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IMPLEMENTATION OF THE IPU STRATEGY 2012-2017

PARLIAMENTARY DIMENSION OF THE WTO

The Parliamentary Conference on the WTO: A decade-long success story

At its 265th session, the Executive Committee examined an explanatory note outlining the advantages of continued IPU involvement in the Parliamentary Conference on the WTO. This note is now submitted to the Governing Council for information. It summarizes a decade-long history of the Conference, describes its political rationale and places its successes and challenges in the context of protracted problems encountered by the Doha Round of multilateral trade negotiations.

The genesis

1. The World Trade Organization started its activities on 1 January 1995 as the successor to the General Agreement on Tariffs and Trade (GATT), dismantled at the end of the Uruguay Round of trade negotiations. From the very beginning, the WTO was conceived as a somewhat atypical international organization: vested with binding rule-making and adjudication powers, it was also equipped with an effective dispute settlement mechanism for the resolution of trade quarrels and the enforcement of agreements.

2. In spite of its name, the WTO is much more than a trade organization. Its rules extend beyond the traditional domain of tariffs and trade in goods; they reach deep into domestic affairs affecting areas as diverse as intellectual property rights, services, banking, telecommunications and government procurement. The WTO has a growing impact on national health, education, employment, food safety, environment, as well as the management of natural resource such as forests, fisheries and water. WTO rulings have direct economic consequences for entire nations, as well as the private sector.

3. During the course of its consolidation and expansion, the WTO has managed to place the multilateral trading system at the heart of global governance but ironically has itself been perceived by large sections of society - especially in developing countries - as a threat to their interests. By the turn of the century, the WTO had become a prime target for anti-globalization movements, with angry protests taking place in different parts of the world. Particularly violent demonstrations took place in Seattle around the third WTO Ministerial Conference in December 1999.

4. It was at that time that parliamentarians started focusing their attention on the WTO. The reason was twofold. On the one hand, that shift was a reflection of the growing concern of members of parliament over the impact of globalization on the lives of their constituents and civil societies. On the other hand, it was the realization that, in an interdependent world, questions of international trade had become so important that they could no longer be left to governments and international bureaucracies alone, and had to be subjected to rigorous democratic oversight.

5. During the course of an ensuing debate about parliaments and the WTO, much of which happened within the IPU but also in parliaments, including the US Congress and the European Parliament, it was pointed out that the WTO was sometimes encroaching on traditional prerogatives of legislators as the primary lawmakers in democratic States. While parliaments were expected to ratify international trade agreements, more often than not they had played insignificant role in defining their scope or content. Once negotiated, trade agreements were brought home to the legislature as an indivisible package deal. While appropriate for determining the levels of border tariffs, this policy-making process was unsuitable to national policy spheres requiring significant parliamentary debate and control.

6. It was also pointed out that WTO rules occasionally promoted international trade by defining the sort of laws that legislators could or could not pass, and by establishing the standards they had to meet. Such rules at times ran counter to the need for parliaments to ensure that government regulations corresponded to national objectives and popular aspirations. Moreover, the tension between WTO rules and national laws could be intensified when governments used WTO's powerful dispute settlement mechanism to challenge each other's national laws.

7. In the face of these realities, the parliamentary community felt that an important global policy-making organization such as the WTO should have an associated parliamentary structure with oversight power. One group, spearheaded by the European Parliament (EP), was calling for an immediate establishment of a "standing body of parliamentarians" that would either be formally linked to the WTO or exist as a separate and independent body with its own Secretariat, budget and other organizational attributes. Another group, speaking on behalf of a vast majority of IPU members, voiced its concern over the proliferation of regional and global parliamentary organizations that were competing with each other for their membership base, support resources and spheres of competence. The IPU-led group advocated better use of the capacity and expertise of the existing structures for parliamentary cooperation and was convinced that the parliamentary dimension to the work of the WTO could be provided through the IPU, which had its headquarters in the same city as the WTO.

8. As an understanding of the complexity of political and organizational issues relating to the creation of a parliamentary dimension of the WTO was progressing in the course of multiple rounds of IPU-EP consultations, so was the willingness to find a joint and realistic solution. By the end of 2002, the two sides had agreed on a blueprint of what is now known as the Parliamentary Conference on the WTO.

Action time

9. The first full-scale session of the Conference took place in Geneva in February 2003. It was preceded by a series of smaller events, including a parliamentary meeting at the fourth WTO Ministerial Conference in Doha (November 2001) and two sessions of the Post-Doha Steering Committee – an ad hoc advisory structure established by the IPU and EP with a view to laying the foundations of their future joint undertaking.

10. In the years that followed, the list of inter-parliamentary WTO-related activities has never ceased to grow (see *Annex*). In addition to five plenary sessions of the Parliamentary Conference on the WTO that took place in Geneva and Brussels, two special sessions were held in conjunction with WTO Ministerial Conferences, in Cancún and Hong Kong respectively. Parliamentary round tables were also organized on a regular basis within the framework of annual WTO Public Forums – highly popular events where participants from government, parliament, civil society, the business sector, academia and the media jointly reflect on the functioning of the multilateral trading system and analyze the institutional state of the WTO.

11. At present, the Parliamentary Conference on the WTO has firmly established itself as a permanent process with its own governing structures, Rules of Procedure, membership formula and a well-developed system of links with the WTO affirming the role of the Conference as a de facto parliamentary dimension of that intergovernmental organization. Importantly, the Conference brings together legislators who, as members of standing and select committees in their respective parliaments, specialize in international trade and finance. More often than not, these parliamentarians are different from those who usually come to statutory IPU events.

12. The smooth functioning of this process is ensured by the Conference Steering Committee composed of representatives of 22 national parliaments, four international and regional parliamentary organizations and assemblies, as well as the WTO Secretariat. The Committee is co-chaired by IPU and EP representatives (currently Senator Donald H. Oliver of Canada, a member of the IPU Executive Committee, and Dr. Vital Moreira, President of EP's Committee on International Trade). The Conference is financed on a cost-sharing basis by the IPU and EP, which take turns in hosting the sessions of the Steering Committee.

13. It is noteworthy that the Conference membership formula is distinctly different from that of the IPU. While all IPU Member Parliaments are automatically invited to all plenary sessions, so are parliaments of those sovereign States that are members of the WTO but are not affiliated to the IPU. Moreover, governments of WTO members (usually their permanent missions in Geneva) are invited to plenary sessions in an observer capacity, with full speaking rights. The list of observers from among international organizations, established by the Conference Steering Committee, is likewise different from that of the IPU.

14. As defined in its Rules of Procedure, the Parliamentary Conference on the WTO is a forum for the exchange of opinions, information and experience, as well as for the promotion of common parliamentary action in the area of international trade. The Conference oversees and promotes the effectiveness and fairness of WTO activities; promotes the transparency of WTO procedures and improves the dialogue between governments, parliaments and civil society; builds capacity in parliaments in matters of international trade and exerts influence on the direction of discussions within the WTO.

15. One of the strong points of this scheme is its reliance on direct dialogue between parliamentarians and WTO negotiators. Indeed, the WTO Director-General is invited to all plenary sessions of the Conference for a special hearing where he provides detailed answers to written and oral questions from the parliamentary audience – not unlike the hearings with ministers in national parliaments. Likewise, Ambassadors serving as chairs of the WTO Council, Dispute Settlement Body, Committees and Working Parties take part in round-table discussions, panels and special presentations held during Conference sessions. Such direct interaction enriches the debate and provides parliamentarians with first-hand information about WTO negotiations.

Successes and challenges

16. For hundreds of parliamentarians from all over the world who regularly attend plenary sessions of the Parliamentary Conference on the WTO or take part in the work of the Conference Steering Committee, this activity has long since become a valuable tool for helping them to exercise more effectively their oversight role vis-à-vis the conduct of their respective governments in the multilateral trade negotiations. The IPU has been often praised by its members and non-members alike for the valuable service it provides to parliaments by bringing legislators closer to the WTO and enlightening them on some of the less obvious but politically important aspects of the Doha Round talks. It is not by chance that no fewer than five former members of the Conference Steering Committee were subsequently given ministerial portfolios in their own countries and assumed the responsibility for WTO negotiations from the side of the executive. One current member of the Steering Committee is himself a former minister of trade.

17. Despite the initial scepticism about the usefulness of closer involvement of legislators in the WTO's work displayed at the time by some Ambassadors in Geneva, the advantages of the IPU initiative soon became obvious to everybody and the Conference was viewed exclusively in win-win terms. So much so in fact that, starting from 2011, annual sessions of the Conference take place on the premises of the WTO itself, while meeting facilities are offered to parliamentarians free of charge. The Conference has brought a lot of visibility to the IPU in diplomatic circles in Geneva, among international organizations and the media.

18. The success of mobilizing parliamentary efforts in support of the WTO stood in sharp contrast to the situation with the Doha Round itself. Launched in 2001, the Round was scheduled to conclude by the end of 2004. Continued disagreement over agriculture, non-agricultural market access and other important areas was exacerbated by the rigidity of the consensus rule and the principle of single undertaking (nothing is agreed until everything is agreed). Given the current state of affairs, the negotiations are at a stalemate.

19. The objective of concluding the Doha Round remains, however, a priority that has been recognized as such not just by the WTO but the entire international community, including the United Nations and the G20. For their part, participants in the Parliamentary Conference on the WTO have reiterated on more than one occasion their conviction that a balanced, ambitious, comprehensive and development-oriented outcome of the Round was still possible and that the impasse required a political response.

20. It was with that in mind that the Steering Committee of the Parliamentary Conference on the WTO decided to give the overall title "Back to basics: Connecting politics and trade" to the forthcoming plenary session of the Conference, due to take place in Geneva on 15 and 16 November 2012. The session is seen as opportunity for parliamentarians to use the political

means at their disposal to forge a multilateral consensus within the WTO. Certain hopes are also associated with the decision of the WTO to hold a full-scale political (as opposed to technical) Ministerial Conference in Indonesia at the end of 2013. In keeping with tradition, the IPU and EP would be expected to organize a parallel parliamentary session open to all legislators attending the Ministerial Conference.

Conclusion: Why the IPU should continue to care

- The WTO is an international organization unlike most others. Its unique mandate and powers require an effective mechanism of parliamentary oversight of its activities.
- Over the years, the IPU has invested a great deal of time and resources into establishing such a mechanism. Now that these efforts have started to bear fruit, including through improved visibility for the IPU, leaving others to reap the benefits of success would undermine the IPU's standing among international organizations and weaken the capacity of legislators to influence important international negotiations.
- The primary beneficiaries of the Parliamentary Conference on the WTO are members of parliament specializing in international trade and finance. Depriving them of this proven capacity-building tool would run counter to the IPU's efforts to become more relevant in today's world by working more closely with members of standing and select committees of national parliaments that deal with specific issues requiring international cooperation.
- Reinvigorating multilateralism as embodied by the WTO and saving the Doha Round is an important political goal per se. The need for a parliamentary contribution to this process was recognized as one of the priorities of the IPU Strategy for 2012-2017.

**Chronological list of activities organized within the framework
of the Parliamentary Conference on the WTO since 2002**

Date and venue	Activity
15-16 November 2012, Geneva	Annual 2012 session of the Parliamentary Conference on the WTO: Back to basics: Connecting politics and trade
26 September 2012, Geneva	26 th session of the Steering Committee
7-8 May 2012, Brussels	25 th session of the Steering Committee
21 September 2011, Geneva	24 th session of the Steering Committee
20 September 2011, Geneva	Parliamentary Panel within the framework of the WTO Public Forum: Trade in natural resources - curse or blessing? A parliamentary perspective
21-22 March 2011, Geneva	Annual 2011 session of the Parliamentary Conference on the WTO
21 March 2011, Geneva	23 rd session of the Steering Committee
16 September 2010, Geneva	22 nd session of the Steering Committee
16 September 2010, Geneva	Parliamentary Panel within the framework of the WTO Public Forum: Can the existing multilateral trading system cope with the emerging challenges?
24-25 June 2010, Geneva	21 st session of the Steering Committee
1 December 2009, Geneva	Enlarged 20 th session of the Steering Committee
1 October 2009, Geneva	19 th session of the Steering Committee
30 September 2009, Geneva	Parliamentary Panel within the framework of the WTO Public Forum: Can protectionism protect trade? The legislator's perspective.
11-12 September 2008, Geneva	Annual 2008 session of the Parliamentary Conference on the WTO
11 September 2008, Geneva	18 th session of the Steering Committee
3-4 April 2008, Geneva	17 th session of the Steering Committee
4 October 2007, Geneva	Parliamentary Panel within the framework of the WTO Public Forum: Trade and climate change: Is trade killing our planet?
3 October 2007, Geneva	16 th session of the Steering Committee
14-15 June 2007, Geneva	15 th session of the Steering Committee
1-2 December 2006, Geneva	Annual 2006 session of the Parliamentary Conference on the WTO
30 November 2006, Geneva	14 th session of the Steering Committee
14-15 September 2006, Geneva	13 th session of the Steering Committee
22-23 June 2006, Geneva	12 th session of the Steering Committee
12 and 15 December 2005, Hong Kong	Hong Kong session of the Parliamentary Conference on the WTO
15 December 2005, Hong Kong	11 th session of the Steering Committee
22-23 September 2005, Geneva	10 th session of the Steering Committee
22-23 April 2005, Geneva	9 th session of the Steering Committee
22 April 2005, Geneva	Parliamentary Panel within the framework of the WTO Public Symposium: The WTO at 10. The perceived loss of "sovereignty" due to WTO accords: should parliamentarians be concerned?
24-26 November 2004, Brussels	Brussels session of the Parliamentary Conference on the WTO
24 November 2004, Brussels	8 th session of the Steering Committee
6-7 September 2004, Geneva	7 th session of the Steering Committee
25-26 March 2004, Geneva	6 th session of the Steering Committee
12 September 2003, Cancún	5 th session of the Steering Committee
9 and 12 September 2003, Cancún	Cancún session of the Parliamentary Conference on the WTO
17 June 2003, Geneva	Parliamentary Panel within the framework of the WTO Public Symposium: Parliaments and the WTO
17 June 2003, Geneva	4 th session of the Steering Committee
17-18 February 2003, Geneva	Annual 2003 session of the Parliamentary Conference on the WTO
16-17 February 2003, Geneva	3 rd session of the Steering Committee
14-15 October 2002, Geneva	2 nd session of the Steering Committee
28-29 May 2002, Brussels	1 st session of the Steering Committee