

THE RTA EXCHANGE DIALOGUE SERIES

A joint initiative of the International Centre for Trade and Sustainable Development (ICTSD) and the Inter-American Development Bank (IDB)

Facilitation 2.0 in Regional Trade Agreements: Enabling Trade in the Digital Age

11-12 June 2018

Venue: Hotel Royal, Rue de Lausanne 41, 1201, Geneva, Switzerland

SESSION OBJECTIVES

One year on from its entry into force, the World Trade Organization (WTO) Trade Facilitation Agreement (TFA), the only multilateral deal to have eluded the Doha Round deadlock, has allowed for sustained momentum on the trade policy reform agenda and provided new oxygen in a stifled negotiating environment. Ratified by four in five WTO members, the experience of the TFA makes a cogent case for the negotiation of trade-enabling rules. According to WTO data, the full implementation of the TFA could reduce worldwide trade costs by an average of 14.3 percent, with the largest gains for small and medium-size enterprises in developing and least developed countries.

The reduction of transactional costs through simplification, homologation, and enhanced transparency could have significant impact on the ability of least developed and developing countries to participate in the new digital age dominated by complex value chains. Indeed, the TFA is not only an instrument for increasing trade volumes, but a means for achieving greater economic inclusiveness.

However significant, the TFA in its current form extends only to trade in physical goods and is insufficient for the features of the new economy, missing a large part of what increasingly matters to production models and economic development today. New and changing business models, structures of production, and policy aims reveal a new frontier for facilitation, necessary to catalyse and maximise benefits in the digital age. Simplified and harmonised procedures in key policy areas, namely, investment, services, and e-commerce are the next step in ensuring that the WTO effectively responds to 21st century economic and developmental imperatives, and reaffirm the relevance and centrality of the multilateral rules-based system.

Facilitation 2.0 is by nature a multidimensional challenge, involving unilateral structural reform, coherent trade policies, and multiparty initiatives at different international fora, including the WTO and regional trade agreements (RTAs). Through the existing proposals on e-commerce, investment facilitation, services facilitation, and domestic regulations in services, WTO members have begun to address some of the trade topics related to Facilitation 2.0.

Trade facilitation has also been a focus of rule-making at the regional level. The scope, depth and sophistication of trade facilitation provisions in RTAs has grown immensely since they first began to be regularly incorporated by the late 1990s, today sometimes surpassing the TFA in the detail and coverage of their commitments. The diffusion of trade facilitation aspects in RTAs requires a concerted effort to build coherence at the regional and multilateral levels to avoid overlapping agreements.

This dialogue will look at how RTAs have addressed some of the elements of Facilitation 2.0. This investigation will allow negotiators and policymakers to identify best practices, share experiences, and eventually embed coherence-building mechanisms into the fabric of future WTO based trade talks.

The first half-day session will seek to introduce participants to the concept of Facilitation 2.0, by identifying its components and explaining how each one of them plays a crucial role in the new economy. The second day will seek to identify relevant provisions in the context of RTAs. The dialogue will present four studies on the trade-facilitating provisions under RTAs related to goods, investment, services, and e-commerce, and their connection with WTO covered agreements.

DRAFT AGENDA

Day I

14:00 – 14:30 **Introduction and Brief Explanation of the Facilitation 2.0 Concept**

Ricardo MELÉNDEZ-ORTIZ, ICTSD Chief Executive
Marisol RODRIGUEZ CHATRUC, Economics Specialist, IDB

14:30 – 16:15 **Session I: Trade Facilitation in RTAs and Conceptual Issues**

This session will review the trade facilitation elements already included in relevant RTAs, identify the innovative and additional (WTO-plus and WTO-extra) provisions, and consider how to advance these aspects in a Facilitation 2.0 framework. The session will further address conceptual issues related to Facilitation 2.0, delimiting the scope and its relationship with other complementary agendas, including regulatory cooperation and services domestic regulations.

Moderator
Ricardo MELÉNDEZ-ORTIZ, ICTSD Chief Executive

Speakers
Anabel GONZALEZ, former Costa Rican Minister of Foreign Trade
Mia MIKIC, Director, Trade, Investment and Innovation Division, UNESCAP

Ambassador Moshe KAO, former Permanent Representative of Lesotho to the WTO

16:15 – 16:30

Coffee Break

16:30 – 18:15

Session II: Facilitation 2.0: What is it and Why is it Relevant?

This session will review the distinct modalities of Facilitation 2.0, considering for each the challenge, including the facilitation needs of business, particularly MSMEs, and the opportunity presented by new trade and investment facilitating rules. The session will assess the measures already in place to address challenges and harness opportunities, and will offer policy solutions to fill the gaps.

Moderator

Marisol RODRIGUEZ CHATRUC, Economics Specialist, IDB

Speakers

E-Commerce

Dan CIURIAK, Senior Fellow, Centre for International Governance Innovation (CIGI)

Services

Pierre SAUVÉ, Senior Trade Specialist, Trade and Competitiveness Global Practice, World Bank Group

Investment

Karl P. SAUVANT, Resident Senior Fellow, Columbia Center on Sustainable Investment (CCSI); Senior Fellow, ICTSD

Goods

Anna JERZEWSKA, Independent Consultant

Discussants

Ana B. HINOJOSA, Director, Compliance & Facilitation, World Customs Organization

Hadri SOPRI, First Secretary, Permanent Mission of Singapore to the WTO

18:15 – 18:30

Closing Remarks

Day II

9:00 – 10:45

Session I: Trade in Goods: The Unfinished Business

This session will review existing disciplines under deep integration RTAs geared towards facilitating trade in goods, cross-referenced with WTO frameworks, including the TFA and the SPS/TBT agreements. The session will seek to clarify the issues at the intersection of these various agreements with a view to further building coherence between them in light of modern terms of production, and leveraging the linkages for effective implementation and streamlined technical assistance.

Moderator

Christophe BELLMANN, Senior Resident Research Associate, ICTSD

Speaker

Silvia SORESCU, Trade Policy Analyst, Trade and Agriculture Directorate, OECD

Discussant

Tarcisio HARDMAN REIS, Manager, Cargo Border Management, International Air Transport Association (IATA)

Open discussion

10:45 – 11:15

Coffee Break

11:15 – 13:00

Session II: E-Commerce Facilitation

A lack of coherent regulations relating to e-commerce incurs high costs and delays, and can represent an obstacle for MSMEs and erode the appeal of cross-border e-commerce for business to business or business to consumer transactions. This session will examine the main provisions related to e-commerce facilitation included in relevant RTAs, analysing the approaches taken in the design and looking at evidence of convergence. The session will offer options to build on experiences towards regional harmonization, as well as to inform multilateral discussions in this area.

Moderator

Marisol RODRIGUEZ CHATRUC, Economics Specialist, IDB

Speakers

Maria PTASHKINA, Bridges Graduate Fellow, ICTSD

Mark WU, Assistant Professor, Harvard Law School

Hanne MELIN, Director of Global Public Policy and Head of eBay Inc. Public Policy Lab EMEA

Discussants

Torbjörn FREDRIKSSON, Chief, ICT Policy Section, UNCTAD

HAN Changtian, Counsellor, Permanent Mission of China to the WTO

Open discussion

13:00 – 14:00

Lunch Break

14:00 – 16:00

Session III: Services Facilitation

This session will review 21st century RTAs to identify the “families” of disciplines relating to services facilitation, aimed at reducing opaque procedures and other bottlenecks facing services and suppliers in order to boost global services flows. The session will consider how the approaches have evolved over time and which

countries are providing leadership in this area. The session will then assess the extent to which a critical mass of countries has already adhered to similar commitments, as well as the degree of coherence with WTO architecture with a view to adapting certain elements multilaterally.

Moderator

Felipe SANDOVAL, Senior Advisor, Trade Law and Negotiations, ICTSD

Speakers

Marta SOPRANA, Founder and Trade Policy Advisor, TradePol Consulting
Javier Peña CAPOBIANCO, Founder and Secretary General, Latin American Association of Exporters of Services

Discussant

Hamid MAMDOUH, Senior Counsel, King & Spalding Geneva

Open discussion

16:00 – 16:15

Coffee Break

16:15 – 18:00

Session IV: Investment Facilitation

Flows of foreign direct investment are required to mobilise resources for development, allowing for the diffusion of technology and know-how across borders. Investment facilitation aims to help countries attract and benefit from investment, counteracting unduly excessive regulation, weak legal systems, poor infrastructure, and other challenges. This session will provide an overview of different experiences in how investment facilitation is dealt with in modern deep integration RTAs and international investment agreements to generate food for thought for ongoing discussions at the multilateral trade level. The session will consider the level of homogeneity in the design and content of existing provisions, and will evaluate the critical political factors that might facilitate or hinder multilateralisation.

Moderator

Karl P. SAUVANT, Resident Senior Fellow, Columbia Center on Sustainable Investment (CCSI); Senior Fellow, ICTSD

Speaker

Rodrigo POLANCO, Senior Researcher and Lecturer, World Trade Institute

Discussant

Agnes GOMES, Latin America Advisor, Paris Chamber of Commerce (CCI)

Open discussion

18:00 – 18:15

Closing Remarks and Next Steps