

## DRAFT RAPPORTEUR'S REPORT

ENGLISH only

### **Review of the implementation of commitments in the OSCE economic and environmental dimension: Integration and trade**

**Moderator:** Ambassador Brendan Moran, Permanent Mission of Ireland to the OSCE

**Rapporteur:** Mr. Denis Sidorenko, Permanent Delegation of the Republic of Belarus to the OSCE

The first keynote speaker, Mr. **Mario Apostolov**, Regional Advisor, Trade Development and Timber Division, UNECE, focused his presentation on the OSCE's commitments in the area of international trade and security, trade liberalisation, integrated trade information flows and cooperation between the OSCE and UNECE in these fields.

Referring to a number of commitments contained in the OSCE Strategy Document for Economic and Environmental Dimension, he pointed out that the integration and functional cooperation in the area of trade support security and prevent conflicts. In this regard the trade facilitation on the regional and sub-regional levels represents one of the important instruments to achieve sustainable political solutions of conflicts. Examples of several trade initiatives and networks in the Balkans were given (SECIPRO, Stability Pact for South Eastern Europe, TTFSE).

Mr. Apostolov also emphasized that trade liberalisation is one of the key instruments to integrate the OSCE countries into the world market. Noting a substantial progress achieved in lowering import tariffs, customs reforms and in accession process to WTO, he pointed out the fact that some problems and protectionist policies still persist. UNECE representative underlined the need for regional coordinated approach for WTO accession and for more harmonised and unified free trade agreements. The positive role of trade facilitation in combating corruption was also highlighted.

Stressing the importance of better management of trade information flows for more efficient trade and its increased security, Mr. Apostolov gave some examples of national initiatives, such as the Container Security Initiative, and presented the concept of the "Single Window" and the UN Layout Key for trade documents.

He also mentioned the need for trust between public and private sectors in order to promote trade facilitation. One of the ways to bridge existing gaps here could be the creation of national bodies for trade facilitation.

Finally, he presented some ideas on possible joint OSCE-UNECE projects on the integrated management of trade information flows, the creation of national trade facilitation bodies and the organisation of a regional Trade Facilitation Conference in Kiev. In this partnership, the UNECE could develop standards and documents, the OSCE could mobilise security experts and provide its field network for implementation. Both organisations can work jointly to raise funds and cooperate with strategic partners within these projects (World Bank, EU etc).

Mr. Daniel Linotte, Senior Trade Advisor, Policy and Legal Advice Centre, extensively covered the issue of creation of World Trade Organisation and its structure, commitments within the WTO framework and accession processes. He underlined the main functions of WTO, *i.a.* to provide a code of conduct for trade, forum for dispute settlement and liberalisation negotiations, to administrate trade agreements, and to monitor trade policies of its members.

Mr. Linotte mentioned that most of the OSCE participating States are already members of the WTO. Others pS have applied for membership, except for one country, and are at different

stages of accession process. He noted that this process follows strict procedure and involve also domestic aspects of negotiations. Length of negotiations varies from country to country and commitments on tariffs could be quite different. Delaying accession may create additional burdens for candidate countries and have negative impacts on economic growth and the welfare of the people. Therefore, the adoption of liberal schedules of commitments may facilitate accession process and could send the right signal to the business community and potential investors. Mr. Linotte also emphasised the particular importance of technical assistance from WTO members to candidate countries. In his view, the issue of high level tariffs and quotas applied by developed countries should be kept in mind.

Mr. Michael Stopford, Head of Global Public Affairs and Governmental Relations, Syngenta International AG, presented private sector approaches to the integration and trade on the basis of the example of agriculture sector. He developed on the several challenges of integration and trade such as development *versus* environment and sustainability, market liberalisation *versus* subsidies and tariffs, role of public *versus* private sector.

Mr. Stopford particularly underlined the need for close cooperation, genuine partnership and division of labour between public and private sectors in ensuring effective international trade and integration. In this regard he emphasised the role of transparent and coherent regulatory frameworks in creating necessary conditions for investments.

In the discussion that followed keynote presentation one delegation expressed its appreciation of the role of the UNECE in the process of review of implementation of OSCE commitments in the EED and supported an extended format of review at this year's Economic Forum. It agreed that integration and trade largely support security, and cooperation between public and private sectors is very important. It also underlined the need to follow up the discussions on commitments after the Forum with practical measures and the leading role in this respect of the CiO.

Representative of one field operation expressed concern about the use by some international private companies of the absence of clear regulations in transition countries as an opportunity to test new or not approved agro-technologies.

One delegation pointed out the need for the OSCE and UNECE to assist participating States in the implementation of numerous free trade agreements and their harmonisation.

In response to these comments the introducers provided some additional information on private sector stance towards the use of new technologies, on ways to harmonise regional trade agreements, in particularly in SEE, and on forms of technical assistance in WTO accession process.

In his concluding remarks Amb. Monro once again underlined the importance of OSCE/UNECE cooperation and the need to use already gained regional and sub-regional experience in a wider OSCE area.

**Main Findings/Recommendations of the Session on the Review of the implementation of commitments: *Integration and Trade***

Integration and functional cooperation in trade support security and prevent conflicts. In this regard the trade facilitation on the regional and sub-regional levels, though development and implementation of harmonised trade agreements, contributes to achieve sustainable political solutions of conflicts.

Trade liberalisation is one of the key means to integrate the OSCE participating States into the world market. WTO accession process plays there an important role and should be supported by appropriate technical assistance.

There is a potential to further build synergies between the OSCE and UNECE and to develop concrete joint projects on integrated management of trade information flows, creation of national trade facilitation bodies, and organisation of regional trade facilitation conferences.

The OSCE should facilitate development of genuine partnership between public and private sectors in ensuring effective international trade and integration.