

Report: 8th virtual meeting of the Expert Network on a Multilateral Framework on Investment Facilitation for Development

The 8th meeting of the Expert Network took place on 19 November 2021 from 15:00 to 16:15 Central European Time (CET).

The meeting focused on a possible work programme of a future WTO Committee on Investment Facilitation, addressing in particular the functions of the Committee and priority issues that should be on the agenda to implement, operationalise and develop further a prospective WTO Investment Facilitation for Development (IFD) Agreement.

The meeting was moderated by Axel Berger, Senior Researcher at the German Development Institute / Deutsches Institut für Entwicklungspolitik (DIE) and included the following speakers: Christiane Wolff, Counsellor, Head of SPS Section, Agriculture and Commodities Division, World Trade Organization (WTO); Heather Taylor-Strauss, Economic Affairs Officer, Investment and Enterprise Development Section, Trade Investment and Innovation Division, United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP); and Bernard Hoekman, Professor and Director of Global Economics, Robert Schuman Centre for Advanced Studies, European University Institute (EUI). Concluding remarks were made by Karl P. Sauvant, Resident Senior Fellow, Columbia University/CCSI.

This report is a summary of the discussion that took place during the workshop. A list of the participating members and the programme are attached at the end of this report.

Discussion highlights

The discussions focused on the following points, which are further elaborated upon in the sections below.

- Important lessons related to establishing the WTO Committee on Investment Facilitation and setting its agenda can be learned from other WTO Committees such as the WTO Sanitary and Phytosanitary Measures (SPS) Committee. Such lessons include: involving not only investment representatives, but also technical experts from other ministries in the Committee's work; ensuring that meetings not only involve reporting on the implementation of the agreement but also information sharing on best practices in investment facilitation; and maintaining several active workstreams, to ensure that the Committee's work continues even if one workstream is not moving forward. Moreover, it is important to rely on the support of the WTO Secretariat, which has a key role in maintaining the institutional memory related to the Committee's work, as well as supporting its work process.
- The WTO Committee on Investment Facilitation should have four main functions: first, it should be tasked to develop rules of procedure, including rules for Members' submissions, notifications and responses; second, the Committee should support the implementation of the IFD Agreement through the development of guidelines related to analysing implementation gaps and assessing technical assistance needs, as well as facilitating the technical assistance process involving relevant international organisations; third, the

Committee should be a source of knowledge and information sharing about investment facilitation reforms, relying among other data sources on the DIE Investment Facilitation Index; fourth, the Committee should consider fostering an “epistemic community” that would include the private sector, leading experts, policy makers across regions and additional stakeholders, including civil society, to provide inputs on investment facilitation issues and on the implementation of the IFD Agreement.

I. Establishing a WTO Committee on Investment Facilitation – Learning from the SPS Committee

The SPS Committee is responsible for overseeing the implementation of the SPS Agreement. Its mandate also includes the furtherance of the Agreements’ objectives, which has given the SPS Committee leeway to work on issues that Members see as important. The SPS Committee meets three times per year. In practice, the work of the SPS Committee can be grouped into three main areas: information sharing, discussions relating to specific trade concerns and “horizontal work” involving the development of new guidelines.

Information sharing: Members use the SPS Committee as a forum to provide information that they think will be relevant to their trading partners, such as national institutional changes or disease outbreaks. This function assists with ensuring transparency and trust building among the Members. In addition, the Secretariat circulates documents with all the information presented in the meetings. Furthermore, the Secretariat organises side events alongside Committee meetings that include presentations of new studies.

Specific trade concerns: A high number of notifications are submitted with respect to new SPS regulations. The Committee gives Members the opportunity to raise concerns when there are problems with specific regulations, whether they are in the draft stage or involve concerns raised regarding measures affecting trade. Concerns are raised both with respect to actual regulations or regarding the way these regulations are being implemented. It was noted that more than half of the specific trade concerns that are raised are eventually reported as resolved or partially resolved.

Horizontal work: From its establishment, the SPS Committee has worked on clarifying provisions under the SPS Agreement, in particular in areas where specific trade concerns are raised. In addition, under its mandate the Committee publishes guidelines on implementing certain articles of the SPS Agreement. It was noted that the legal status of these guidelines is not completely clear. Some of them include disclaimer language that the guidelines should not affect the rights and obligations of Members under the SPS Agreement, but some of them do not include such a disclaimer. In a dispute, guidelines that are published by the SPS Committee would probably not be ignored, and they would be taken into account in interpreting a particular article.

It is important to note that the SPS Committee includes not only trade representatives but involves also SPS experts from different ministries. The involvement of other governmental agencies is important because intense coordination is required at the national level to ensure the successful implementation of measures under the SPS Agreement. The involvement of technical experts also ensures that the discussions are less political and have a more problem-solving focus. The SPS Committee also includes observer organisations that often have a lot of technical experience and assist Members in building up capacity.

The chairperson of the SPS Committee has an important role as a neutral contact person for Members. The WTO Secretariat plays a key role in maintaining the institutional memory relating to the Committee work. This is particularly important as delegates are often changing. In addition, the WTO Secretariat, as the guardian of the process, is responsible for laying out the implementation process to follow up on agreed-upon actions.

II. Key proposals for a future work programme of the WTO Committee on Investment Facilitation

The following key proposals were made during the meeting with respect to the future work programme of a WTO Committee on Investment Facilitation, including its functions and agenda, to implement and operationalise the IFD Agreement.

Measuring investment facilitation: The WTO Committee on Investment Facilitation should keep track of the progress made by Members in implementing the IFD Agreement. Accordingly, the Committee should hold regular sessions to review the progress made by Members with respect to the implementation of the Agreement. In this regard, the Committee should utilize the Investment Facilitation Index, developed by DIE, as a means to track the implementation of investment facilitation measures across WTO Members. This would potentially ease data collection efforts to update the Index. It could serve as a valuable tool not only for reviewing progress on the implementation of the IFD Agreement, but also could help identify where capacity gaps exist. It was suggested that the Index should be updated on a biannual basis. As the task of updating the Index is time consuming, the Committee could engage with regional bodies, such as the UN regional commissions, to help in gathering data to update the Index. Engaging these regional bodies could also provide a better link to information on the progress made in the implementation of investment facilitation measures and the need for capacity building support.

Knowledge sharing and transparency: Both informal and formal consultations with WTO Members have revealed that many Members still have a limited understanding of the IFD Agreement. For instance, key concerns that were raised repeatedly relate to investor-state dispute settlement issues which explicitly are not covered by the framework. It is important that the WTO Committee has a clear strategy on how and when to disseminate information and engage non-signatory Members on matters related to the IFD Agreement. As part of this strategy, information on experiences with implementing investment facilitation measures and examples of good practices for boosting FDI for sustainable development should be presented during Committee meetings.

The Committee as a focal point: The Committee should act as a focal point for national authorities, and for other stakeholders on investment facilitation issues and implementation matters under the IFD Agreement. In addition, the Committee should be a vehicle for both discussing and assessing the effectiveness of investment facilitation practices for development, cost reduction and transparency.

Epistemic community: To support knowledge sharing and transparency, it was proposed that the WTO Committee consider supporting a community of practitioners, including leading experts as well as policy makers across regions, civil society and the private sector. Such an epistemic community, building on the ITC/DIE project, could help not only to promote the implementation of the IFD Agreement, but also assist with data collection to track the progress made with respect to the implementation of the Agreement.

Stakeholder consultations: The WTO Committee should facilitate stakeholder consultations as they will be able to validate the type of data that the Committee is putting together. It was noted that the Committee should create a credible mechanism to collect information regarding the implementation process not only from delegates but also from civil society and investors. This can be done through regular surveys to identify key implementation problems from the point of view of investors and civil society groups. This can also assist in prioritising the agenda of the Committee.

Aligning investment facilitation initiatives: The WTO Committee should consider avenues for better engaging with, and even aligning with, regional initiatives on investment facilitation.

A built-in agenda: There was a discussion during the meeting on whether a built-in agenda should be included in the IFD Agreement text. On the one hand, it was suggested that Members should initially only focus on the implementation of the IFD Agreement in order not to overburden the Committee. On the other hand, it was mentioned that a built-in agenda that includes issues that were not agreed upon in the IFD Agreement would assist in getting other Members on board. An agenda including such issues would not burden the Committee, as the issues would only be addressed at a later stage.

Annex 1: Invitation



The logo of the Deutsches Institut für Entwicklungspolitik (DIE) consists of the lowercase letters 'd.i.e' in a red, serif font, with dots between the letters.

Deutsches Institut für
Entwicklungspolitik



German Development
Institute

Invitation: 8th virtual meeting of the Expert Network on a Multilateral Framework on Investment Facilitation for Development

19 November 2021, 15:00-16:15 CET

Dear Expert Network members,

We would like to invite you to participate in the 8th meeting of the Expert Network on a Multilateral Framework on Investment Facilitation for Development, established in the framework of a project carried out by the International Trade Centre (ITC) and the German Development Institute / Deutsches Institut für Entwicklungspolitik (DIE).

The meeting will take place on 19 November 2021 from 9:00am to 10:15am Eastern Daylight-Saving Time (EDT), 15:00 to 16:15 Central European Time (CET), 21:00 to 22:15 China Standard Time (CST).

The meeting will focus on the work programme of a future WTO Committee on Investment Facilitation. Negotiations on an Investment Facilitation for Development (IFD) Agreement are making good progress, and negotiators aim at agreeing on a substantial outcome ahead of the 12th Ministerial Conference of the World Trade Organization (WTO). It is therefore increasingly relevant to think about implementation, once the IFD Agreement has been adopted,

and more specifically, the role of the WTO Committee on Investment Facilitation in this respect.

The Committee is meant to serve as a platform for WTO Members to keep track of progress on the implementation and operation of the Agreement. It should be a forum to share knowledge and practical experience with respect to investment facilitation reforms and to help coordinate technical assistance efforts. Furthermore, the Committee should hold at least one dedicated session per year to discuss implementation, review progress on implementation assistance, share knowledge, and review member notifications on actions taken. In addition, there is the possibility to hold ad hoc sessions on dedicated issues.

In this meeting of the Expert Network, we would like to discuss a possible work programme for the future WTO Committee on Investment Facilitation, in particular to enhance its contribution to sustainable development in developing and least-developed countries. In this context it is important to also review the experiences gained with the work of other WTO committees (e.g., Committee on Trade Facilitation and Committee on Sanitary and Phytosanitary Measures). This Expert Network meeting will discuss the functions of the Committee and identify priority issues that should be on the agenda to implement, operationalise and develop further the IFD Agreement.

Moderator: Axel Berger, Senior Researcher at the German Development Institute / Deutsches Institut für Entwicklungspolitik (DIE).

Opening speakers:

Christiane Wolff, Counsellor, Head of SPS Section, Agriculture and Commodities Division, World Trade Organization (WTO) – *“Establishing a Committee on Investment Facilitation – Learning from the SPS experience”*

Heather Taylor-Strauss, Economic Affairs Officer, Trade Investment and Innovation Division, Investment and Enterprise Development Section, United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) – *“Key proposals for a future work programme of the WTO Committee on Investment Facilitation”*

Bernard Hoekman, Professor and Director of Global Economics, Robert Schuman Centre for Advanced Studies, European University Institute (EUI) – *“Key proposals for a future work programme of the WTO Committee on Investment Facilitation”*

Concluding remarks: Karl P. Sauvant, Resident Senior Fellow, Columbia University/CCSI.

To join the meeting please press the link below.

[Join zoon meeting.](#)

Everyone is encouraged to request the floor to speak (or send written questions or comments at any time during the meeting).

For your reference, the reports of the last Expert Network meetings can be found [here](#).

Thank you in advance for participating in the Expert Network and sharing your expert insights.

With best regards,

Rajesh Aggarwal, Officer in Charge, Director, Division for Market Development, ITC

Axel Berger, Senior Researcher, DIE

Karl P. Sauvant, Resident Senior Fellow, Columbia University, CCSI

Bios

Axel Berger

Axel Berger is a Senior Researcher at the German Development Institute / Deutsches Institut für Entwicklungspolitik (DIE). He works on the design, effects and diffusion patterns of international trade and investment agreements, with a focus on emerging markets and developing countries. Other areas of current research include the effects of an international investment facilitation framework, the impact of free trade agreements on upgrading within global value chains and the role of the G20 in global governance. He teaches international political economy at the University of Bonn and regularly advises developing countries, development agencies and international organisations on trade and investment matters.

Bernard Hoekman

Bernard Hoekman is Professor and Director of Global Economics at the Robert Schuman Centre for Advanced Studies, European University Institute in Florence, Italy, where he also serves as the Dean for External Relations. Previous positions include Director of the International Trade Department (2008-2013) and Research Manager in the Development Research Group (2001-2008) at the World Bank. He is a Centre for Economic Policy Research Fellow, and holds a Ph.D. in economics from the University of Michigan (Ann Arbor, MI).

Karl P. Sauvant

Karl P. Sauvant introduced the idea of an International Support Program for Sustainable Investment Facilitation in the E15 Task Force on Investment Policy in 2015. From there, the proposal was taken forward in the WTO. He has written extensively on this subject (see <https://ssrn.com/author=2461782>). He currently assists, as Senior International Advisor, the ITC and DIE on a project on Investment Facilitation for Development. He retired in 2005 as Director of UNCTAD's Investment Division and established, in 2006, what is now the Columbia Center on Sustainable Investment (CCSI). He stepped down as the Center's Executive Director in 2012, to focus his work, as a CCSI Resident Senior Fellow, on teaching, research and writing.

Heather Taylor-Strauss

Heather Taylor-Strauss is Economic Affairs Officer, Investment and Enterprise Development Section, Trade, Investment and Innovation Division of the UNESCAP. She leads UNESCAP's research and policy advisory work on FDI. She has also worked in the Office of the Executive Secretary and the Macroeconomic Policy division in UNESCAP. Prior to her work at UNESCAP, she worked at the Asian Development Bank and held researcher positions at Goethe University, Trinity College, and the Sadar Patel Institute for Economic and Social Research. At these institutions she led four projects and authored several publications on outward FDI. She holds a PhD from Goethe University (Germany).

Christiane Wolff

Christiane Wolff joined the Secretariat of the World Trade Organization in 1999. The main focus of her work is the Agreement on the Application of Sanitary and Phytosanitary Measures. She is the Secretary of the SPS Committee and Head of the Secretariat's SPS Section; she also has extensive experience in dispute settlement work and technical assistance. Previously, she worked at the German Development Bank, KfW, where she managed projects in the areas of agricultural development and protection of natural resources in West Africa. She has a background in agricultural economics and development studies.

Annex 2: Attendance list

First name	Last name	Affiliation
Expert Group members		
Rudolf	Adlung	Independent Trade Policy Analyst, former Counsellor, WTO Trade in Services Division
Axel	Berger	German Development Institute / Deutsches Institut für Entwicklungspolitik (DIE)
Manjiao	Chi	University of International Business and Economics (UIBE)
Khalil	Hamdani	Graduate Institute of Development Studies at the Lahore School of Economics
Bernard	Hoekman	European University Institute (EUI)
Federico	Ortino	King's College London
Rodrigo	Polanco	World Trade Institute
Karl P.	Sauvant	Columbia Center on Sustainable Investment (CCSI)
Matthew	Stephenson	World Economic Forum (WEF)
Speakers		
Axel	Berger	German Development Institute / Deutsches Institut für Entwicklungspolitik (DIE)
Bernard	Hoekman	European University Institute (EUI)
Heather	Taylor-Strauss	United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP)
Karl P.	Sauvant	Columbia Center on Sustainable Investment (CCSI)
Christiane	Wolff	World Trade Organization (WTO)
Additional participants		
Yardenne	Kagan	International Trade Centre (ITC)
Quan	Zhao	International Trade Centre (ITC)

