



*Regulatory Coherence and the Multilateral Trade System:
Lessons from RTAs and Options to Promote Convergence*

**Organised by the International Centre for Trade and Sustainable Development (ICTSD) and the
Inter-American Development Bank (IDB) under the RTA Exchange Initiative**

Date: Tuesday 28 March 2017

Venue: Maison de la Paix, Petal 5, Chemin Eugène-Rigot 2, 1202 Geneva

Background

With the importance of tariffs declining as a result of autonomous liberalisation or RTA commitments, the policies that inhibit international trade flows are increasingly of a regulatory nature. Differences in objectives, implementation and enforcement in regulatory regimes may imply additional costs for foreign firms, particularly those from developing countries, desiring to enter global markets as they will need to satisfy regulatory norms in each country they operate in.

While the WTO includes some disciplines regarding regulatory policies, most notably in the area of mandatory product standards (SPS/TBT), most of the rules and mechanisms that determine how to collaborate on regulatory policies takes place outside the ambit of trade frameworks. In recent years however, there has been an increasing systemising of regulatory cooperation through trade agreements, including through the modern deep integration agreements. Overtime, such agreements have developed a vast body of tested and tried rules, procedures and innovative mechanisms going largely beyond WTO provisions.

Yet, while regulatory cooperation might foster the establishment of common standards or conformity assessment procedures that reduce transaction costs, some fear that such mechanisms might result in discrimination against third countries and non-parties and set the bar too high for poorer countries. An opposing view argues the proliferation of such arrangements could result in a race-to-the-bottom situation instead, by converging toward lower common denominator at the cost of consumers.

As these questions gain growing relevance in the international arena, reviewing relevant experiences including innovations, best practices, and lessons learned from existing agreements can provide critical insights in the design of more inclusive systems and of policy options for enhanced convergence between those agreements and the multilateral trade system.

As a contribution to this debate, the present dialogue will address the following questions:

1. What are the key concerns associated with differences in regulatory regimes and the main negative externalities they generate in the area of trade?
2. What lessons and best practices can be drawn from the experience of regional and bilateral trade agreements in the area of regulatory cooperation?
3. What specific mechanisms can be envisaged to promote convergence and enhanced interoperability among those agreements?
4. What mechanisms, provisions or approaches might be explored at the multilateral level to address these challenges building on the experience from RTAs?

To answer those questions, ICTSD and IDB will convene a select group of representatives from governments, business and academia, to engage in a fruitful and open discussion on regulatory coherence in RTAs and the multilateral trade system.

Agenda

9:00 – 9:15 **Welcome remarks**

- Ricardo Meléndez-Ortiz, Chief Executive, ICTSD
- Antoni Estevadeordal, Manager of Integration and Trade Sector, IDB

9:15 – 10:30 **Session I: Mapping regulatory cooperation**

This session will establish the scope by providing an overview of the different approaches through which regulatory cooperation is happening at the international level. Among these different approaches, what is the role of trade agreements? In particular, how are concerns around regulatory cooperation been increasingly addressed through the modern deep integration arrangements?

Speakers:

- Céline Kauffmann, Deputy Head of Regulatory Policy Division, OECD --- *International regulatory cooperation, the menu of approaches*
- Rodrigo Polanco, Assistant Professor at the University of Chile, and Senior Researcher/Lecturer at the World Trade Institute (WTI) --- *Role of trade agreements in facilitating regulatory cooperation*

Discussants:

- Amb. Marc Vanheukelen, European Union's Permanent Representative to the WTO
- Petros C. Mavroidis, Edwin B. Parker Professor of Law at Columbia Law School and Professor of Law at the University Neuchâtel

Open discussion

10:30 – 10:45 **Coffee break**

10:45 – 12:15 **Session II: Cross-border externalities- Stakeholder perspectives**

This session will identify some of the cross-border externalities faced by key stakeholders as a result of different regulatory approaches and how regulators see the potential for trade agreements to help promote coherence. It will review in particular the problems faced by business in developing countries and how these may differ for MNCs versus SMEs.

Speakers:

- Robert Carberry, Formerly Assistant Secretary at Regulatory Cooperation Council Secretariat (RCC) --- *Regulator perspective on cross-border externalities*
- Hanne Melin, Director Global Public Policy and Head of eBay Inc. Public Policy Lab EMEA --- *Business perspective (SMEs) on cross-border externalities*
- Peter Draper, Managing Director, Tutwa Consulting Group --- *Regional perspective (Africa) on cross-border externalities*

- Julia Muir, Consultant, IDB --- *Regional perspective (Pacific Alliance) on cross-border externalities*

Discussants:

- Tom Jenkins, Special Advisor, European Trade Union Confederation (ETAC)
- Mohammad Razzaque*, Head of Trade Section, Commonwealth Secretariat

Open discussion

12:15 – 13:30 **Lunch**

13:30 – 15:00 **Session III: Lessons from recent RTAs**

Review the development of innovative provisions and mechanisms for regulatory cooperation that are emerging from recent bilateral or regional trade initiatives (modern deep integration initiatives). Identify common trends, and draw lessons in terms of what worked and did not work, and identify the arrangements that are viable for multilateralization. Review specific collaborative arrangements including TTIP, APEC, The Pacific Alliance, and select investment treaties.

Speakers:

- Ignacio Garcia Bercero, Director at DG Trade, European Commission --- *Trends and lessons of promoting regulatory cooperation in goods*
- Panagiotis Delimatsis, Professor, Tilburg University --- *Trends and lessons of promoting regulatory cooperation in services*
- Iza Lejarraga, Head of Investment Policy Linkages, OECD --- *Trends and lessons of promoting regulatory cooperation in investment*

Discussants:

- Simon Farbenbloom, Australia's Deputy Permanent Representative to the WTO
- Amb. Junichi Ihara, Japan's Permanent Representative to the WTO
- Ismael Ortiz, Counsellor, Mexico's Permanent Mission to the WTO

Open discussion

15:00 – 15:15 **Coffee break**

15:15 – 16:45 **Session IV: Ways forward on regulatory cooperation: Promoting new approaches at the multilateral level**

Based on the experiences and lessons discussed in previous sessions, identify the specific provisions and cooperative mechanisms viable for multilateralization through the WTO. Discuss potential concrete policy options that can promote convergence and interoperability among the various cooperative approaches and between RTAs and the multilateral trade system. What options are best implemented through the WTO, and what options for convergence are best promoted through bilateral and regional trade agreements

or even outside of trade agreements? What specific capacity building S&DT provisions are needed for convergence.

Speakers:

- Peter Tobias-Stoll, Director, Georg August University of Göttingen ---- *Prospects for multilateralising commitments from RTAs that deal with transparency, notifications and information sharing*
- Tom J. Bollyky, Senior Fellow, Council on Foreign Relations (CFR) ---- *Extending benefits through plurilateral arrangements*
- Harsha Vardhana Singh, Executive Director, Brookings India ---- *Developing regulatory mechanisms that are inclusive and extending benefits to third countries.*

Discussants:

- Gabriel Martinez, Argentina's Deputy Permanent Representative to the WTO
- Amb. Daniel Blockert, Sweden's Permanent Representative to the WTO
- Le Dinh Ba, Vietnam's Deputy Permanent Representative to the WTO

Open discussion

16:45 – 17:00 **Concluding remarks**

- Ricardo Meléndez-Ortiz, Chief Executive, ICTSD
- Antoni Estevadeordal, Manager of Integration and Trade Sector, IDB

Total attendance will be capped under 55.