

Strategien und Bedeutung Internationaler Organisationen

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Director, CSEND, Geneva

5th November 2021

Objective of Presentation

- **Discuss linkages between international relations and economic sciences**
- **Provide examples of cross-disciplinary linkages**
- **Emphasis on Negotiation Processes and Stakeholder Participation in international Affairs**
- **Personal Value Orientation: Sustainable Development based on inclusiveness, transparency, participation and shared economy**
-

SOME PERSONAL BACKGROUND



27 years
Development
Action

November 2021

Our Status



- **The Centre for Socio-Eco-Nomic Development (CSEND) is a non-governmental research and development organisation (NGRDO), registered with the Geneva (Switzerland) Chamber of Commerce as a non-profit in 1993.**
- **CSEND finances its programme activities through projects and research grants.**
- **ECOSOC accredited NGO status since 2014**

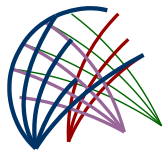
Our Organisation



- Accredited by: ECOSOC, WTO, WIPO, UNFCCC, UNEP
- A networked organization
- Boutique size (4 staff, 4-6 interns annually from USA, Italy, IND, VN, AUS)
- Headquarters with CSEND representatives to UN in New York and Vienna.
- www.csend.org;
www.diplomacydialogue.org

Core Mission

Ensuring delivery of *public goods* in an equitable, effective and efficient manner through building institutional capability, governance coherence and coordinated external support or aid to achieve sustainable progress in all sectors of society.



Diplomacy
Dialogue

Our Footprints

Contributions: *Critical Learning* (2)



CSEND pioneered in fields of: **New Diplomacies and Business Diplomacy**. CSEND has also pioneered in developing new approaches such as **Commercial Diplomacy, Cultural Diplomacy, Corporate Diplomacy, Development Diplomacy, Economic Diplomacy, Educational Diplomacy, Energy Diplomacy, Environmental Diplomacy, Humanitarian Diplomacy, Health Diplomacy, Migration Diplomacy, Peace Diplomacy, Political Diplomacy, Social Diplomacy and Trade Diplomacy**.

· Current priorities:

Strengthening CSO (Non-state actor) participation in international relations at WTO (plurilaterals & LDCs); WHO (PHC, TRIPS waiver-covid vaccine manufacturing in DCs & LDCs); UNCTAD (LDCs integration in world economy); ILO (UNTFSSSE alternative economic futures); Responsible Business Conduct (OECD, UNGP, UNOWG); SDGs (monitoring, evaluation);

CSEND annual reports:

<http://www.csend.org/images/articles/files/20200306-csend-annual-report-2013-2019-web.pdf>

My values and interest

- **Solving conflicts (Verhandlungskompetenz: Cooperation & Confrontation competence)**
- **Social Justice to ensure sustainable futures and social well being for all**
- **Innovation as source of discovery but dual use always present**
- **Shared economy and society as sources of learning and enjoyment**

Roles of UN Organisations

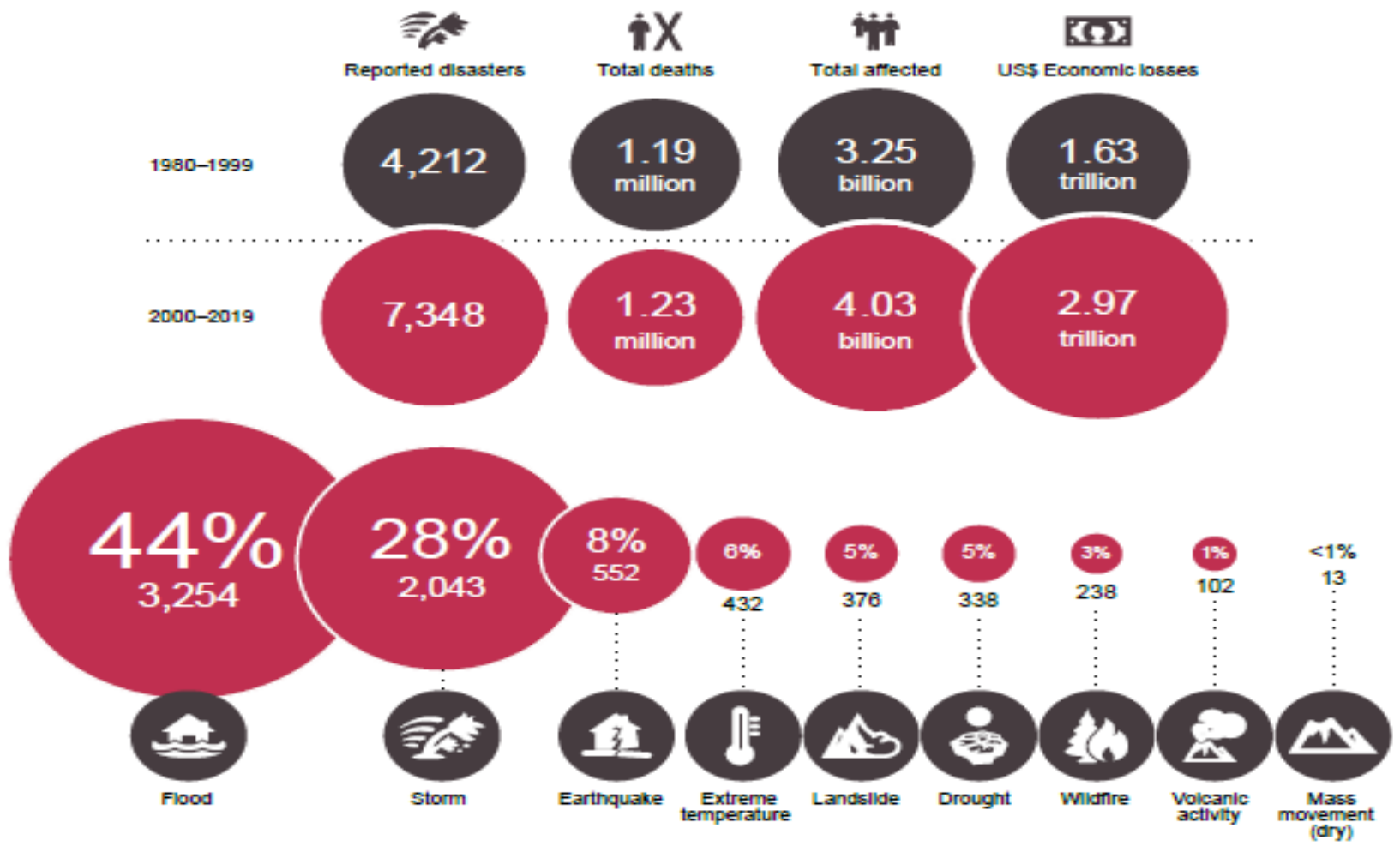
- ✓ **WTO- World Trade Organisation**
- ✓ **UNCTAD- United Nations Conference on Trade & Development**

Section 1

TRADE & DEVELOPMENT- REBUILD POST COVID & FACING CLIMATE CHANGE - ENERGY/ELECTRICITY

TRADE AND DEVELOPMENT REPORT 2021

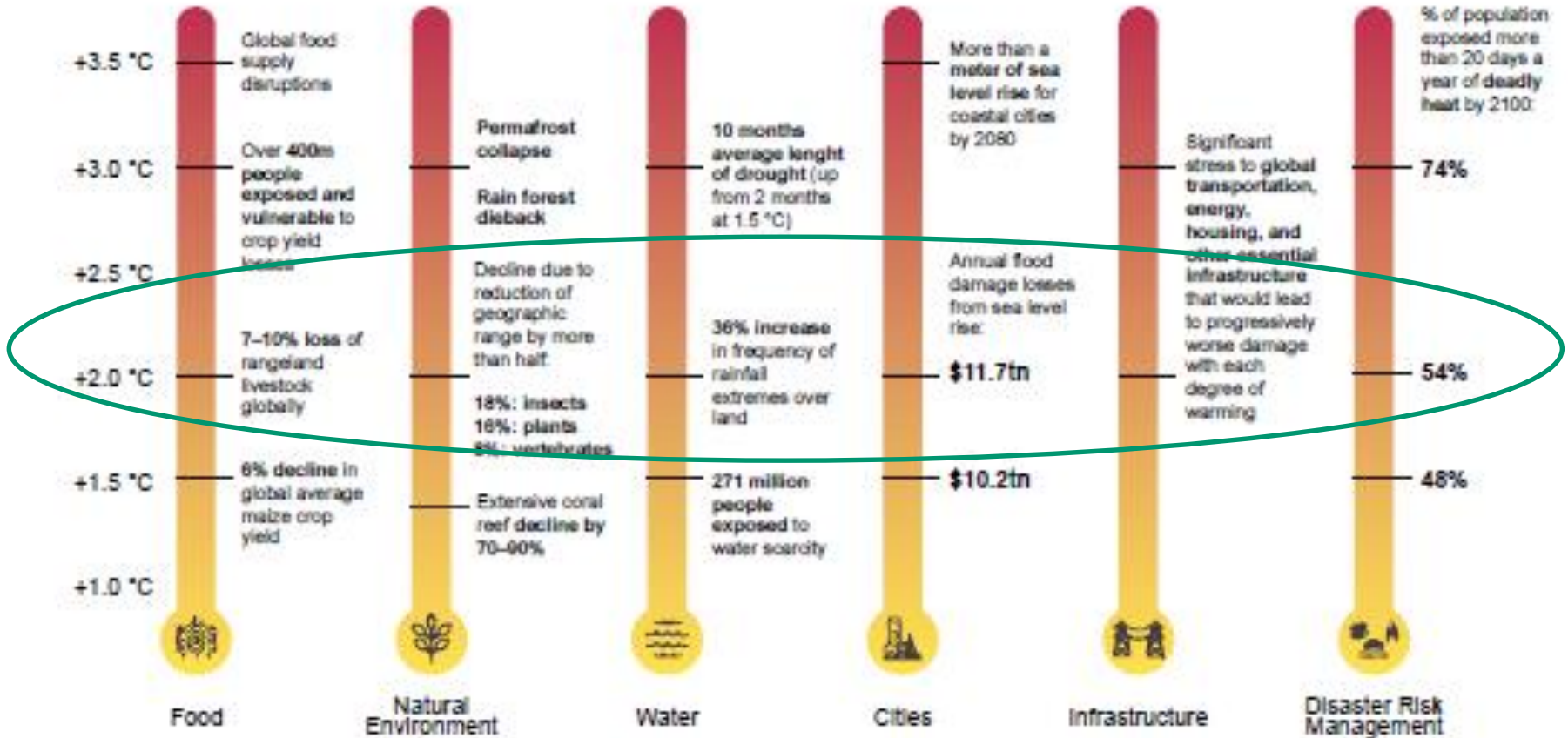
FROM RECOVERY TO RESILIENCE: THE DEVELOPMENT DIMENSION, UNCTAD, Geneva Nov 2021



Source: CRED and UNDRR 2020.

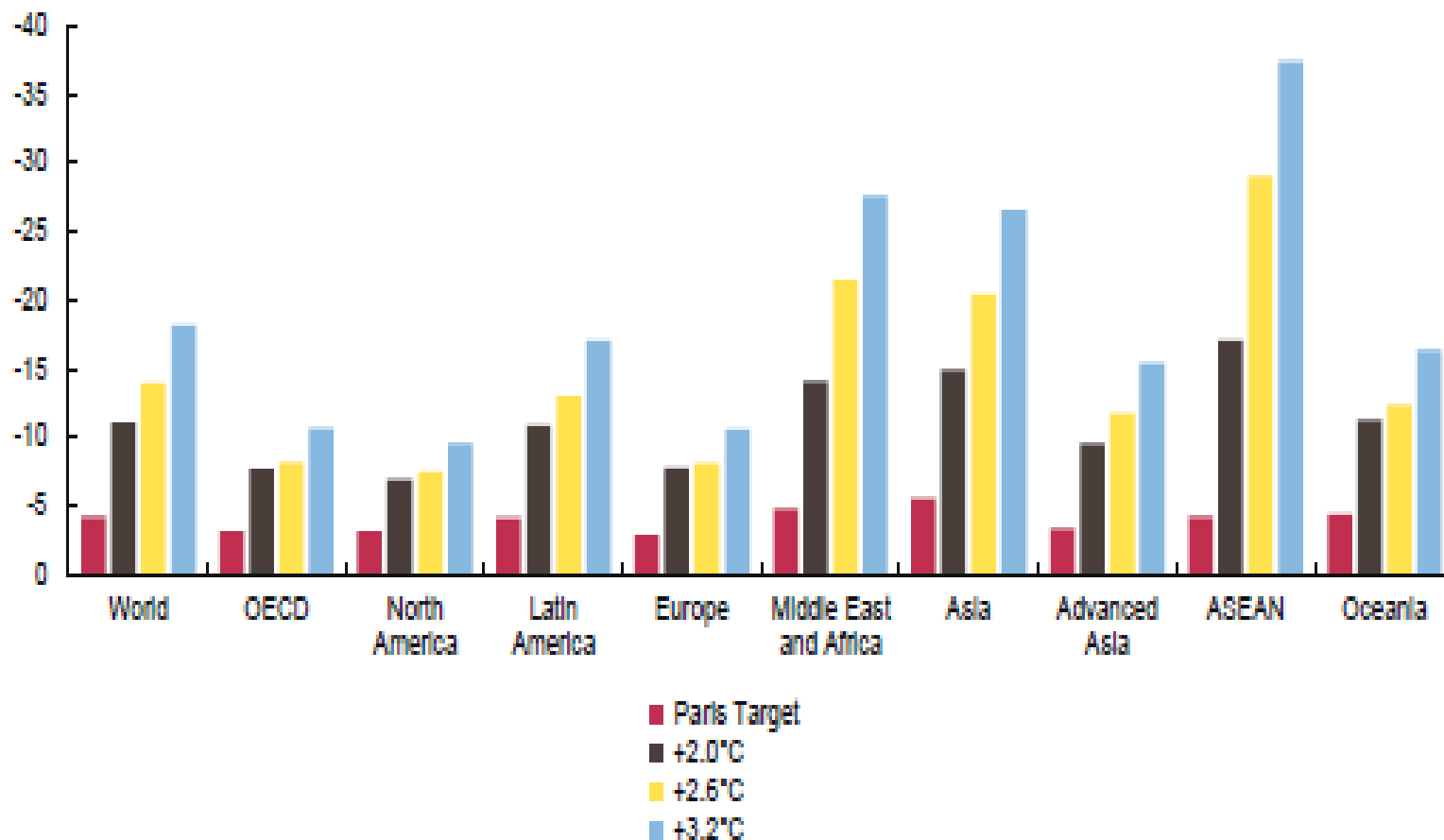
TRADE AND DEVELOPMENT REPORT 2021

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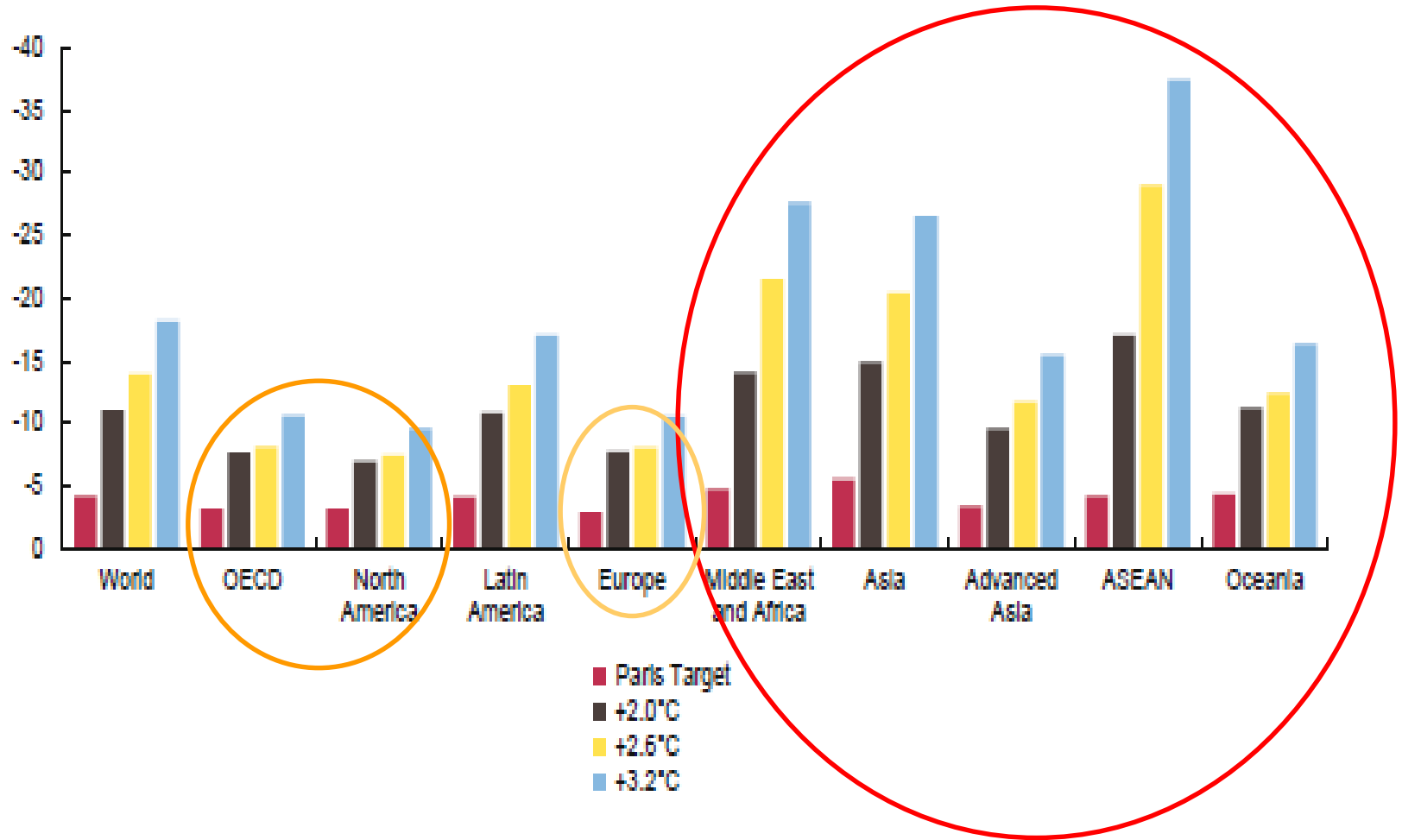
Source: World Resources Institute, adapted from the IPCC and others.

TRADE AND DEVELOPMENT REPORT 2021 FROM RECOVERY TO RESILIENCE: THE DEVELOPMENT DIMENSION, UNCTAD, Geneva Nov 2021

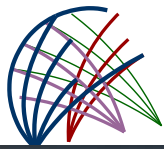


Source: SwissRe, 2021.

TRADE AND DEVELOPMENT REPORT 2021 FROM RECOVERY TO RESILIENCE: THE DEVELOPMENT DIMENSION, UNCTAD, Geneva Nov 2021

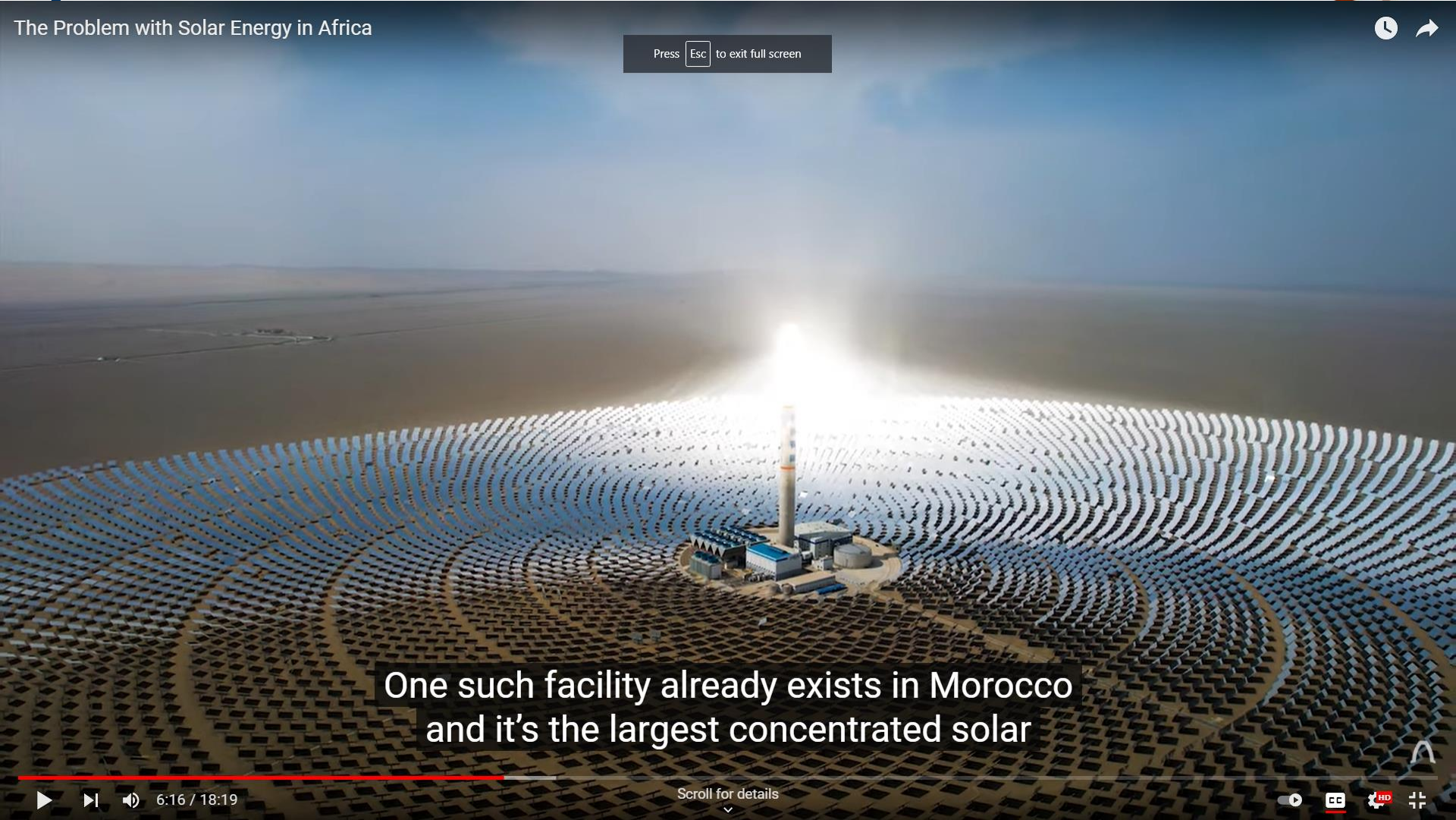


Source: SwissRe, 2021.



The Problem with Solar Energy in Africa

Press **Esc** to exit full screen



One such facility already exists in Morocco and it's the largest concentrated solar

6:16 / 18:19

Scroll for details



Solar energy grids- africa https://youtu.be/7OpM_zKGE4o

Who invests, controls grid, sells at what price, how much to local companies and CSO communities? Any anti-monopoly laws?

The Problem with Solar Energy in Africa

Press **Esc** to exit full screen

- Concentrating Solar Power
- Photovoltaics
- Wind
- Hydro
- Biomass
- Geothermal

DESERTEC

CSP collector areas for electricity

- World 2005
- EU-25 2005
- MENA 2005
- TRANS-CSP Mix EUMENA 2050

solar parsal northwards, while Wind is traded south.

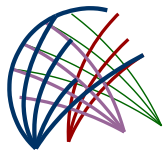
EU-MENA = Europe - Middle East & North Africa • CSP = Concentrated Solar Power • HVDC = High-Voltage Direct Current

The symbols for power sources are only indicative of potential locations.

Source: Clean Power from Deserts, White Paper 4, Edition 2009, DESERTEC Foundation, February 2009

3:44 / 18:19

Scroll for details



If Solar Panels Are So Clean, Why Do They Produce So Much Toxic Waste?

<https://www.forbes.com/sites/michaelshellenberger/2018/05/23/if-solar-panels-are-so-clean-why-do-they-produce-so-much-toxic-waste/?sh=525a2f44121c>

The problem of solar panel disposal “will explode with full force in two or three decades and wreck the environment” because it “is a huge amount of waste and they are not easy to recycle.”

“Contrary to previous assumptions, pollutants such as lead or carcinogenic cadmium can be almost completely washed out of the fragments of solar modules over a period of several months, for example by rainwater.”

Between 60 and 90 percent of electronic waste is illegally traded and dumped in poor nations. (UNEP report)



when Hurricane Maria hit Puerto Rico last September, the nation's second largest solar farm, responsible for 40 percent of the island's solar energy, lost a majority of its panels.

Africa unplugged- off grid solar power

The Economist, 29th Oct. 2016, Gakenke

<https://www.economist.com/middle-east-and-africa/2016/10/29/africa-unplugged>



Greenhouse Gases/Climate Warming – more than CO₂



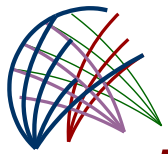
- Greenhouse gases (GHGs) are gases in the atmosphere that absorb and emit radiant energy, causing the ‘greenhouse effect’. They let sunlight pass through the atmosphere, but they prevent the heat that the sunlight brings from leaving the atmosphere. The main greenhouse gases covered by the Kyoto Protocol are:
- Water vapour ; Carbon dioxide; Methane; Nitrous oxide; Fluorinated gases

Hydrogen for an energy dense fuel with zero carbon dioxide

<https://energycentral.com/news/hydrogen-push-mapping-indo-russian-trajectories-%E2%80%93-analysis>

**Hydrogen fuel= water split into hydrogen
and oxygen by electrolysis process
which needs electricity**

Solar and wind	Green hydrogen
Fossil fuels-coal and oil	Brown/grey hydrogen
Carbon sequestration	Blue hydrogen
Nuclear	Pink hydrogen
Biomass or plastics	White hydrogen

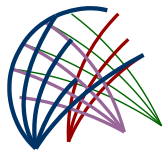


TESSD : THE WTO TRADE AND ENVIRONMENTAL SUSTAINABILITY STRUCTURED DISCUSSIONS (TESSD)



50 OF 164 MEMBERS (PLURILATERAL- Joint Statement Initiative)

- Trade liberalization in environmental goods*; Trade liberalization in environmental services*; Fossil fuel / other environmentally harmful subsidies; Transparency of environmental measures; Biodiversity; Trade in wildlife; Fisheries subsidies; Circular economy (with the emphasis on plastic pollution and beyond); Trade-related measures related to climate change mitigation; Carbon neutrality (including border carbon tax adjustments); Sustainable commodities (including deforestation); Sustainable supply chains; Review of compatibility of the trade and environmental rules* and “*Green*” aid for trade.



TESSD cont.



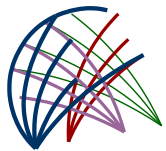
Emphasis on broad stakeholder engagement. One of the participants emphasized “*the need in substantive discussions, with inputs from international organizations, academia, civil society and the private sector*”, while another member noted that “*competent NGOs, academic institutions, international organisations, private sector entities etc. possess valuable knowledge and expertise and have an important contribution to make towards positive and concrete results of the TESSD process. Restricting the discussion to WTO Members only may, on the other hand, prevent important views from being heard and therefore diminish the likelihood of a meaningful outcome*”, also highlighting a need in “*establishment of an inclusive and transparent framework governing stakeholder selection and participation in the TESSD*”, which was named “*essential for ensuring credibility and trust in this new and innovative approach to WTO discussions*”

My reservations



Critical views:

1. Reducing tariffs on environmental goods ok but even if cheap, how will poor countries buy renewables? – grants, loans- debt?
2. Who will install renewable energy products (solar, wind) – foreign experts/workers from CN, USA, D? – any knowledge transfer?
3. What would be the distribution mechanism- price, quota, barter against land?



My solution (R Saner, “Greening WTO”)

https://www.feem.it/m/publications_pages/20163231141134FinalPublished.pdf



- **Green TRIMS+**

(favour Low Carbon Investment, recruit local workers and engineers, offer training)

- **Green TRIPS++**

(Compulsory licencing of Green High Tech, patent sharing, knowledge sharing)

- **Green tri-sectoral Plurilateral**

(Energy, Environment & Trade +Dev., e.g. local procurement, local assured share of electricity generated through renewables- in exchange- DCs & LDCs commit to NDCs (Nationally Determined Contribution)

Your solution?

- 1. Who will invest in renewable energy at large scale (beyond solar panel on the roof top)**
- 2. Assuming that life styles in developed countries will not change much- how to provide sufficient electricity for the poor countries?**
- 3. Who will own and control new renewable energy farms? How will electricity grids be managed?**
- 4. How will electricity be made available- by price mechanism? Quota? Political affiliation?**
- 5. Other?**

Section 2

WTO- PLURILATERALS VS MULTILATERAL AGREEMENTS



Plurilateral and Multilateral Agreements

- Plurilateral negotiation and plurilateral agreements are a sub-variety of multilateral negotiation where a minority of members of a multilateral body agrees to a deal which they hope will **be accepted by the rest of the members at a later stage (later multilateralization)** as was the case with the ITA (Information Technology Agreement).
- Plurilateral agreements can be concluded by 3 or more WTO members and cover trade issues that are labeled **WTO plus, extra or minus meaning** . They can be adopted **within** the WTO framework as well as **outside** the WTO context. Plurilateral trade agreements could be “**preferential**” agreements or agreements based on the **MFN principles**. The GPA the only example of a Plurilateral withing WTO without MFN.

Plurilaterals now called Joint Statement Initiative



- 4 JSIs started at MC 11 in Buenos Aires in 2017 building on previous processes, they vary in scope and ambition:
 - 1. electronic commerce
 - 2. investment facilitation for development
 - 3. micro, small & medium-sized enterprises
 - 4. Structured Discussions on Trade and Environmental Sustainability (TESSD), started in November 2020



GATT/WTO Rounds of Negotiations



Year	GATT Round Negotiations	Countries
1947	1 st (Geneva)	23
1949	2 nd (Annecy)	13
1951	3 rd (Torquay)	38
1956	4 th (Geneva)	26
1960-62	Dillon Round	26
1964-67	Kennedy Round	62
1973-79	Tokyo Round	102
1986-93	Uruguay Round	123
2001-2021	Doha Development Agenda (unfinished)	153-164

Source: WTO webpage (<http://www.wto.org/>)



FTAs vs WTO Negotiations

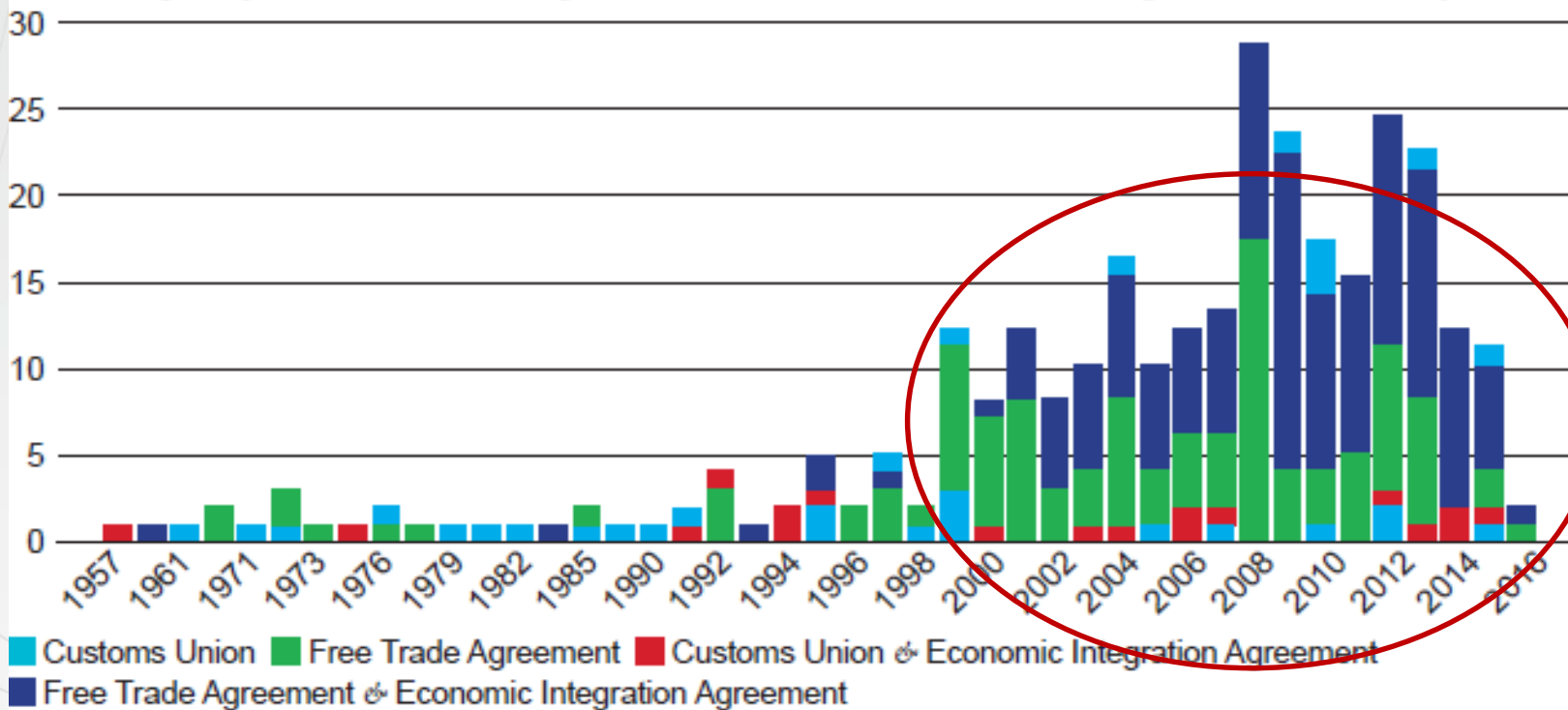
FTAs sometimes include topics that go beyond the scope of current WTO agreements like Investment, competition, labour and environment

WTO | 2021
PUBLIC



Proliferations of different forms of FTAs around the world

The collapse of the Doha Development Round in 2008 resulted a spurt in number of FTAs



Source: Ministry of Finance, Gol

| 2021
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Do we need to ‘multilateralise’ plurilaterals? Depends on the design...

“Exclusive” means benefits only available to signatory

- But requires all WTO members consensus
- E.g: Government Procurement Agreement entered into force in 1981 before creation of WTO 1995
- By conventional rule- not multilateralisable
- Also almost impossible to conclude such a non-MFN plurilateral in today’s circumstances

“Inclusive” means MFN, or benefits available to all

- Requires “critical mass” to minimise free-riding problem
- Probably no legal impediment, notwithstanding India-South Africa objections, although clarifying this would be useful
- JSIs take this form, even those that don’t involve traditional tariff concessions, eg services domestic regulation
- Anyone can join, so these can in principle be multilateralised

Who participates in plurilaterals? (Peter Draper, 2021)

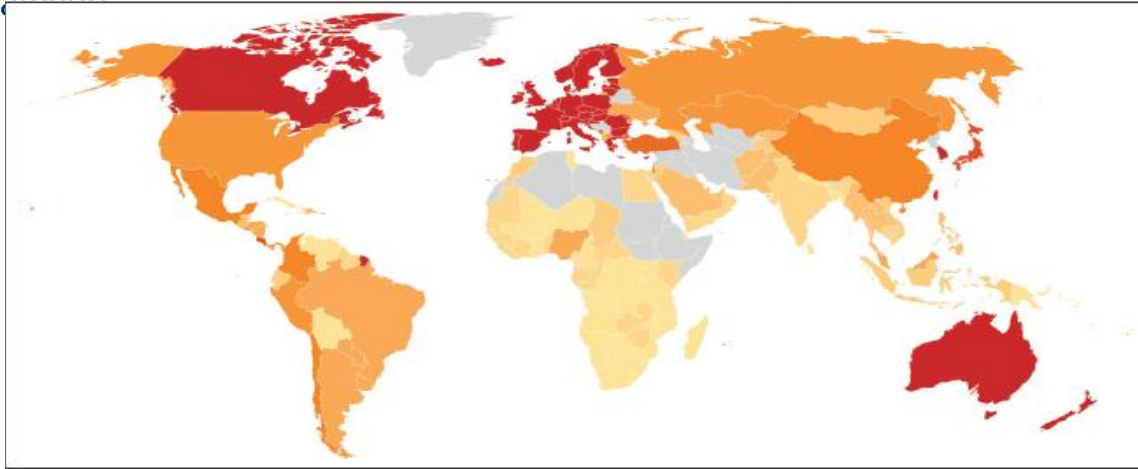


Figure 2: Participation in plurilateral agreements and ongoing negotiations per member

- **Primarily OECD economies**
- **LDCs, Africa, South Asia notably absent**

Source: Akman et.al, T20 Policy Brief, 2021

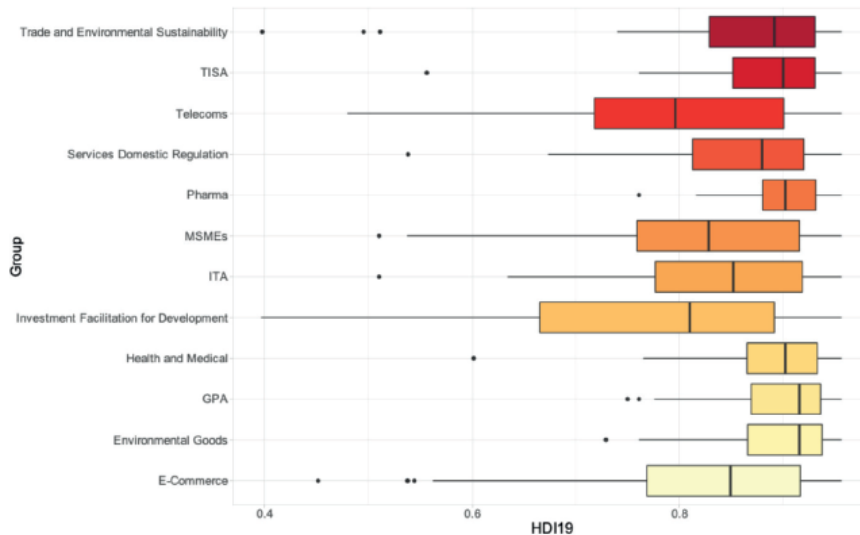


Figure 3: Distribution of members according to their HDI across plurilaterals

- Lower income economies primarily interested in Investment Facilitation for Development
- Yet not in related services domestic regulation, health and medical, or MSMEs
- Capacity problem? Suspicion? These JSIs are very much in those countries economic and social interests

So how to promote inclusivity and effectiveness without losing momentum? (Peter Draper, 2021)



G20 needs to provide leadership

- Informal discussion on promoting inclusive plurilaterals
- Boost financial support to developing countries to build their trade capacities

Identify common elements

- With a view to elaborating multilateral rules and avoiding inconsistencies
- E.g. transparency vis a vis regulations

Empower the WTO Secretariat to

- Advise members on potential overlap issues
- Conduct ex ante impact assessments and ex post evaluations

Increase transparency by conducting negotiations in the open

The nature of the discussion on “plurilateral” (Hamid Mamdouh, 2021)

- The **conversation is political** in the first order
- It is about **the future of the negotiating function** of the **WTO**
- A sound starting point is to **clarify existing WTO rules**
- WTO rules are made by Members and **can be changed by Members**
- A productive conversation needs to relate to broader **WTO reform discussions**
- Members’ **political vision** for the system is needed



The need for clarity

(Hamid Mamdouh, 2021)

- What are “plurilaterals”?
 - **Inside or outside** the WTO framework?
 - Distinguishing “**processes**” from “**outcomes**” when it comes to WTO rules
 - Outcomes can take the form of “**A**greements” and “**a**greements”
 - Outcomes **can not adversely affect** pre-existing rights of non-participants
- What are applicable rules?
 - Negotiations
 - Outcomes



Applicable rules -(Negotiating processes)

((Hamid Mamdouh, 2021)

- **The negotiating function of the WTO** as defined in the Marrakesh Agreement (Article III:2) takes an open approach
- **There is no legal requirement for a consensus decision** to start a plurilateral negotiation open to all Members wishing to participate. Neither the Marrakesh Agreement nor other WTO Agreements legally require a
- **Some Agreements explicitly call for “plurilateral”** negotiations (Article XIX:4 of the GATS)
- Plurilateral negotiating processes have been a **standard feature** of the multilateral trading system since GATT 1947
- Plurilateral negotiations **do not offer an optimal approach to ALL types of issues** (e.g., Dispute Settlement rules and other institutional matters)



Applicable rules (Outcomes)

(Hamid Mamdouh, 2021)

- **There are clear WTO rules** for integrating negotiated outcomes into the treaty architecture

- Rules **designed to protect legal rights of non-participants while giving legal effect to new obligations by participants**

- **Different rules apply to different outcomes:**

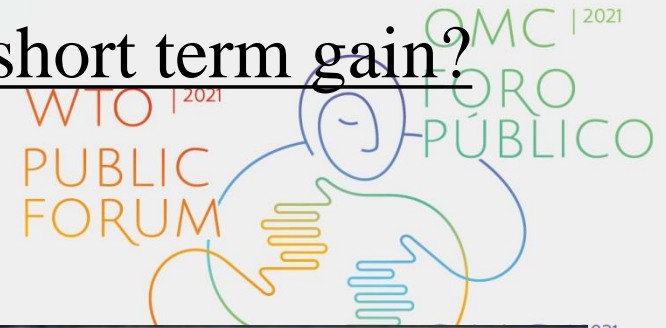
- **New commitments to be scheduled under the GATT or the GATS (agreement- e.g., ITA, financial services, basic telecoms) to be integrated through certification of schedules**
- **New standalone agreements to be annexed to the Marrakesh Agreement (Agreement- e.g., TFA) to be integrated through amendment procedures**

- **There is no “one-size-fits-all” solution to all types of outcomes.**





Containing Plurilaterals at all costs?
Ignoring DCs+LDCs for short term gain?
Need for compromise!!



<https://ch.images.search.yahoo.com/search/images?p=gulliver+and+the+lilipuths&fr=mcafee&type=E211CH739G0&imgurl=https%3A%2F%2Fc8.alamy.com%2Fcomp%2FH5CXC%2Fgullivers-travels-gulliver-among-the-lilliputians-19th-century-engraving-HT5CXC.jpg#id=224&iurl=http%3A%2F%2Fssrsbstaff.ednet.ns.ca%2Fjcroft%2Fgullivers-travels-tied-down-570x238.jpg&action=click>

Making Plurilateral Negotiations Support the Multilateral Trading System

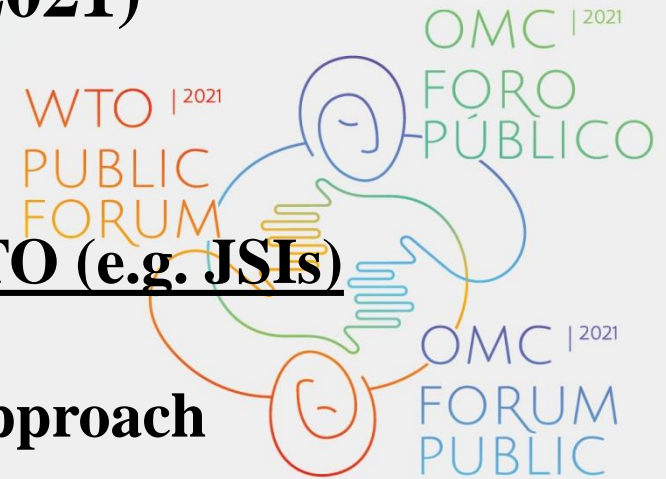


(Pradeep Mehta, 2021)



- WTO's negotiation function - under challenge from all directions
 - Failure to achieve consensus in multilateral negotiation rounds
 - Criticism when members try to negotiate in smaller groupings plurilaterally
- Reality - the entire WTO membership will not agree on issues easily. Reaching consensus is challenging. **A single member can veto a decision to expand the negotiation agenda**

The Prospects of Plurilateralism (Pradeep Mehta, 2021)



Plurilateral Initiatives Inside the WTO (e.g. JSIs)

- **Symbolise WTO’s “member-driven” approach**
- **Having separate plurilateral discussions does not mean abandoning issues that are being discussed multilaterally**
- **Preferable that members negotiate plurilaterally while staying within the WTO umbrella, rather than negotiating new (WTO+) issues only in Regional Trade Agreements (RTAs) or plurilaterals outside the WTO**

The Perils of Plurilateralism (Pradeep Mehta, 2021)

- **Plurilaterals - no negotiating leverage (*trade-offs, concessions*) for countries with different comparative advantages in different products and services**
- **More plurilaterals = more meetings - a capacity issue for DCs and LDCs, with their limited diplomatic personnel**
- **Plurilateral JSIs - greater focus on regulatory issues - very different levels in different countries and sensitive for DCs - need to first develop domestic regulatory capacity**
- **Threat - more outcomes in limited, newer areas; continuing stalemate on long-pending issues**



Way Forward

(Pradeep Mehta, 2021)



- **Negotiation flexibility and variable geometry is required, but retain systemic interests**
- **Better utilisation of existing WTO Committees to conduct exploratory talks on new issues**
- **Balance - between expanding negotiations (*plurilaterally/without consensus*) and moving forward on pending issues (*multilaterally/which require consensus*)**
- **Caution - expansion of plurilaterals should not become a path to destruction of the consensus principle**
- **Plurilaterals - can complement a functioning multilateral system – they cannot fix the systemic problems**

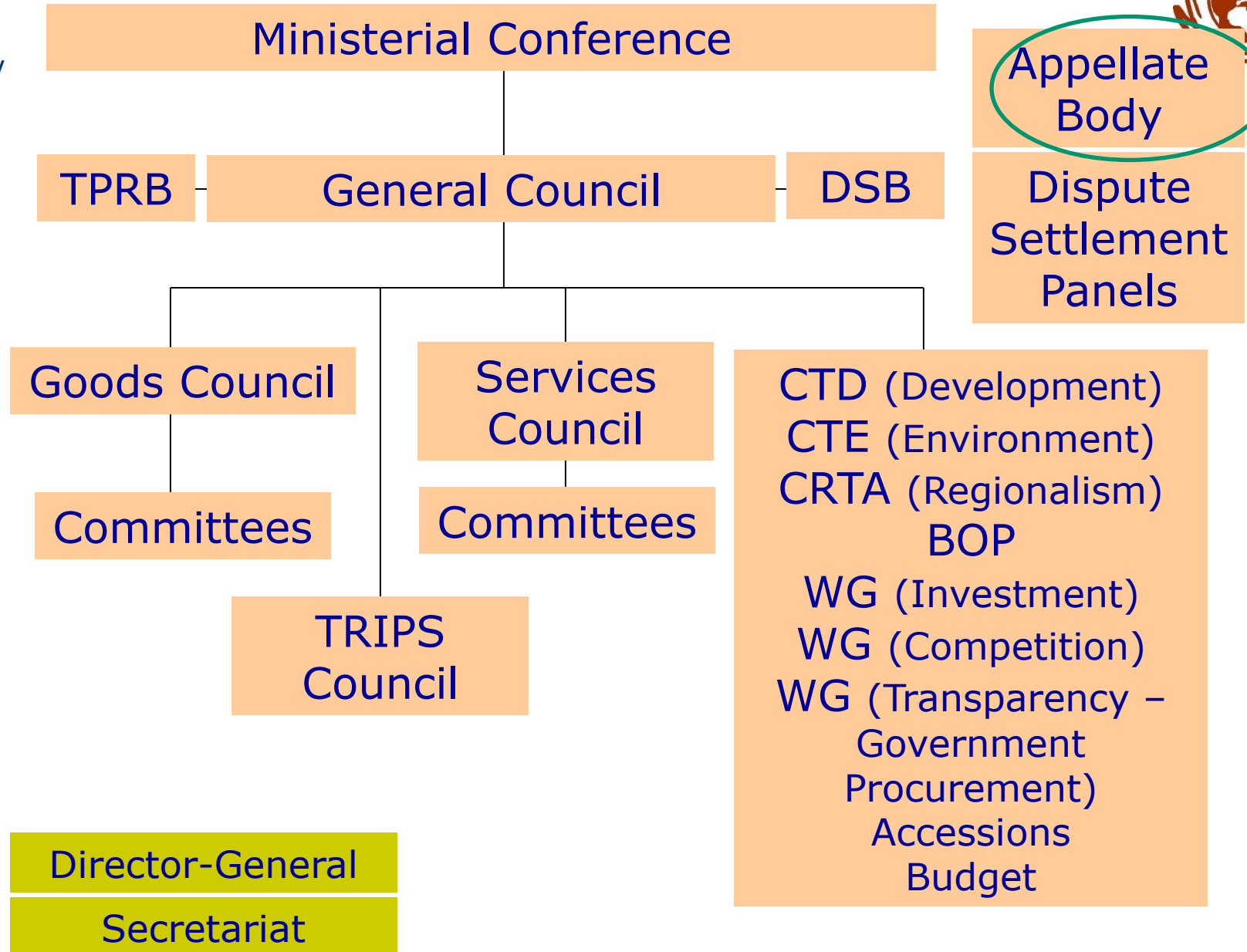
Assumptions



- Conventional Trade Economists: Competition generates **new products & efficiency gains** and **global wealth** hence if WTO consensus decision making blocks competition, creating plurilaterals, FTAs and RTAs is justified
- Conventional Political Scientists: Global Wealth creation is not analysed based on **distribution of gains**, often the rich become richer and the poor and DCs are left behind
- Conventional Trade Officials from DCs: FTAs are biased towards industrialised countries, DCs and LDCs do not have means/resources to compete
- WTO Rounds: is **exchange of concessions** based on offensive and defensive interests within the multilateral context. How to apply traditional concession based negotiations to plurilaterals is not clear. **For DCs+LDCs, no certainty that gains from plurilaterals would be shared**, and if not, plurilaterals are seen as a risk not as an

**We need to help each other!
Plurilaterals on MFN basis- let LDCs benefit
without immediate concessions**







AGREEMENT ESTABLISHING THE WORLD TRADE ORGANIZATION - 1/1/1995 Preamble

The Parties to this Agreement, Recognizing that their **relations** in the field of trade and economic endeavour should be conducted with a view to

raising standards of living, ensuring full employment and a large and steadily growing volume of real income and effective demand, and expanding the production of and trade in goods and services, while allowing for the optimal use of the world's resources in accordance with the objective of sustainable development,

seeking both to protect and preserve the environment and to enhance the means for doing so in a manner consistent with their respective needs and concerns at different levels of economic development,

Recognizing further that there is need for positive efforts designed to ensure that developing countries, and especially the least developed among them, secure a share in the growth in international trade commensurate with the needs of their economic development, etc.



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