

Report: 9th virtual meeting of the Expert Network on a Multilateral Framework on Investment Facilitation for Development

The 9th meeting of the Expert Network took place on 16 February 2022 from 15:00 to 16:15 Central European Time (CET).

The meeting focused on implementing an Investment Facilitation for Development (IFD) Agreement, in particular on how implementation gaps can be assessed and how technical assistance needs can be identified.

The meeting was moderated by Axel Berger, Senior Researcher at the German Development Institute / Deutsches Institut für Entwicklungspolitik (DIE) and included the following speakers: Sheri Rosenow, Customs Attorney and Counsellor, WTO; Matthew Stephenson, Policy and Community Lead, International Trade and Investment, World Economic Forum; and Kayula Siame, Private Consultant. Concluding remarks were made by Karl P. Sauvant, Resident Senior Fellow, Columbia University/CCSI.

Discussion highlights

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

- The following lessons related to the establishment of a needs assessment programme under the IFD Agreement can be learned from the WTO Trade Facilitation Agreement (TFA): the needs assessment process should be a self-assessment process that involves all the key stakeholders with the appropriate level of knowledge; a whole government approach should be followed; a designated coordinator that is located in the country should be assigned to organise and coordinate all the stakeholders; high-level political support should be obtained; the need assessment process should be standardised; and experts to facilitate the process should be designated.
- As in the TFA negotiations, a gap analysis and an identification of technical assistance and capacity building needs should begin in parallel with finalising the IFD Agreement negotiations. This gap analysis and need assessment process will enable developing country and least developed country (LDC) Members to have a clear understanding of their current level of implementation of investment facilitation measures. It will also enable Members to estimate the size and shape of technical and financial assistance that is required for implementing the IFD Agreement and for them to self-designate the implementation pace of measures under the Agreement. It is important to have a structured approach for conducting need assessments that will involve all the relevant stakeholders and include the development of a guide and a template that will be used by Members during the process.

I. Key lessons from the trade facilitation process for the design of investment facilitation need assessments

The need assessment process under the TFA was first conducted during the negotiations to help Members negotiate more effectively. The first assessment round started in 2007 and as the trade facilitation text changed significantly as the negotiations progressed, a second round of assessments started in 2013. The second round of assessments helped Members conclude the

negotiations and assisted Members to identify and collect information they needed for their category notifications. The second round continued after the negotiations were concluded to support the notification work. The need assessment process was continuously improved and materials were added and updated, based on evaluations from the participants and expert facilitators from partner organisations. The process gave Members the full picture as to where they stand with regards to the commitments that were being negotiated and also increased the level of engagement of governmental institutions and the private sector.

The following key lessons from the trade facilitation process are relevant for the design of investment facilitation need assessments.

Self-assessment process: The needs assessment process should be a self-assessment process that involves all the key stakeholders with the appropriate level of knowledge.

Whole government approach: In determining the information needed for the A, B and C category notifications, a whole of government approach must be taken. Accordingly, notified implementation dates have to reflect the very last date that all the governmental agencies will be able to fully implement each provision under the agreement.

Involvement of all relevant stakeholders: During the need assessment process the WTO provided a list of relevant stakeholders that should participate in the process. Eventually, each government decided who to invite as part of the process. Private sector participation was challenging in many countries during the TFA process. However, their participation was important as it provided input regarding the implementation of measures on the ground and not only in laws and regulations. The private sector also provided valuable advice on trade facilitation implementation priorities from the business perspective.

Coordinator in the capital: A coordinator that is located in the country should be assigned with the responsibility and the time to organise and coordinate all the stakeholders and be responsible for all logistical issues.

High-level political support: High-level political support is important to ensure cooperation of all the relevant stakeholders during the needs assessment process and to ensure that the results of the process are approved by higher-level officials in each agency.

Standardised assessment process: In order to standardise the assessment process and to ensure coherence with respect to all need assessment processes, the WTO prepared for all Members undertaking the process a guide and a template based on the negotiating text. The guide provided explanatory information for each provision, in order to create a common understanding of the meaning and general intention of the provisions, as well as to provide a basic framework to lead the Members through the elements that would be needed to implement the provisions. The guide did not include an interpretation for how each provision should be implemented. The first guide was prepared with partner organisations and the second with a consultant. The guide was piloted and circulated among Members. However, it did not need to receive an approval from WTO Members. In addition, two charts were provided to help Members capture the information that would be needed for the A, B and C category notifications. Need assessments were conducted in each country and took about a week.

Process facilitators: Process facilitators were trade facilitation experts that could explain to WTO Members the TFA provisions and what might be needed to implement them. Process facilitators were important in order to lead the participants through the needs assessment guide and through the actual implementation process. The facilitators facilitated discussions and ensured that the process was moving on track. Process facilitators were from partner organisations such as international organisations, partner national customs administrations, and Geneva-based negotiators. International organisations assisted with the development of the first guide and the development of the whole assessment process. Their involvement at that early

stage was beneficial because it helped to create a pool of facilitators that were familiar with the guided process. Three facilitators were part of each assessment.

II. Practical issues for conducting need assessments to support the implementation of an IFD Agreement

It is important to have a structured approach for conducting need assessment processes. From the TFA experience, it is clear that self-assessment tools, in the form of a standardised guide and a template, are critical in the IFD context in order to assist Members to understand where they have gaps and what will be required in terms of implementation and notifications under the IFD Agreement. As in the TFA negotiations, a gap analysis and an identification of technical assistance and capacity building needs should begin in parallel with finalising the IFD Agreement negotiations. Accordingly, a guide and a template should be developed as soon as possible in order for the self-assessments to take place while the negotiations are still ongoing.

The implementation of investment facilitation measures under the IFD Agreement requires the implementation of measures that touch on the entire lifecycle of FDI projects. Accordingly, the need assessment process under the IFD Agreement will be much more complicated than the assessment process under the TFA agreement, as it will require the involvement of multiple ministries and agencies across the whole government, both at the national level and sub-national levels and additional relevant stakeholders that need to be identified.

Before beginning each needs assessment process, it is important to map all the relevant stakeholders that should be part of the process. The process should involve as many different stakeholder groups as possible that can provide input regarding the *de facto* investment climate. A multi-stakeholder approach is essential to get a comprehensive view of the gaps and of the needs of each Members with respect to the implementation of the IFD Agreement. The following categories of relevant stakeholders were mentioned: government entities including Geneva delegates, ministries, investment promotion agencies (IPAs), and other relevant agencies both at the national and sub-national levels, foreign investors, domestic investors, business associations, small and medium sized associations, cooperatives, international organisations, research institutions, and civil society organisations.

In order to ensure that authentic results are produced as part of the needs assessment process, it is important to build trust relationships among stakeholders. Constructing a stakeholder group is important not only for the need assessment process but also afterwards for the implementation process as such a group can be a base for national working committees to ensure effective implementation of the IFD Agreement.

The gap analysis and need assessments process should take into consideration WTO Members' sustainable development strategies and goals. Accordingly, it was proposed to survey policy makers and additional stakeholders regarding measures they perceive as already implemented, important measures and impactful measures for sustainable development. This method can assist governments in prioritising the implementation process. Governments need to know what different stakeholders' priorities in terms of investment facilitation reforms and take those into consideration as they determine national priorities for action.

If possible, the prioritisation process should be linked to the National Development Plan (NDP). This can encourage political support for the process and ensure that internal budgets and resources, which are already allocated for meeting the NDP goals, are also provided for the implementation of provisions under the IFD Agreement by different ministries.

It was also noted that having a multi stakeholder needs assessment process with the gaps and needs clearly identified provides an important basis for receiving technical and financial assistance for the implementing stage.

Annex 1: Invitation



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Deutsches Institut für
Entwicklungspolitik



German Development
Institute

Invitation: 9th virtual meeting of the Expert Network on a Multilateral Framework on Investment Facilitation for Development

16 February 2022, 15:00-16:15 CET

Dear Expert Network members,

We would like to invite you to participate in the 9th 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 16 February 2022 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 9th virtual meeting of the Expert Network on a Multilateral Framework on Investment Facilitation for Development will focus on implementing an Investment Facilitation for Development (IFD) Agreement, in particular on how implementation gaps can be assessed and how technical assistance needs can be identified. Developing countries potentially are the key beneficiaries of the IFD Agreement that is under negotiation at the World Trade Organization (WTO). However, developing WTO Members will only benefit from an IFD Agreement if they are able to effectively implement its provisions. Many developing and least-developed country WTO Members may need additional technical assistance to successfully implement the IFD Agreement.

A structured needs assessment process, similar to the process undertaken during the trade facilitation negotiations, could potentially help developing and least-developed country Members to successfully implement an IFD Agreement. Discussions about the usefulness and design of a needs assessment process during and/or after the negotiations are ongoing among WTO Members. In this Expert Network meeting, elements of a framework for a needs assessment process in the context of the IFD negotiations will be developed and discussed. The session will discuss practical ways for conducting needs assessments, in particular with regard to guidelines and toolkits that are needed to enable WTO Members to self-assess their gaps and technical assistance needs. Furthermore, the meeting will discuss which agencies and stakeholders need to be involved and which legal and regulatory frameworks will be covered in a needs assessment. The feedback received in the context of this Expert Network meeting will inform the ITC/DIE project upcoming initiatives, including a technical paper on a conceptual framework for needs assessments.

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

Opening speakers:

Sheri Rosenow, Customs Attorney and Counsellor, WTO – *“What can be learned from the trade facilitation process for the design of investment facilitation needs assessments?”*

Matthew Stephenson, Policy and Community Lead, International Trade and Investment, World Economic Forum – *“Key stakeholders and legal and regulatory frameworks to be covered in the gap analysis and needs assessments process to support the implementation of an IFD Agreement”*

Kayula Siame, Private Consultant – *“How can an investment facilitation needs assessment process be implemented in practice?”*

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

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

Please register for the meeting in order to receive the meeting link details (please [click here](#)).

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, Director (oic), Division for Market Development, ITC

Axel Berger, Senior Researcher, DIE

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

Background material

ITC-DIE project on [Investment Facilitation for Development](#)

Axel Berger and Karl P. Sauvant, eds., *Investment Facilitation for Development: A Toolkit for Policymakers* (Geneva: ITC, 2021), [available here](#).

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.

Sheri Rosenow

Sheri Rosenow is a customs attorney and counsellor at the WTO. She has been involved in issues related to the WTO Trade Facilitation Agreement since the negotiations began. She was responsible for the trade facilitation needs assessment programme and is currently responsible for the WTO Trade Facilitation Agreement Facility. Prior to joining the WTO Secretariat, she worked as an advisor on customs and WTO accession issues for USAID projects in Central Asia and the Middle East. She started her career on the commercial legal staff of the US Customs Service.

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.

Kayula Siame

Kayula Siame is an economist by profession, with over fifteen years of experience in private sector development, trade, investment climate, business regulatory reform, business development, policy formulation, budget administration, strategic planning, and management. She has been a strategic leader of many trade and investment climate initiatives and programmes at national and regional levels, including coordinating the implementation of the TFA and the African Continental Free Trade Area Agreement at the national level. Previously she was the Permanent Secretary at the Ministry of Higher Education in Zambia and was previously Permanent Secretary in the Ministry of Commerce Trade and Industry.

Matthew Stephenson

Matthew Stephenson is Policy and Community Lead for International Trade and Investment at the World Economic Forum, where he manages the Global Investment Policy and Practice initiative. Previously, he worked at the IFC, where he led the workstream on outward FDI. He has also worked at the OECD on Africa and investment and served as a diplomat for the U.S. Department of State, leading the economic team on Afghanistan and managing economic programs in the Middle East. He is a member of the T20 Task Force on Trade and Investment. He has a PhD from the Graduate Institute in Geneva, a master's from the Harvard Kennedy School and a bachelor's from Oxford University.

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)
Pablo Agustín	Escobar-Ullauri	Permanent Mission of Ecuador to the WTO
Khalil	Hamdani	Graduate Institute of Development Studies at the Lahore School of Economics
Michelle	Ratton	Getulio Vargas Foundation
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)
Sheri	Rosenow	World Trade Organisation (WTO)
Karl P.	Sauvant	Columbia Center on Sustainable Investment (CCSI)
Kayula	Siame	Private Consultant
Matthew	Stephenson	World Economic Forum (WEF)
Additional participants		
Ann- Margret	Bolmer	German Development Institute / Deutsches Institut für Entwicklungspolitik (DIE)
Yardenne	Kagan	International Trade Centre (ITC)
Joel	Richards	Senior Technical Specialist, Trade Permanent Delegation of the OECS in Geneva
Julia	Schäfer	German Development Institute / Deutsches Institut für Entwicklungspolitik (DIE)
Frank	Schönberg	German Development Institute / Deutsches Institut für Entwicklungspolitik (DIE)