IPEF STAKEHOLDER SESSION COMMENTS - PANG

Singapore, May 11th

I would like to start by thanking you for the opportunity to present today.

My name is Adam Wolfenden and I work for the Pacific Network on Globalisation. PANG is a Pacific Islands based NGO that envisions a Pacific where peoples' rights to be self-determining, self-reliant and self-sufficient are recognized and upheld.

I wanted to share some of the perspectives that we have on the IPEF and the implications for Small Island Developing States. In particular I wanted to discuss the issues of transparency, fisheries subsidies and Digital Trade.

Transparency

While this opportunity to present our views today is welcomed, real transparency and collaboration must extend beyond such forums. Access to what is being negotiated, while it is being negotiated, is critical to truly hear from civil society.

Timely access allows negotiators to benefit from the expertise that is held within civil society. While this includes technical and legal analysis it also extends beyond that to the grassroots connection. NGOs offer an understanding of the what the impacts will have on communities of workers, Indigenous peoples, women, local producers and more.

There is an ongoing crisis of trust in political institutions, negotiating behind closed doors, under secrecy pacts, only feeds distrust. Listening sessions like this are not enough for this process to be properly transparent.

Fisheries Subsidies

Given that access to the texts is prohibited these comments will be based on the existing texts, that the US in particular, has already agreed to on the matter. Namely this will relate to the World Trade Organization Agreement on Fisheries Subsidies, known as the AFS, as well as the TPPA and USMCA outcomes.

As all current members of IPEF are WTO members, there may be a temptation to import the AFS into the outcome but this is unnecessary. All members can make their own decisions on whether or not to ratify the AFS as we have seen Singapore, Canada and the US already do. Despite the outcome, the AFS fails to meet the mandate given by Leaders under Sustainable Development Goal 14.6, incorporating it into the IPEF adds nothing to fulfilling that mandate.

The AFS fails to hold those most historically responsible for the overfishing of global fish stocks accountable. Those large subsidisers and industrial fleets, including IPEF members very own, are not being reigned in by the outcome and including it in IPEF only reinforces that failure.

While the AFS has a long way to go to meet its SDG mandate, the texts from the TPPA and USMCA offer a worse way forward for development and sustainability. Despite there being some minor differences in the texts, the TPPA/USMCA have many similarities.

On the prohibitions for subsidies to Illegal, Unreported and Unregulated fishing and fishing related activities, there is no definition of the latter. This issue was particularly contentious in the WTO negotiations as it has the potential to capture subsidies along the entire fisheries supply chain – this includes some of the most valuable components for developing countries. Further there is no special and differential treatment for developing countries.

On the prohibitions for subsidies for overfishing and overcapacity, the TPPA/USMCA has parties, taking into account the social and development priorities of developing countries while make best efforts to not provide such subsidies. One key issue with this is that again there is no definition of what these subsidies are. In the WTO what classifies as these subsidies has no consensus, instead current proposals includes a list of prohibited types of subsidies with a number of exemptions. The TPPA/USMCA is also opaque as to how the development priorities and best efforts are determined in the instance of a dispute.

Further to this, the establishment of a review committee to work towards the aim of eliminating overcapacity and overfishing subsidies contains no reference to SDT for developing countries. Adopting this text into IPEF will pre-empt the discussions taking place in the WTO. These flexibilities for developing countries are crucial to ensuring that small-scale fishers, the most vulnerable parts of the fisheries sector, are able to receive supports. In addition, those nations who have the fisheries resources but not the capacity to fish them will lose the ability to develop a domestic sector to maximise value from their resources.

Ultimately, any outcome on fisheries subsidies prohibitions should not undermine other existing processes. Instead it should reiterate the existing obligations that IPEF members have made or will make in other forums.

Digital Trade

For Small Island Developing States, digital trade can offer opportunities for development provided that they are not cut off before being able to take advantage of them.

As UNCTAD observes, most data generated in the digital ecosystem is controlled by major technology corporations from the US and China and flows to servers and digital hubs in countries of their choosing. In practice “free flow of data” is a one way data flow that deepens development asymmetries.

Control over the location and use of data, the choice of digital technologies, the nationality of service and technology providers, and the approach to regulation are crucial to maximising the independence of SIDS.

The US’s hands-off approach that will be reflected in IPEF agreements and has been enthusiastically promoted by other IPEF members like Australia, New Zealand, Singapore and Japan. Such an approach is not designed for the circumstances or needs of Small Island Developing States.

When we discuss MSMEs we need to be mindful that what might be considered small for some countries, is not the same for Small Island Developing States. This is especially true for countries that are still dealing with connectivity issues, prioritising rules over this critical infrastructure isn't addressing the practical realities.

IPEF should not include restrictions on customs duties on electronic transmissions as these are an important potential source of revenue for developing countries especially as more products are digitised. A recent study found Fiji lost US$9 million tariff revenue as a result of the global moratorium on such duties in 2020

Closing

In closing, there are real concerns about what an outcome on fisheries subsidies could mean for developing countries ability to support and nurture fishing their own resources. The options on digital trade could also rob Small Island Developing States of the opportunities that are being promised in the digital economy. Finally civil society is still effectively excluded from this process, undermining our ability to best engage in these processes.

I thank you for your time.