

EUROPEAN PARLIAMENT

2004



2009

Committee on Development

2007/2184(INI)

10.3.2008

OPINION

of the Committee on Development

for the Committee on International Trade

on Towards a reformed World Trade Organisation
(2007/2184(INI))

Draftsman: Johan Van Hecke

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SUGGESTIONS

The Committee on Development calls on the Committee on International Trade, as the lead committee, to incorporate the following suggestions in its motion for a resolution:

1. Welcomes a substantial reform of the World Trade Organisation (WTO) and reiterates the importance of trade as an effective tool for development and poverty reduction; stresses the importance of multilateralism as a mechanism to promote free and fair trade and in order to achieve the United Nations Millennium Development Goals;
2. Calls for the introduction of a more democratic system of decision making at the WTO that takes into account the views of the entire membership, which comprises countries at varying levels of development;
3. Acknowledges the proposals made in the Sutherland report¹ on a plurilateral approach with opt-in or opt-out agreements, in cases where a consensus cannot be reached, but reaffirms its commitment to multilateralism and warns that plurilateralism will not necessarily benefit the developing countries and might deepen the gap between developed and developing countries;
4. Stresses that the role of the WTO Secretariat is critical, and believes that it is important that the Secretariat has a proportionate representation of developed and developing countries in order for it to discharge its mandate more effectively;
5. Stresses the need to create a WTO parliamentary assembly with consultative powers, given the WTO's lack of democratic accountability and legitimacy, and welcomes any reform that will strengthen the association of parliamentarians with the WTO;
6. Considers that recasting Special and Differential Treatment (SDT) is critical for the relevance of the WTO from a development perspective; such recasting should include a new differentiation between the developing countries in the WTO and an approach to SDT based on the development needs of individual countries rather than categories of countries; recommends that effective criteria be used to differentiate, by not only taking into account GNP growth, but also indicators such as the economic vulnerability index (EVI) and the trade and development index (TDI);
7. Recalls the still unimplemented GATT Article XXXVIII, paragraph 2(a), laying down the commitment of all WTO members to stabilise and improve market conditions for primary products of particular interest to developing country members, and regards decisive action on this Article as an important feature of a reformed WTO;
8. Considers that the EU's "Everything But Arms" initiative is a good example for market access to Least Developed Countries (LDCs);
9. Welcomes the proposal of the Sutherland report to include funding arrangements for technical assistance as a contractual right for the LDCs so that they can participate

¹ "The Future of the WTO - Addressing Institutional Challenges in the New Millennium, XII - 2004

meaningfully in the multilateral trading system; stresses the critical importance of capacity building for developing countries in order to enhance their ability to negotiate, to identify needs and strategies and to fulfil the WTO commitments;

10. Recognises the need to review the Dispute Settlement Mechanism, since the implementation of decisions (introduction of pecuniary sanctions) might worsen the developing countries' participation in the Mechanism; welcomes improvements in relation to the length of the procedures and supports the Sutherland proposal to allow consultation of the Appellate Body, to obtain legal advice before bringing a case before the WTO;
11. Regards, in the light of the fact that tariffs have been reduced to historical minimum levels, the maintenance of multilateral rules through the Dispute Settlement Mechanism as probably the main function of the WTO in the future against which the efficiency and legitimacy of the WTO will be measured; perceives this WTO function less as one of arbitrating in rules infringements than as a means to strike a fair balance between different interests and values;
12. Stresses the need to ensure that the Dispute Settlement Body interprets WTO rules in such a way that it takes into due account applicable international environmental and social law and, where needed, calls on the Commission and WTO membership as a whole to amend WTO rules in this regard;
13. Welcomes initiatives such as the "Issue-specific Dialogues with Civil Society" organised by the WTO Secretariat: underlines the need to enhance civil society's presence on the global economic governance scene through increased consultation and consideration, and asks for clear rules to be established to regulate the participation of non-State actors in the WTO decision-making process;
14. Stresses the immediate need for structured cooperation between the WTO and UN Specialised Agencies, especially UNCTAD, WHO and ILO, as an essential step towards a more sustainable model of globalisation;
15. Reiterates that trade agreements must promote decent work; recalls however, that labour standards should be appropriate to a country's level of development and should not be used to justify protectionism; calls for the ILO to be granted observer status within the WTO and for the establishment of a Committee on Trade and Decent Work; furthermore; suggests that the ILO should be authorised to submit *amicus* briefs to the WTO panels and Appellate Body.

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	27.2.2008
Result of final vote	+: 30 -: 0 0:
Members present for the final vote	Alessandro Battilocchio, Thijs Berman, Josep Borrell Fontelles, Danutë Budreikaitë, Marie-Arlette Carlotti, Thierry Cornillet, Corina Crețu, Nirj Deva, Beniamino Donnici, Fernando Fernández Martín, Hélène Goudin, Alain Hutchinson, Filip Kaczmarek, Glenys Kinnock, Maria Martens, Luisa Morgantini, Horst Posdorf, Frithjof Schmidt, Jürgen Schröder, Feleknaş Uca, Johan Van Hecke, Luis Yañez-Barnuevo García, Anna Záborská, Mauro Zani
Substitute(s) present for the final vote	Ana Maria Gomes, Fiona Hall, Manolis Mavrommatis, Linda McAvan, Ralf Walter, Gabriele Zimmer