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Speech by Mr. Martin Chungong, IPU Secretary General

Reforming the WTO: What does it mean? Would it happen? RSIS-WTO Parliamentarian Workshop on International Trade

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Excellencies, ladies and gentlemen,

Thank you for inviting me once again to join your discussion. The community of interest that we form binds us together and I welcome our continued active collaboration. A long-standing commitment means that I am not able to join you in-person today. However, I am pleased to make a contribution to the debate.

As I indicated during our discussion a year ago, it is useful for us to meet in this format regularly in light of the added value such meetings can provide to parliamentarians, whose critical role in scaling up global trade need not be repeated. At the IPU, we appreciate the importance of this discussion platform and endeavour to promote it as much as possible. Last year, the IPU, in collaboration with the WTO, and with the support of the National Congress of Argentina, organized a similar workshop in Buenos Aires for parliamentarians from Latin America and the Caribbean. Participants were able to explore the recommendations stemming from MC12 and identify avenues for contribution to their implementation so as to pave the way for a more decisive MC13, which is expected to conclude the unfinished business of the previous Conference and to strengthen the new momentum generated on that same occasion.

Building on the successful Buenos Aires workshop, a follow-up regional workshop for the Caribbean parliamentarians will take place in Guyana in July. We would be grateful if you could share the best practices of your region with the Caribbean parliamentarians. Coordination, harmonization, and synergy are the name of the game.

Returning to the topic of our session, let me first of all duly acknowledge the Marrakech Agreement, the founding act of the WTO, which I believe is not, and does not intend to be, a one-size-fits-all rule.

The reform of the WTO, like any human endeavour, is part of a natural process of constructive evaluation to make it more dynamic. From this perspective, you will understand that I, like most of the parliamentary community, support the reform initiative, which is now one of the WTO's priority actions.

I will explain my understanding, but also my expectations of this reform through the following points:

1. Increasing ability and agility to adapt to our evolving and challenging environment

As we all know, the effectiveness of an institution lies in its ability to adapt to new situations: in a word, to be resilient. Resilience is one of the important lessons – including shortening delays in deliveries during disasters – that we have learned from the COVID-19 pandemic, which has profoundly shaken the architecture of the global economy. The reform should provide the WTO with a coordinated global response strategy to face up to emergencies and protect trade – the robust engine of the economy – from destabilizing shocks such as those we sadly witnessed recently.

In the same vein, through the reform, the WTO should be able to think outside the box, be ahead of the times and provide trade with enough resilience so as to be able to deal with new situations and issues including climate change, digitalization for the future of trade – by the way, digitally delivered services are the fastest growing segment of trade in recent years according to the Director General of the WTO – and transfer of emerging and green technology and science. We are familiar with these issues through the

changes we have seen in our everyday lives.

I should acknowledge that, even without the reform, some ongoing initiatives and reflections are already in place including the Trade and Environmental Sustainability Structured Discussions (TESSD). But once again, the reform should provide the WTO with a well-articulated adjustment mechanism to swiftly manage issues without lengthy negotiations, as we all know that by the time we have concluded a negotiation things may have changed or fallen out of fashion.

2. Strengthening the governance of global trade

It cannot be repeated often enough: as a pillar of our rules-based global trading system, the WTO has binding rule-making and adjudication powers, with essential functions such as *transparency and monitoring, negotiation and dispute settlement*. But over time, most of its functions have become less effective, leaving the field rather open to bilateral or multilateral initiatives that are often beyond the WTO's control. Most of the time, it is small and medium-sized developing countries that pay the highest price.

And this is not even to mention the non-functioning of the Dispute Settlement Body (DSB). The reform should strengthen the WTO's rule-making procedures while making sustainable the core functions I have mentioned: ensuring respect of non-discriminatory rules, and keeping the free, fair, open and predictable system applicable to all WTO members no matter their size.

3. Listening to and meeting the real needs of the population

The WTO's main purpose is to uphold the rule of law in international trade and thus help reduce poverty and create prosperity by lowering the barriers to trade worldwide. Thus, trade has the potential to improve the standard of living of the population.

But the work of the WTO, to which I pay tribute, can often be protracted and drawn out due to the nature of its negotiations, making people wonder whether it is really taking their needs into account. I believe that our common multilateral system, for which we reiterate our firm support, should increase its attention to the needs of the people, whose support it requires. The WTO Director General's many field trips are a clear indication of the importance of this increased contact with the grassroots, during which informed debates yield confidence and trust.

The reform should create the space for the most vulnerable to be protected. By the same token, a survey of the population's satisfaction with the effectiveness of the measures implemented should be put in place if it has not already. This satisfaction barometer should allow for a readjustment of the WTO's recommendations.

Global trade should be beneficial to all. Let us make it happen.

4. Consolidating the parliamentary perspective in the work of the WTO

Finally, though this is not included in the current initiatives related to the reform, may I make a specific plea for parliamentarians to be more taken into account in the work of the WTO. We are all aware of their immense prerogatives to represent the people, whose lives the WTO commits to improving through trade. The reform should foster a meaningful and systematic engagement with parliamentarians, including on the occasion of the Ministerial Conferences. The IPU and the European Parliament's joint initiative, the Parliamentary Conference on the WTO, is a useful tool for parliamentary mobilization and support for the work of the WTO. Therefore, we call for a strengthening of the support provided by the WTO for the activities of this Parliamentary Conference, as both are bound by a shared interest: *making trade work for the people*.

The second question I am asked is whether the reform will actually happen.

I believe that the WTO is at a crossroads, especially following the shock of the COVID-19 pandemic, which makes the question of reform even more timely. The numerous ongoing initiatives in favour of reform provide the proof of this need. In any case, we will gain much by revitalizing our organization, if only for the noble cause it defends: *global trade that puts people back at the centre of its actions*.

I wish you a successful meeting and look forward to receiving your conclusions.

Thank you for your attention.