Informal Consultation between the Trade Committee and Non-Governmental Organisations

INFORMAL CONSULTATION BETWEEN THE OECD TRADE COMMITTEE AND CIVIL SOCIETY ORGANISATIONS

TO DOHA AND BEYOND: TRADE AND SUSTAINABLE DEVELOPMENT ISSUES

Paris, 23 October 2001

This document is intended to facilitate discussion at the Third Informal Consultation between the Trade Committee and Civil Society Organisations (CSOs) set for 23 October 2001.
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1. OECD’s three-year project on sustainable development culminated in key policy recommendations being presented to Ministers at the annual Ministerial Council Meeting (MCM) in May 2001 in Policies to Enhance Sustainable Development. Analytical support appears in a separate volume Sustainable Development: Critical Issues. Most of the themes in these two volumes are not new to the Trade Committee and its associated bodies, including the Joint Working Party on Trade and Environment. Making markets work; managing linkages with the global economy including through the role of trade policy and strengthening decision making through greater transparency and participation of civil society, are just a few of these.

2. The volumes also discuss the challenges which OECD governments have increasingly recognised as an "implementation gap" -- that is the difference between the commitments to which they signed up in Rio in 1992 and the reality of continued environmental degradation on certain fronts, social divides, etc. For this reason, the emphasis on sustainable development in the 2001 MCM communiqué is for further work in the Organisation on identifying the obstacles to policy reform and developing indicators to track progress towards the various policy goals of sustainable development. Follow-up in these two areas is now being organised.

3. The importance of development and addressing developing country requests and concerns was also underscored at the 2001 OECD Ministerial. In supporting the launch of a new global round of multilateral trade negotiations in Doha, Ministers recognised the importance of a new round for developing countries, not only to stimulate their economic growth, but also to alleviate poverty. The MCM communiqué also recognised that real progress had to be made, nationally and internationally, in order to succeed at the World Summit on Sustainable Development (WSSD) in Johannesburg in September 2002. And Ministers reiterated their commitment to ensure that sustainable development strategies were put in place by the time of the World Summit.

4. In the light of follow-up work in OECD on various aspects of sustainable development, including a contribution to the WSSD, the Trade Committee seeks the views of civil society representatives on future OECD work on sustainable development, particularly on trade and trade-related aspects of sustainable development. The following questions for discussion are suggested to structure the CSO consultation on 24 October.

Role of the WTO and a new trade round in promoting sustainable development

- Trade can make an important contribution to the attainment of development goals, in particular by promoting economic growth and alleviating poverty. However, trade is insufficient and other policies, such as sound governance (including in relation to environment and labour) and macro-economic policies are necessary. To what extent should the WTO attempt to encourage other policies important for development or should it focus more narrowly on setting the conditions and rules for trade?
How can developing countries be assisted to participate more actively in the WTO? What should be the role of the WTO in capacity building for developing countries?

WTO rules currently distinguish between LDCs (based on the United Nations list of 49) and developing countries (self-selected) for the purposes of special and differential treatment. Is this categorisation adequate? Should other categories, or distinctions between developing countries, be considered and, if so, what types of factors might be relevant to making such distinctions?

The WTO as an organisation is founded on a contract between its members, with rights conferred accompanied by obligations undertaken. This balance provides an important discipline on the behaviour of all participants, as all members have an over-arching interest in seeing the rules observed, even if they would sometimes prefer not to abide by a specific rule. Given this institutional set-up and safeguard, how might greater NGO participation in the system be envisaged and what sort of rights and obligations could apply?

Some developing countries have expressed concern about greater direct involvement of CSOs in the WTO, fearing that some multinational CSOs represent interests they do not share (such as inclusion of labour standards or stricter environmental provisions in trade rules) and have greater resources with which to prosecute their interests. Specific proposals, for example for \textit{amicus} briefs in the dispute settlement system, have also given rise to concerns by some developing countries that some CSOs will enjoy greater access to the system than some members. How might the concerns of these developing countries be addressed?

\textbf{Future work in the OECD on sustainable development}

\textit{Obstacles to policy reform}

5. In the mandate from the May MCM meeting, Ministers requested the OECD to identify how obstacles to policy reform, such as the better use of market-based instruments, and the reduction of environmentally harmful subsidies, can be overcome. Much interest has been generated in the WTO, and particularly the Committee on Trade and Environment, on identifying "win-win" situations -- where reduction of environmentally harmful subsidies could bring both economic and environmental benefits. Sectors where serious analytical work, including in the OECD, has been undertaken include fisheries, agriculture, transport and fossil fuels. Building on such analyses, how can the OECD now best contribute towards building the necessary consensus -- within and across countries -- to realise these "double dividends"? How can CSOs contribute to this process?

\textit{Indicators}

6. The OECD is committed to developing agreed indicators to measure progress across all three dimensions of sustainable development. Current plans are to develop these in two stages: those directly applicable to the OECD peer review processes, e.g. the Economic Development Review Committee over the coming year and a wider set over the medium term. What could be the contribution of trade indicators, such as market openness, to track progress towards one of the central policy goals of sustainable development?
Report for Johannesburg

7. The Rio + 10 Conference to be held in Johannesburg in September 2002 represents an important opportunity for OECD to share its analytical and policy work on sustainable development with the international community -- and developing countries in particular. How can the overall message of promoting mutually reinforcing policies on the economic, social and environmental fronts be made effectively? And how can the contribution of trade and trade liberalisation best be underscored? Does Johannesburg represent an opportunity to launch a "global compact" whereby developing and developed countries commit to work effectively towards greater economic growth from trade which also is respectful of the environment and promotes social equity?