

Canadian Group
Inter-Parliamentary Union



Groupe canadien
Union interparlementaire

**Report of the Canadian Parliamentary Delegation
respecting its participation at the Annual 2011
Session of the Parliamentary Conference on
the World Trade Organization (WTO)**

Canadian Group of the Inter-Parliamentary Union (IPU)

Geneva, Switzerland

March 21-22, 2011

Report

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 and on the occasion of WTO Ministerial Conferences.

2. Agenda

The annual 2011 session of the Parliamentary Conference on the WTO Public Forum was held for the first time on WTO premises in Geneva on 21 and 22 March 2011. As in the past, the 2011 annual session of the Parliamentary Conference on the WTO was intended primarily for parliamentarians, who specialize in matters of international trade in their respective parliaments. The session provided them with an opportunity to obtain first-hand information on recent developments in WTO talks and consider ways of contributing to the revitalization of this process. It was also an occasion to exchange views and experiences with colleagues in other parliaments, interact with government negotiators and WTO officials, and engage in a dialogue with civil society representatives. The Conference included the following agenda items:

- Debate on substantive themes
 - Multilateralism in the midst of the rising tide of bilateral and regional trade pacts;
 - Rebalancing the rules of the multilateral trading system in favour of the poor;
- Dialogue with senior WTO negotiators on the theme “trade and sustainable development: from collision to cohesion”;
- Hearing with the WTO Director-General; and,
- Interactive panel discussion on the theme “Connecting to society: Trade policy-making in the era of mass communication”

3. The Canadian delegation

Representatives from various parliaments, members of the WTO and government or intergovernmental organizations participated in the annual 2011 session. The following Canadian parliamentarians attended:

The Hon. Donald H. Oliver, QC, Senator
The Honourable Frank Mahovlich, Senator
The Honourable Mac Harb, Senator

As member of the IPU Executive Committee, Senator Donald H. Oliver co-chaired this session of the Parliamentary Conference on the WTO, with the Vice-President of the

European Parliament, Mr. Stravos Lambrinidis. Senator Oliver's opening speech is available in appendix 1.

4. The Discussions

The discussions are briefly summarized in appendix 2.

5. Outcome

The commitment by world leaders at the G-20 in Seoul to bring the Doha Development Round to a successful conclusion injected much needed political momentum in the negotiations. Therefore, the annual session of the Parliamentary Conference on the WTO took place at a time when the interest in the conclusion of the Doha Round has been renewed. Participants at the parliamentary session were afforded an opportunity to ask questions to top WTO negotiators, receive first-hand information on the latest developments in WTO talks, and exchange views on possible ways forward. At the end of the session, the participants considered and adopted by consensus the following declaration:

1. We, parliamentarians assembled in Geneva for the annual session of the Parliamentary Conference on the WTO, welcome the signs of renewed energy and broader engagement by WTO Members in the negotiations on the Doha Development Agenda. The recently injected political momentum should be used to bring the Round to a successful, ambitious, comprehensive, fair and balanced conclusion that is consistent with its original mandate and builds on advances made so far. We encourage WTO Members to seize the narrow but real window of opportunity to conclude the Round by the end of 2011.
2. Convinced that multilateralism remains the best option to harness globalization and manage interdependence, we reaffirm our commitment to the universal, rules-based, open, non-discriminatory and fair multilateral trading system as embodied in the WTO.
3. International trade is a powerful engine of sustained economic growth and development and is required for the achievement of the Millennium Development Goals. Against the background of a deep and widespread economic downturn, the multilateral trading system has proven its value. The very existence of WTO disciplines, rules and binding mechanisms played a crucial role in weathering the threat of protectionism and jumpstarting the economic recovery.
4. The needs and interests of developing countries, in particular the least developed countries are at the heart of the Doha Development Agenda, which seeks to redress asymmetries and imbalances affecting them. Beyond greater market access opportunities, it is important for small and vulnerable economies, including the least developed countries, that special and differential treatment be made more effective, meaningful and operational across the negotiating areas and through greater policy flexibility and binding commitments on technical

assistance and capacity building. We call upon developed countries that have not yet done so to provide immediate, predictable, duty-free and quota-free market access on a lasting basis for all products originating from the least developed countries. Developing economies that are advanced enough to do so, or declare themselves in a position to do so, should also contribute to this process.

5. The Doha Round is premised on the consensus that, to be concluded satisfactorily, the negotiations should advance in all domains under a single undertaking. Recognizing the paramount importance of progress in areas such as agriculture, non-agricultural market access, services, rules and trade facilitation, as well as the Dispute Settlement Understanding, we call on WTO Members to accelerate their work also on special and differential treatment provisions, the development-related mandate concerning the TRIPS Agreement, implementation-related issues and concerns, transfer and dissemination of technology, and access to knowledge for the benefit of developing countries.
6. We believe it is important to ensure that market opening and fair trade liberalization go hand in hand with sustainable development, which contains three pillars: economic development, environmental protection and social development. Drawing from the lessons of the financial and economic crisis, we also see the need for greater coherence between the different segments of global governance, including the WTO, the Bretton Woods institutions, the United Nations, ILO and other like-minded organizations. Sustainable global development policies are inconceivable without better coordination between these multilateral organizations, which share to a large extent the same objectives.
7. In order to make the WTO a truly universal organization, we underscore the requirement to facilitate the accession process for all developing countries, and in particular the least developed countries, while fully respecting the need for special and differential treatment. We call for the removal of political obstacles that stand in the way of ensuring the inclusiveness and universal character of WTO membership and for greater flexibility towards the least developed countries.
8. The protracted Doha Round negotiations have underscored a systemic need to improve the functioning of the WTO as a negotiating forum. It is necessary to rethink its processes and decision-making structures. We encourage WTO Members to give thorough consideration to relevant ideas and proposals, progressively forging a consensus on ways to do this. We are convinced that this should be done so as to strengthen the democratic character and legitimacy of the system, in particular for members with less economic power, and by devising a modus operandi that can reconcile efficiency and equity in negotiations.
9. We are convinced of the need for a strong and effective parliamentary dimension to the WTO and welcome the fact that, for the first time ever, an annual session of the Parliamentary Conference on the WTO takes place on the premises of this

intergovernmental organization. Parliamentarians, as elected representatives of the people, have a duty to provide effective oversight of international trade negotiations, ensuring their transparency and fairness at the international and national levels. It is also their responsibility to remain vigilant so that the multilateral trading system contributes to sustainable development for all, taking fully into account the special and differential needs and capacities of developing countries, in particular the least developed countries.

10. The road to fairer and more equitable international trade starts with the conclusion of the Doha Round. We, as parliamentarians, therefore, call on all parties - both developed and developing countries - to show greater leadership and flexibility to make the necessary breakthroughs that will enable a successful outcome. We call on our parliamentary colleagues around the world to use all the means at their disposal to convey to their respective governments our shared sense of urgency concerning the present state of WTO negotiations. It is imperative to change gear, fuelling and sustaining the momentum in order to bring the negotiations to a close by the end of the current year.

6. The Next Parliamentary Session on the WTO

The date for the next Parliamentary Conference on the WTO remains to be determined. Its Steering Committee, of which Canada is a member, decided to hold a parliamentary panel within the WTO Public Forum, which will take place in September 2011. The next session of the Steering Committee is also scheduled to take place during this forum.

Respectfully submitted,

Mr. Blaine Calkins, M.P.
Canadian Group of the IPU

Appendix 1

**Parliamentary Conference on the WTO
Annual 2011 Session
21-22 March 2011, WTO Headquarters, Geneva**

**Address by Senator Donald H. Oliver
Member of the IPU Executive Committee
Geneva, 21 March 2011**

His Excellency, President of the WTO General Council,
Distinguished representatives of governments and international organizations,
Fellow parliamentarians,
Ladies and gentlemen,

I have great pleasure in welcoming you to the annual session of the Parliamentary Conference on the WTO. A product of the collaborative efforts of the IPU and the European Parliament, the Conference is a unique tool for parliamentary scrutiny of international trade policies. The IPU believes in it very strongly.

Indeed, throughout its entire history, the IPU - the world organization of parliaments - has been proactively engaging legislators in international cooperation. Trade between nations is one of the cornerstones of this design.

Parliamentarians from all over the world are joined at our Conference by trade diplomats, officials of international organizations, and representatives of the academic community and the mass media. I extend to all participants and observers the cordial greetings of the IPU President, Dr. Theo-Ben Gurirab, who is unfortunately unable to attend due to political commitments in his country, Namibia.

For the first time in its eight-year history, the Parliamentary Conference is holding its session on the premises of the WTO. To a mere outsider, this might look like just another meeting among the 8,000 that take place at WTO Headquarters every year. For parliamentarians, however, this is a long-awaited and politically symbolic step along the way to endowing the WTO with a meaningful parliamentary dimension.

By playing host to a meeting of legislators specializing in international trade, the WTO has shown its willingness to enhance its transparency and open itself to a greater degree of democratic oversight and accountability. We salute this development. Our gratitude goes first of all to the WTO Director-General, Mr. Pascal Lamy, who has been very supportive of this initiative. Sincere thanks are also due to his colleagues at the WTO Secretariat for their exemplary cooperation and hospitality.

Mr. Lamy will join us for a special hearing tomorrow. Ever attentive to questions from parliamentarians, he will bring us up to date on the latest developments in the Doha Round. Let's make good use of this opportunity. As national policy-makers, we need to identify more clearly, for example, what elements constitute the famous "narrow but real

window of opportunity" that is often evoked in connection with prospects of concluding the Round by the end of this year.

We share the view that the time to get serious about Doha is long past. The issues that have stalled the negotiations are real, but they can be resolved if negotiators keep in mind the benefits of success and the costs of failure.

A successful deal would not only provide a debt-free stimulus for the global economy, but could also be an added spoke in the wheel of protectionism at a time when the world is still recovering from the consequences of the financial and economic crisis. The worst fears of global retreat from free trade have not been realized. Even so, "legal protectionism" has propagated in government procurement, investment and other areas not yet fully covered by WTO rules. New agreements in the Doha Round could spell out an insurance policy that would enhance the continued flow of growth-generating global trade.

Inversely, the costs of not reaching an agreement would be prohibitive. Among other things, they would result in a proliferation of bilateral and regional trade agreements, perhaps in ways that would frustrate global hopes for the overall gains in jobs and growth. Convinced of the pivotal importance of this aspect, the Steering Committee of the Parliamentary Conference on the WTO has decided to devote one of the two thematic debates to it.

The second theme deals with rebalancing the rules of the multilateral trading system in favour of the poor. The objective of development is central to the Doha Development Agenda. Governments have made various pledges and pleas at the start of the Round, but tangible results in this area are yet to be seen. Can parliaments help break the deadlock?

We will listen to the views of parliamentary delegates from both developed and developing countries. In addition, we will benefit from the experience and inside knowledge of trade negotiators whose job is to follow these issues on a daily basis in the WTO Committee on Trade and Development.

In fact, it is our intention to make dialogue and interaction between parliamentarians and WTO negotiators a distinct feature of the entire session. An exciting feature, too, may I add. After all, what can be more interesting and useful for us, legislators dealing with trade matters in our respective parliaments, than to engage with top-level WTO experts who are the best-placed to know because it is they who actually lead the Doha negotiations?

The subject chosen by the Steering Committee for the corresponding segment of the session's programme focuses on the delicate interlinkage between trade and sustainable development, which should give rise to a lively debate. I am sure that you have many questions to ask our distinguished Ambassadors - just as you do in parliament during questioning time with ministers and other government officials.

The concluding panel of the session will be somewhat different. For once, we have invited not trade diplomats and renowned international experts but journalists - those who write about the WTO and influence the way millions of people think about globalization and trade. There are many aspects of this relationship that may require clarification. Not all questions can be dismissed off-hand by simply suggesting not to blame the mirror. We can have an interplay of ideas that would be of interest and use to all sides, including parliamentarians, of course.

The IPU and the European Parliament, as the co-organizers of the session, have invested much time and energy in its preparation. We hope that it will be crowned with success and look forward to a rich and constructive debate, in the true parliamentary tradition.

With these words, let me officially declare the annual 2011 Session of the Parliamentary Conference on the WTO open.

I now pass the floor to the Vice-President of the European Parliament, Mr. Stavros Lambrinidis.

Appendix 2

**Parliamentary Conference on the WTO
Annual 2011 Session
21-22 March 2011, WTO Headquarters, Geneva**

Summary of Discussions

DEBATE ON SUBSTANTIVE THEME (A): Multilateralism in midst of rising tide of bilateral and regional trade pacts

Senator Luis Alberto Heber (Uruguay), Mr. Paul Rübig, Member of the European Parliament and Mrs. Ditte Juul-Joergensen, acting Director, WTO Affairs, Directorate-General for Trade, European Commission provided statements on the topic and a debate followed.

As the international trading system looks increasingly fragmented and multi-layered, the question is to know if regional trade agreements and bilateral arrangements present a challenge to the credibility and viability of the WTO. Generally, parliamentarians agreed that there has been an increase in bilateral and regional agreements because of the protracted WTO negotiations. However, the Multilateral Trade System (MTS) remains the preferred option for many since it allows small countries to be treated equally, and it is a better forum to address certain topics such as trade distorting subsidies.

For some participants it is better to control bilateral agreements than to delay them. While the MST must remain the foundation for global trade, many parliamentarians indicated that bilateral and regional agreements are here to stay. They must not be seen as obstacles; rather, they must be drafted in a way that makes them complementary to the MTS. A good bilateral agreement must be ambitious (comprehensive in terms of products) and in compliance with WTO rules.

Nevertheless, some participants have cautioned that the longer the Doha negotiations last, the more credibility the MTS loses. For those participants, a reason why regionalism has not been a problem is that the MTS has remained solid during the recent economic downturn. Yet, a side effect of the proliferation of bilateral agreements may be a diminished interest in the MTS, and one way to slow down this movement is a successful conclusion of the Doha negotiations.

DEBATE ON SUBSTANTIVE THEME (B): Rebalancing the rules of MTS in favour of the poor

Mr. Lormus Bundhoo, MP (Mauritius), Mr. Helmut Scholz, Member of the European Parliament, and Ambassador Anthony Mothae Maruping (Lesotho), Chairman of the WTO Committee on Trade and Development provided statements on the topic and a debate followed.

The objective of development, with particular focus on trade-related needs of the least developed countries, is central to the Doha Development Agenda, which seeks to redress asymmetries and imbalances affecting these countries. Despite the promise made at the start of the Doha Round, tangible results in the area of development are yet to be seen. The discussions focused on reforms necessary to ensure that developing countries can benefit from the increase of their share of world trade. Participants proposed various solutions, but for many, trying to create a level playing field and expecting that developing countries will catch up must not be the only solution.

Senator Frank Mahovlich highlighted Canada's current policy of duty-free, quota-free (DFQF) for least developing countries as one of the most far-reaching in terms of eligible countries, product coverage, rules of origin and ease of administration. According to some participants, DFQF policies are important but there is also a need to reduce non tariff barriers and to ease the rules of origin. Other suggested that DFQF policies for 99% of products are not enough if they are not opened to services.

Participants also suggested other solutions including:

- Better policy coherence between trade and other issues such as labour or environmental issues, and between agreements;
- A more democratic global monetary system;
- Policies to help developing countries wean themselves from custom duties as their main source of revenue;
- Increased aid for trade commitments; and,
- A resolution of the cotton issue.

DIALOGUE WITH WTO NEGOTIATORS: Trade and sustainable development: From collision to cohesion

Ambassador Manuel A.J. Teehankee (Philippines), Chairman of the Special Session of the WTO Committee on Trade and Environment, Ambassador David Walker (New Zealand), Chairman of the Special Session on Agriculture, Ambassador Hiswani Harun (Malaysia), Chairperson of the WTO Committee on Trade and Environment, and Mr. Bruce Christie, Deputy Permanent Representative of Canada to the WTO provided statements and answered questions from the floor.

Sustainable development is at the core of the WTO's mission. However, the pace of negotiations under the Doha mandate related to the environment leaves much to be desired and appears to be linked to progress on other negotiation tracks. Panelists pondered on the linkage between the need to promote international trade and sustainable development. Issues that were addressed include:

- The environmental dimension of the Doha round of negotiations (for example, the environmental impacts of fish subsidies);
- The relationships between WTO rules and multilateral environmental agreements;

- The Montreal Protocol on Substances That Deplete the Ozone Layer. The protocol was held up as an environmental agreement that did not affect trade negatively;
- Trade being part of the solution to sustainable development, notably through comparative advantages (production occurs where it makes more economic sense, particularly where resources are most available); and,
- Reducing barriers to trade on environmental goods.

HEARING WITH THE WTO DIRECTOR GENERAL

Mr. Pascal Lamy, Director General of the WTO made a presentation and answered question from the floor.

Mr. Lamy first gave a brief overview of the state of play of the negotiations. According to Mr. Lamy, the rule based aspect of the Doha Development Agenda (DDA) is as valuable as the market access aspect, but the discipline on fisheries and the special safeguard mechanism in agriculture are some of the trickiest remaining issues. The next step for the chairs of the negotiating groups is to capture the level of progress thus far in draft texts by the end of April 2011. This would provide a picture of the remaining gaps, and a tool to move into a more horizontal phase of negotiations.

Mr. Lamy then highlighted the many reasons why countries should conclude the round: It would boost the global economy, give a vote of confidence to the multilateral trade system, and confirm the value of the WTO as an insurance policy against protectionism. He views the WTO as a catalyst of trust and unity that contributes to a stable world. He also pointed to the benefits of trade for food security (free movement of food from surplus to deficit areas), climate change (exchange of tradable green technology), and for least developed countries (aid for trade). He indicated that the DDA is as relevant today as it was 10 years ago when it was launched, and asked parliamentarians to assist in its conclusion. . Mr. Lamy then answered questions on the following issues:

- The current round of negotiations: Mr. Lamy highlighted what has currently been agreed upon i.e. 97% of tariff lines will be duty-free quota-free for products originating from least developed countries, and export subsidies will be eliminated. He stressed that there is no plan B if the DDA fails. He also indicated that many countries are waiting to become members of the WTO, and that a successful resolution of the DDA would make it more desirable for countries to join the WTO.
- The current WTO rules: Mr. Lamy discussed how the WTO system might affect domestic regulations regarding emerging issues such as cloned animals, carbon tax and other domestic taxation policies. He stressed the importance of the dispute resolution system to address these issues as they may not be covered explicitly in WTO agreements.
- Developing countries: Mr. Lamy indicated that the dispute resolution system is a good measure of the amount of trade in the world and that more and more developing countries are using it. However, market access for developing countries is one thing, and transforming that access into tangible trade is

another. He stressed the importance of Aid for Trade to help developing countries take a bigger role in global trade. He indicated that Aid for Trade has increased by 50% since 2005 without undermining other types of aid. However, progress must be made on measuring the impact of Aid for Trade, and on increasing the private sector's involvement.

- The global trading system: in response to various questions Mr. Lamy pondered the role of the WTO to regulate commodity price volatility, the influence of the global monetary system on trade, and the relations between bilateral trade agreements and the WTO.
- Relations with parliamentarians: Mr. Lamy stressed the benefits of a deeper implication of parliamentarians. The WTO has created various initiatives for parliamentarians for the past six years. For example, developing countries can include workshops for parliamentarians in their request for technical assistance program.

INTERACTIVE PANEL DISCUSSION: Connecting to society: Trade policy-making in the era of mass communication

Mr. Jamil Chade, journalist, "O Estado de S. Paulo" (Brazil), Mrs. Hedayat Abdel Nabi, journalist (Egypt), President of the Press Emblem Campaign, and Mr. John Zarocostas, journalist, "The Washington Times" (USA), President of the Association of Correspondents to the United Nations made presentations and answered questions from the floor. The discussion was moderated by Mr. Niccolò Rinaldi, Member of the European Parliament and former journalist.

There was a general sense among the panelists that the public and media interest in WTO has faded over the years and that the general public does not understand what is happening. While there has been more geographical coverage mostly in countries newly invested in the WTO (China, Brazil, India, etc.) the overall coverage has decreased. For example, the number of accredited journalists to cover WTO events went down from 500 journalists at the Hong Kong ministerial in 2005, to only 30 journalists for the same ministerial five years later in Geneva. The panelists also mentioned that some trade disputes did not attract the same attention that they would have 10 years ago.

The panelists provided various reasons for this situation. They explained the difficulty to understand the WTO for an outsider and a non specialist because of the technical terminology and jargon. The lack of transparency of the negotiating process was also mentioned as a reason for the diminished public interest. Panelists also talked about the WTO losing credibility because of the length of the Doha round of negotiations, as well as the dispute resolution system, which is seen as a long procedure with no guarantee that a win will give you what you want. The lack of identifiable message was also mentioned as an issue: There are very few stories on the positive or negative impacts of WTO decisions at the local level.

Potential solutions were briefly addressed during the question period. The involvement of parliamentarians to counterbalance the diplomats' influence at the WTO was

mentioned to improve the credibility of the negotiating process. Other stressed the need for a communication action plan to improve the general public's understanding of the WTO.

Travel Costs

ASSOCIATION	Canadian Group of the Inter-Parliamentary Union (IPU)
ACTIVITY	Annual 2011 Session of the Parliamentary Conference on the World Trade Organization (WTO)
DESTINATION	Geneva, Switzerland
DATES	March 21-22, 2011
DELEGATION	
SENATE	Hon. Donald H. Oliver, QC Hon. Frank Mahovlich Hon. Mac Harb
HOUSE OF COMMONS	
STAFF	Mr. Serge Pelletier, Secretary to the Delegation Mr. Frédéric Forge, Advisor
TRANSPORTATION	\$ 15,877.28
ACCOMMODATION	\$ 6,309.71
HOSPITALITY	0
PER DIEMS	\$ 3,659.56
OFFICIAL GIFTS	0
MISCELLANEOUS / REGISTRATION FEES	\$ 30.46
TOTAL	\$ 25,877.01