.”

Without naming India, he said participants “noted that plurilaterals should not be adopted to the detriment of non-parties, some pointing to the need to include guardrails, such as trial periods and impact assessments, and a process to identify them.”

The Minister-Facilitator further says that “it was suggested that a modest change could be made to the WTO Agreement to enable plurilateral rulemaking without fracturing the principle of consensus decision making.”

McClay added, “some recalled the existing mandate on agriculture and its development dimension as a context for thinking about plurilaterals.”

## Past mandates

Even though the “past mandates” were negotiated and adopted by previous ministerial conferences, it is common knowledge that they were repeatedly brushed aside by the US and other powerful countries, particularly in agriculture.

During the discussions on “past mandates”, it appears that some considered them “unfinished businesses” that “were also recognized as an important issue, central to the legitimacy and credibility of the organization.”

Participants also felt “it was important to honour past commitments, particularly those that are development-oriented, such as agricultural reform.”

“A suggestion was made to create a list of all past mandates to ensure a shared understanding of all issues that were in play,” the Minister-Facilitator notes.

“There was strong support for prioritizing past mandates, especially those with a development focus,” while “some considered that delivering on past mandates was necessary to ensure collective credibility.”

Also, a dangerous narrative appears to have emerged: to deliver on past mandates, there was acknowledgment of “the willingness to use plurilaterals to advance rules. It was noted that not all past mandates had the same legal status.”

Another seemingly puzzling observation made by the Minister-Facilitator is that “treaty-based mandates, such as the one included in Article 20 of the Agreement on Agriculture, may not be the same as Ministerial mandates, such as those emerging from Doha and subsequent Ministerial Conferences.”

On the work plan, the Minister-Facilitator says that “there was a general recognition that this Ministerial Conference centred on WTO reform” and “it was also considered that Members had to achieve an outcome that ensured an effective reform process, avoiding a repetition of MC13.”

However, MC13 repeated itself at MC14, with no agreement on the way forward following the WTO reform discussions.

## Development

According to the Minister-Facilitator, “the session on development saw strong engagement from delegations, sharing specific perspectives and ideas.”

He says, “the session focused

on three issues, namely: reforms for economic growth through trade; special and differential treatment (S&DT); and the draft Ministerial Statement and Workplan.”

On reform for development, McClay says that “several representatives called for a greater commitment to development, emphasizing that reform should include a focus on technical assistance to support capacity- building and implementation, bridge the digital divide, address environmental degradation and climate resilience, reinforce food security and rural development, and preserve policy space for industrial development and economic diversification.”

He added, “almost all representatives referred to agriculture reform, some specifically mentioning cotton, as critical drivers of development, noting how important the delivery of past mandates on agriculture and cotton remained for Members to integrate into the world economy and global value chains.”

On special and differential treatment (S&DT), according to the Minister-Facilitator, “several representatives referred to S&DT as a fundamental pillar of the MTS and a treaty right, emphasizing that it had enabled participation in the WTO in general, and in international trade in particular, especially for smaller economies.”

In contrast, he said, “some emphasized the need for strengthened, operational, targeted and expanded S&DT, noting it was an enabler of the respect of specific commitments and to ensure and assist in their implementation.”

During the discussions, he said “several representatives considered S&DT as an instrument that should preserve policy space and enable members to

diversify their economies, develop their industries and work on new issues, such as digital trade, climate change and resilience, especially following natural disasters and shocks. Technology transfer and TRIPS Article 66.2 were also raised in this context.”

Without naming the countries, the Minister-Facilitator says, “other Members however raised doubts about S&DT,” while “some representatives queried whether a one-size-fits-all approach continued to be appropriate considering structural and economic developments since the WTO had been established.”

Without naming the US, the Minister-Facilitator points out that “some raised concerns about past, current and potential future abuses of S&DT, both by developing and developed countries.”

Again seemingly echoing the views of the US, the EU, and other industrialized countries, McClay said that “several representatives called for tighter definitions, restrictions and more clarity on who could avail themselves of S&DT, while some raised a more existential question about S&DT and its utility today, proposing to move away from self-definitions and towards the establishment of objective criteria for development status and S&DT eligibility.”

On level playing field issues (LPF), during the final sessions on challenges to ensure a LPF for all, what reforms were required and the draft Ministerial Statement and Workplan, the Minister-Facilitator says “representatives demonstrated a widespread recognition that LPF is at the heart of many challenges that Members are currently facing, while recognizing the term meant different things across the membership and what sectors should be covered.” (SUNS #10419)

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# USTR says WTO “not a serious forum” after e-com push fails at MC14

The United States Trade Representative (USTR) sharply dismissed the World Trade Organization as “not a serious forum,” underscoring Washington’s dissatisfaction with both the outcome of the WTO’s 14th Ministerial Conference (MC14) in Yaounde, Cameroon and the broader state of WTO negotiations.

by *D. Ravi Kanth*

GENEVA: The United States arrived at the World Trade Organization’s 14th Ministerial Conference (MC14) in Yaounde, Cameroon, with a “maximalist” agenda to make the moratorium on customs duties on electronic transmissions permanent.

However, after the meeting, the US Trade Representative (USTR), Ambassador Jamieson Greer, has declared that the WTO “isn’t a serious forum”.

In a signed article, titled “Another fish story from the WTO – the organization has failed, and the US will chart its own course on trade policy,” published in the Wall Street Journal on 7 April, Ambassador Greer said: “That’s what I was thinking as I sat through the triumphant finale of the four-hour opening session of the 14th Ministerial Conference in Yaounde, Cameroon, on March 26.”

He said, “The WTO’s leadership was playing a self-congratulatory song about progress on an incomplete agreement on fisheries subsidies,” adding that he “tried in vain to gauge the reactions of other trade ministers, but comparatively few had even bothered to make the trip.”

It is an open secret that trade ministers from several countries failed to attend MC14. At one point, it looked rather unclear whether any meaningful decisions could be taken without their presence, said participants who asked not to be quoted.

According to Ambassador Greer, “the US government assessed that only a couple dozen cabinet-level trade ministers attended, with the majority of attendees represented by vice ministers or lower-ranked delegates.”

“As WTO staff bopped to the beat, I grew concerned about how productive

the next three days would be,” the USTR said.

Declaring himself a “skeptic of the WTO,” the USTR said that he “left even more so”.

While noting that “the organization was established in 1995 with the aspiration to create certainty for trade based on common market-based rules,” Ambassador Greer said, “it has been on a path to irrelevance for some time and has even undermined US interests.”

Several critics and studies have repeatedly pointed out that successive administrations in Washington not only weakened the WTO’s enforcement function by not implementing various rulings but also worked largely to advance their own seemingly high-handed, controversial positions.

The USTR said, “The WTO system helped create a world in which China dominates global manufacturing and our trading partners maintain high trade barriers with impunity.”

However, he did not elaborate on how the system allegedly enabled China to dominate global manufacturing when a host of industries and corporations in the US and European Union member states moved to set up their facilities in China to take advantage of low wages and the huge market potential that China offered to companies from industrialized nations, as several studies have pointed out.

Hitting out at the treaty-based self-designation framework that allows developing countries to avail themselves of special and differential treatment (S&DT), Ambassador Greer argued that “because of their self-declared status as ‘developing’ economies, about three-fourths of members aren’t obligated to

follow some of the agreed-on trade rules, and they constantly seek carve-outs from new ones.”

Critics, however, point out that the US was also a beneficiary of permanent exceptions, such as the provisions of the Jones Act and farm subsidies, which it negotiated during the Uruguay Round (1986-93) in order to subsidize its wealthy farmers, said several South American countries.

In his article, Ambassador Greer maintained that “multilateral negotiations have been lackluster for years,” even though the US managed to secure two major agreements: the moratorium on customs duties on electronic transmissions at the WTO’s second ministerial conference in Geneva in May 1998, and the Trade Facilitation Agreement at the WTO’s ninth ministerial conference in Bali, Indonesia, in December 2013.

Washington also succeeded in putting the Doha work program to bed at the WTO’s tenth ministerial conference in Nairobi, Kenya, in December 2015.

These developments made the WTO ineffective, according to several critics as well as developing countries.

## Dispute settlement

The USTR pointed out that “the WTO dispute-settlement system devolved into a forum for endless litigation, which prevented countries from combating unfair trade practices, rarely led to compliance, and served as a disincentive to settle disagreements.”

However, the USTR’s contention runs contrary to the facts: not only did Washington refuse to comply with several rulings, it also paralyzed the WTO’s highest legal arm – the Appellate Body – in December 2019, rendering the dispute settlement system and enforcement function ineffective.

Every month at the Dispute Settlement Body (DSB), around 130 countries continue to call on the US to agree to the filling of all seven vacancies on the Appellate Body. For roughly 92 times, Washington has blocked proposals to fill these vacancies.

## E-com moratorium

In his article, Ambassador Greer said, “the WTO is ineffective and dysfunctional.”

He offered one example: "WTO members since 1998 have refrained from imposing tariffs on electronic products – like software and music – that can be transmitted digitally."

He elaborated: "Even though this approach has become the default practice globally, the WTO still goes through a performative renewal of this 'e-commerce moratorium' on digital tariffs every two years. Doing so consumes enormous time and energy, and many members hold the renewal hostage to trade away for unrelated objectives."

According to Ambassador Greer, "the US and 24 co-sponsoring countries this year proposed a common-sense reform: Instead of settling for another two-year renewal, members should agree to a permanent e-commerce moratorium."

"That would prevent future ministerial conferences from wasting time on a nonissue while demonstrating that the WTO could have a role in future trade negotiations. But even this proposal – the lowest-hanging fruit – wasn't picked up," the USTR said.

At a time when developing countries are losing tens of billions of dollars in revenue due to the e-commerce moratorium – a figure highlighted in several studies by UN Trade and Development (UNCTAD) – the "maximalist" position adopted by the US as the centerpiece of its negotiating strategy scuttled any outcome at MC14, several countries said on a background basis.

Ambassador Greer argued that "despite broad support, the need for consensus among all WTO member countries prevented passage," adding that "some insisted on a time-limited extension, and some tried to tie their support to the creation of a multi-million-dollar WTO slush fund for 'development.'"

Faced with intense opposition from many countries at MC14, the US was compelled to lower its demand from a permanent moratorium to a four-year duration.

Nevertheless, the USTR maintained that "the US and other e-commerce moratorium supporters showed significant flexibility, and 164 members agreed to a compromise – extending the moratorium for about four years rather than permanently."

He blamed Brazil and Turkiye, writing that "even this modest outcome

wasn't be, as delegations from Brazil and Turkey insisted on maintaining the two-year renewal cycle."

"These members' intransigence halted attempts at much-needed reform," the USTR said, drawing a link between the e-commerce moratorium and WTO reform.

"These matters have been referred for further discussion at the WTO's headquarters in Geneva in a last-ditch effort to find consensus," he said, warning that "unless members pull a rabbit out

of a hat, the outcome from Yaounde is less certainty on e-commerce and worse prospects for a broader reform agenda."

He asked rhetorically, "why is the WTO like this?"

Then he answered his own question: "because all 166 members must agree to adopt new rules, and members hold divergent views on a range of issues, down to the purpose of the organization."

*(continued on page 10)*

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## US-led group seeks interim e-commerce moratorium after MC14 failure

The United States, joined by several partners, issued a plurilateral joint statement on 2 April pledging to uphold among themselves the moratorium on customs duties on electronic transmissions after its expiry at the end of March, a move seen by observers as an attempt to pressure countries that refused to sign on at the WTO's 14th Ministerial Conference (MC14).

*by D. Ravi Kanth*

GENEVA: The United States, along with several other countries, on 2 April issued a "Joint Statement on the Moratorium on Customs Duties on Electronic Transmissions" committing to "provide each other as a temporary, plurilateral measure of support, the commitment that we had hoped to reach at MC14," a seemingly divisive step to pressure the non-signatory countries, said people familiar with the development.

With the e-commerce moratorium having expired at the end of March, restoring it appears to involve "a war of nerves" and could result in trade-offs and a balance in deciding on its duration, said people familiar with the development.

The joint statement (WT/GC/283) was issued by the following countries: Argentina; Australia; Costa Rica; Ecuador; Guatemala; Iceland; Israel; Japan; Korea; Malaysia; Mexico; New Zealand; North Macedonia; Norway; Panama; Paraguay; Peru; Singapore; Switzerland; Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu; United Kingdom; United States and Uruguay.

The 23 co-sponsors of the joint statement expressed "disappointment

in the failure to extend the e-commerce moratorium at the 14th Ministerial Conference (MC14) in Yaounde, Cameroon."

They said, "our efforts in Yaounde produced a compromise solution that can be seen in the Facilitator's draft text (WT/MIN(26)/35) that would have extended the e-commerce moratorium to an unprecedented length and provided greater predictability and certainty for businesses and consumers in the digital economy."

To recall, the US called for a permanent moratorium, placing the issue as the central piece of the negotiations at MC14 while nearly scuttling any outcome in other areas.

Later, during the four days of the negotiations, the US saw the proverbial writing on the wall against the permanent moratorium, which was opposed by a large number of countries.

Subsequently, the US demanded a two-digit number for the duration of the moratorium and, when it found out that this was not acceptable, it insisted on a four-year duration in the final hours of negotiations with Brazil and Turkiye, as

reported in the SUNS.

A draft text of the Jamaican Minister-Facilitator overseeing this issue, which has been annexed to the MC14 chair's summary (WT/MIN (26)/35), states: "We agree to maintain the current practice of not imposing customs duties on electronic transmissions until 31 December 2030. Unless Members agree to extend the moratorium and the Work Programme on Electronic Commerce in the 16th Ministerial Conference, or in case the 16th Ministerial Conference is delayed beyond 31 December 2030, the moratorium and the Work Programme should expire on 31 December 2030."

Several members told SUNS that the Minister-Facilitator's draft text reflected only one side, and did not even mention the two countries (Brazil and Türkiye) that demanded that the current practice be extended for only two years as has been the case since 1998.

"The Minister-Facilitator on electronic commerce seemed biased and only carried the US demand," said an Asian trade envoy, who asked not to be quoted.

The Minister-Facilitator justified the four-year duration, stating that " ... Members agree to conduct a focused review of this decision and intensified discussions to seek a common understanding on the scope, definition, and impact of this decision. We agree to deepen dialogue by reviewing existing empirical evidence and gathering additional empirical evidence on the impact of this moratorium on the economies of developing and least developed Members, and seek a common understanding on the scope and definition."

Clearly, if members could not resolve their differences over the definition of electronic transmissions, it is unlikely that they would reach a consensus on the very definition, more so when it was agreed that the e-com moratorium will be terminated at MC14, said another envoy who asked not to be quoted.

However, in their joint statement, the US-led co-sponsors said that the proposed duration of four years for the moratorium until 31 December 2030, "while not perfect, this landing zone worked for nearly all WTO Members."

The positions adopted by the US at MC14 seemed more like a "my-way-or-the-highway" stand, the trade envoy said.

It is somewhat intriguing that the US did not join another seemingly illegal plurilateral deal on e-commerce, namely the "Declaration on Interim Arrangements for the Agreement on Electronic Commerce," in which most of the above co-sponsors were a party, including China and the European Union among others, said trade envoys, who asked not to be quoted.

The WTO Director-General, Ms Ngozi Okonjo-Iweala, appears to have played a pivotal role in asking the parties to the interim arrangement to submit their notifications, knowing full well that such a call would be tantamount to sowing the seeds of disaffection with the rules, said trade envoys who asked not to be quoted.

The DG's call is in line with Article 29.1 of the interim arrangement reached among 66 countries, which states, "any Member of the WTO may accept this Agreement. Acceptance shall take place by deposit of an instrument of acceptance to this Agreement with the Director-General of the WTO."

Further, as per Article 29.2, "this Agreement shall enter into force, for those Members of the WTO that have accepted it, on the 30th day following the date of deposit of the 45th instrument of acceptance. Thereafter, this Agreement shall enter into force for any other Member of the WTO on the 30th day following the date of deposit of that Member's instrument of acceptance."

Clearly, the DG seems to be campaigning for arrangements that are allegedly inconsistent with the core provisions of Articles IX and X of the Marrakesh Agreement, said trade envoys, who asked not to be quoted.

The interim arrangement pressed for a permanent moratorium, something for which the US had expended its negotiating capital at MC14, the trade envoys said.

"In light of the current situation,"

*(continued from page 9)*

"Under these conditions," he maintained, "consensus is nearly impossible."

However, decision-making by consensus is a treaty-based right that members must adhere to unless the Marrakesh Agreement is upended once and for all, said several trade envoys, who

the co-sponsors said in their joint statement, "we commit to take immediate steps to provide the predictability and certainty that businesses and consumers rely upon to promote digital trade. This responds to the call from the diverse group of over 100 global business group representatives who supported our goal of establishing a permanent moratorium against the imposition of customs duties on electronic transmissions."

### **Plurilateral measure**

More importantly, the joint statement argues that "members of this Joint Statement commit to provide to each other as a temporary, plurilateral measure of support, the commitment that we had hoped to reach at MC14."

The co-sponsors further clarified that they "agree to maintain the current practice of not imposing customs duties on electronic transmissions among ourselves. For the purposes of this communication, "electronic transmission" means a transmission made using any electromagnetic means and includes the content of the transmission."

They stated that their "commitment will remain in place until the next General Council meeting," which is expected to be held sometime in the month of May.

According to a digital trade expert who preferred not to be quoted, "this is an opportune moment for developing countries to start preparing for a new HS Chapter for customs duties on e-transmissions in line with what Indonesia has done. While these 66 countries are bound by the commitment of not applying customs duties, the others are not."

"Regulating and monitoring the inflow of electronic transmissions is an absolute necessity today for national security in times of spreading conflicts and wars," the expert added. (SUNS #10417)

asked not to be quoted.

"It wasn't always this way," said Ambassador Greer, noting that the WTO's predecessor, the General Agreement on Tariffs and Trade (GATT), originated in 1947 and that its focus "on market-based trade meant that it largely excluded communist states."

It is, however, moot why the US launched the Uruguay Round of trade

negotiations along with its then-Quad partners – the European Communities, Canada, and Japan.

To recall, the US brought in trade in services, trade-related aspects of intellectual property rights, and a binding dispute settlement system into the Uruguay Round of trade negotiations to fundamentally change the GATT system, according to several studies.

Without mentioning the US role in previous rounds of trade negotiations – particularly the Uruguay Round – the USTR said, somewhat audaciously: “regardless of whether one agrees with the outcomes of various negotiating rounds, it’s clear that the leaner GATT system functioned reasonably well.”

He added: “The US isn’t going to spend 30 years waiting for the WTO to respond to the needs of American workers and businesses.”

Again, without offering any tangible evidence, Ambassador Greer said, “the WTO was of no use during the first ‘China shock’, which crushed American manufacturing, and it’s no help amid today’s huge trade imbalances.”

In short, Washington is seemingly warning WTO members that it is “charting its own course on trade policy – working regionally, bilaterally and, where necessary, unilaterally.”

Despite the defeat the Trump administration suffered in its own Supreme Court over its reciprocal tariffs – first announced in April 2025 – the USTR claimed that Washington’s “recent wave of reciprocal trade agreements has been the most successful effort in years to open foreign markets while protecting domestic production and disciplining out-of-control imports.”

The reciprocal deals remain only a work in progress at this juncture.

The USTR asserted that “the US is driving reform on trade globally, tackling tariffs and non-tariff barriers, addressing structural imbalances in trade, and diversifying and securing supply chains.” He concluded: “The WTO is nowhere to be seen on these issues. Instead, it’s spending time on silly fish songs.”

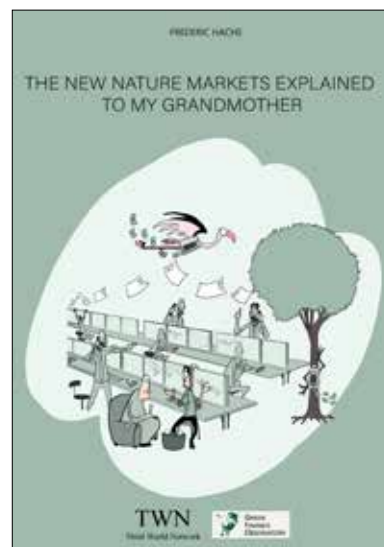
Yet, ironically, the US is seeking a permanent e-commerce moratorium from the very same WTO. That only shows that Washington’s demands are unlikely to gain easy passage in the coming days, said participants familiar with the negotiations. (SUNS #10420)

## The New Nature Markets Explained to My Grandmother

Written and illustrated by Frederic Hache

Co-published by Third World Network and Green Finance Observatory

As the chainsaws and bulldozers continue to move in on nature, a new market has emerged to facilitate trade in biodiversity credits – financial instruments that represent conservation or restoration schemes intended to offset loss of biological diversity elsewhere. However, the science behind offsetting is dubious, and existing offset projects have mostly not yielded positive outcomes for biodiversity and have even harmed the lives and livelihoods of indigenous and local communities. Even as it rakes in lucrative profits for the financial sector, focus on offsetting diverts attention from the changes in regulation, production and consumption required to protect biodiversity.



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# Chair's summary a work in progress, with no binding decisions

A summary issued by the chair of the World Trade Organization's 14th Ministerial Conference (MC14) outlines the main points raised during the conference but makes clear that members failed to reach consensus on any multilateral decisions, underscoring the extent of the deadlock that defined the ministerial.

by D. Ravi Kanth

YAOUNDE: A summary issued by the chairperson of the World Trade Organization's 14th Ministerial Conference (MC14) on 31 March captures the "main points which have emerged from the discussions during this Conference," but clearly indicates that there were no decisions adopted by members on a multilateral basis due to a lack of consensus, said people familiar with the development.

Even though the chair of the conference, Mr. Luc Magloire Mbarga Atangana, Minister of Trade of Cameroon, stated that the conference adopted several decisions, the reality is that these decisions have neither legally binding effect, nor can they be the basis for further negotiations in Geneva, said several participants who asked not to be quoted.

In his report (WT/MIN(26)/35), the Cameroonian chair stated that his summary "is not exhaustive, but I hope it captures our discussions over the past four days."

Mr. Atangana said: "We started the Conference on a high note as we celebrated the Entry into Force of the Agreement on Fisheries Subsidies and welcomed three new deposits of instruments of acceptance from Paraguay, Saint Vincent and the Grenadines and Samoa."

On the Electronic Commerce Work Programme and Moratorium, the chair said there is a "draft text of the Facilitator – Honourable Senator Kamina Johnson Smith – which has been circulated and is annexed to this statement."

Acknowledging that the e-commerce moratorium "is set to expire at this Ministerial Conference or by 31 March 2026, whichever is earlier," the chair said "Ministers worked tirelessly with the assistance of the Facilitator to extend the moratorium and work

programme and came very close to achieving an agreement."

However, he said that ministers "ran out of time".

The minister said as MC14 chairperson, he is "recommending that the good progress and momentum that was generated at this Conference be continued in Geneva with a view to arriving at a decision by the next General Council meeting", which is likely to be held sometime in April.

On WTO reform, the MC14 chair said: "Ministers also actively engaged in the WTO Reform Breakout Sessions on Foundational Issues of the WTO including its principles, Decision-making, Past Mandates, Development and Level Playing Field Issues."

The reform deliberations, he said, "also reflected a new way of working", suggesting that "as a result of our efforts, a revised Declaration and Work Plan on WTO Reform emerged which was circulated and is annexed to this statement."

Although the participating "Ministers affirmed a shared purpose and provided clear time-bound direction towards meaningful and necessary reform," the chair recommended that "Members continue their work on WTO Reform work with a sense of purpose and urgency with a view to adopting the draft declaration and work plan by the General Council meeting in May 2026."

He gave a word of advice on "advancing substantive, comprehensive, and strategic WTO reform that can strengthen credibility and effectiveness, deliver tangible results, and keep the WTO resilient and responsive to the needs of people across the globe."

However, this does not appear to be factually correct at a time when the WTO has been facing headwinds

due to the unilateral reciprocal tariffs imposed by the United States as well as the paralysis of the Appellate Body, where the selection process to fill vacancies at the Body has been repeatedly blocked by the US, said participants familiar with the development.

In his summary, the MC14 chair said: "Ministers heard an update from the DSB Chairperson on Dispute Settlement Reform. The DSB Chairperson's update reflected dispute settlement reform as a priority and recognized that advancing this work after the Conference – when conditions are ripe and all are ready to engage."

The chair said there "was also a rich discussion on the Moratorium on TRIPS Non-Violation and Situation Complaints – which also expires at this Conference – and the LDC Specific Package, the G-90 Agreement-Specific Proposals on Article 66.2 of the TRIPS Agreement, transfer of technology, cost of remittances, and emerging agricultural trade issues."

He encouraged "Members to continue these discussions after this Conference with a view to addressing these important issues."

The chair commended Ministers for adopting the Ministerial Decision on Fisheries Subsidies.

He noted that agriculture and fisheries subsidies "remain critically important priority areas for all Members – as a backbone of many economies and essential to food security, livelihoods, jobs, poverty reduction and sustainability."

The chair said that "notwithstanding the divergences in Members' positions, I was encouraged by Ministers' firm resolve to redouble efforts to bridge gaps and resume the negotiations taking into account the work undertaken thus far by Members, including during this Ministerial Conference."

On the Investment Facilitation for Development Agreement (IFDA), the chair said that "the promise of the Investment Facilitation for Development Agreement (IFDA) to assist its signatories attract the foreign direct investment to drive growth, productivity gains, job creation, and integration into global supply chains was underscored by many Ministers."

"While incorporation of the IFDA has yet to transpire, MC14 provided the platform for Ministers to move this objective closer to fulfilment," he added.

Surprisingly, on an issue which is

outside the purview of the WTO – i.e., the Joint Statement Initiative on digital trade – the chair mentioned that “66 WTO Members – representing around 70% of global trade – have agreed on a pragmatic pathway to bring the Agreement on Electronic Commerce into effect through interim arrangements while work continues toward full incorporation into the WTO legal framework.”

However, under the WTO rules there is no such thing as an “interim arrangement” on a procedural and systemic issue where there is no multilateral consensus.

Clearly, the chair and also the WTO Director-General Ms. Ngozi Okonjo-Iweala appear to be sowing the seeds of disaffection with the rules, which could further tear apart the WTO and turn it into a “them and us” organization, a trade minister warned.

The chair also included in the annexed draft ministerial decision on the e-commerce work program a four-year moratorium on customs duties on electronic transmissions, which only reflects the US demand while Brazil and Turkiye said that they cannot agree to a duration of more than two years.

The chair must know that if he includes a duration of four years as proposed by the US, then he has to include the two years as proposed by Brazil and Turkiye, to show that a member-driven multilateral organization like the WTO reflects all the proposals on an equal footing, said a participant who asked not to be quoted.

### **Draft e-com decision**

The annexed Draft Ministerial Decision on the Work Programme on Electronic Commerce is as follows:

“The Ministerial Conference decides as follows:

We agree to continue to re-invigorate the work under the Work Programme on Electronic Commerce, based on the mandate as set out in WT/L/274, and with a particular focus on its development dimension, taking into account the economic, financial and development needs of developing and least-developed Members.

Building on the work undertaken under the Work Programme, we will continue to identify ways to address the digital divide for developing and least-developed Members. In this regard,

Members are encouraged to support developing and least-developed Members to effectively participate and tap into growth opportunities in digital trade and the digital economy, including through targeted technical assistance aimed at supporting their efforts to integrate into digital trade.

We agree to improve the training and technical assistance provided under the WTO Technical Assistance and Training Plan to assist developing Members, including LDCs, to overcome the challenges they face in matters related to digital trade and we call on Members to increase their contributions to the Global Trust Fund which will be used to deliver targeted technical assistance for that purpose.

We agree to continue collaboration with other intergovernmental organizations to enhance coordination to address trade-related opportunities and the challenges related to e-commerce, such as digital infrastructure and emerging technologies. The WTO will continue the existing database that compiles digital-trade-related training and capacity building programmes of international and regional organizations.

We agree to maintain the current practice of not imposing customs duties on electronic transmissions until 31 December 2030. Unless Members agree to extend the moratorium and the Work Programme on Electronic Commerce in the 16th Ministerial Conference, or in case the 16th Ministerial Conference is delayed beyond 31 December 2030, the moratorium and the Work Programme should expire on 31 December 2030. In the meantime, Members agree to conduct a focused review of this decision and intensified discussions to seek a common understanding on the scope, definition, and impact of this decision. We agree to deepen dialogue by reviewing existing empirical evidence and gathering additional empirical evidence on the impact of this moratorium on the economies of developing and least-developed Members, and seek a common understanding on the scope and definition.”

### **WTO reform**

The chair also annexed the “Draft Yaounde Ministerial Declaration on WTO Reform”.

The draft states: “While we hold

differing views on the challenges and solutions, we commit to work urgently and in good faith following MC14 to advance reforms, recalling the progress and outcomes made in MC12 and MC13.”

However, the reform package has seemingly failed to adhere to both the MC12 and MC13 outcomes, which called for reform of all functions – negotiating, implementation and enforcement – which have been reportedly hived off from the reform discussions, said participants who asked not to be quoted.

The draft ministerial declaration on WTO reform states: “In this context, we instruct our officials to intensify their work with a view to providing concrete and substantive recommendations for action by MC15. We will undertake a mid-term review in advance of MC15 to assess progress and provide further directions.”

The draft ministerial declaration on WTO reform also includes a Work Plan as follows:

### **“WTO Reform Work Plan**

Decision-Making, Development, including S&DT, Level Playing Field Issues and Foundational issues

We note that Members engaged in reform discussions leading up to MC14 in various areas, including the three areas as reflected in the Reform Facilitator's Reports: Decision-making, Development, including S&DT, and Level Playing Field. We engaged in discussions on these areas at Yaounde and agree that work on these three issues will continue post MC14. We also had discussions on Foundational Issues at MC14 - including systemic issues such as WTO principles and the balance of rights and obligations. Post MC14 discussions will include these issues. Among other things, further context is in the Facilitator's reports and the reports of the MC14 Minister Facilitators.

### **Dispute Settlement**

We acknowledge that the WTO Dispute Settlement System is not fully and well-functioning and needs to be reformed. We agree that consultations on dispute settlement reform, under the auspices of the Dispute Settlement Body (DSB), should continue following MC14.

### **Modalities**

Authority: Work will be conducted

under the authority of the General Council. Dispute Settlement Reform will be under the auspices of the DSB. The WTO Reform process shall be Member-driven, open, transparent, and inclusive, and address the interests of all Members.

WTO Reform Facilitators for each of the reform areas shall be appointed by decision of the General Council at its next meeting. Failing that, the General Council Chairperson shall appoint Facilitators based on consultations with Members. Facilitators will facilitate discussions based on Members' submissions and contributions. They shall be accountable, and report regularly, to the General Council.

The General Council Chairperson will oversee and coordinate the overall process to ensure coherence across workstreams and avoid scheduling overlaps. The capacity constraints of Members, especially of resource-constrained delegations, will be taken into account in scheduling meetings.

Indicative Timelines/checkpoints: Work will resume in April 2026.

Progress reports to the General Council will be provided in July 2026, December 2026, July 2027, and December 2027, with senior officials participating as necessary. We will conduct at least one midway review ahead of MC15. The report produced in July 2026 may include, but shall not be limited to, a stocktaking across all identified reform areas.

Flexibility: The Work Plan is designed to remain flexible to ensure responsiveness and institutional agility. The identification of any particular issue as a "focus" issue or an otherwise important issue will not be interpreted in any way as limiting the scope of issues Members can address in the reform process or imply any particular sequencing. Moreover, this reform process will be without prejudice to work in any WTO committee or other body." (*SUNS #10414*)

morning (on 29 March);

2. The draft Ministerial Decision on Electronic Commerce that, as you know, is still missing some important numbers;

3. The draft Ministerial Decision on the Moratorium on TRIPS Non-Violation and Situation Complaints;

4. The DG's "Yaounde Emerging package" that will be discussed in Geneva; and

5. Few other documents."

Significantly, the moratorium on TRIPS non-violation and situation complaints looks like part of the agenda and appears to be ready, pending a decision (others say that it "needs more negotiations"), said participants who asked not to be quoted.

Apparently, there was a deal between the United States and Switzerland with India and Colombia, which was initially fiercely opposed by Switzerland at the beginning of the meeting, said people familiar with the development.

The US appears to have shown flexibility working with Colombia and India, and apparently there was a deal ready on the table, pending agreement on the other issues, said sources familiar with the development.

## Questions

Even though the DG repeatedly maintained at the concluding press conference that the new process of the chair's statement and other texts are testimony to a new "nimble and smooth" process of conducting a ministerial conference, it appears that they have no legal sanctity or binding status on members who had tabled several proposals at the meeting, said participants who asked not to be quoted.

The DG tried to put a gloss on the failure of MC14 by making seemingly misleading statements that do not correspond with the legal and historic realities of the past ministerial conferences, said people familiar with the development.

When the WTO's third ministerial conference collapsed in Seattle, Washington in 1999, the conference chair Ms Charlene Barshefsky said the process will be taken to Geneva for further discussions.

It took more than a year after Seattle to restore the WTO's credibility through the launch of a new round of trade negotiations called the Doha

# WTO Members question legal sanctity of drafts as MC14 collapses

The World Trade Organization Director-General is understood to have voiced concern after the collapse of the WTO's 14th Ministerial Conference (MC14) about how the draft texts produced in Yaounde might be handled once discussions return to Geneva, given their lack of legal status.

by D. Ravi Kanth

YAOUNDE: After the breakdown of the World Trade Organization's 14th ministerial conference (MC14) in Yaounde, Cameroon, on 30 March, the Director-General of the World Trade Organization appears to have expressed concerns about the treatment of the draft texts by members in Geneva due to their lack of a legal binding status, according to people familiar with the development.

The DG, Ms Ngozi Okonjo-Iweala, appears to have told members before they left the conference center in Yaounde that "in the circumstances, if we decide to move the work to Geneva, we believe that it would be appropriate to preserve the important texts we have developed here, and use them as a basis to finalize

agreements in Geneva at the next General Council meeting."

However, there is no legal requirement to treat the draft texts issued in Yaounde by the chair of MC14 and the Minister-Facilitators, under their own responsibility, as several members had circulated proposals that would have to be simultaneously considered, which would make the whole process cumbersome and complicated, said several people familiar with the development.

The DG said "we are bringing back with us" the following texts to Geneva. They include:

1. "The draft Yaounde Ministerial Declaration on WTO Reform and Work Plan that was circulated to you this

Development Agenda under which Ms Okonjo-Iweala still operates as the chair of the Trade Negotiations Committee (TNC) – a legal incongruity after 25 years, said participants familiar with the development.

When the mid-term review of the Doha trade negotiations in Cancun, Mexico in 2003 collapsed, the Mexican chair of the conference told participants that the discussions on the way forward will be carried out in Geneva.

Again, it took more than a year to restore the trade negotiations in Geneva, through what is called the July 2004 package.

In 2006, when the former WTO Director-General, Pascal Lamy, suspended the negotiations to ensure that they did not have any impact on the US mid-term elections, which was described as a “Charles I moment” by the former chair of the Doha agriculture negotiations Ambassador Crawford Falconer of New Zealand, it took almost two years to bring back the negotiations through his proposed modalities text.

However, that text failed because of sharp differences between the US and India over the thresholds for special safeguard duties, with the US farm lobby being physically present inside the courtyard of the WTO building during the talks, as reported in SUNS.

The same developments may now follow after Yaounde when the draft texts are parachuted to Geneva, said people familiar with the development.

### Continued fears

According to a trade envoy from Africa, “this exceptional step to reconvene the ministerial without the ministers in Geneva may badly backfire,” as the ambassadors in Geneva entail an interesting mix of technical expertise and political statesmanship and may easily decipher the “political bulldozing” they had been subject to at Yaounde.

Further, if the trade envoys in Geneva decide to conduct themselves in discussions with usual technical rigour and objectivity, then more blockages are bound to come up, the envoy said.

“Considering that the country threatening them in Yaounde for a failed ministerial in the absence of its desired outcome, was actually seeking to gulp what it wanted for absolutely nothing, the Geneva community may deliver that very

outcome acting with objectivity and due reflection,” said another envoy, who asked not to be quoted.

In short, “typical political pressures and extraneous considerations at play in a ministerial meeting usually don’t determine the shape of an outcome in Geneva, especially when Geneva delegates and Ambassadors are responsible for determining the contours of that outcome,” the envoy said.

Several countries view the moves by the DG “to placate the ego and meet the demands of just one Member – who some others were not in a position to fathom – as an extraordinary step taken to adjourn the 14th ministerial meeting in order to reconvene it in Geneva,” said people familiar with the development.

“This arrangement must have been conceived to put excessive pressure on Members who had held ground in Yaounde so that they could fall in line to gift the desired outcome to that one Member – the US – who threatened to otherwise not accept any outcome in Yaounde,” they said.

Apparently, the US wanted to continue the discussions in Yaounde but that was not possible due to logistical and travel schedules.

The DG told members at the concluding sessions: “However, we have run out of time. Some have already caught flights, some have changed flights, and some will need to go soon.” (SUNS #10413)

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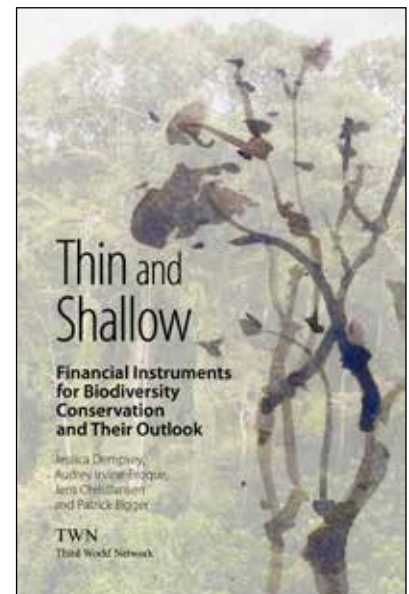
## Thin and Shallow: Financial Instruments for Biodiversity Conservation and Their Outlook

*Jessica Dempsey  
Audrey Irvine-Broque  
Jens Christiansen  
Patrick Bigger*

This paper examines the track record of private financial mechanisms aimed at funding conservation of biological diversity. It finds that, due to lack of rigorous and consistent benchmarks and monitoring, these investments may not necessarily safeguard biodiversity and could even, in some cases, have adverse impacts. Further, despite decades of attempts to draw private capital to biodiversity protection, the quantum of finance remains limited, especially in the highly biodiverse countries of the Global South where it is most needed.

Written for a research project established by a group of central banks and financial supervisors, this paper cautions these authorities from deploying resources towards promoting such biodiversity-focused private financial instruments. Instead, the supervisory bodies are urged to step up policy coordination to address drivers of biodiversity loss in the financial system.

Available at: <https://www.twn.my/title2/books/pdf/Thin%20and%20shallow.pdf>



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# MC14 ends with no outcomes on key issues; IFDA bid blocked

The 14th Ministerial Conference (MC14) of the World Trade Organization concluded in Yaounde, Cameroon without a ministerial declaration or any multilateral outcomes on the major negotiating files, underscoring the depth of the impasse.

by D. Ravi Kanth

YAOUNDE: The 14th Ministerial Conference (MC14) of the World Trade Organization ended in Yaounde, Cameroon, on 29 March with no ministerial declaration or multilateral outcomes on three key issues, namely reforming the WTO, agriculture, and extending the e-commerce moratorium, as well as the proposed incorporation of the Investment Facilitation for Development Agreement (IFDA) into Annex 4 of the WTO Agreement.

In his statement, the chair of MC14 announced the suspension of the meeting and the continuation of work in Geneva.

In line with several failed WTO ministerial conferences – such as the 1999 Seattle ministerial conference, the 2003 Cancun ministerial conference, and the 2017 Buenos Aires ministerial conference – the Yaounde meeting will also witness a chair's statement, said participants who asked not to be quoted.

Several factors brought down MC14, but it was the negotiating strategies adopted by the United States that resulted in substantially lowering the level of ambition in all areas while upping the ante on its core demand of a permanent moratorium on customs duties on electronic transmissions.

This demand apparently led to vitiating the overall negotiating climate, said several participants who asked not to be quoted.

The US apparently made the issue of the e-commerce moratorium the centerpiece of the whole conference, said a participant from an African country.

"This single issue of e-commerce moratorium created such stress at the conference with everything being linked to it through that linkage," said a South American participant who asked not to be quoted.

"By linking everything to the moratorium, the US apparently brought down the ambition in several different areas, while diluting the proposed reform package that had already been streamlined because of them in Geneva, but was obviously not enough," the participant said.

Apparently, Washington was looking for a procedural-type document and WTO reform would be something that members would carry out post-MC14 on the basis of their submissions and direct representation, said another participant from Asia on a background basis.

There was a strong position against any Secretariat activism, said participants who asked not to be quoted.

In agriculture, members arrived in Yaounde with a very slim draft text from the co-chairs after everyone had diluted their own positions in order to accommodate the US demands, said a participant who asked not to be quoted.

In the end, every country that participated in the meeting felt that under the circumstances it was better to have something rather than nothing, said a participant from Asia who asked not to be quoted.

Without naming the US, one trade minister said, "one member decides to do away with 70% of that small text."

In effect, the declaration was diluted, and there was no consensus on the text.

Even the manner in which bilateral meetings were conducted left much to be desired; countries like India and Türkiye were called before Brazil, which was pressing for issues, with no preference given to Brazil for any bilateral meetings.

The chairs and Minister-Facilitators rapidly declared, "well, there's no

consensus".

Also, the overall process during the conference was very poor even though countries repeatedly stated that they had issues and problems to be addressed, said a participant who asked not to be quoted.

The "draft Yaounde Ministerial Declaration on WTO Reform" apparently issued by the Norwegian foreign minister on 28 March night appears to have been amended to reflect the concerns raised by five countries – the United States, Paraguay, India, Pakistan, and Bangladesh, said participants familiar with the development.

The draft shared with the SUNS in the early morning of 29 March states: "We acknowledge that the WTO faces serious challenges that require necessary reform," and that "while we hold differing views on the challenges and solutions, we commit to work urgently and in good faith following MC14 to advance reforms, recalling the progress and outcomes made in MC12 and MC13."

The draft states that trade ministers present at the meeting "instruct our officials to intensify their work with a view to providing concrete and substantive recommendations for action by MC15. We will undertake a mid-term review in advance of MC15 to assess progress and provide further directions."

It argues that "Members engaged in reform discussions leading up to MC14 in various areas, including the three areas as reflected in the Reform Facilitator's Reports: Decision-making, Development, including S&DT, and Level Playing Field," adding that work on these three issues "will continue post MC14."

The draft further states, "We also had discussions on Foundational Issues at MC14 - including systemic issues such as WTO principles and the balance of rights and obligations," in an apparent giveaway to the US demand for discussing the issue of changing the most-favored-nation (MFN) treatment principle as well as transparency and the functioning of the WTO Secretariat.

"Post MC14 discussions will include these issues," it said.

Among other things, further context is in the Facilitator's reports and the reports of the MC14 Minister-Facilitators, it said.

On dispute settlement, it merely

acknowledged that "the WTO Dispute Settlement System is not fully and well-functioning and needs to be reformed. We agree that consultations on dispute settlement reform, under the auspices of the Dispute Settlement Body (DSB), should continue following MC14."

In another apparent acceptance of the demand by the five countries, the draft said: "Work will be conducted under the authority of the General Council. Dispute Settlement Reform will be under the auspices of the DSB. The WTO Reform process shall be Member-driven, open, transparent, and inclusive, and address the interests of all Members."

The appointment of WTO Reform Facilitators, a process that was arbitrarily undertaken in the appointment of the controversial Norwegian trade envoy Ambassador Petter Olberg, is now being corrected, as per the draft.

It said: "WTO Reform Facilitators for each of the reform areas shall be appointed by decision of the General Council at its meeting."

Further, it states somewhat unambiguously, while reflecting India's main concern, that "the General Council Chairperson will oversee and coordinate the overall process to ensure coherence across workstreams and avoid scheduling overlaps. The capacity constraints of Members, especially of resource-constrained delegations, will be taken into account in scheduling meetings."

On indicative timelines/checkpoints, the draft states: "Work will resume in April 2026" and, more importantly, "Progress reports to the General Council will be provided in July 2026, December 2026, July 2027, and December 2027, with senior officials participating as necessary."

It also suggests at least "one midway review ahead of MC15. The report produced in July 2026 may include, but shall not be limited to, a stocktaking across all identified reform areas."

Finally, it touches on the issue of "flexibility," under which it claims that "the Work Plan is designed to remain flexible to ensure responsiveness and institutional agility."

According to the draft, "The identification of any particular issue as a "focus" issue or an otherwise important issue will not be interpreted in any way as

limiting the scope of issues Members can address in the reform process or imply any particular sequencing. Moreover, this reform process will be without prejudice to work in any WTO committee or other body."

#### **FULL TEXT**

The full text is as follows:  
"DRAFT YAOUNDE MINISTERIAL DECLARATION ON WTO REFORM

We recognize the contribution of the WTO to the economic growth of its Members over the past 30 years and that it continues to perform valuable functions. At the same time, we acknowledge that the WTO faces serious challenges that require necessary reform. While we hold differing views on the challenges and solutions, we commit to work urgently and in good faith following MC14 to advance reforms, recalling the progress and outcomes made in MC12 and MC13. In this context, we instruct our officials to intensify their work with a view to providing concrete and substantive recommendations for action by MC15. We will undertake a mid-term review in advance of MC15 to assess progress and provide further directions.

#### **WTO REFORM WORK PLAN**

Decision-Making, Development, including S&DT, Level Playing Field Issues and Foundational issues

We note that Members engaged in reform discussions leading up to MC14 in various areas, including the three areas as reflected in the Reform Facilitator's Reports: Decision-making, Development, including S&DT, and Level Playing Field. We engaged in discussions on these areas at Yaounde and agree that work on these three issues will continue post MC14. We also had discussions on Foundational Issues at MC14 - including systemic issues such as WTO principles and the balance of rights and obligations. Post MC14 discussions will include these issues. Among other things, further context is in the Facilitator's reports and the reports of the MC14 Minister Facilitators.

Dispute Settlement

We acknowledge that the WTO

Dispute Settlement System is not fully and well-functioning and needs to be reformed. We agree that consultations on dispute settlement reform, under the auspices of the Dispute Settlement Body (DSB), should continue following MC14.

Modalities

Authority: Work will be conducted under the authority of the General Council. Dispute Settlement Reform will be under the auspices of the DSB. The WTO Reform process shall be Member-driven, open, transparent, and inclusive, and address the interests of all Members.

WTO Reform Facilitators for each of the reform areas shall be appointed by decision of the General Council at its next meeting. Failing that, the General Council Chairperson shall appoint Facilitators based on consultations with Members. Facilitators will facilitate discussions based on Members' submissions and contributions. They shall be accountable, and report regularly, to the General Council.

The General Council Chairperson will oversee and coordinate the overall process to ensure coherence across workstreams and avoid scheduling overlaps. The capacity constraints of Members, especially of resource-constrained delegations, will be taken into account in scheduling meetings.

Indicative Timelines/checkpoints: Work will resume in April 2026.

Progress reports to the General Council will be provided in July 2026, December 2026, July 2027, and December 2027, with senior officials participating as necessary. We will conduct at least one midway review ahead of MC15. The report produced in July 2026 may include, but shall not be limited to, a stocktaking across all identified reform areas.

Flexibility: The Work Plan is designed to remain flexible to ensure responsiveness and institutional agility. The identification of any particular issue as a "focus" issue or an otherwise important issue will not be interpreted in any way as limiting the scope of issues Members can address in the reform process or imply any particular sequencing. Moreover, this reform process will be without prejudice to work in any WTO committee or other body." (SUNS #10412)

# India blocks IFDA at MC14

India has single handedly blocked the move to incorporate the proposed Investment Facilitation for Development Agreement (IFDA) into Annex 4 of the WTO Agreement at the WTO's 14th Ministerial Conference (MC14), despite support from roughly 130 members.

by D. Ravi Kanth

YAOUNDE: India on 28 March appears to have single-handedly blocked the incorporation of the proposed Investment Facilitation for Development Agreement (IFDA) into Annex 4 of the WTO Agreement at the World Trade Organization's 14th Ministerial Conference (MC14), while around 130 members supported its integration, said people familiar with the development.

Indian Minister of Commerce and Industry Piyush Goyal, in an X post (formerly Twitter) issued on 28 March, stated that "India showed the courage to stand alone on the contentious issue of the Investment Facilitation for Development (IFD) Agreement and did not agree to its incorporation into the WTO framework as an Annex 4 Agreement."

Mr. Goyal said, "Incorporation of the IFD Agreement risks eroding the functional limits of the WTO and undermining its foundational principles."

Elaborating on India's stand, Mr. Goyal stated that "as part of WTO reform discussions, Members are discussing guardrails and legal safeguards for plurilaterals before the integration of any specific plurilateral outcome."

Further, the Indian commerce minister contended that "in view of the systemic issue at hand, India showed openness to have good faith, comprehensive discussions and constructive engagement under the WTO Reform Agenda."

Paragraph 9 of Article X of the Marrakesh Agreement unambiguously states: "The Ministerial Conference, upon the request of the Members parties to a trade agreement, may decide exclusively by consensus to add that agreement to Annex 4. The Ministerial Conference, upon the request of the Members parties to a Plurilateral Trade Agreement, may decide to delete that Agreement from Annex 4."

Apparently, Mozambique, on behalf of the African Group, and the

host country Cameroon pleaded with India not to block the IFDA because of its potential for more investments in the continent, said people familiar with the development.

Even before the beginning of MC14, the Minister-Facilitator "on incorporation of the Investment Facilitation for Development Agreement (IFDA)" issued an information note on how the controversial agreement would be discussed and adopted on 28 March in Yaounde, Cameroon.

It is well-known that the IFDA is led by China, which first brought the issue to the WTO's General Council in 2016. Later, China appears to have built a large majority from both industrialized nations and many developing and least-developed countries, said participants who asked not to be quoted.

In a one-page restricted document (WT/MIN(26)/INF/20), issued on 24 March, the Minister-Facilitator, Dwight Fitzgerald Bramble of Saint Vincent and the Grenadines, informed ministerial participants that he would convene a full-day meeting on 28 March to "add the Investment Facilitation for Development Agreement (IFDA) to Annex 4 of the Marrakesh Agreement Establishing the World Trade Organization (the "WTO Agreement")."

The Minister-Facilitator appears to be assuming that the IFDA will be added even though it has never secured consensus since 2016, when India blocked the issue at a General Council meeting.

New Delhi has consistently opposed it each time it came up for discussion, whether at General Council meetings or ministerial conferences such as MC12 and MC13, said people familiar with the development.

For the Minister-Facilitator, who appears oblivious to the IFDA's stalled progression on procedural and systemic grounds, it is rather unusual to decide that it will be added to the Annex 4 list

of plurilateral agreements, said a trade envoy who asked not to be quoted.

According to the document, "the session will provide Ministers/Heads of Delegation with the opportunity to consider the request submitted by the 128 Member parties to the IFDA, pursuant to paragraph 9 of Article X of the WTO Agreement (Draft Ministerial Decision on Adding the IFDA to Annex 4 of the WTO Agreement), as set out in document WT/MIN(26)/W/5. Any updates to the documentation may be consulted on the WTO website under the MC14 documents page: WTO/Documents-14th WTO Ministerial Conference."

According to document WT/MIN(26)/W/5, issued on 5 March, the parties to the Investment Facilitation for Development Agreement include the following members:

"Afghanistan; Albania; Angola; Antigua and Barbuda; Argentina; Armenia; Australia; Bahrain, Kingdom of; Barbados; Belize; Benin; Bolivia, Plurinational State of; Brazil; Burkina Faso; Burundi; Cabo Verde; Cambodia; Cameroon; Canada; Central African Republic; Chad; Chile; China; Congo; Costa Rica; Cote d'Ivoire; Democratic Republic of the Congo; Djibouti; Dominica; Dominican Republic; Ecuador; Egypt; El Salvador; European Union; Gabon; Gambia; Georgia; Grenada; Guatemala; Guinea; Guinea-Bissau; Honduras; Hong Kong, China; Iceland; Indonesia; Japan; Kazakhstan; Korea, Republic of; Kuwait, the State of; Kyrgyz Republic; Lao People's Democratic Republic; Liberia; Liechtenstein; Macao, China; Malawi; Malaysia; Maldives; Mali; Mauritania; Mauritius; Mexico; Moldova, Republic of; Mongolia; Montenegro; Morocco; Mozambique; Myanmar; New Zealand; Nicaragua; Niger; Nigeria; North Macedonia; Norway; Oman; Pakistan; Panama; Papua New Guinea; Paraguay; Peru; Philippines; Qatar; Russian Federation; Saudi Arabia, Kingdom of; Seychelles; Sierra Leone; Singapore; Solomon Islands; Suriname; Switzerland; Tajikistan; Thailand; Togo; Uganda; United Arab Emirates; United Kingdom; Uruguay; Vanuatu; Venezuela, Bolivarian Republic of; Yemen; Zambia; and Zimbabwe."

It states, "The above-mentioned Members hereby request the WTO Ministerial Conference to adopt the draft decision below, pursuant to paragraph 9 of Article X of the Marrakesh

Agreement Establishing the World Trade Organization.”

The central issue is that agreements at the WTO are not arrived at by brute majority, said a legal analyst. "If anything, the most important issue is whether such agreements adhere to the rules, or if they are driven merely by the number of countries proposing them, even if they are inconsistent with the rules," the analyst said.

So far, on both procedural and systemic grounds, the IFDA has seemingly failed to comply with the rules – something India has consistently maintained.

In fact, the attempt to ram through the IFDA regardless of the rules has now been endorsed in the WTO reform discussions through what are called “responsible consensus” and an open gateway for plurilateral agreements without adhering to the WTO’s multilateral charter.

The United States, in its proposal (WT/GC/W/998), has sought a free hand for open plurilateral trade agreements by discarding Articles IX and X of the GATT, said people who asked not to be quoted.

**Conduct of session**

Under the subheading “Conduct of the Session,” the Minister-Facilitator said categorically that “the session is intended to provide a focused ministerial-level exchange on the above-mentioned Draft Ministerial Decision (WT/MIN(26)/W/5).”

He said “it will proceed in a structured manner,” adding that “the Minister-Facilitator will open the session with brief introductory remarks and a short report of his consultations conducted on this matter in the margins of MC14. The floor will then be opened for short interventions by Ministers and Heads of Delegation, limited to three minutes each.”

The Minister-Facilitator said he “will then seek to ascertain whether Ministers and Heads of Delegation are in a position to join the consensus on the Draft Ministerial Decision on Adding the IFDA to Annex 4 of the WTO Agreement.”

Finally, “the ensuing discussion will be aimed at determining whether any differences can be addressed in a manner that would permit action by consensus under Article X:9 of the WTO

Agreement.”

It is, however, uncertain whether these differences can be resolved, given that investment has never been part of

the trade rule-book. If not, it could cause a small earthquake at MC14, said people familiar with the development. (SUNS 10411)

## Battles in the WTO

### Negotiations and Outcomes of the WTO Ministerial Conferences

by *Martin Khor*

The World Trade Organisation has been an extremely controversial and divided organisation ever since its establishment in 1995. The big battles are most evident at its highest governing body, the Ministerial Conference, where the Trade Ministers of member states convene to chart the WTO’s course.

This book is a compilation of contemporaneous reports and analyses of what unfolded at each Ministerial, as well as a few “mini-Ministerials”, that took place from the WTO’s inception up to 2017. As these articles reveal, the Ministerials have been the stage on which battles over the future direction of the WTO are most prominently played out. These clashes have mainly pitted developed member states pushing to expand the WTO’s ambit into new subject areas, against many developing countries which call instead for redressing imbalances in the existing set of WTO rules.

This book also shines a light on the murky decision-making methods often employed during Ministerials, where agreements are sought to be hammered out by a select few delegations behind closed doors before being foisted on the rest of the membership. Such exclusionary processes, coupled with the crucial substantive issues at stake, have led to dramatic outcomes in many a Ministerial.

The ringside accounts of Ministerial battles collected here offer important insights into the contested dynamics of the WTO and the multilateral trading system in general.



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# US kills any outcome on agriculture at MC14

The United States effectively derailed any outcome on agriculture at the World Trade Organization's 14th Ministerial Conference (MC14) by insisting that all references to past ministerial outcomes be removed from the draft text.

by D. Ravi Kanth

YAOUNDE: The United States on 27 March appears to have killed any outcome on agriculture at the World Trade Organization's 14th Ministerial Conference (MC14) in Yaounde, Cameroon, after insisting on its textual formulations to delete any reference to past ministerial outcomes, as demanded by India and the Cotton Four (C-4) countries – Benin, Burkina Faso, Mali, and Chad, said people familiar with the discussions.

The US also apparently insisted on difficult conditions, including on “new approaches,” while discarding the demands for continued negotiations on a permanent solution for public stockholding (PSH) programs for food security after MC14 or discussing the long-pending mandated issue of cotton subsidies as demanded by the C-4 countries, said people familiar with the development.

In fact, this is not the first time the US has killed any outcome on agriculture, as it did at MC11 in Buenos Aires, Argentina in December 2017 when former US Trade Representative (USTR) Robert Lighthizer chose to kill an outcome on agriculture, said participants familiar with the development.

The US made drafting suggestions to the Minister-Facilitator's draft text, insisting on “new approaches” in the agriculture negotiations, while deleting all references to past ministerial outcomes.

An outcome on agriculture at MC14 hangs in the balance, as intense discussions apparently failed to bring about any convergence, said people familiar with the development.

The discussions were held bilaterally as well as in small groups, in which the United States, India, and the Cotton Four countries raised sharp

objections as well as questions on their respective concerns over continuing the discussions on the permanent solution for PSH, trade-distorting domestic cotton subsidies, and an “inane” work program being demanded by the US, said participants on a background basis.

The discussions held in bilateral and small group meetings are not going well and are facing several stumbling blocks, said a participant from a South American country.

Another crucial issue dividing the US, India, and the C-4 is the fate and treatment of past mandates with differing expectations, the South American participant said.

India and the C-4 countries seem determined to ensure that the past ministerial decisions and declarations on PSH and cotton, respectively, are followed up in a committed process with serious intent.

In sharp contrast, the US, which is supported by the Cairns Group of farm-exporting countries and the European Union among others, wants to achieve a re-reading or reinterpretation of those mandates by pushing the idea of so-called “new approaches” and targeting discussions on addressing the root causes of the stalemate, said another South American participant, who asked not to be quoted.

Several countries in the small group discussions appear to agree with India and the C-4 that if the core principles are enshrined in binding ministerial outcomes, questioning and twisting them with “new approaches” renders the negotiations meaningless and ineffectual, according to developing-country participants who took part in the meetings.

India and the C-4 want to doubly

ensure that eventually the post-MC14 negotiating mandate should explicitly mention both the permanent solution on PSH and cotton subsidies that have been hanging fire since the WTO's sixth ministerial conference in Hong Kong-China in 2005.

For many developing countries, particularly the C-4 countries, these two issues are at the heart of the multilateral agricultural outcomes, said participants who asked not to be quoted.

Significantly, the WTO's Director-General, Ms. Ngozi Okonjo-Iweala, was of the view that resolving the issue of cotton subsidies would be tantamount to technical and financial assistance and “cotton fashion shows” at the ongoing Yaounde meeting, but not addressing the core issue of cotton subsidies because that would involve upsetting the US, which has been fiercely opposing the resolution of the cotton subsidy issue, said an African participant who asked not to be quoted.

In the run-up to MC14, the US and the Cairns Group of farm-exporting countries succeeded in removing the issue of PSH from the chair's discussions, said farm negotiators familiar with behind-the-scenes moves.

While cotton is being seemingly shown to be treated in the WTO through fashion shows, the term PSH has thus remained conspicuously silent in the meeting rooms.

The next few hours will be critical, as agriculture can potentially at any time destroy potential success on other issues.

The big battle on agriculture is apparently going to be between India and the US over the fate of the final outcome and whether it will include a dedicated work program on PSH, said participants who asked not to be identified.

Before MC14, the chair of the Doha agriculture negotiations, Ambassador Ali Sarfraz Hussain of Pakistan, issued the following text on 16 March:

“The Ministerial Conference,

Recognizing the role that the WTO Agreement on Agriculture has played since 1995, and continues to play, in supporting global trade in agricultural products and food security;

Recalling the long-term objective of establishing a fair and market-oriented agricultural trading system and of providing for substantial progressive reductions in agricultural support and

protection, in line with Article 20 of the Agreement on Agriculture;

Recalling previous Ministerial Decisions and Declarations;

Recalling that special and differential treatment for developing country Members, including Least Developed Countries, is an integral part of the agriculture negotiations;

Recognizing the urgent need to strengthen global food security, particularly for developing country Members, including Least Developed Countries and net food-importing developing countries; and the role that the reform of agricultural trade can play in responding to the challenges facing agricultural production and trade, including price volatility, extreme weather events and exposure to global shocks and crises;

Noting the heightened vulnerabilities of farmers, particularly smallholder farmers, and rural communities, requiring urgent, balanced, and development-oriented responses;

Noting with concern the limited progress achieved to date on several negotiating issues, and acknowledging the significant divergences on negotiating approaches and on possible outcomes across areas of the negotiations, and the need to address the existing stalemate in these negotiations;

Considering the above, the Ministerial Conference:

Commits to engaging constructively, transparently and inclusively to fulfil the objective of establishing a fair and market-oriented agricultural trading system and to deliver outcomes that, inter alia, strengthen global food security.

Commits to revitalizing the agriculture negotiations pursuant to Article 20 of the Agreement on Agriculture, and subsequent Ministerial Decisions and Declarations.

Agrees that the negotiations shall continue on the basis of Members' existing and future contributions, including proposals on possible new approaches to advance the negotiations.

Requests the CoA-SS Chair, in consultation with Members, to promptly establish following this Conference a calendar of meetings and milestones in the negotiations, and invites senior officials to meet periodically after MC14 to review progress and provide guidance

on the way forward, as needed.

Invites Members and the relevant international organizations to continue supporting the participation of developing country Members, including Least Developed Countries, in the negotiations, including through technical assistance and capacity-building initiatives."

Meanwhile, representatives of civil society groups expressed alarm: "Overdue development outcomes must be resolved first, and a sequence of negotiations must be established based on priorities of the majority of Members and on past mandates. Food security must not be compromised for the sake of profits for agri-businesses of the developed countries."

They said any new approach or framework, including of sustainability, must not be introduced without resolving outstanding issues.

The civil society groups said that "a comprehensive framework around food security/sovereignty is required that underlines the need for policy tools for developing countries, NFIDCs and LDCs to manage crises and volatility; promote agricultural development including for augmentation of agricultural production and protection of livelihoods and incomes of farmers; ensure food security for their citizens; and support nationally designed sustainability initiatives."

### Indian proposal

India, in an apparent attempt to demonstrate its flexibility in the agriculture negotiations, after the US pulled the plug, circulated the following restricted proposal (WT/MIN(26)/32):

#### "DRAFT DECLARATION ON POSSIBLE NEW APPROACHES TO ADVANCE AGRICULTURE NEGOTIATIONS

The following communication, dated 28 March 2026, is being circulated at the request of the delegation of India.

The Ministerial Conference,

Noting the past mandates under the Agreement on Agriculture and subsequent Ministerial Decisions adopted at Bali (2013), the General Council Decision (2014), and Nairobi (2015);

Affirming the importance of agriculture for food security, livelihood security, and rural development,

particularly for developing and least-developed country Members;

Recognizing the need to preserve the development dimension of the Doha Work Programme, any possible new approach shall be consistent with existing mandates and not dilute or replace them;

Decides as follows:

1. Commits to continue negotiations in the Committee on Agriculture in Special Session on the basis of existing mandates, with a view to achieving balanced and development-oriented outcomes.
2. Commits to prioritize outcomes on mandated issues of Permanent Solution on Public Stockholding (PSH), Special Safeguard Mechanism (SSM), and Cotton, followed by outcomes on broader long-term reforms, consistent with Article 20 of the Agreement on Agriculture.
3. Commits to address these mandated issues on a standalone basis and shall not be made contingent upon progress in other areas.
4. Agrees to establish a time-bound pathway to deliver outcomes on mandated issues no later than MC15.
5. Commits to engage constructively to negotiate and make all concerted efforts to agree and adopt a permanent solution on the issue of public stockholding for food security purposes.
6. Commits to establish an effective, simple, non-onerous and accessible SSM to address import surges and price volatility, for developing countries.
7. Commits to engage constructively to advance Cotton negotiations ambitiously, expeditiously, and specifically within agriculture negotiations.
8. Commits to address structural imbalances in domestic support, including elimination of Final Bound Aggregate Measurement of Support (FBTAMS) entitlements to create a level playing field.
9. Agrees that Special and Differential Treatment for developing countries is preserved and strengthened." (SUNS #10411)

# WTO “reform” push risks eroding development mandate, warn CSOs

Civil society organisations from across the globe have urged members of the World Trade Organization to reject the proposed “reform” agenda, warning that it would weaken the organisation’s development mandate and further marginalise the interests of developing countries.

by Kanaga Raja

PENANG: Civil society groups from around the world have urged members of the World Trade Organization (WTO) to reject the proposed WTO “reform” agenda, warning that it would erode the global trade body’s development mandate.

This stark warning came in a joint statement issued by the civil society organizations (CSOs), coordinated by the global network Our World Is Not For Sale (OWINFS), ahead of the WTO’s 14th Ministerial Conference (MC14) that got underway in Yaounde, Cameroon on 26 March.

In their joint statement, the civil society groups argued that the proposed reforms would dismantle the WTO’s core non-discrimination principle, legitimize United States bilateral deals negotiated under tariff threats, and cement a governance model that empowers major economies to impose outcomes through exclusive plurilateral agreements, sidelining developing countries.

Among the international groups that signed onto the joint statement are Community Alliance for Global Justice, Both ENDS, La Via Campesina, People’s Health Movement, Society for International Development (SID), Africa Europe Faith & Justice Network (AEFJN), 49th Parallel Biotechnology Consortium, IBON International, World Forum of Fish Harvesters & Fish Workers (WFF), Public Services International - PSI, and Third World Network.

The joint statement was also signed by a host of national and regional organizations.

“What is unfolding at MC14 is not reform – it is capture,” said Jane Nalunga, Executive Director of SEATINI, a think tank covering Southern and Eastern African trade issues.

“We are witnessing the United States and the European Union using the language of relevance’ to systematically strip developing countries of the policy space and flexibilities they have negotiated and bargained for.”

“This process risks normalizing coercion as a negotiating tool, while shifting agenda-setting power even further toward the interests of the world’s most powerful countries and largest corporations. If this is what success’ in Yaounde looks like, then it is a success for entrenched power, not for the billions of people this institution was meant to serve and has too often failed,” said Nalunga.

“The question at Yaounde is not whether the WTO needs to change – it clearly does,” said Chee Yoke Ling, Executive Director of Third World Network.

“The question is whether the changes on offer actually address the institution’s failures, or whether they entrench them under new rules. On that test, the current proposals do not pass,” she pointed out.

The joint statement identified several specific concerns, including that a facilitator-led negotiating process has concentrated discussions in small, non-inclusive formats, departing from the member-driven principles agreed at the WTO’s 12th Ministerial Conference (MC12) in Geneva in June 2022.

This is counter to a WTO Member-led intergovernmental process that is transparent and inclusive, it said.

The joint statement also called out what it describes as a deliberate inversion of history: the narrative that the US has been a victim of the WTO system, when in reality major industrial powers have long enjoyed the freedom to maintain agricultural subsidies, domestic

protection and trade remedy tools unavailable to poorer members.

The CSOs also raised concerns about the US and other developed countries’ attempts to make permanent the extension of the WTO’s e-commerce moratorium, which prevents members from applying customs duties to electronic transmissions.

Development economists have argued that allowing the moratorium to expire would restore fiscal space – a position that has gained significant traction in recent years but remains contested among major trading powers.

According to the joint statement, today, some of the key developed country members led by the US and the EU are attempting to hijack the stated objective of “reforming the WTO” to push through a complete remake of the organization into what promises to be an even more dangerous construct.

It said what is unfolding, which largely follows the mutually re-enforcing submissions of the US and EU, lays bare the power politics that has been at the core of WTO since its establishment and would render a genuinely progressive, development-focused vision for the future impossible.

It said their “reforms” aim to legitimize an organisation based on power, not on rules. It would be stripped of its non-discrimination principle, and any potential development dimension.

According to the CSOs, governance arrangements would allow a few powerful players to dominate decision-making and facilitate plurilateral deals among clubs of countries, dictated by power politics and coercive tactics.

They said this would effectively constitute a takeover of the agenda-setting at the WTO by big rich economies and facilitate the interests of their corporations, while marginalizing or silencing the voices of developing and smaller economies.

“Rather than being a counter to the power-politics of the Trump administration’s unilateral trade measures, the reforms envisioned by the US and EU would embed this dynamic even further in the “rules-based order” of the WTO.”

One of the key underlying objectives is to legitimize and normalize the Trump administration’s illegal bilateral deals that several countries have been coerced to accept, said the CSOs, noting that the US

also wants to ensure immunity from legal challenges for unilateral trade measures.

Although competition from China is cited as the prime target of the US and EU, it is actually the poorer WTO members who will suffer most, they emphasized.

The joint statement said that through plurilateral agreements, and the sidelining of developing countries' own agendas, the WTO will become the platform for new rules (for example, on State support and on State-Owned Enterprises) that will further constrain any pathways that developing countries might have in order to achieve long-term sustainable development and structural transformation or any kind of competitive edge.

Highlighting what it viewed as a "skewed" facilitator-led process, the joint statement said such a manipulative strategy has been evident since the establishment of the mandate on "WTO reform" at MC12.

It is clear that there is no agreement among the WTO Members on any one project or path to reforms. Rather there are competing projects that reflect longstanding interests and divergences among the WTO Members, it added.

A process led by a "facilitator" appointment by the General Council Chair, rather than selected by the Members, ensured that discussions have been organized in a manner that diverts time and resources from discussing any genuine development mandate, the CSOs pointed out.

They said that it has been designed to eventually facilitate the dilution of Special & Differential Treatment, the discarding of consensus as basis for decision-making, and the proliferation of plurilateral deals as a replacement of actual multilateral negotiations.

The joint statement pointed out that the work was organized in facilitator-selected small group meetings, which often closely resembled the "green-room" format that many Members have historically opposed because of its exclusivity, limited transparency, and weak institutional accountability.

This contradicts the agreement among WTO Members at MC12 that "the work shall be Member-driven, open, transparent, inclusive, and must address the interests of all Members, including development issues" and that "[t]he General Council and its subsidiary bodies

will conduct the work."

The CSOs said that to push this project, a false narrative has been instrumentalized that casts the developing countries as beneficiaries of the WTO and its agreements, while proposing that countries like the US have been victimized by the system.

"For developing and least developed economies, most of the existing trade rules tie their hands from pursuing catch-up industrialization policies and hinder their transition to clean sustainable economies."

As a result, developing and least developed countries have generally suffered chronic current account deficits and low levels of development, remaining suppliers of raw materials from which rich countries profit, said the joint statement.

It said their calls for sustainable development and structural transformation, technology transfer and resilience building, including in the so-called Doha Development Round, have been blocked by the major powers.

Meanwhile, major industrial countries including the US have been permitted to maintain massive subsidies and other forms of domestic protection, particularly in sectors like agriculture and certain industrial products.

The joint statement said these trade rules and adverse terms of trade meant that many developing countries have not been able to effectively pursue diversification and structural transformation of their economies.

It said developing countries' narrative has been hijacked by rich countries demanding "policy space" and the right to apply "industrial policy" to "level the playing field" that they created, but which no longer maintains their geo-strategic and economic ascendancy.

In reality, the multilateral trade rule book has been fundamentally biased from its creation - as even Canadian Prime Minister Mark Carney has acknowledged.

It needs correction, particularly in relation to developing and least developed countries who were not the original designers of the system. If it continues to fail that challenge, it has no legitimacy, the CSOs argued.

There is enormous pressure for the ministerial conference hosted in Africa to be a "success" to prove that the WTO remains "relevant", they noted.

However, they said this "success" risks authorising a work plan that is

simply designed to deliver what the US and EU articulated in their recent submissions.

They reiterated that the biggest price will be paid by developing countries. It will come at a high cost to workers, Indigenous Peoples, women, small farmers and fishers, those who need access to affordable medicine and safe food, vulnerable countries and regions being devastated by the climate crisis, and poor communities in all WTO member states whom the WTO's hyper-globalization agenda has failed.

"The world's biggest corporations, from Big Tech and Pharma to agribusiness and weapons producers, will continue to dominate our world and our lives," the joint statement warned.

### **Genuine reform**

In this regard, OWINFS said that saying "no" to the US-EU remake of the WTO is necessary but not sufficient, adding that it has never argued for the preservation of the current system.

"We have consistently argued that it must be transformed. In 2021, over 200 organisations worldwide endorsed the Turnaround statement, setting out a comprehensive vision for new multilateral trade rules oriented towards people-centred shared prosperity and sustainable development. That vision remains the benchmark against which any "reform" must be measured."

Genuine reform would move in the opposite direction from what is currently on the table. It would not strip developing countries of flexibilities; it would expand them. It would not entrench corporate rights; it would discipline corporate power. It would not fragment the multilateral system into clubs of the willing; it would strengthen it around the needs of those it has historically failed, said the joint statement.

Concretely, it said this means that trade rules must expand, not constrain, the policy space for industrialisation, structural transformation and decent work.

"Performance requirements such as technology transfer and local content must be permissible as development tools."

It called for the right of states to provide universal quality public services to be protected from liberalisation disciplines.

It also said new rules on subsidies and state-owned enterprises proposed under the "level playing field" agenda must not foreclose the industrial policy tools that every now-developed country used in its own path.

"The permanent solution on public stockholding must be delivered without further delay. The Special Safeguard Mechanism must be agreed in a form that actually protects farmers' livelihoods."

The joint statement called for subsidies that distort global markets, particularly those of wealthy countries, to be disciplined.

In particular, it said cotton-producing countries in West Africa must see the fulfilment of commitments made over two decades ago.

The TRIPS agreement must also be amended to prevent biopiracy and the patenting of life forms must be banned.

Furthermore, the joint statement said the digital economy must not be governed by rules written by and for Big Tech and that negotiations towards binding digital trade agreements must be halted.

The e-commerce moratorium must be allowed to expire so that developing countries recover fiscal sovereignty, the CSOs emphasized.

They also said that the TRIPS non-violation complaint moratorium must be renewed permanently. Intellectual property rules must be fundamentally transformed to guarantee access to medicines, vaccines and climate-related technologies as public goods.

"Special and Differential Treatment must be strengthened, not diluted. Attempts to impose eligibility criteria or 'differentiation' that strip developing countries of flexibilities must be rejected."

The joint statement said WTO rules must not obstruct countries' pursuit of a just transition, including through green technology transfer and renewable energy subsidies.

"The WTO must be democratized: civil society participation facilitated, documents made public, and the reform process brought under genuine member-driven governance as agreed at MC12."

The joint statement said that at this juncture, it is clear that "success" at Yaounde, as envisioned by the major developed member states and the dominant WTO agenda, does not include any ounce of trade justice.

It stressed that any outcome at MC14 must be measured against this agenda.

It pointed out that "if the ministerial delivers a work plan that advances plurilateral fragmentation, erodes Special and Differential Treatment, empowers clubs of rich countries, sidelines agriculture and food security, extends the e-commerce moratorium, and conditions dispute settlement on acceptance of a reform agenda designed by and for

the powerful, then it is not reform. It is capture."

"The system of rules overseen by the WTO has failed over 30 years to deliver for development, promote shared prosperity, or ensure sustainability. A different world is possible. But it requires the courage to reject false reform and to insist, in every room and at every table, on transformation that centres people, not corporations," the joint statement concluded. (SUNS #10409)

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## Trade activists, MEPs urge WTO to suspend Israel's MFN status

Trade justice activists, together with Members of the European Parliament, urged World Trade Organization members to suspend Israel's access to Most-Favoured-Nation (MFN) treatment until it ends its occupation of the Occupied Palestinian Territory, arguing that maintaining MFN benefits under current circumstances undermines the credibility of the rules-based trading system.

*by Kanaga Raja*

PENANG: Trade justice activists, joined by several Members of the European Parliament (MEPs), issued a global appeal urging members of the World Trade Organization (WTO) to suspend Israel's access to Most-Favoured-Nation (MFN) treatment until it ends its illegal occupation of the Occupied Palestinian Territory (OPT) and complies with its obligations under international law.

The call from the European parliamentarians as well as from 27 national, regional and international civil society organizations, coordinated by the global network Our World Is Not For Sale (OWINFS), came as the WTO's 14th Ministerial Conference (MC14) got underway in Yaounde, Cameroon on 26 March.

Among the international civil society groups that signed onto the statement are the People's Health Movement, Society for International Development (SID), Transnational Institute and Third World Network.

The statement was also signed by several national and regional organizations.

"The UN General Assembly demanded an end to Israel's unlawful presence in the Occupied Palestinian

Territory by September 2025, yet that deadline has passed without consequence. Israel continues to defy international law and UN decisions with impunity," said Ziad Abdel Samad, Executive Director of the Arab NGO Network for Development (ANND) based in Beirut.

"WTO Members must now act consistently to suspend MFN treatment for Israel in view of the findings of the ICJ and the UN General Assembly, and in line with their own obligations under international law," said Priscilla Torres, Trade Policy Advisor of REBRIP- Bras lia Network for People Integration, Brazil.

According to the statement, MFN treatment is a core principle of the WTO whereby a WTO Member must give any advantage, favour or privilege granted to one trading partner to all other WTO Members, with some allowed exceptions.

It warned that by allowing Israel to continue benefitting from a normal status at the WTO, the organization and its Member States will in effect be facilitating Israel's defiance of international law and its perpetuation of international crimes and egregious violations against the Palestinian People, through its prolonged illegal occupation of the Palestinian Territory and its genocidal assault in

Gaza, which has led to a famine, as declared by the UN.

The International Court of Justice (ICJ) has confirmed in July 2025 that Israel's conduct in the OPT violates international law, including the Palestinian People's right to self-determination and prohibitions on territorial acquisition by force, apartheid and racial segregation, said the statement.

It noted that September last year marked the expiry of the 12-month period during which the United Nations General Assembly (UNGA) had demanded Israel to "[bring] to an end without delay its unlawful presence" in the Occupied Palestinian Territory.

Yet, Israel persists in defiance of international law and utter disregard of its obligations as stated by the ICJ and multiple UNGA and Security Council resolutions, it underlined.

According to the statement, the ICJ and the UNGA stressed that States' obligations include "... prevent(ing) trade or investment relations that assist in the maintenance of the illegal situation created by Israel in the Occupied Palestinian Territory (OPT)".

The statement said that trade relations with Israel cannot be effectively de-linked from Israel's illegalities as an occupying power in the OPT.

Maintaining normal trade relations with Israel in effect contributes to the impunity Israel exploits to maintain its illegalities, it added.

Suspension of Israel's MFN treatment under WTO law, and any other preferential treatments under other trade agreements, are required from third States to effectively fulfill their obligations under international law as stated by the ICJ and UNGA, the statement pointed out.

WTO rules incorporate under its "security exceptions" a hierarchy between States' obligations under the UN Charter and those under WTO law, allowing Member States, under the current circumstances, to deviate from their core obligations under WTO rules and suspend the extension of MFN treatment to Israel, it said.

It noted that WTO Members have previously acted to suspend MFN treatment - for example, denying this to Russian products and services after Russia's invasion of Ukraine.

If WTO Members are committed

to complying with their obligations under international law, including the UN Charter, and to upholding its most basic tenets, they should proceed to suspend the extension of MFN treatment to Israel until Israel ends its illegal occupation of the OPT and fulfill its obligations under international law, the statement said.

OWINFS called on WTO Members to take immediate, concrete steps to suspend Israel's MFN treatment and any other preferential trade arrangements that have the practical effect of sustaining the occupation, and to ensure that their trade and investment policies do not contribute to ongoing international crimes and gross violations of human rights.

Meanwhile, four members of the European Parliament on 9 March submitted an inquiry to the European Commission on excluding Israel from WTO MFN treatment.

"At the time when countries convene at the WTO summit, the rules-based order is challenged on all fronts. Israel, which has unmistakably committed genocide in Palestine, and which actively wages war in the Middle East, breaches this international law and

UN principles," said Catarina Vieira, Member of the European Parliament.

"Still, it continues to benefit from the trade benefits of the WTO's Most Favoured Nation duties. We call for a united response to stop Israel's trade benefits as a way to restore compliance with international law," she said.

Lynn Boylan, another Member of the European Parliament, pointed out that "the EU rightfully stopped treating Russia as a most-favoured nation under WTO rules when they illegally invaded Ukraine in breach of the UN Charter and international law. Yet when Israel breaches the UN Charter and international law, in Gaza, in the West Bank, in Lebanon and in Iran, we do not see a consistent response."

"We are united in our call for Israel's most-favoured nation status to be suspended and the EU should be leading on this. Israel continues to enjoy immense trade benefits as they commit genocide against the Palestinian people and breach international law on a daily basis. Citizens across Europe and the world will not tolerate more double standards and hypocrisy," Boylan added. (SUNS #10409)

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## Global Governance for Justice, Democracy and Sustainability

By *Lim Mah Hui*

Transcending national borders, the gravest challenges of our time – such as climate change, unprecedented inequality and the spectre of nuclear conflict – require global solutions. However, the present system of global governance is ill-equipped to deal with these problems and is instead buckling under the weight of its own tensions and contradictions. In place of the current order, which was shaped by and for the interests of the developed world, a new global governance architecture must be constructed that advances distributive justice and equity among nations. Such an arrangement has to redress power imbalances in international institutions as well as promote policies oriented towards economic, social and environmental progress.



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## *MC14 exposed US “heavy hand”; South countries need each other*

*Kinda Mohamadieh* has argued that the collapse of the World Trade Organization’s 14th Ministerial Conference (MC14) has been widely attributed to a standoff between Brazil and the United States over extending the e-commerce moratorium, but this is only one part of a broader dynamic in which the US is seeking to reshape the WTO to align with its stated national security priorities by pursuing a strategy rooted in power politics and coercive leverage.

YAOUNDE: The World Trade Organization’s 14th Ministerial Conference (MC14) was reported as a collapse resulting from the stand-off between Brazil and the United States (US) on the extension of the e-commerce moratorium.

This is one screen shot of a bigger unfolding story where the US is attempting to enforce its will on the organization, while some are resisting.

The Trump administration did not pull the US out of the WTO so that it can complete a project of remaking the organization into one that fits the US’s vision of a new international order serving its “national security interests”.

Since the Trump administration came into office, they made clear that their approach to foreign relations will be based on brutal power and politics of coercion. The WTO’s 14th ministerial conference is one international forum where these politics have manifested.

The United States’ vision for remaking the organization, as reflected in its submissions under the “WTO reform” negotiations, along with the statement of US Trade Representative in Yaounde, embody an attack on the *raison d’être* of the organization, which is multilateralism.

Multiple US administrations had maintained a fairly consistent approach to the WTO, undermining some of its key functions, such as through paralyzing the dispute settlement function, and pushing for a self-judging non-reviewable national security exception.

The latter could effectively become an opt-out mechanism for the US from its obligations under the WTO rules including the most-favoured-nation (MFN) principle, and secure an immunity from questioning for any US unilateral trade measures packaged as a security issue.

The Trump administration’s talk at the WTO did not hide behind diplomatic or legal jargon.

The US submissions made it clear that they are out to dismantle the fundamental pillar that holds the multilateral trading system together – that of non-discrimination and the MFN principle.

They want to strip away the system from an effective “special and differential treatment”, a core part of the original bargain that made the WTO establishment possible and that reflected in trade law an acknowledgment that one-size-fits-all rules do not work given the varying levels of development among Members.

The US vision is to turn the WTO from a multilateral organization where each Member, big or small, have an equal

voice, to a platform of deals among the big players where it can effectively control the setting of the agenda and focus the organization on US corporate interests.

This is effectively what the US attempted at MC14, where they focused attention on their proposal for a permanent moratorium on customs duties on electronic transmissions.

In Yaounde, the US Trade Representative Jamieson Greer suggested there “would be consequences”, if the US did not get this delivered.

This was the US administration carrying forward the agenda of its tech corporate giants.

Since 1998, the US had secured this moratorium against the growing concerns of developing countries that this practice costs them billions of dollars in forgone tariff revenue that is key for their development, industrialization and building of digital capacities.

Ironically, the Trump administration brought the multilateral trading system to its knees by its aggressive unjustified tariff policies and illegal bilateral tariff deals over the past year.

In Yaounde, the same administration denied the developing countries the legitimate use of tariff policy to advance developmental objectives and preserve digital sovereignty and policy space essential for developing their digital economy.

It is clear that the US’s fight at the WTO is not only against China. It seeks to erase any trajectory towards industrialization and competitive edge that any other developing country could potentially build under multilateralism.

With no decision on this issue nor on WTO reform, the LDC package, and the Moratorium on TRIPS non-violation complaints achieved in Yaounde, the work will be brought back to Geneva.

A question often posed in Geneva is how to keep the US engaged in the negotiations, which will become more prominent in light of what unfolded in Yaounde.

When negotiations are overwhelmed by this question, the attention moves away from efforts to make the organization relevant for all its Members, and a forum where negotiations could potentially lead to compromises and outcomes for Members at different levels of development.

Even decision makers in the WTO administrative body get geared towards ensuring the US stays on board. This adds to the distortions.

In this context, developing countries face the larger

threats of fragmentation and distraction from their key concerns and interests.

Yet, the costs of such fragmentation cannot be higher in the face of the unfolding project to remake the WTO.

Multiple US administrations showed WTO Members how they can keep key negotiation agendas, like the dispute settlement reform, in limbo and block the functioning of the WTO Appellate Body against the will of the rest of the membership.

In this case, the US's blocking is void of any justified principled position, but rather a brutal imposition of their will and narrow interests on the rest of the WTO membership.

In the face of the remake project of the WTO advanced by the US, and largely supported by the European Union, what Jane Kelsey calls "a coup underway at the WTO", developing countries need to stand together despite the differences they might have on some negotiation portfolios where their national interests might dictate disparities in the negotiation

positions.

In such an era, managing differences while leveraging the power of dialogue, cooperation and coalition building is crucial to maintain a voice and role in determining how the WTO will be functioning in the future.

A WTO focused on plurilaterals as a norm rather than exception will be a place where the voice of developing countries is eroded.

Trade wars will potentially be imported into the WTO through simultaneous plurilateral counter-initiatives leading to further fragmentation of this trading regime.

This will be a world where MFN is discarded, consensus decision-making undermined, and leverage points to advance issues of development and special and differential treatment eroded.

Developing countries should collectively assess the cost such a future holds for them and the WTO, its survival as a multilateral organization and its potential to deliver for Members at different levels of development. (SUNS #10412)

## Putting the Third World First

### A Life of Speaking Out for the Global South

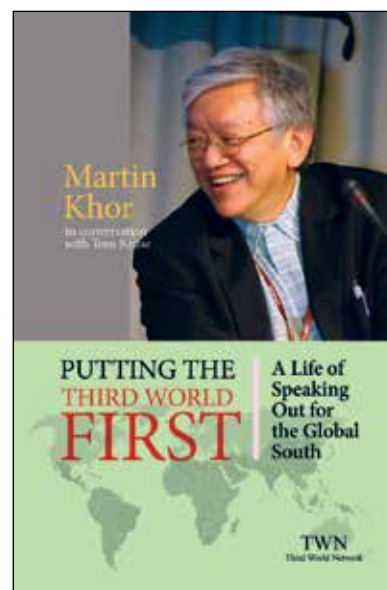
*Martin Khor in conversation with Tom Kruse*

Martin Khor was one of the foremost advocates of a more equitable international order, ardently championing the cause of the developing world through activism and analysis. In this expansive, wide-ranging conversation with Tom Kruse – his final interview before his passing in 2020 – he looks back on a lifetime of commitment to advancing the interests of the world's poorer nations and peoples.

Khor recalls his early days working with the Consumers Association of Penang – a consumer rights organization with a difference – and reflects on how he then helped build up the Third World Network to become a leading international NGO and voice of the Global South. Along the way,

he shares his thoughts on a gamut of subjects from colonialism to the world trade system, and recounts his involvement in some of the major international civil society campaigns over the years.

From fighting industrial pollution in a remote Malaysian fishing village to addressing government leaders at United Nations conferences, this is Khor's account – told in his inimitably witty and down-to-earth style – of a life well lived.



Martin Khor (1951-2020) was the Chairman (2019-20) and Director (1990-2009) of the Third World Network.

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