

	<ul style="list-style-type: none"> <li>Under <b>APVAX initiative</b>, the GoI applied for loans from ADB and AIIB to procure as many as 667 million doses of COVID-19 vaccines. The ADB is expected to lend \$1.5 billion and the AIIB around \$500 million for the vaccine purchase by India.</li> <li>AIIB committed that <b>it will align its operations with the goals of the Paris Agreement</b> to cope with climate change.</li> </ul>
<b>Points to Note</b>	<ul style="list-style-type: none"> <li>The <b>regional members hold 75%</b> of the total voting power in the Bank.</li> <li>In 2018, <b>AIIB was granted Permanent Observer status</b> in the deliberations of both the United Nations General Assembly and the Economic and Social Council.</li> <li>The <b>U.S. and Japan are not among</b> its 104 members.</li> <li>Unlike other MDB's, <b>AIIB allows for non-sovereign entities to apply for its membership</b>, provided their home country is a member.</li> <li><b>14 of the G20 nations are part of AIIB</b> (including France, Germany, United Kingdom and Italy).</li> <li><b>Note:</b> ceiling for non-regional loans is 25%</li> </ul>

## 1.6 WORLD TRADE ORGANIZATIONS (WTO)

Basics	<ul style="list-style-type: none"><li>WTO is an <b>only intergovernmental organisation</b> that regulates and facilitates international trade between nations.</li><li>Governments use the organisation to establish, revise, and enforce the rules that <b>govern international trade</b>.</li><li><b>GATT traces its origins to the 1944 Bretton Woods Conference</b>, which laid the foundations for the post-World War II financial system and established two key institutions, <b>IMF and World Bank</b>.</li><li>WTO officially commenced operations on <b>1 January 1995</b>, pursuant to the <b>Marrakesh Agreement (1994)</b>, thus replacing the GATT that had been established in <b>1948</b>.</li><li><b>Uruguay Round</b> (1987 to 1994), culminated in the Marrakesh Agreement, which established the WTO.</li><li><b>5 principles followed by WTO</b>: Trade without discrimination, Freer trade gradually through negotiation, Predictability through binding and transparency, Promoting fair competition &amp; Encouraging development and economic reform.</li><li>It has <b>164 members (including EU)</b> and has <b>three official languages</b> (English, French and Spanish).</li><li><b>Formation</b>: 1 January, 1995 (Marrakesh Agreement).</li><li><b>Headquarters</b>: Geneva, Switzerland.</li><li><b>General Council</b>: The GC is the WTO's top day-to-day highest-level decision-making body located in <b>Geneva</b>, meeting regularly to carry out the functions of the WTO. It has representatives from all member governments and has the authority to act on behalf of MC.</li><li><b>Ministerial Conference (MC)</b>: topmost decision-making body of the WTO which usually meets <b>every two years</b>. The Ministerial Conference can take decisions on all <b>matters under any of the multilateral trade agreements</b>.</li></ul>	<div><b>Matter of choice</b> WTO allows member countries to classify themselves as "developed" or "developing". However, other members can challenge the decision of a country to be classified as "developing". Only the "least-developed countries" status is designated by the UN. Countries in the three lists:</div> <table><tr><th>Developing</th><th>Developed</th><th>Least-developed countries</th></tr><tr><td>India</td><td>U.S.</td><td>Afghanistan</td></tr><tr><td>China</td><td>European Union</td><td>Bangladesh</td></tr><tr><td>Russia</td><td>Japan</td><td>Bhutan</td></tr><tr><td>Brazil</td><td>Canada</td><td>Myanmar</td></tr><tr><td>South Africa</td><td>Australia</td><td>Nepal</td></tr><tr><td>South Korea</td><td>New Zealand</td><td>South Sudan</td></tr></table>	Developing	Developed	Least-developed countries	India	U.S.	Afghanistan	China	European Union	Bangladesh	Russia	Japan	Bhutan	Brazil	Canada	Myanmar	South Africa	Australia	Nepal	South Korea	New Zealand	South Sudan
Developing	Developed	Least-developed countries																					
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Russia	Japan	Bhutan																					
Brazil	Canada	Myanmar																					
South Africa	Australia	Nepal																					
South Korea	New Zealand	South Sudan																					
Aims and Objectives	<ul style="list-style-type: none"><li>WTO reduces trade barriers through negotiations and works under the principle of non-discrimination; settles trade disputes between member nations; Achieving progressive liberalisation of trade in services, as mandated in GATS; Ensuring flexibilities for developing countries, with special priority to be given to least-developed countries.</li></ul>																						
General Agreement on Trade in Services (GATS)	<ul style="list-style-type: none"><li>The General Agreement on Trade in Services (GATS) is a treaty of the World Trade Organization (WTO) which entered into force in January 1995 as a result of the Uruguay Round negotiations;</li><li>The treaty was created to extend the multilateral trading system to the service sector, in the same way the General Agreement on Tariffs and Trade (GATT) provided such a system for merchandise trade.</li></ul>																						
Subsidy Boxes	<b>Green Box</b> <ul style="list-style-type: none"><li>Subsidies that <b>do not distort trade, or at most cause minimal distortion</b>.</li><li>They are <b>government-funded</b> and <b>must not involve price support</b>.</li><li>They also <b>include environmental protection</b> and <b>regional development programmes</b>.</li></ul>																						