

## **CSEND & CUTS Panel Discussion**

### **Trade Governance and developing countries: the need for effective inter-ministerial trade policy coordination and consultation with trade policy stakeholders**

**Room A, CCV**

**Geneva, 30 November 2009, 1000-1200 hours.**

#### **Event Report**

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1. CUTS International and CSEND organized a panel discussion on the national dimensions of trade policy (TP) making on the margins of the Seventh Ministerial Conference of the WTO. Relevant research demonstrates that developing countries often suffer from lack of adequate policy coordination at the inter-ministerial level as well as at the level of policy consultation with key stakeholders such as civil society organisations (CSOs) and the private sector.
2. Pradeep S. Mehta, Secretary General CUTS International, and Raymond Saner, Director, CSEND introduced the panellists and elaborated on the issues before the Panel.
3. Ambassador Darlington Mwape of Zambia described the trade policy making process in Zambia. and made the following points:
  - There is a growing call for more participation from developing countries in international negotiations. The structure of the multilateral system now allows countries such as Zambia to be heard. However, for an LDC to be heard at the international level, it must have a strong national policy making framework.
  - In Zambia, the only Trade Policy document is the Vision 2030 which is implemented by National Development Plans (NDPs), each of which is for a period of 5 years. The 5<sup>th</sup> NDP, which is the current Plan, has a strong trade component.
  - Trade Policy in Zambia is managed through the joint efforts of a negotiating structure and an implementing structure. Both have representation from the public and private sectors. The negotiating structure is composed of a National Working Group on Trade and a number of sub-working groups on specific topics. When a position is reached, it is discussed further in the Trade Expansion Working Group of the implementing structure. In the implementation stages, the focus is on trying to get as many stakeholders as possible involved. Once approved, the policy is circulated and published.
  - There are a number of weaknesses related to trade policy making and sharing such as (i) inadequacy in sectoral linkages and inter-ministerial coordination for bringing together the various aspects of trade; (ii) external groups such as CSOs, private sector and academia often having significantly overlapping representation; and (iii) insufficient interaction between the public and private sector which needs to be enhanced as .trade policies are mainly designed

for the private sector actors; (iv) weak linkages with research institutions, (v) need for strengthening inter-ministerial coordination (IMC)

4. Ambassador Luzius Wasecha of Switzerland was the next speaker. The main points raised during his presentation on trade policy making in Switzerland were the following:
  - The functioning of the Swiss democracy involves intensive consultations with ministries as well as civil society stakeholders. The consultative process provides stakeholders with an opportunity to comment on a draft policy. This results in lengthy negotiations.
  - He pointed out some challenges arising out of such a consultative system:
    - It takes a long time to consult every stakeholder which often compromises efficiency and promptness in decision making
    - Conflicts between experts from different ministries have to be resolved.
    - A clear definition of the respective responsibilities of various stakeholders in the consultative process is essential.
    - All decision making bodies at federal as well as sub-federal levels are consulted and their existing laws and regulations studied so that provisions conflicting with WTO rules are avoided. He explained how one problematic regulation in one of Switzerland's 28 *cantons* led to the federal government's inability to make commitments relating to the services sector during the Uruguay round.
    - Greater dialogue with the CSOs also enhances potential for conflict with the Parliament which often feels that its role has been usurped.
5. Professor Raymond Saner was the next to present findings from his study on TP. His main focus was to assess the extent to which better inter-ministerial coordination can improve the trade negotiation performance of LDCs and DCs. So far, there is lack of such coordination that hampers efficiency in negotiations. Other major points were as follows:
  - EIF and capacity building should be coordinated with PRSPs. This implies the need for a huge amount of coordination among LDCs and DCs.
  - It has been observed that in the institutional section of the DTIS, a lot of issues are not covered which translates into lack of technical capacity to actually improve coordination.
  - The new PRSPs have imposed further challenges by asking for the previous papers to be broadened. Indeed, ministries from various sectors should get involved in creating new interfaces with the relevant international organisation relating to each sector.. Another challenge is created by the fact that more consultation is being requested. These new interactions need to be managed.
6. Atul Kaushik, Director, CUTS GRC was the next to speak. His focus was on the timing, procedure and extent of Civil Society (CS) consultation in TP creation and negotiations. He

illustrated his presentation through examples of the GRANITE and FEATS projects that have assessed this issue for India and Sub-Saharan Africa respectively. His main contributions were as follows:

- Importance of international trade is well recognised in Sub-Saharan Africa but not to the same extent among producers in India; comprehensive trade policies are in place/being prepared
- In SSA, several consultative mechanisms on trade issues are in place, but with irregular and *ad hoc* functioning
- Consultative mechanisms are well established in India, but they do not involve civil society adequately
- Both regions have improved stakeholder participation, but not all stakeholders are being represented and not all stakeholders have equal opportunities to participate

The final part of his presentation dealt with challenges before effective consultative mechanisms - -- ones related to capacity, institutional and structural issues as well as challenges internal to each group of stakeholders

#### 7. Floor discussion:

- A question was asked about who the CS stakeholders are in the projects mentioned above. More precisely, what is the role of Trade Unions (TUs)? TUs participate in the consultative process in SSA and also have an impact on the TP process in India. In Switzerland, TUs are part of the “Liaison Group” where TP issues are discussed with them.
- There was a query regarding the key capabilities of TUs in TP making and the effectiveness of their participation. In Switzerland, for example, TUs are well aware of linkages of TPs with employment issues. This facilitates social dialogue.
- A person in the audience was currently trying to implement a similar project in the Philippines. Her question related to the effectiveness of the Parliament in TP making. In India, Standing Committees debate on the bills. TUs and CSOs are able to access Parliamentary Committees. Even if the whole issue is not dealt with by a legislative debate, such access is effective in stimulating positive change. In SSA, parliamentarians are not necessarily involved in TP making. However, some members have shown interest during meetings held as part of the framework of the FEATS study and research

8. Pradeep S Mehta concluded briefly by observing that CSOs have come a long way in regard to participation in TP making. The main issue remains the lack of capacity to participate effectively in negotiations. Despite the fact that quite a number of gaps still need to be filled, IMC has improved substantively over the past years.