

Canadian Group  
Inter-Parliamentary Union



Groupe canadien  
Union interparlementaire

**Report of the Canadian Delegation to the 21st Session of the  
Steering Committee of the Parliamentary Conference on the  
World Trade Organization (WTO)**

**Canadian Group of the Inter-Parliamentary Union (IPU)**

**Geneva, Switzerland  
June 24 - 25, 2010**

# **Report of the Canadian Delegation to the 21st Session of the Steering Committee of the Parliamentary Conference on the World Trade Organization (WTO)**

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

### **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 June 24 and 25, 2010, at IPU Headquarters in Geneva, Switzerland. The session included the following agenda items:

- Presentation on recent WTO developments with Mr. Harsha Vardhana Singh, Deputy Director-General of the WTO;
- Presentation and discussion about the WTO Aid-for-Trade campaign;
- Presentation and discussion on the successful settlement of the banana dispute;
- Preparations for the WTO public forum 2010; and
- Suggestions for the Parliamentary Conference on the WTO in 2010 and beyond.

### **3. The Canadian delegation**

The Steering Committee of the Parliamentary Conference on the WTO is composed of representatives of the following parliaments and international organizations: Belgium, Burkina Faso, Canada, China, Egypt, Finland, France, Germany, India, Iran (Islamic Republic of), Japan, Kenya, Mauritius, Mexico, Morocco, Namibia, Nigeria, South Africa, Thailand, Uruguay, United Kingdom, United States of America, Uruguay, Commonwealth Parliamentary Association, European Parliament, Inter-Parliamentary Union, Parliamentary Assembly of the Council of Europe, and the World Trade Organization.

The Steering Committee meeting welcomed 32 participants from 16 national parliaments and regional parliamentary assemblies. The Honourable Mac Harb, Senator, on behalf of the Honourable Donald H. Oliver, Senator, Q.C., was Canada's representative at this meeting.

#### **4. The meeting**

The discussions are summarized in the attached appendices, which include:

- a summary of the presentations to the Steering Committee,
- a summary of the decisions, and
- the final statement taken by the Steering Committee.

Respectfully submitted,

The Hon. Mac Harb, Senator  
Canadian Group IPU

## **Appendix 1**

### **Parliamentary Conference on the WTO June 24-25 2010, IPU Headquarters, Geneva 21st Session of the Steering Committee**

#### **Summary of the Presentations to the Steering Committee**

##### **Recent Development at WTO**

Mr. Harsha Vardhana Singh, Deputy Director-General of the WTO appeared before Members of the Steering Committee. He stressed the importance of parliamentary participation at the WTO and how relations between parliamentarians and the WTO have grown since 1999. WTO depends upon the involvement and support of the legislatures of its 153 members, not only to share information with their constituencies, but to take required legislative action when needed to implement WTO members' agreements.

The Steering Committee was given an overview of the current state of multilateral trade negotiations and ongoing efforts to conclude the Doha Round. Mr. Singh first mentioned the importance of the WTO system for the global economic recovery. He indicated that global trade dropped by 12% in 2009 as a result of the economic crisis but that the volume of trade is estimated to grow by 9.5% in 2010. He stressed the important role in this recovery of multilateral actions to maintain market access. Because of the WTO discipline, WTO members were aware of the actions they were allowed to implement. In addition, the WTO monitoring report gave countries the opportunity to know what actions were being implemented elsewhere; it also kept the spotlight on the various economic measures and gave ammunition domestically to support trade. In order to maintain the economic stimulus, Mr Singh suggested that countries need to reduce protectionist measures and emphasize trade finances.

Mr. Singh also believes that the current round of multilateral negotiations is part of the economic stimulus. He indicated that those countries, who are most supportive of a conclusion of the Doha round are the developing countries. He mentioned the various issues that are still on the negotiating table and noted that 80% of the items have been covered and that some significant movement for the remaining 20% has occurred. Some members of the Steering Committee pointed out that some remaining stumbling blocks represent major parts of the economy for many countries (for example cotton) and that the 80-20% split suggested by WTO officials may not be appropriate for all countries. While Mr. Singh agrees that the importance of the remaining issues on the table varies between countries, he stressed that progress has been made and that the political will to conclude the round must now be translated in negotiations commitments: Gaps have been identified, technical meetings and meetings at senior level are occurring but the WTO has not set any timeframe because it will mostly depend on countries' political will. In response to questions about the possibility to compartmentalize the negotiations, Mr. Singh mentioned that decoupling the negotiations is not currently considered and that countries will have to find a balance between what they are willing to give and what they will take.

Mr. Singh also talked about the importance of a multilateral approach in the conclusion of Doha round. In response to questions about the growing importance of regional or bilateral free trade agreements (FTAs), he indicated that issues such as agriculture and fisheries subsidies, antidumping rules, trade and environment cannot be covered in FTAs. Countries may also want to harmonize the different rules they have to follow under various FTAs since it can be burdensome for exporting companies. Finally, participants in the Doha round are also participants in other negotiations (climate change, etc.), and a success in finalizing the multilateral trade negotiations would be a strong signal that countries can work together.

### **The Aid-for Trade Campaign**

Ms Patricia Francis, executive director of the International Trade Centre (ITC), appeared before the Steering Committee to present the Aid-for-Trade (AFT) initiative. The AFT initiative was launched at the Hong Kong Ministerial Conference of the World Trade Organization (WTO) in December 2005. It is recognized as a complement to the Doha round of multilateral trade negotiations. AFT assists developing countries to increase exports of goods and services, to integrate into the multilateral trading system, and to benefit from liberalized trade and increased market access.

There is a clear distinction between AFT and other development assistance. Projects, including infrastructure development, are considered as AFT if the activities involved have been identified as trade-related development priorities in the recipient countries' national development strategies. ITC works mainly with small and medium-sized enterprises (SMEs) in least developed countries (LDCs) and its strategy covers three areas:

- increase companies' competitiveness, thus boosting their abilities to engage in domestic, regional and international trade;
- support efforts to develop the capacity of trade support institutions that exist to assist the private sector, at national and regional levels; and
- strengthening the ability of policy-makers to integrate businesses into the global economy.

According to Ms. Francis, the trade collapse from late 2008 had a devastating effect on many of the LDCs, which depended on only a few export products and markets. Consequently, there has been an increased need for market-intelligence tools as developing countries understand more and more the value of knowing what is happening in the market. ITC's programs cover technical assistance and capacity building, and development of productive capacity. Nevertheless, Ms. Francis indicated that there will be challenges as well as benefits in joining the global trading system. There are also often supply-side obstacles in developing countries that need to be addressed. But she believes that it is in countries' interest to become part of the global system: for example, ITC performed an analysis that showed that LDCs, who were members of the WTO, were recovering from the crisis more rapidly than those who were not.

Ms. Francis also indicated that the economic crisis did not affect AFT pledges as they have increased at a higher rate than other types of development assistance. WTO

officials confirmed that 90% of the 2007 pledges were spent. Ms Francis gave examples of program delivery: ITC will work with a specific industry to establish a market, a product, and what is necessary to get that product to the market. For example, it may look at how to elevate the industry to international environmental standards. Successful programs also include infrastructure development such as trade corridors in Africa.

Ms. Francis also described the recently launched WTO Aid-for-Trade Work Programme 2010-2011, and the Enhanced Integrated Framework (EIF), the technical assistance program dedicated to delivering AFT. She then stressed that parliaments have much to contribute to ensuring effective implementation of the AFT agenda notably through:

- Raising awareness of the contribution export trade can make to economic growth.
- Focusing attention on the need to create a business-friendly, enabling environment, removing the supply-side constraints to trade.
- Mainstreaming trade in national development strategies and plans.
- Promoting dialogue with the private sector and the development of public-private partnerships; listening to the business community, to understand their needs and articulate them in policy-making forums.
- Mobilizing resources and developing effective export finance mechanisms.
- Ensuring predictability and transparency of aid flows to enhance their impact.
- Monitoring the effectiveness of export promotion programmes and evaluating their impact.

### **The Successful Settlement of the Banana Dispute**

Ms Gabrielle Marceau from the WTO appeared before the Steering Committee to discuss the settlement of the banana dispute, one of the longest-running trade disputes in the history of the recent multilateral trading system. This dispute opposed a number of Latin American countries and the European Union (EU) over the privileged treatment given to a number of countries in Africa, the Caribbean and the Pacific (ACP countries) to export bananas to the EU.

Ms. Marceau presented a summary of the dispute and described how the EU banana import regime was violating a number of WTO principles and rules. For example, a country's import regime must not discriminate a country against another (the most favoured nation clause). Ms Marceau indicated that the complexity of this dispute was that it involved two groups of developing countries. Under WTO rules, a system of favourable treatment is allowed for developing countries but all developing countries must be treated the same way.

Ms. Marceau indicated that although the WTO dispute resolution panel ruled that the EU banana import regime was violating WTO rules, the discussions to implement changes to the import regime failed several times. Some of the parties requested that WTO Director-General Pascal Lamy use his good offices to help broker an agreement. Parties finally reached an agreement, which was announced on 15 December 2009. According to WTO officials, this agreement confirms that negotiations on a difficult issue

can succeed and that it sends a positive message for the current round of multilateral trade negotiations.

## Appendix 2

### Parliamentary Conference on the WTO June 24-25 2010, IPU Headquarters, Geneva 21<sup>st</sup> Session of the Steering Committee

#### Summary of the Decisions, prepared by the IPU Secretariat

1. The Steering Committee of the Parliamentary Conference on the WTO met on 24 and 25 June 2010 at IPU Headquarters in Geneva and was attended by 41 persons (see list of participants in *Annex 1*). The session was co-chaired by Mr. V. Moreira, representing the European Parliament, and Mr. G. Versnick, representing the IPU.
2. During its first sitting, the Committee was briefed on the state of play in the Doha Round negotiations by Mr. Harsha Vardhana Singh, WTO Deputy Director-General, who made an introductory presentation and answered several rounds of questions. In his opening remarks, Mr. Singh underscored that, whereas world trade had fallen by 12.2 per cent in 2009, the WTO forecast for 2010 predicted a gradual recovery, with a projected growth in international trade of 9.5 per cent. Should the anticipated positive trend materialize, its overall global effect would likely be multiplied because trade is as much a consequence as it is a driving force of the economic rebound.
3. Crisis-related experience has generated renewed awareness of the benefits of the rules-based, stable and predictable trading system embodied by the WTO. The Doha Development Round, the focal point of the ongoing negotiations, has been described by the WTO Director-General as “the lowest hanging economic stimulus”. Eighty per cent of the path to the successful conclusion of the Round already appears to have been covered. To finish the job, political will must be converted into effective engagements by WTO Members.
4. Speaking on behalf of the WTO Director-General, Mr. Singh reiterated that the WTO's relations with parliamentarians had grown and were now on solid footing. The WTO welcomed these regular meetings to exchange views and information and considered the work of the Steering Committee very important.
5. Following Mr. Singh's presentation, a lively exchange of views took place among the Steering Committee members with regard to the current situation in the Doha Round. In view of the G20 Summit in Toronto, they decided to restate the Committee's firm support for the efforts to reinvigorate the Round. To that end, the Committee adopted a Statement, the text of which is to be found in *Annex 2*.
6. The Statement reaffirms inter alia the key role played by WTO's Aid-for-Trade initiative to help developing countries, particularly LDCs, to build supply-side capacity and trade-related infrastructure. In connection with this topic, the Committee members were briefed by Mrs. Patricia Francis, Executive Director of the International Trade Centre (ITC), on the Aid-for-Trade Work Programme 2010-2011 adopted by the WTO in November 2009.
7. Aid for Trade is about helping developing countries increase exports of goods and services, better integrate into the multilateral trading system, and benefit from



liberalized trade and improved market access. The Aid-for-Trade Initiative came into being at the December 2005 WTO Ministerial Conference in Hong Kong. It is not part of the negotiations under the Doha Development Agenda per se, but complements it. The WTO considers Aid for Trade as the central element of its policy to keep development at the heart of the Doha Round.

8. In her question-and-answer exchange with the members of the Steering Committee, Mrs. Francis explained that ITC was a 100% Aid-for-Trade agency, with a special focus on the business and private sectors. To be able to carry out its mission successfully, ITC intends to forge partnerships with national parliaments in both donor and beneficiary countries. Examples of how parliaments can contribute to ensuring effective implementation of the Aid-for-Trade agenda include: mainstreaming trade in national development strategies and plans, monitoring the effectiveness of export promotion programmes, removing the supply-side constraints to trade and developing effective export finance mechanisms.

9. During its sitting in the morning of 25 June, the Steering Committee was briefed by Mrs. Gabrielle Marceau, Counsellor in the Legal Affairs Division of the WTO, on the banana dispute - one of the longest-running, politically sensitive, technically complex, and commercially meaningful legal disputes in the history of GATT-WTO. The comprehensive agreement reached by Latin American banana-producing nations, the United States of America and the European Union at the end of 2009 is widely considered to be a success story and a precursor of things to come.

10. Having personally followed the banana dispute at the WTO for a number of years, Mrs. Marceau was well placed to provide exhaustive answers to the questions of Steering Committee members. In her view, the settlement was important not only because the dispute had had an exceptionally long history but also because it had contraposed two groups of developing countries. From the institutional point of view, the WTO has emerged from the dispute in better shape, having successfully applied a so-called "good offices" procedure to help broker an agreement. This being said, the deal is yet to be ratified by the European Parliament.

11. As part of its agenda, the Steering Committee considered issues relating to the future of the Parliamentary Conference on the WTO, including the organization of plenary sessions, meetings of the Steering Committee and other events in the short and medium-term perspective.

12. The Committee noted with satisfaction that this year's annual WTO Public Forum would take place from 15 to 17 September 2010 under the overall theme "The forces shaping world trade". As in the past, members of parliament specializing in international trade are encouraged to attend the Forum. Relevant information has already been circulated by the WTO Secretariat, the IPU and the European Parliament.

13. To make the best possible use of the opportunities offered by the WTO Public Forum, the Steering Committee endorsed the proposal to organize a parliamentary panel within the Forum's overall programme (Thursday, 16 September, from 2.15 to 4.15 p.m. in Room D at WTO Headquarters). The Steering Committee asked the Secretariats of the IPU and the European Parliament to finalize practical arrangements for the panel, including its theme and the list of panelists.

14. It was agreed that the next session of the Steering Committee would take place on 16 September, immediately after the parliamentary panel. The session would be held at the IPU.

15. Each member of the Steering Committee is expected to register personally for the WTO Public Forum before the official deadline of 9 September 2010 (only on-line registration is possible). In view of the exceptionally difficult situation with hotel accommodation in Geneva in September, members are also invited to book their hotel rooms as soon as possible.

16. Despite the atmosphere of uncertainty about the outcome of WTO negotiations in 2010 and unclear prospects for the next WTO Ministerial Conference, the Steering Committee felt that there was no point in postponing indefinitely the next plenary session of the Parliamentary Conference on the WTO and decided to hold the session in 2011.

17. Before the end of its work, the Steering Committee was informed of the imminent departure of two of its long-serving members, Mr. Versnick of Belgium and Lord Paul of the United Kingdom. The Committee thanked both of them for their contribution to the advancement of the Parliamentary Conference on the WTO, of which Mr. Versnick had been a co-chair since its inception in 2002. *Annex 1.*

**Twenty-first Session of the Steering Committee of the  
Parliamentary Conference on the WTO  
*Vingt-et-unième session du Comité de pilotage de la  
Conférence parlementaire sur l'OMC***

Geneva/ Genève, 24-25/06/2010

**LIST OF PARTICIPANTS  
*LISTE DES PARTICIPANTS***

<b>COUNTRY or ORGANISATION <i>PAYS ou ORGANISATION</i></b>	<b>NAME <i>NOM</i></b>
<b>BELGIUM - <i>BELGIQUE</i></b>	Mr. Geert Versnick, MP
<b>BURKINA FASO</b>	Mr. Benoît Ouattara, MP
<b>CANADA</b>	Senator Mac Harb Mr. Frédéric Forge
<b>CHINA - <i>CHINE</i></b>	Mr. Cao Wen
<b>EGYPT - <i>EGYPTE</i></b>	<i>Absent</i>
<b>FINLAND - <i>FINLANDE</i></b>	<i>Absent</i>
<b>FRANCE</b>	Senator Michel Becot Mr. Jean-Luc Fernandez
<b>GERMANY - <i>ALLEMAGNE</i></b>	Mr. Erich Fritz, MP
<b>INDIA - <i>INDE</i></b>	Shri P.C. Chacko, MP
<b>IRAN (ISLAMIC REPUBLIC OF) <i>IRAN (REPUBLIQUE ISLAMIQUE D')</i></b>	<i>Absent</i>
<b>JAPAN - <i>JAPON</i></b>	<i>Absent</i>
<b>KENYA</b>	<i>Absent</i>
<b>MAURITIUS - <i>MAURICE</i></b>	<i>Absent</i>
<b>MEXICO - <i>MEXIQUE</i></b>	<i>Absent</i>
<b>MOROCCO - <i>MAROC</i></b>	Mr. Driss Houat, MP
<b>NAMIBIA - <i>NAMIBIE</i></b>	Mr. Arnold Tjihuiko, MP Mr. Piet van der Walt, MP Ms. Elizabeth De Wee
<b>NIGERIA</b>	Senator Joel Danlami Ikenya Senator Otaru Salihu Ohize Mr. Emmanuel Odo Mr. Audu Suleman Adebayo
<b>SOUTH AFRICA - <i>AFRIQUE DU SUD</i></b>	<i>Absent</i>
<b>THAILAND - <i>THAILANDE</i></b>	Ms. Nisa Srisuworanant  Ms. Nusara Kanjanakul
<b>UNITED KINGDOM - <i>ROYAUME-UNI</i></b>	Lord Paul of Marylebone
<b>UNITED STATES OF AMERICA - <i>ETAS-UNIS D'AMERIQUE</i></b>	<i>Absent</i>
<b>URUGUAY</b>	Senator Luis Alberto Heber

<b>EUROPEAN PARLIAMENT - PARLEMENT EUROPEEN</b>	Mr. Vital Moreira, MEP Mr. Jörg Leichtfried, MEP Mr. Metin Kazak, MEP Ms. Catherine Bearder, MEP Mr. Helmut Scholz, MEP Mr. Alberto Rodas Ms. Donatella Pribaz Ms. Joanna Karolczyk Ms. Arielle Rouby Ms. Ursa Pondelek
<b>COMMONWEALTH PARLIAMENTARY ASSOCIATION ASSEMBLEE PARLEMENTAIRE DU COMMONWEALTH</b>	Mr. Joe Omorodion
<b>INTER-PARLIAMENTARY UNION UNION INTERPARLEMENTAIRE</b>	Mr. Anders B. Johnsson, Secretary General Mr. Serguei Tchelnokov
<b>PARLIAMENTARY ASSEMBLY OF THE COUNCIL OF EUROPE ASSEMBLEE PARLEMENTAIRE DU CONSEIL DE L'EUROPE</b>	<i>Absent</i>
<b>WORLD TRADE ORGANIZATION ORGANISATION MONDIALE DU COMMERCE</b>	Mr. Said El Hachimi Mr. Matthew Wilson Ms. Stefania Gallo

\* \* \*

### **RESOURCE PERSONS / EXPERTS INVITES**

<b>WORLD TRADE ORGANIZATION ORGANISATION MONDIALE DU COMMERCE</b>	Mr. Harsha Vardhana Singh, Deputy Director-General Ms. Gabrielle Marceau
<b>INTERNATIONAL TRADE CENTRE CENTRE DU COMMERCE INTERNATIONAL</b>	Ms. Patricia Francis, Executive Director

## **Appendix 3**

### **Parliamentary Conference on the WTO June 24-25 2010, IPU Headquarters, Geneva 21st Session of the Steering Committee**

#### **Final Statement**

We, parliamentarians from developed and developing countries, members of the Steering Committee of the Parliamentary Conference on the WTO, have gathered in Geneva to review the state of play in the WTO Doha Round.

We have noted with cautious optimism that, while 2009 was characterized by collapsing trade flows, protectionist pressures, falling employment and trade financing difficulties, 2010 will likely present a different scenario, with a rebound of global trade. Convinced of the significance of the role trade can play for the sustainability of the global economic recovery, we believe that substantive progress in the WTO negotiations would send a strong positive signal to the entire world economy.

We reaffirm the key role played by the WTO Aid-for-Trade initiative to help developing countries, particularly LDCs, to build supply-side capacity and trade-related infrastructure. Though Aid for Trade is not a substitute for the Doha Round, we believe that increased and more effective Aid for Trade, with effective monitoring and evaluation is needed for attaining the overarching objective of poverty eradication in the context of sustainable development and the pursuit of the Millennium Development Goals (MDGs).

As members of parliament with a mandate to oversee and encourage government action in the field of international trade, on the occasion of the G20 Summit in Toronto we reiterate our call on WTO Members to show resolve and do their utmost to find the necessary “extra quantum” in the negotiations to address, as soon as possible, the remaining differences that are impeding the conclusion of the Doha Round.

## Travel Costs

<b>ASSOCIATION</b>	Canadian Group of the Inter-Parliamentary Union (IPU)
<b>ACTIVITY</b>	Report of the Canadian Delegation to the 21st Session of the Steering Committee of the Parliamentary Conference on the World Trade Organization (WTO)
<b>DESTINATION</b>	Geneva, Switzerland
<b>DATES</b>	June 24 - 25, 2010
<b>DELEGATION</b>	
SENATE	The Hon. Mac Harb, Senator
HOUSE OF COMMONS	
STAFF	Mr. Frédéric Forge, Analyst
<b>TRANSPORTATION</b>	<b>\$ 9,707.59</b>
<b>ACCOMMODATION</b>	<b>\$ 1,688.40</b>
<b>HOSPITALITY</b>	
<b>PER DIEMS</b>	<b>\$ 921.06</b>
<b>OFFICIAL GIFTS</b>	
<b>MISCELLANEOUS</b>	<b>\$ 41.11</b>
<b>TOTAL</b>	<b>\$ 12,358.16</b>