

Canadian Group
Inter-Parliamentary Union



Groupe canadien
Union interparlementaire

**Report of the Canadian Parliamentary Delegation
to the Seventeenth 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
3-4 April 2008**

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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 to 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 organisation of the Parliamentary Conference on the WTO.

2. Agenda

The Steering Committee of the Parliamentary Conference on the WTO met on 3-4 April 2008 at IPU Headquarters in Geneva, Switzerland. The session included the following agenda items:

- Update on recent developments at WTO
- Long-term prospects of the Parliamentary Conference on the WTO
- Preparation of the annual 2008 session of the Parliamentary Conference on the WTO
 - Dates and venue of the session
 - Subject items to be included in the agenda
 - Format of the debate, including side events
 - Rapporteurs and panellists
 - Expected outcome of the session
 - List of international organizations and others to be invited as observers
 - Calendar of preparations
- Trade-related capacity-building measures targeted at parliaments of developing countries

3. The Canadian Delegate

The Steering Committee of the Parliamentary Conference on the WTO is composed of representatives of the following parliaments and international organizations: Belgium, Canada, China, Egypt, Finland, France, Germany, India, Iran (Islamic Republic of), Japan, Kenya, Mauritius, Mexico, Morocco, Namibia, Niger, Nigeria, South Africa, Thailand, Uruguay, United Kingdom, United States of America, Commonwealth

Parliamentary Association, European Parliament, Inter-Parliamentary Union,
Parliamentary Assembly of the Council of Europe, World Trade Organization.

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

Senator Harb's report, which includes a summary of decisions taken by the Committee,
may be found in the attached Appendix.

Respectfully submitted,

The Honourable Donald H. Oliver, Q.C., Senator
President, Canadian Group IPU

Appendix

Parliamentary Conference on the WTO 3-4 April 2008, IPU Headquarters, Geneva 17th Session of the Steering Committee Report prepared by Senator Mac Harb representing Hon. Donald H. Oliver, Senator President of the Canadian Group of the IPU

Recent developments at WTO

Representatives of the WTO Secretariat appeared before Members of the Steering Committee and stressed the importance of parliamentary participation at the WTO as WTO depends upon the involvement and support of the legislatures of its 151 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. WTO officials believe that the WTO must be responsive and must integrate developing countries into the system, i.e. every country must say "yes." Ultimately there is a need for a balance of:

- Agriculture trade and non-agricultural market access;
- Subsidies, procedures, standards;
- Disciplines (i.e. making WTO rules implementable).

The Group was told that the Doha Round will fail unless agriculture and industrial product issues are resolved,

The Steering Committee was also informed that a new draft modalities text for the agricultural negotiations was forthcoming. The text will include modalities (tariffs – agricultural and industrial). It is customary for the text to include a proposed range of subsidy reductions (e.g., 15- 20 percent). This range was expected to be narrowed at the Ministerial meeting in May 2008. Once approved, the next step will be the Stage II Scheduling process for agriculture, industrial and services. Countries will determine dates and schedules for implementation and a legal text will be prepared for approval at a final conference.

WTO officials raised the question as to whether an agreement could be reached in 2008 with the pending U.S. presidential election. They concluded that it would be a challenge, but that the opportunity remained. The U.S. would have to make changes to its Farm Bill and changes to its subsidies and market access. If the current administration agrees to it, the agreement would stand. Therefore, negotiations need to continue despite potential elections.

The Committee was also briefed the Aid for Trade Roadmap 2008. A summary of that discussion focussed on the fact that there is a need for Aid for Trade to continue to be implemented despite the slow-down of WTO talks. The WTO Committee on Trade and

Development approved Aid for Trade roadmap in February 2008. Its purpose is to empower developing countries, and evidence shows countries are increasingly motivated to take the lead on national and sub-regional trade plans.

On the environmental side, it was stated that there is a surge in liberalization on environmental products (and many countries are moving ahead), but there remains a need for a comprehensive undertaking on this matter. In November 2007, the United States and the European Union released a two-tiered tariff elimination proposal on environmental products with all WTO members obliged to participate (but developing countries being granted phase-in periods). The first phase would be removal of tariffs on 42 goods and services directly related to climate change mitigation. The second phase would involve liberalizing trade in 153 additional environmental-related goods and services as part of a multilateral Environmental Goods and Services Agreement. There is still a lack of consensus on this approach despite U.S. and E.U. support. In addition, there remains a need for future WTO agendas to include issues relating to: biofuels, alternative energy sources, and other environmental issues.

The Chair of the Non-agricultural market access Committee, Canadian Ambassador Donald Stephenson, informed the Steering Committee that Non-Agricultural Market Access (NAMA) negotiations are at an impasse. The Chair outlined some ways in which they might trade deeper tariff cuts against wider exceptions for some products to reach an acceptable compromise. Consensus is entirely absent on some of the central issues in the NAMA negotiations. These include the formula that will determine the future tariff levels of developed and many developing countries, and the flexibilities that will determine the extent to which the latter will be able to shield some products from the full force of global competition.

Key Points:

- Impasse is not simply a north-south divide; there are also south-south (e.g., China –developing countries) and north-north (e.g., U.S. – E.U.) divides.
- Developed countries face deeper cuts, no exclusions and are willing to give up tariff on everything, including textiles.
- Developing countries with emerging markets offer small cuts.
- The least developed countries are not being asked to give anything but they will lose preferences due to removal of tariffs in developed countries.
- Concern that new members are paying higher price (e.g., China).
- Negotiations are moving forward. New text for negotiations includes “shock therapy” with a series of new options for the formula for tariff levels, including intensive negotiations on “domestic consumption data.” Key members are close to an understanding.
- Ambassador Stephenson stated that after the new text is approved horizontal discussions could start soon thereafter.
- Developing countries are willing to provide least developed countries LDCs time to adapt.
- Preferences are being eroded every day by free trade agreements, so the dispute settlement system is becoming a less reliable tool. Best route for prosperity is to diversify exports and decrease reliance on single industry.

- LDCs have not been taking advantage of existing market access. Aid for Trade will help.
- The objective is to have a text that appeals to the vast majority.

The Committee also reflected upon the best possible means to target trade-related capacity-building measures at parliaments of developing countries as per the Declaration adopted by the 2006 Annual Session of the Parliament Conference on the WTO. It was noted that these measures should be implemented at both the bilateral and multilateral levels.

Finally, the Steering Committee discussed the plans for the 2008 Annual Session of the Parliamentary Conference on the WTO, set for 11-12 September 2008 at the Geneva International Conference Centre. Themes for the conference were discussed and included climate change and trade, and trade and technology.

Travel Costs

ASSOCIATION	Canadian Group of the Inter-Parliamentary Union (IPU)
ACTIVITY	Seventeenth Session of the Steering Committee of the Parliamentary Conference on the World Trade Organization
DESTINATION	Geneva, Switzerland
DATES	3-4 April 2008
DELEGATION	
SENATE	The Hon. Mac Harb
HOUSE OF COMMONS	
STAFF	
TRANSPORTATION	\$2,731.57
ACCOMMODATION	\$ 573.78
HOSPITALITY	
PER DIEMS	\$ 395.99
OFFICIAL GIFTS	
MISCELLANEOUS	
TOTAL	\$3,701.34