SUMMARY OF THE FOURTH INFORMAL CONSULTATION BETWEEN THE OECD TRADE COMMITTEE AND CIVIL SOCIETY ORGANISATIONS

Paris, 28 October 2002

Miriam KOREEN: Tel: (33-1) 45 24 13 38; EM: miriam.koreen@oecd.org
1. On 28 October 2002, the OECD Trade Committee held its fourth informal consultation with civil society organisations (CSOs), back to back with its 135th Session. As in past years, this informal consultation offered an important opportunity for a mutually beneficial exchange of views between civil society and the Trade Committee, as a complement to the regular consultation mechanisms established at the national level in OECD Member countries.

2. This year, participants from over 25 national and international CSOs representing a wide variety of interests were present for the consultation, which was divided into two half-day sessions. The first, entitled “The multilateral trading system and sustainable development: finding common ground for shared objectives” included discussion of the social dimension of globalisation, the interface between trade and development, and trade/environment issues, corresponding to the social, economic and environmental pillars of sustainable development. The second session, entitled “Domestic regulation in a multilateral context: a right, an obligation, a necessity?” offered the opportunity for discussion on the right to regulate as regards trade in services, TRIPS and access to medicines, as well as regulatory aspects of the sustainable development issues discussed in the first session. An issues paper, circulated by the OECD Secretariat, set out the issues to be addressed during the consultation and provided questions intended to stimulate discussion [TD/TC/CSO(2002)1]. A number of CSOs also circulated documentation in advance of the consultation.

Session 1: The multilateral trading system and sustainable development: finding common ground for shared objectives

3. In the first session, a number of issues were discussed, many of which were related to the Doha Development Agenda (DDA) and the recent World Summit on Sustainable Development (WSSD) held in Johannesburg. Several CSO participants expressed the view that the social pillar of sustainable development was still too weak and that social issues were not taken into account sufficiently in trade negotiations. Several Trade Committee Delegates agreed with this view and shared CSOs’ disappointment with some of the outcomes in Doha. Both CSO participants and Delegates looked forward to the results of work being done in the ILO World Commission on the Social Dimension of Globalisation, a technical commission established in February 2002 to examine the social dimension and social impacts of globalisation, including in the area of trade. Participants welcomed the presence of a representative of the World Commission at the consultation. Several interventions expressed appreciation for past OECD work on trade and labour standards and flagged the usefulness of further studies by the OECD relating to social issues.
4. The subject of trade and investment was raised by numerous CSO participants. Increased foreign direct investment was seen by some as an important opportunity for improving the situation of populations in developing countries. In this context, most participants agreed that some binding multilateral instrument for investment, containing predictable and transparent international rules, was needed to ensure that private investments work for the public good and to increase social and environmental responsibility and accountability. However, different views were expressed as to the framework and format such an instrument should take.

5. Concerning environment issues, several participants welcomed the start of discussions on multilateral environmental agreements (MEAs) within the WTO. Several participants expressed the view that the WTO approach must be consistent with commitments made at the WSSD in Johannesburg. However, the polarised views of WTO Members on the environmental issue were highlighted, and concern was expressed that only superficial changes would be achieved in this area.

6. A variety of development-related issues were raised in the context the DDA negotiations and work on sustainable development. The importance of including gender considerations in the development of trade policy and in the assessment of the impact of trade liberalisation was highlighted. The issue of tobacco advertising was also raised in the context of a call for more international rules on public health. The importance of increased market access for development was mentioned, particularly in the areas of agriculture, textiles and medicines. Some participants referred to and welcomed the new OECD trade project on textiles, which had been suggested at the 2001 CSO consultation. Concerns about the situation of indigenous peoples were also raised. The issue of corruption was identified as a problem that could undermine all the issues mentioned during the discussion.

7. Trade Committee Delegates welcomed the opportunity to hear a wide range of opinions on these topics and to present the current state of progress in WTO negotiations. There was agreement on the importance of keeping sight of development objectives within the DDA. They felt it was important for governments to be kept under pressure from civil society, but also highlighted the need for realistic expectations about what could be achieved through the DDA.

Session 2: Domestic regulation in a multilateral context: a right, an obligation, a necessity?

8. Discussions in this session focused mainly on regulation and trade in services, and TRIPS and access to medicines. Concerning services, participants considered that it was difficult to generalise about whether it is preferable to have public or private provision of basic services. They agreed that the need to ensure access to basic services, such as water, to men and women in developing and developed countries was critical. The need for technical assistance to developing countries in the area of regulatory skills was underlined. Other participants added that regulation should not be subject to unpredictable change. The complexity of getting the regulatory balance right between national, regional and local authorities within a single country was highlighted, pointing to even more difficulties with adopting regulation at the international level. Some participants felt that coherence in regulation is essential and that the principle of subsidiarity should be followed as concerns the relationship between international, national and local regulation. It was therefore seen as important to work towards the development of appropriate regulatory institutions at appropriate levels. Some participants expressed concern with what they saw as slow progress within GATS negotiations. They raised the question of finding ways to make regulation more trade-friendly while keeping in mind the concerns mentioned above, and expressed appreciation for OECD analytical work in this area. Others pointed out that corruption is a threat to both regulatory systems and liberalisation.
9. Trade Committee Delegates expressed surprise at some of the strong positions taken by CSOs in this debate, given the flexibility of the GATS in terms of scheduling commitments. They agreed that it was important to preserve nations’ right to regulate in the public interest and reiterated that nothing in the GATS calls for the deregulation of public services. They were of the view that there are still a large number of misunderstandings about the GATS, due in part to a voluntary or involuntary blurring of the GATS and regulatory reform in some countries. They underlined that the GATS and liberalisation of trade in services was not synonymous with deregulation, but rather efficient re-regulation. They praised the role that OECD work on regulatory reform plays in this regard. Delegates acknowledged that in the field of services, WTO Members have different starting points and that there was no single “right” way to proceed; rather, the flexibility and nuances built into the GATS should be exploited.

10. Concerning TRIPS and public health, the debate centred around access of poor countries to vital medicines. Both CSO participants and Trade Committee Delegates agreed that the public health situation in many developing countries is unacceptable. They agreed that it was vital to make progress in the context of the Declaration on the TRIPS Agreement and Public Health issued in Doha. There was some debate on the role that intellectual property rights (IPRs) play in public health problems in poor countries. Some CSO participants felt that IPRs were the main obstacle in access to medicines in these countries, keeping prices high and hindering the production of low-cost generic drugs. Some CSOs stated that they didn’t agree that patent protection was serving as an incentive for pharmaceutical R&D in developing countries. Other CSO representatives and Delegates, while acknowledging in effect that R&D did not take place in every region of the world, were of the view that TRIPS was only one small part of the public health problem, other key obstacles being weak infrastructure and lack of financing, and in some cases high tariffs in importing countries. These participants felt that the AIDS crisis should not be used to undermine the basic arguments for IPR protection and the incentives it offers. Delegates agreed that this issue should not be a pretext for revising existing patent rules or the TRIPS Agreement. It was felt that the OECD could make a potential contribution in this area through analytical work on the subject.
LISTE DES PARTICIPANTS / LIST OF PARTICIPANTS
FOURTH INFORMAL CONSULTATION BETWEEN CIVIL SOCIETY ORGANISATIONS AND
THE OECD TRADE COMMITTEE

4ÈME CONSULTATION INFORMELLE ENTRE LES ORGANISATIONS DE LA SOCIÉTÉ
CIVILE ET LE COMITÉ DES ÉCHANGES DE L’OCDE

28 October 2002 - 28 octobre 2002

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Ambassadeur, délégué du Conseil Fédéral aux accords commerciaux, Secrétariat d’État à l’économie, Département fédéral de l’économie

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Mr. Knut BRÜNJES
Deputy Director-General for Trade Policy
Federal Ministry of Economics and Technology

Mr. Axel BIERER
Second Secretary, Permanent Delegation

AUSTRALIE / AUSTRALIA

Mr. Mike ROBERTS
Deputy Permanent Representative Permanent Delegation

AUTRICHE / AUSTRIA

M. Norbert FAUSTENHAMMER
Minister, Austrian Mission to the WTO

Mrs. Susanne SCHROTT
Austrian Federal Economic Chamber

Mrs. Eva DESSEWFFY
Federal Chamber of Labour

M. Josef BEHOFSICS
Attaché Environment, Délégation Permanente

BELGIQUE / BELGIUM

M. Philippe HARVENGT
Conseiller, Ministère des Affaires Etrangères

M. Charles GODART
Conseiller, Administration des Relations Economiques - Politique commerciale internationale, Ministère des Affaires Économiques

M. Frank DUHAMEL
Secrétaire d’Ambassade, Délégation Permanente

CANADA / CANADA

Mr. Randle WILSON
Director, Department of Foreign Affairs and International Trade, DFAIT

Mr. Stuart CARRE
Counsellor, Permanent Delegation

Mme Bianca BOHANAN
Strategist, Trade Policy Consultations and Liaison, Foreign Affairs and International Trade
TD/TC/CSO/M(2002)1

COREE / KOREA

Mr. Suk-Bum PARK  
Deputy Director-General, International Economic Affairs Bureau, Ministry of Foreign Affairs and Trade

M. Chong-Ho KYUN  
Assistant Director, Division of International Economic Organization Bureau, Ministry of Foreign Affairs and Trade

Mr. In-Kyun CHUNG  
First Secretary, Permanent Mission of Korea to International Organizations in Geneva

Mr. Chong-Weon SHIN  
Counsellor, Delegation of Korea

DANEMARK / DENMARK

Mr. Peter THAGESEN  
Ministry of Foreign Affairs

Mr. Peter HERTEL RASMUSSEN  
Minister Counsellor, Permanent Delegation

ESPAGNE / SPAIN

Mr. José Alberto PLAZA TEJERA  
Sous-Directeur Général du Commerce International de Services., Secrétariat d'Etat au Commerce. Ministère de l'Economie

Mr. Luis CARDERERA SOLER  
Conseiller Economique et Commercial, Permanent Delegation  
(Chairman of the Working Party of the Trade Committee)

ETATS-UNIS / UNITED STATES

Ms. Dorothy DWOSKIN  
Assistant U.S. Trade Representative

Mr. Stephen JACOBS  
Deputy Assistant Secretary, Agreements Compliance, U.S. Department of Commerce

Mr. Robert LUKE  
Counsellor for Economic, Environment, Science and Technology, Permanent Delegation

Mr. Alonzo SIBERT  
Advisor for Energy & Agriculture, Permanent Delegation

Mr. Robert DOWNES  
Division Chief, Bureau of Economic and Business Affairs, U.S. Department of State

FINLANDE / FINLAND

Mr. Tuomas TAPIO  
Second Secretary, Permanent Delegation

FRANCE / FRANCE

Mme Sabine ROUSSELY  
DREE -Sous-direction des affaires multilatérales, Ministère de l'Economie, des Finances et de l'Industrie

Mme Marianne CANTET  
Institut Nationale de la Propriété Industrielle – INPI, MINEFI

Mme Marie-José SEMENCE  
DREE - Bureau Services et Propriétés Intellectuelle, MINEFI
M. Jean-Pierre DUBOIS Conseiller Economique, Délégation Permanente

HONGRIE / HUNGARY

Dr. Ágnes JÁNSZKY First Secretary, Permanent Delegation

ISLANDE / ICELAND

Mr. Thórdur GUDMUNDSSON Deputy Permanent Representative, Permanent Delegation

ITALIE / ITALY

Mr. Amedeo TETI Directeur Général de la Direction Générale des Politiques Commerciales du Ministère des Activités Productives
M. Claudio PADUA Attaché aux Affaires Commerciales, Délégation Permanente

JAPON / JAPAN

Mr. Yoichi SUZUKI Deputy Director-General, Economic Affairs Bureau, Ministry of Foreign Affairs
Mr. Yutaka KASHIWABARA Official, Second International Organisations Division, Economic Affairs Bureau, Ministry of Foreign Affairs
Mr. Tetsuya WATANABE First Secretary, Industry and Trade, Permanent Delegation
M. Futoshi MATSUMOTO First Secretary, Trade, Délégation Permanente
Mr. Junichi SUGAWARA Advisor, CCN, Trade and Investment, Permanent Delegation

MEXIQUE / MEXICO

M. Angel LÓPEZ HÖHER Ministro, Representante Permanente Alterno de México ante la O.M.C., Misión Permanente de México ante la O.M.C.
Mrs. Patricia QUESADA LASTIRI Minister for Trade and Industry, Permanent Delegation
Mr. Carlos PEÑAFIEL SOTO Counselor, Ministry of Economy, Permanent Delegation

NORVEGE / NORWAY

Mr. Lars-Henrik KNUTRUD Senior Advisor, Ministry for Foreign Affairs
NOUVELLE-ZELANDE / NEW ZEALAND

Mr. Crawford FALCONER Principal Trade Policy Adviser, Ministry of Foreign Affairs and Trade  
(Vice-Chair of the Trade Committee)  
Mr. Adrian MACEY Ambassadeur, Représentant Permanent, Permanent Delegation  
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POLOGNE / POLAND

Mr. Cezary BANKA First Secretary, Permanent Delegation

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Mme Maria da Graça MIRA GOMES Représentante Permanente Adjointe, Délégation Permanente

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Ms. Marta RUZICKOVA Director, Department of OECD and International Organisations, Ministry of Economy  
Mrs. Adriana VANOVÁ Counsellor, Permanent Delegation

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Mr. Tim ABRAHAM Director of International Trade Policy, Department of Trade and Industry  
M. Jonathan KNOTT First Secretary, Délégation Permanente

SUÈDE / SWEDEN

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Ms. Kristin PÅLSSON Head of section, Ministry for Foreign Affairs  
Ms. Kerstin BERGLÖF Senior Research Officer, Global Trade Division National Board of Trade  
Mrs. Marie-Claire SWÄRD CAPRA Deputy Permanent Representative, Permanent Delegation

SUISSE / SWITZERLAND

M. Harold STINGELIN Chef du Secteur OCDE, Secrétariat d'Etat à l'économie, Département fédéral de l'Economie  
Mr. Matthias MEYER Ambassadeur, Secrétariat d'Etat à l'économie, Département fédéral de l'économie
M. Michel GRESSOT  Direction du développement et de la coopération.  Département fédéral des Affaires étrangères
Mr. Martin GODEL  Secrétariat d'Etat à l'économie., Département fédéral de l'économie
M. Philippe FONTANA  Conseiller d'Ambassade, Délégation Permanente

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M. Stefan AMARASINHA  DG Commerce, Commission Européenne
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********************
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Mr. Ivan LEE  Deputy Representative, Hong Kong Special Administrative Region of China to the World Trade Organisation

OMC / WTO
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********************
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Mrs. Susan HAYTER  International Policy Group, International Labour Organisation (ILO)

**********************
ORGANISATIONS DE LA SOCIETE CIVILE / CIVIL SOCIETY ORGANISATIONS

CONSUMERS INTERNATIONAL

M. Robin SIMPSON Policy Advisor

INSTITUT DU DÉVELOPPEMENT DURABLE ET DES RELATIONS INTERNATIONALES (IDDRI)

M. Thierry GIORDANO

INTERNATIONAL INSTITUTE FOR SUSTAINABLE DEVELOPMENT (IISD)

M. Konrad VON MOLTKE Senior Fellow

MÉDICINS SANS FRONTIÈRES

M. Pierre CHIRAC

OXFAM INTERNATIONAL

Mme Jo LEADBEATER Head of EU Advocacy Office

WORLD WIDE FUND INTERNATIONAL (WWF)

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WORLD VISION

Mr. Kelly CURRAH Senior Policy Advisor

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Mr. Karl-Heinz KREBS Leiter Produktssicherheit OMG OM Group Germany

Mr. Youngmin KWON Research Fellow, Korea Economic Research Institute Korea

10
Mr. Winand L.E. QUAEDVLIEG  Senior Advisor  Confederation of Netherlands Industry and Employers VNO-NCW  NETHERLANDS

Mr. Knut SØRLIE  Assistant Director  Confederation of Norwegian Business and Industry  NORWAY

Mr. Joseph GAVIN  Vice President, Trade Policy  U.S. Council for International Business  UNITED STATES

Mr. Charles P. HEETER Jr.  Partner  Deloitte & Touche LLP  UNITED STATES

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Mr. Neil COLLISHAW  Research Director, Physicians for a Smoke-Free Canada
Mr. Edwin A. MALLORY  Managing Director – Europe, Forest Products of Canada, Brussels

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Ms. Nicole SCHABUS  Indigenous Network on Economies and Trade (INET), George Manuel Institute
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President, Amstutz and Company  
(Agricultural Technical Advisory Committee for Trade in Grains, Feed, & Oilseeds)
Ms. Catherine P. BENNETT  
Vice-President, Federal Tax and Trade Policy, Pfizer, Inc.
Mr. Steve PORTER  
Managing Attorney, Center for International Environmental Law  
(Trade and Environment Policy Advisory Committee)

**FINLANDE / FINLAND**
Mr. Matti KOIVISTO  
Chief Economist, The Finnish Confederation of Salaried Employees STTK
Mr. Peter J. BOLDT  
Economist, The Central Organisation of Finnish Trade Unions

**NORVEGE / NORWAY**
Ms. Diis Bøhn. LO  
Norwegian Trade Union

**ROYAUME UNI – UNITED KINGDOM**
Mr. Christopher ROBERTS  
Chair, Liberalisation of Trade in Services, LOTIS

**SUÈDE / SWEDEN**
Mr. Åke WEYLER  
Managing Director, Textile Importers’ Association in Sweden

**SUISSE / SWITZERLAND**
M. Michel EGGER  
Communauté de travail Swissaid-Action de Carême-Pain pour le prochain Helvetas-Caritas  
(Swiss Coalition of Development Organizations: Swissaid, Catholic Lenten Fund, Bread for All, Helvetas Caritas)

**CE / EC**
Ms. Denise FUCHS  
Vice-president, European Women's Lobby
Ms. Christa WICHTERICH  
Network Women in Development Europe – WIDE, Brussels

**************

**OECD SECRETARIAT**
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Mr. Ken HEYDON  
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Head, Trade Policy Linkages Division, Trade Directorate
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Head, Export Credits, Trade Directorate
Ms. Miriam KOREEN  
Counsellor, Director’s Office, Trade Directorate