

Canadian Group
Inter-Parliamentary Union



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**Report of the Canadian Delegation to the Parliamentary Panel
within the Framework of the World Trade Organization (WTO)
Public Forum 2010 and the
22nd Session of the Steering Committee of the Parliamentary
Conference on the WTO**

Canadian Group of the Inter-Parliamentary Union (IPU)

**Geneva, Switzerland
September 16, 2010**

Report of the Canadian Delegation to the Parliamentary Panel within the Framework of the WTO Public Forum 2010 and the 22nd Session of the Steering Committee of the Parliamentary Conference on the WTO

Organized jointly by the Inter-Parliamentary Union and the European Parliament

THE PARLIAMENTARY PANEL WITHIN THE FRAMEWORK OF THE 2010 WTO PUBLIC FORUM

1. Background

The Parliamentary Conference on the WTO is a joint undertaking of the Inter-Parliamentary Union and the European Parliament. Its primary objective is to enhance the external transparency of the WTO and make it accountable to parliamentarians as elected representatives of the people. The sessions of the Parliamentary Conference on the WTO are held once a year.

2. Program for the Parliamentary Panel

The 2010 WTO Public Forum was held on WTO premises in Geneva from September 15 to 17, with the theme “The Forces Shaping World Trade.”¹ As part of the overall program, the Inter-Parliamentary Union (IPU) and the European Parliament held a parliamentary panel entitled:

Can the existing multilateral trading system cope with the emerging challenges?

This parliamentary panel took place on Thursday, September 16, 2010.

3. The Canadian delegation

Representatives from various parliaments, members of the WTO and civil service organizations participated in the Parliamentary Panel, including the Hon. Donald H. Oliver, QC, Senator.

4. Speakers

The Parliamentary Panel discussed the many challenges facing our world today with a particular focus on the role of the WTO and the contribution of Parliamentarians. The Parliamentary Panel was moderated by Professor Gabrielle Marceau from the Legal Affairs Division of the WTO, and included the following speakers:

- Mr. Vital Moreira — Member of the European Parliament
- Mr. Benoît Ouattara — MP and a former Minister of Trade in Burkina Faso
- Mr. Luis Heber — Senator (Uruguay)
- Professor Laurence Boisson-de-Chazourne — Geneva University

¹ More than 40 items were on the Forum agenda. For more information, see: http://www.wto.org/english/forums_e/public_forum10_e/programme_e.htm.

Panelists discussed adding a parliamentary dimension to the WTO, which would enhance the democratic and public accountability of the WTO both globally and locally. A lot of attention was devoted to the relationship between WTO agreements and the multilateral agreements on the environment: without transforming the WTO into the International Organization for Environment, it is necessary to find better ways for the international community to work together. The role and capacity of the poorer countries to benefit from the system was also debated, including on the sensitive issue of whether emerging developing countries should still claim special and differential treatment. Panelists also indicated that more should be done for a real inclusiveness towards non state actors.

5. The next parliamentary session on the WTO

The date of the next parliamentary session on the WTO has yet to be determined. The Steering Committee met on September 16, 2010, and submitted a number of proposals for the next meeting.

THE 22ND SESSION OF THE STEERING COMMITTEE OF THE PARLIAMENTARY CONFERENCE ON THE WORLD TRADE ORGANIZATION

1. Background

The Parliamentary Conference on the WTO is a joint undertaking of the Inter-Parliamentary Union and the European Parliament. Its primary objective is to enhance the external transparency of the WTO and make it accountable to legislators as elected representatives of the people. The sessions of the Parliamentary Conference on the WTO are held once a year and on the occasion of WTO Ministerial Conferences.

The Steering Committee of the Parliamentary Conference on the WTO is responsible for all matters relating to the organization of the Parliamentary Conference on the WTO.

2. Agenda

The Steering Committee of the Parliamentary Conference on the WTO met on September 16, 2010 on WTO premises in Geneva, Switzerland. The session included the following agenda items:

- Update on recent WTO developments with the WTO Director General, Pascal Lamy;
- Discussion about the 2010 WTO Public Forum;
- Preparation for the Parliamentary Conference on the WTO in 2011.

3. The Canadian delegation

The Steering Committee meeting welcomed 29 participants from 14 national parliaments and regional parliamentary assemblies, including the Hon. Donald H. Oliver, QC, Senator of the Parliament of Canada.

4. The meeting

A summary of the discussions with WTO Director General Pascal Lamy can be found in Appendix 1. The IPU report on the 22nd Session of the Steering Committee of the Parliamentary Conference, which includes a summary of decisions taken by the Committee, can be found in Appendix 2.

Respectfully submitted,

The Hon. Donald H. Oliver, QC, Senator
President, Canadian Group IPU

Appendix 1

Parliamentary Conference on the WTO September 16 2010, WTO Headquarters, Geneva

22nd Session of the Steering Committee Summary of Discussions with WTO Director General Pascal Lamy

Mr. Pascal Lamy, Director-General of the WTO, appeared before Members of the Steering Committee to discuss recent developments at the WTO.

1. Current Round of Negotiations

Mr. Lamy gave an overview of the state of the Doha round of multilateral negotiations. He indicated that negotiations are still where they were a year ago, with approximately 20% of the items still under discussion – notably in services, industrial tariffs, agriculture and trade facilitations. Negotiations on fisheries subsidies and cotton remain very difficult. Until June 2010, Mr. Lamy's assessment was that the negotiations have reached a stalemate, with very little political will and energy. He indicated that on most issues the United States is on the offensive and China remains defensive, but the political situations in some countries, notably the upcoming midterm election in the United States, leave a lot of uncertainty. Most developing countries are becoming impatient and frustrated, since for most of them, the deal is already on the table and what remains has to be negotiated between the larger players only. Nevertheless, Mr. Lamy mentioned that special groups on each issue will be discussing technical aspects of the deal in September and October, and political movement may follow.

Answering a question about using other forums to discuss trade rules, Mr. Lamy stressed that the WTO still remains the place to negotiate these rules. Other forums, like the G20, can however be used to put political pressure. For example, the WTO monitoring system used during the last two years to flag potential protectionist measures was launched thanks to the support from the G20. Mr. Lamy also indicated that G20 leaders had a good exchange of views on the Doha round during their last meeting in Toronto. This forum is important to provide leadership but it does not do the technical negotiations.

On a question to decouple the negotiations, i.e. closing the deal on what is already agreed upon and leave the rest for another round, Mr. Lamy agreed that the idea is interesting but not really applicable. Negotiations are about giving and taking. For example, a country will not sign an agreement with only a "duty-free, quota-free" deal to the Least Developed Countries if it obtains nothing in return.

On the role of Non-State Actors (NSA), Mr. Lamy mentioned that the WTO Public Forum is a first step to open discussion between the WTO and NSA. His view is that

NSA's role is most important at the national level, because the legitimacy lies within national governments. National governments are the deciding bodies in international forums, which, in his opinion, are traditionally poor at gaining legitimacy. In addition, he argued that global problems have to be localized, hence the importance of NSA's involvement at the domestic level.

2. The Summit on the Millennium Development Goals

Mr. Lamy also talked about the upcoming Summit on the Millennium Development Goals (MDG).² The WTO will have to report on how much the organization has contributed to the MDG, notably MDG 8 "to develop a global partnership for development," and MDG 1 "to eradicate extreme poverty and hunger." His sense is that the WTO contribution was generally positive (60% full in his words).

Trade openings have been positive for the developing countries although there are still efforts to be made regarding Aid for Trade, and the trade capacity building of these countries. He indicated that it is harder to obtain funding for these initiatives in time of economic crisis. He stressed that developing countries have benefited from WTO discipline: the WTO represents an insurance policy against protectionism but since employment numbers are still not recovering, the temptation for protectionism remains.

Responding to a question on the reasons to change the current trade rules if it was proven to work for the economic recovery, Mr. Lamy emphasized the need to rebalance the trade system in favour of developing countries.

Other members asked questions about the impact of trade on the food crisis. Mr. Lamy indicated that food prices will still increase in the medium term because of changing diets, and that adjustments in production should occur. In the short term, the 2010 food crisis is somewhat different than the 2008 crisis because of the availability of stocks that can be marketed to depress prices – in 2008, stocks were at their lowest in decades. The problem remains with countries that have put export restrictions on trade since it continues to starve countries that have to import food. Mr. Lamy recognized there is a very weak WTO discipline on export restrictions.

A member expressed the concern that the liberalization of international trade still has a bad reputation; and it is sometimes seen as a cause of economic problems. Mr. Lamy answered that perceptions on trade vary greatly depending on the country: Australia, Chile, and Singapore are places where trade is seen in a very positive light. It is less so in other countries. He indicated that he personally spent a third of his time on advocacy. He often mentions the example that for a \$150 electronic product exported from China to the United States; \$60 goes back to Japan, \$50 to the United States, etc. His view is that most products today are not "made in country X or Y" but are "made in the world" and that it makes even less sense now to obstruct trade. The WTO is using new technologies more and more, to communicate the benefits of trade, notably social networks. However, since the organization has limited resources, it can only communicate on the bigger issues. Detailed communication has to be tailored locally

² The Summit took place between 20 and 22 September 2010 in New York (United States), a few days after Mr. Lamy's presentation to the Steering Committee.

since it is usually nationally or culturally sensitive and therefore beyond the capacity of the WTO.

3. Relations between trade rules and other issues (environment, health standards)

A recurring topic during the WTO public forum this year and in past years also has been the relations between the WTO or trade rules in general with other global issues such as the environment.

Mr. Lamy stressed that WTO negotiate, implement and litigate the rules of world trade. Environmental issues, labour standards, health rules, and intellectual property rules are negotiated in their respective forums, and members are bound to these rules to the extent they are defined in these forums. In some cases, explicit bridges have been built between trade and another issue: for example the agreement on Trade-Related aspects of Intellectual Property Rights, the agreement on Sanitary and Phytosanitary Measures (health and environment), and the agreement on Technical Barriers to Trade (environment). Social issues and human rights are present in preamble of the WTO agreements but there are no explicit bridges between trade and social standards.

Although there are no WTO rules specific to climate change, climate change measures and policies intersect with international trade in a number of different ways. For example, national measures to mitigate and adapt to climate change may have an impact on international trade (as they may modify conditions of competition) and may be subject to WTO rules. The WTO “tool box” of rules can be relevant, therefore, to the examination of climate change measures.

Mr. Lamy, however, noted that the jurisprudence of the Dispute Resolution System shows that WTO rules cannot be interpreted in isolation of international law.

4. Conclusion

Mr. Lamy thanked the Steering Committee for the opportunity to share some of his views with parliamentarians. He also agreed in principle to accommodate the next Parliamentary Conference on the WTO at the WTO Headquarters in Geneva.

Appendix 2

“Summary of Decisions” Produced by the IPU Secretariat.

1. The Steering Committee of the Parliamentary Conference on the WTO met on 16 September 2010 at WTO Headquarters and was attended by 31 persons (see list of participants in the *Annex*). The session was chaired by Mr. V. Moreira, representing the European Parliament. At the start of the meeting, he welcomed new members (Belgium, Mauritius, South Africa and the United Kingdom) and explained that the Committee's IPU co-Chair was yet to be appointed by the IPU's governing bodies, following the departure of Mr. G. Versnick, who was no longer a member of parliament.

2. In the words of the Chair, the fact that the Steering Committee was holding its meeting on WTO premises was a small but dramatic step in the relationship between the Parliamentary Conference and the WTO. The importance of this development was also underscored by the WTO Director-General, Mr. Pascal Lamy, who took the time to greet the Steering Committee on "his" territory, in spite of being very busy with the WTO Public Forum 2010. His willingness to maintain a meaningful dialogue with parliamentarians was highly appreciated by the Committee.

3. In his introductory presentation, Mr. Lamy provided a detailed overview of the state of play in the Doha Round negotiations. Far from being the only activity on WTO's radar screen, the Round was the most visible one and continued to retain the priority attention of the Director-General. Although there were no signs of significant progress in the negotiations, a shift in attitudes had been perceptible since June 2010. That was partly due to pressure from developing countries, which were increasingly impatient to see the Doha Development Round deliver on its promise. There were also expectations that fresh political energy could be pumped into the negotiations by novel actors, such as the G20. A clearer picture of prospects for the conclusion of the Round should emerge after the mid-term elections in the United States of America.

4. In spite of the stalemate in the negotiations, the benefits of a rules-based, stable and predictable multilateral trading system were once again evidenced during the recent financial crisis. The WTO system's in-built deterrence mechanisms proved their worth, having served to avert any significant surge of trade-restricting measures. In the words of Mr. Lamy, "protectionism was the only dog that did not bark during the crisis". The menace of all-out protectionism having been forestalled, global trade was expected to pick up by more than 8 per cent in 2010. Nonetheless, protectionist pressures would continue as long as unemployment rates remained high.

5. The Director-General responded to numerous questions from the members of the Steering Committee. They dealt with diverse subjects such as the negative image of global trade in the eyes of public opinion, the danger of yet another food crisis, the role of non-State actors in shaping global trade policies, prospects for the accession of the Russian Federation to the WTO, etc.

6. Responding to a direct question about the possibility of the Parliamentary Conference on the WTO taking place one day at the Centre William Rappard, the WTO Director-General said that, from a purely pragmatic point of view, it would be a reasonable path to take. There were good vibrations between parliamentarians and the WTO, which were amplified by an absence of bad vibrations from WTO Members. Having said that, consultations about the possible holding of a parliamentary session on WTO premises would have to start early: the Centre William Rappard was an extremely busy place, with some 8,000 meetings taking place every year.

7. After the departure of the WTO Director-General, members of the Steering Committee once again expressed their satisfaction with the very positive and constructive spirit of his remarks. The prospects of holding a parliamentary session on WTO premises were finally taking shape. That was all the more encouraging in view of the success of the parliamentary panel organized by the IPU and the European Parliament earlier the same day, as part of the overall programme of the WTO Public Forum 2010. The panel, entitled "*Can the existing multilateral trading system cope with the emerging challenges?*", was not only well attended but was marked by a notably high degree of interaction between the panellists and the audience.

8. As part of its agenda, the Steering Committee considered issues relating to the organization of the next plenary session of the Parliamentary Conference on the WTO. It was decided that every effort should be made to hold the session in Geneva, in the first half of 2011, preferably in March or May. Bearing in mind the encouraging response provided by the WTO Director-General, it was considered politically important to hold the session on WTO premises. Another option - albeit less desirable - would be to hold the session at another venue in Geneva, such as the CIG or the United Nations. The Secretariats of the IPU and the European Parliament were mandated to study their respective calendars and identify a few mutually acceptable dates in 2011 that would be transmitted to the WTO without delay.

9. As soon as the dates and venue of the annual 2011 session of the Parliamentary Conference on the WTO are confirmed, members of the Steering Committee would be advised of this decision by e-mail and other electronic means. A similar method would be used for consultations about the session's theme and other substantive aspects. The idea was to avoid the Steering Committee having to reconvene again in just a few months, it being understood that most consultations can be carried out electronically, through the Secretariats of the IPU and the European Parliament. The next meeting of

the Steering Committee would therefore take place on the eve of next year's plenary session, with the Steering Committee doubling as a drafting committee.

10. It was agreed that the overall format of the 2011 session would be modelled on that of the last session, held in September 2008. Subject to possible readjustments, it would include an inaugural ceremony, a debate on two or three substantive themes, two panel discussions, a hearing with the WTO Director-General, and an interactive event with the participation of leading WTO negotiators. At the end of its deliberations, the session would be expected to adopt an outcome document.

11. With regard to the session's debate themes and the subjects of the interactive panels, members of the Committee recommended that consideration be given *inter alia* to such topics as: technological innovation as a factor shaping the future of world trade; the role of geopolitics in rebalancing the rules of international trade; the image of trade as projected by the media; trade as a means of addressing social issues; international trade as a hostage of domestic politics; trade as an attenuating factor during global economic disturbances; the proliferation of regional and bilateral trade agreements; trade-related aspects of climate change; and strengthening the parliamentary dimension of the WTO.

12. When actual preparations for the annual 2011 session of the Parliamentary Conference on the WTO start, the members of the Steering Committee will be invited to submit candidatures of rapporteurs, panellists and discussants from among members of the Steering Committee and other parliamentarians, as well as internationally renowned experts. As in the past, the rapporteurs will be expected to prepare discussion papers (in English, French or Spanish, five pages maximum) for circulation to all parliaments ahead of the session. The Secretariats of the IPU and the European Parliament were mandated to ensure a balanced composition of the panels in terms of geographical and gender representation.

13. Preparation of the draft outcome document of the annual session will be carried out under the responsibility of a rapporteur, to be selected from among the members of the Steering Committee through consultation between the IPU and the European Parliament as the Conference co-organizers. Assisted by the Conference Secretariat, the rapporteur will be expected to prepare a preliminary draft of the outcome document, to be shared via e-mail with all members of the Steering Committee.

14. A revised version of the preliminary draft, taking stock of comments and suggestions by the Steering Committee members, will then be circulated to all parliaments for possible amendments. The Steering Committee will meet on the eve of the plenary session to consider these amendments and prepare a draft outcome document, to be distributed to all participants at the start of the Conference for last-minute amendments.

The final draft will be presented to the Conference as a whole for adoption at its concluding plenary.

15. Speaking under the "miscellaneous" item of the Committee's agenda, the representative of the Commonwealth Parliamentary Association (CPA) evoked the numerous activities carried out by the Association in the domain of international trade, including the publication of parliamentary guidebooks tailored to the needs of specific geographic regions. The CPA Secretariat would be pleased to provide copies of these publications on demand. Annex

LIST OF PARTICIPANTS
LISTE DES PARTICIPANTS

COUNTRY or ORGANISATION <i>PAYS ou ORGANISATION</i>	NAME <i>NOM</i>
BELGIUM - BELGIQUE	Mr. Dirk Van Der Maelen, MP
BURKINA FASO	Mr. Benoît Ouattara, MP
CANADA	Senator Donald Oliver Mr. Frédéric Forge
CHINA - CHINE	<i>Absent</i>
EGYPT - EGYPTE	<i>Absent</i>
FINLAND - FINLANDE	<i>Absent</i>
FRANCE	<i>Absent</i>
GERMANY - ALLEMAGNE	Mr. Erich Fritz, MP
INDIA - INDE	<i>Absent</i>
IRAN (ISLAMIC REPUBLIC OF) <i>IRAN (REPUBLIQUE ISLAMIQUE D')</i>	Mr. Seyed Hossein Hashemi, MP Mr. Ebrahim Alikhani
JAPAN - JAPON	<i>Absent</i>
KENYA	<i>Absent</i>
MAURITIUS - MAURICE	Mr. Lormus Bundhoo, MP

MEXICO - MEXIQUE	<i>Absent</i>
MOROCCO - MAROC	Mr. Driss Houat, MP
NAMIBIA - NAMIBIE	Mr. Arnold Tjihuiko, MP Mr. Piet van der Walt, MP Ms. Elizabeth De Wee
NIGERIA	<i>Absent</i>
SOUTH AFRICA - AFRIQUE DU SUD	Mr. Benedict Anthony Martins, MP
THAILAND - THAILANDE	<i>Absent</i>
UNITED KINGDOM - ROYAUME-UNI	Mr. Tony Lloyd, MP

Travel Costs

ASSOCIATION	Canadian Group of the Inter-Parliamentary Union (IPU)
ACTIVITY	Report of the Canadian Delegation to the Parliamentary Panel within the Framework of the WTO Public Forum 2010 and the 22nd Session of the Steering Committee of the Parliamentary Conference on the World Trade Organization (WTO)
DESTINATION	Geneva, Switzerland
DATES	September 16, 2010
DELEGATION	
SENATE	The Hon. Donald H. Oliver, Q.C., Senator
HOUSE OF COMMONS	
STAFF	Mr. Frédéric Forge, Analyst
TRANSPORTATION	\$ 8,781.22
ACCOMMODATION	\$ 1,819.56
HOSPITALITY	
PER DIEMS	\$ 1,120.48
OFFICIAL GIFTS	
MISCELLANEOUS	
TOTAL	\$11,721.26