DDG Wolff calls on members to work with new Director-General to reform WTO

Speaking to heads of WTO member delegations on 25 February, Deputy Director-General Alan Wolff urged them to build on their warm welcome for incoming Director-General Ngozi Okonjo-Iweala by working with her to deliver much-needed reforms to the WTO. “Enthusiasm, optimism and hope need to be translated into concrete action” to enhance global trade’s contribution “to a more effective pandemic response as well as a strong and sustainable economic recovery,” he said. Delivering negotiated agreements would be essential to repair the WTO’s reputation.

DDG Wolff was speaking on behalf of all four Deputy Directors-General as part of the interim leadership arrangements the WTO has had in place since September 2020. He also used his remarks to look back at how members and the Secretariat had continued work across the full spectrum of WTO issues during six months in which in-person meetings for the most part could not be held.

His full remarks are below:

Good morning. Welcome to the first informal TNC and informal HOC meetings of 2021 — a year which will we trust be brighter for the world and specifically for the WTO.

Today’s meeting is an opportunity to take stock of what has been accomplished while interim arrangements were in place, and to update each other on activities in recent months, I recall that at the special General Council meeting of 15 February, members extended the interim arrangements through 28 February. This meeting is also an opportunity — ahead of Monday’s General Council — to discuss ways forward.

My plan is as follows:

1. First to give a brief introduction to herald the beginning of a new era for the WTO under the leadership of a new Director-General.
2. Second to call upon the negotiating chairs who have reports to give to speak.
3. Third to give a brief report on Secretariat and members’ activities during the last six months, the interim period since the previous Director-General left office, and
4. Then to open the floor for delegations’ statements.

The Ngozi Okonjo-Iweala Era

The landmark event of the last six months was the appointment of the new Director-General ten days ago after what turned out to be a lengthy process. 91 member delegations spoke last week to congratulate the new Director-General. The DDGs and the Secretariat join you in welcoming Dr Okonjo-Iweala’s appointment with great enthusiasm.

Of course, member enthusiasm, optimism and hope need to be translated into concrete action. There is much that needs to be done at this critical juncture for the WTO. World trade must contribute to a more effective pandemic response as well as a strong and sustainable economic recovery. Climate issues are demanding more urgent attention. WTO reform is overdue, having been called for repeatedly by you, by your ministers and by many heads of government.

The challenges are many but so are the opportunities. Dr Ngos’s remarks at the Special General Council meeting last Monday, subsequently circulated to delegations in document J28/GC/250, presented a worthy and ambitious agenda for the members of this organization.

What did she say?

1. To act with a sense of urgency to assist in controlling the COVID-19 pandemic through the nexus of trade and public health.
2. First, by playing a more forceful role in exercising the WTO’s monitoring function. Part of this would involve encouraging members to minimize or remove export restrictions that hinder supply chains for medical goods and equipment. WTO monitoring suggests that as of yesterday, 59 members and 7 observers still had pandemic-related export restrictions or licensing requirements in place, mostly for personal protective equipment, disinfectants and to a lesser extent, for medicines and food. This represents a significant level of rollback compared to the 81 members and 10 observers that had implemented such measures over the past year. A welcome development — but there is much room to improve this record.
3. And second, by broadening access to new vaccines, therapeutics, and diagnostics by facilitating technology transfer within the framework of multilateral rules.

Beyond these immediate responses to the pandemic, Dr Ngos set out a number of other, also vitally important, challenges:

To swiftly conclude the fisheries subsidies negotiations, and thus pass a key test of the WTO’s multilateral credibility while contributing to the sustainability of the world’s oceans.

To build on the new energy in the multilateral trading system from the joint statement initiatives attracting greater support and interest, including from developing countries.

To address more broadly the nexus between trade and climate change, using trade to create a green and circular economy, to reactivate and broaden negotiations on environmental goods and services, to take the initiative to address the issue of carbon border adjustments as they may affect trade.

To level the playing field in agricultural trade through improving market access and dealing with trade distorting domestic support, exempting from export restrictions World Food Programme humanitarian purchases.

To strengthen disciplines on industrial subsidies, including support for state-owned enterprises.

To defuse the divisions over Special and Differential Treatment (SDT).

And to develop a work programme for restoring two-tier dispute resolution, to be agreed no later than MC12.

I sense from my discussions with members that you chose this leader, Ngozi Okonjo-Iweala, because she has shown herself during her career to be fearless in the face of daunting challenges — and is experienced in knowing how to work with others to make progress toward solutions.

Each of the challenges the WTO faces, I am sure, can be met and overcome. Echoing Dr Ngos’s words, the trading system that we inherited, now only three-quarters of a century old, is about people. This is inscribed in the opening section of the Marrakech agreement: “to raise living standards, ensure full employment, increase incomes, expand the production of and trade in goods and services, and seek the optimal use of the world’s resources in accordance with the objective of sustainable development.”

I wish to take note of the thanks many of you expressed to the four DDGs, even during the intensive DG selection process.

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Thank you all for your reports and for your tireless efforts in assisting members to advance their work. What is clear from each of your reports is that we need more substantive engagement from members — less repetition of long-held views, and more willingness to find ways forward.

I will now provide a few highlights of Secretariat activities during the past few months.

In these unusual times, faced with the pandemic, the first responsibility of the Secretariat was to safeguard the health of the members and Secretariat staff while keeping the WTO and its functions running. To our knowledge, there have been no on-site transmissions of COVID-19. Staff presence in the WTO buildings has been kept to a minimum following the guidelines of the Swiss authorities.

There have nevertheless been some serious illnesses among missions and the Secretariat. Loved ones have been lost. I wish to convey our heartfelt condolences to all who have lost a relative, a friend, or a colleague.

Due to the current health precautions, there are now no in-person WTO meetings. Only a few in-person meetings took place, in consultation with the Swiss authorities, during the last half of 2020 and so far this year up to and including this meeting. The lack of in-person meetings has not meant that activities ceased. On the contrary, the Secretariat and members moved into a higher gear:

- Intensive monitoring continued to keep members up to date on trade measures, both trade-restrictive and trade-facilitating.
- Nearly two dozen information notes were circulated since last April, downloaded in total over 300,000 times. Ranked by those downloaded most often were:
  - E-commerce, trade and the COVID-19 pandemic;
  - Trade in Medical Goods in the Context of Tackling COVID-19;
  - Export prohibitions and restrictions; and
  - Trade in services in the context of the pandemic.

The most recent note, issued in December, is entitled Developing and delivering COVID-19 vaccines around the world: An information note about issues with trade impact.

With the information provided from monitoring and information notes, members were in a position to make better-informed decisions.

During the six-month interim period, through mid-February, members held 407 meetings. These included meetings of the General Council, the Dispute Settlement Body, the Trade Policy Review Body, and the Councils for Trade in Goods, TRIPS and Trade in Services, other WTO committees, the Joint Statement Initiatives and 106 meetings of dispute settlement panels. In short, members were highly active.

Trade Policy Reviews were held for Zimbabwe; Thailand; Indonesia; Macao, China; India; Nicaragua; and Myanmar.

A flagship annual market access study was produced to track developments in LDC trade during the pandemic. Studies were prepared on the utilization of trade preferences by LDCs.

Despite there being no in-person training and technical assistance, the WTO’s Institute for Technical Training held 20 national activities, 12 regional and one global activity. This does not count the technical assistance of many of the other WTO Divisions.

Internship and young professional programs continued.

During the interim period, each month there were an average of 38 meetings of dispute settlement panels and arbitrations, with four new cases brought, three new panels composed and five panel reports issued. Virtual meetings of panels had up to 60 participants when third parties were present.

The TBT Committee received 1,800 notifications, with members discussing 35 specific trade concerns. The e-agenda platform allowed an intensification of work, and the number of eList subscribers crossed 13,000. Training events on standards continued across all regions.

Over the last six months, there has been considerable engagement by members on trade and environment issues. A high-level event co-hosted by the WTO and UNEP had 282 participants on Zoom, and received over 6,600 views with much public engagement, including across WTO social media channels. Two new member-led initiatives were launched: a Trade and Environmental Sustainability Structured Discussion (TESSD) and an informal dialogue on plastics pollution and environmentally sustainable plastics trade. The Secretariat has also been very active in organizing trade and environment training and participating in capacity building events.

Of course, clearly, the most noteworthy activity was the DG selection process. Due to the pandemic, it was conducted through very carefully choreographed in-person meetings with the General Council Chair, Ambassador David Walker, and the two facilitators, Ambassador Dacio Castillo and Ambassador Harold Apelund.

Last, but not least, the CBIA gallivanted in a budget for 2021, providing a measure of certainty in what looked like uncertain times.

**DDG Activities**

In addition to being responsible for the divisions reporting to them, the four DDGs acted on administrative matters that would normally be referred to the Director-General. I can report that this process worked smoothly and collegially.

We led efforts to prepare for the transition, with detailed briefing of the incoming Director-General.

In January, I represented the WTO at the traditional informal ministerial gathering on WTO issues hosted by Switzerland every January, this time online, rather than in Davos. My very brief remarks and the Chair’s summary were posted on the WTO’s website. Ambassador Chambovey will report on the meeting.

My other speaking engagements included addresses to Agriculture Ministers at the Global Forum for Food and Agriculture, as well as to Chatham House in London and the Washington International Trade Association.

My colleague DDG I and I have also maintained contacts with Ambassadors here in Geneva and particularly the Chair of the General Council, Ambassador David Walker.

**The agenda for today’s meeting**

Returning to our agenda, you have heard reports from the chairs of negotiating groups. You will now hear from the coordinators of the Joint Statement Initiatives and from heads of delegation in their own right, with ideas for how to bring the WTO to a new era of cooperation and accomplishment in the year ahead.

Trade will feature prominently on international policy calendars this year, well beyond our own MC12 and the UNCTAD-15 conference in Barbados. Outcomes of the COP-26 climate meeting in Glasgow, the 2021 UN Food Systems Summit, and the G20 Global Health Summit will interact with the work we do at the WTO. Italy has indicated that it will place trade very high on its agenda for the G20 presidency in 2021. The new Director-General and his administration will no doubt lead our engagement with these processes.

Trade negotiations are judged only by the agreements that they reach, and the WTO as the venue for negotiations will be judged in the same way. This understates the value of much of the solid work in committees and in other configurations within the organization, as well as the prodigious output of the WTO dispute settlement system even during a more uncertain period without the Appellate Body in place. But the only way to counter this negative impression is to begin to deliver agreements, starting with fisheries subsidies, in the first half of 2021.

Thank you.

1. Due to technical difficulties, Ambassador Gloria ABRAHAM PERALTA (Costa Rica), Ambassador Kadra Ahmed HASSAN (Djibouti) and Ambassador Alfredo SUESCUM (Panamá) delivered their reports at the end of DDG Wolff’s speech. [back to text]

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