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**Economic and Social Commission for Asia and the Pacific**  
Committee on Trade and Investment**Sixth session**

Bangkok, 13–15 March 2019

Item 9 of the provisional agenda\*\*

**Consideration of the future focus of the subprogramme on trade, investment and innovation in trade and investment and the strategic direction of the Committee on Trade and Investment****Strategic direction of the Committee on Trade and Investment****Note by the secretariat***Summary*

The strategic direction of the Committee on Trade and Investment, including ways to enhance the relevance, engagement and functioning of the Committee, was first discussed at the third session of the Committee in 2013, with reference to document E/ESCAP/CTI(3)/7/Rev.1. It was recirculated for information at the fourth session of the Committee in document E/ESCAP/CTI(4)/INF/4. In the present document, the secretariat revisits some of the main recommendations made previously with a view to making the Committee more relevant in efforts to achieve the Sustainable Development Goals through the means of implementation and in light of the midterm review of the conference structure of the Commission, which will take place at the seventy-fifth session of the Commission, in May 2019. Document ESCAP/CTI/2019/7 contains information on the future focus of the substantive areas of the subprogramme on trade, investment and innovation.

**I. Current mandate and terms of reference of the Committee on Trade and Investment**

1. The Committee on Trade and Investment was established by the Economic and Social Commission for Asia and the Pacific (ESCAP) in its resolution 64/1, which was adopted in April 2008. In resolution 69/1, which was adopted in April 2013, and in resolution 71/1, adopted in May 2015, the Commission reviewed its conference structure, including the role and functioning of the committees.

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\* Reissued for technical reasons on 31 January 2019.

\*\* ESCAP/CTI/2019/L.1/Rev.1.

2. The Committee on Trade and Investment addresses the following issues:

- (a) Regional cooperative mechanisms and agreements on trade and investment, including the Asia-Pacific Trade Agreement;
- (b) Policy options on trade, investment, and small and medium-sized enterprise development;
- (c) Policy options and frameworks on trade facilitation.<sup>1</sup>

3. Like all committees, the Committee on Trade and Investment meets biennially and, within its area of purview, the Committee:

- (a) Reviews and analyses regional trends;
- (b) Identifies, in consultation with member States, their priorities and emerging issues and consults on regional approaches, taking into consideration subregional aspects;
- (c) Promotes regional dialogue, including its subregional synergies, and an exchange of experiences on policies and programmes;
- (d) Considers common regional positions as inputs to global processes and promotes regional follow-up to their outcomes;
- (e) Proposes issues for consideration by the Commission as the basis for possible resolutions;
- (f) Monitors the implementation of Commission resolutions;
- (g) Promotes a collaborative approach to addressing the development challenges of the region, where appropriate, between Governments and civil society, the private sector and the United Nations and other international organizations at the regional and subregional levels.<sup>2</sup>

4. The following areas are mainstreamed into the work of all committees, including the Committee on Trade and Investment:

- (a) Implementation of the relevant Sustainable Development Goals;
- (b) Poverty reduction and balanced integration of the three dimensions of sustainable development;
- (c) Gender equality;
- (d) The priority needs of least developed countries, landlocked developing countries and small island developing States.<sup>3</sup>

5. Further, within its area of purview, the Committee provides the secretariat with guidance on the proposed strategic framework and programme of work.<sup>4</sup>

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<sup>1</sup> In Commission resolution 71/1, annex II, it is stated that the issues listed “are the primary issues to be addressed by each committee. The Commission may adjust the list of issues for any committee at any time, as appropriate; the committees shall likewise retain the flexibility to address new or emerging issues brought to their attention by the secretariat, upon consultation with member States.”

<sup>2</sup> Commission resolution 71/1, annex I, para. 12.

<sup>3</sup> Ibid, para. 14.

<sup>4</sup> Commission resolution 64/1, annex I, para. 9. Repeated in Commission resolution 69/1, annex I, para. 11.

## **II. A review of the role and functioning of the Committee**

### **A. General assessment of the Committee**

6. Reflecting its terms of reference as outlined in resolution 71/1, the Committee has mostly deliberated on substantive issues. The annual *Asia-Pacific Trade and Investment Report* serves as the main background document, with brief summaries of relevant chapters for each agenda item distributed as official documents.

7. The summaries of evaluations conducted for Committee sessions reveal that the majority of participants that respond to surveys feel that the Committee sessions are owned and driven by member States and that the sessions have been relevant to trade and investment issues and trends in the Asia and Pacific region. However, often, many members and associate members do not respond to the survey<sup>5</sup> and, furthermore, the surveys only reflect a one-time perception of the participants.

8. The secretariat has communicated that there is room for the Committee to engage more closely with the secretariat's work on trade and investment. The secretariat has observed that general country statements have been the usual format for members' and associate members' engagement, but little, if any, real discussion has taken place either with regard to the substantive issues or to the activities implemented by the secretariat under the subprogramme on trade and investment. In particular, there is scope for the Committee to provide more guidance on the future focus and work of the secretariat in trade and investment.

### **B. Participation in the Committee**

9. In this context, one area of concern is the level of participation. In all sessions of the Committee, less than 50 per cent of ESCAP members and associate members participated, with few representatives from the capitals of member States. Some representatives from the respective capital cities were from ministries of foreign affairs, economic development or planning, rather than trade, investment or industry. This means that the number of senior officials from the capitals of member States who represented the specialized areas of trade, investment, industry, technology or enterprise development, while by no means insignificant, was relatively low in all Committee sessions, in particular with regard to investment. It is also noted that the nominations of representatives to Committee sessions are often made by countries on an ad hoc basis with little concern about continuity in the work of the Committee from one session to the next. As a result, there is little scope for monitoring and following up the recommendations of the Committee.

## **III. Enhancing the role, relevance and engagement of the Committee**

10. In the 2030 Agenda for Sustainable Development, trade and investment, including the role of the private sector, are clearly identified as important means of implementation. The secretariat has observed that the Committee's brief two-day review of general trade and investment issues every other year does not do justice to this important role. While the representatives of Governments meet every other month within the framework of the Advisory Committee of Permanent Representatives and Other Representatives

<sup>5</sup> In 2017, only 39 per cent responded.

Designated by Members of the Commission, the members of the Advisory Committee are not always experts in trade and investment matters and the terms of reference of the Advisory Committee do not make this body suitable for a continual engagement and follow-up in this substantive area. In this regard, the secretariat submits the following issues for consideration by the Committee: strengthening the role of the Committee, enhancing the role of the Bureau, establishing subsidiary bodies, involving the private sector and providing proactive guidance on the strategic direction of the Committee.

#### **A. Strengthening the role of the Committee**

11. The role and terms of reference of the Committee were specified in resolutions 64/1, 69/1 and 71/1 as detailed above. The secretariat highlights three focus areas under the issue of strengthening the role of the Committee.

12. **Providing relevant guidance to the work of the secretariat.** The evaluations indicate that participants feel that the Committee is a relevant mechanism for discussing issues and trends regarding trade and investment in the Asia-Pacific region. However, as a legislative body of the Commission, the Committee should do more than discuss trends and issues. It should provide guidance to the secretariat in the area of trade and investment, in particular in the context of their role as means of implementation of the 2030 Agenda, and it should be closely involved in the implementation of this work, rather than merely reviewing it once every two years. The Committee should also assume a proactive role in creating resolutions on trade and investment and in monitoring their implementation. That requires a higher level of commitment and engagement from the relevant ministries and bodies of the Governments of member States.

13. **Promoting policy coordination at the national and regional levels.** Trade and investment have been identified as means of implementation of the 2030 Agenda. However, there are challenges associated with trade and investment arising from a trend of major trading powers of the world resorting to nationalism and protectionism, undermining the functioning of the multilateral trading system.<sup>6</sup> At the same time, there is an increase in the Asia-Pacific region in multi-country regional trade agreements covering liberalization and facilitation of trade, investment and other related areas, such as the Comprehensive and Progressive Agreement on Trans-Pacific Partnership, the Regional Comprehensive Economic Partnership, the Association of Southeast Asian Nations Economic Community and the Eurasian Economic Union, and a number of bilateral agreements. Given the interlinkages and increasing complexity of issues, countries need to enhance their coordination on trade and investment policy issues and enhance the coordination between trade and investment policies and other related policies. Trade and investment policy formulation requires the cooperation of various ministries and consultation with various stakeholders. The Committee provides an ideal platform to discuss these interlinkages and formulate modalities for enhanced cooperation and coordination at national and regional levels. Ideally, members of the Committee would consist of at least two senior-level policymakers from trade, investment and/or industrial policy, enterprise development and technology transfer areas. As such, the Committee could then function as a body to enhance the necessary coordination among policymakers at national and regional levels. While other organizations could partially fulfil this role, ESCAP is the only regional body of the United Nations that covers

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<sup>6</sup> *Asia-Pacific Trade and Investment Report 2018: Recent Trends and Developments* (United Nations publication, Sales No. E.19.II.F.3).

the whole Asia-Pacific region and that provides opportunities, due to its multidisciplinary nature, for mainstreaming trade and investment issues in the overall development agenda.

14. **Formulating regional action plans in trade and investment for sustainable development.** Such action plans could focus on regional and subregional cooperation modalities and should address specific focus areas within the overall terms of reference and strategic direction of the Committee.

## **B. Enhancing the role of the Bureau**

15. In order to enhance the role and engagement of the Committee in shaping the secretariat's programme of work and in proposing modalities for national policy and regional cooperation for inclusive and sustainable development in its areas of focus, with particular reference to the 2030 Agenda, the secretariat proposes strengthening the role of the Bureau. While a permanent bureau exists in principle, members of the Bureau are elected for a particular session of the Committee and do not continue to engage with the secretariat after that session. This proposal was first presented at the third session of the Committee, and the Committee requested that a feasibility study be carried out by the secretariat. The study was presented to the Committee at its fourth session, which found that a permanent and strengthened role of the Bureau was desirable and feasible.

16. In this proposal, the bureau would consist of a chair, two vice-chairs, a rapporteur and one or two members representing, as far as possible, the areas of trade, investment, enterprise development and/or technology transfer and development, and the five subregions of ESCAP, namely the Pacific, South-East Asia, East and North-East Asia, North and Central Asia, and South and South-West Asia. Bureau members would remain in contact with the secretariat – with the Trade, Investment and Innovation Division acting as focal point – and meet outside regular Committee sessions with the aim of providing feedback on the secretariat's programmes on trade and investment and participating in events organized by the secretariat as key speakers and/or panellists.

17. The Bureau would establish the strategic goals of the Committee and their target end dates (for example, by 2030) and oversee the preparation of regional action plans in trade and investment in support of achieving the Sustainable Development Goals and implementing the 2030 Agenda, which would be implemented by ESCAP member States with support from the secretariat. Such action plans would be reviewed by the Committee and at ad hoc senior officials' meetings between Committee sessions, which could be convened as needed. Alternatively, the Committee could adopt such action plans at its regular sessions, although the period of two years between Committee sessions would probably be too long for that purpose.

18. At its fourth session, the Committee supported the proposal for strengthening the role of the Bureau but also noted reservations from some members and requested that the feasibility study be revised on the basis of written inputs from member States. In the absence of any written inputs from member States, it was no longer pursued, and it was therefore not discussed by the Committee at its fifth session. The Committee may wish to deliberate on this issue and decide on the desirability and feasibility of strengthening the role and engagement of the Bureau as well as on its role and function.

### **C. Establishing subsidiary bodies**

19. Given the wide range of issues discussed by the Committee within the framework of trade and investment, it is proposed that technical working groups and/or ad hoc task forces be established as subsidiary bodies of the Committee.<sup>7</sup> Four technical working groups could be established to address the following areas: (a) trade policy and research; (b) trade facilitation and paperless trade; (c) investment for development; and (d) entrepreneurship and enterprise development. Additional or alternative areas could be explored. For instance, specific working groups could be linked to individual Sustainable Development Goals. In a wider context, the priority areas identified in document ESCAP/CTI/2019/7 on the future work of the secretariat could also be considered. The secretariat could, in consultation with the bureau, help to draft the terms of reference of those working groups, which would be adopted by the Committee.

20. In essence, the main task of the working groups would be to prepare regional action plans and monitor their implementation in specific areas and also to bring emerging issues which require action by member States and/or the secretariat to the attention of the Committee. The chairs of the working groups would provide inputs to the Bureau of the Committee and could meet once a year, even in years that the Committee has no regular session. The frequency and modality of physically convening such working groups would depend on available funding, but videoconferencing and email exchanges could take place on an ongoing basis. The establishment of technical working groups could be formalized through the adoption of a resolution at the seventy-fifth session of the Commission.

21. In addition to technical working groups, ad hoc task forces could be set up to address thematic issues that draw on the work of other committees, for example on trade and investment statistics, trade and environment, trade and transport facilitation, and social entrepreneurship and investment. That would require the consent and cooperation of other committees and a higher level of coordination among Governments at national and regional levels. That process could be supported by the secretariat at the countries' request. The committees and the secretariat could play a catalytic role in promoting intragovernmental and intergovernmental cooperation and coordination.

### **D. Involving the private sector**

22. Given the importance of the private sector in achieving the Sustainable Development Goals, it is proposed that the ESCAP Sustainable Business Network, through its Executive Council, should provide information on its views and activities to the Committee at its regular sessions. The Committee would benefit from insights from the business sector, which remains the driving force of economic growth. Between regular Committee sessions, the Executive Council of the Network could interact frequently with the Bureau

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<sup>7</sup> The establishment of subsidiary bodies such as subcommittees and steering groups is not unprecedented. The Committee on Regional Economic Cooperation had a steering group, while the Committee on Managing Globalization had the Subcommittee on International Trade and Investment. Most recently, the Committee on Energy at its first session, in 2017, discussed proposals for the establishment of a standing bureau and expert/working groups. The Committee on Energy requested the secretariat to prepare terms of reference for them and to include those draft terms of reference in the review of the implementation of resolution 71/1 by the Commission at its seventy-third session.

by providing inputs to its work, in particular the formulation of regional action plans.

**E. Providing proactive guidance on the strategic direction of the Committee**

23. With regard to the strategic direction of the Committee, the Committee is expected to take a proactive role in guiding the secretariat's work on implementing the 2030 Agenda and the Sustainable Development Goals, in particular Goal 17 but also Goals 8 and 9, with regard to issues related to trade and investment. The Committee may wish to consider a limited number of focus areas for the development of regional action plans, which would constitute its strategic direction for the foreseeable future and could be taken up by relevant technical working groups. Possible areas are presented in document ESCAP/CTI/2019/7.

**IV. Issues for consideration by the Committee**

24. The Committee is invited to deliberate on the need to strengthen the role, function and engagement of the Committee in implementing the trade and investment-related aspects of the 2030 Agenda as well as modalities for that purpose, as presented in the present document, and in particular:

(a) The desirability and feasibility of strengthening and enabling the Bureau to be more proactive, including by allowing it to function between sessions of the Committee in order to enhance the engagement of the Committee with the work of the secretariat;

(b) The desirability and feasibility of establishing permanent or ad hoc technical working groups and ad hoc task forces for the purposes identified in the present document, including the frequency of their sessions and funding modalities;

(c) The strategic direction proposed above with a focus on particular subject areas for regional cooperation;

(d) The desirability of closely involving the business sector in the work of the Committee through the ESCAP Sustainable Business Network and its Executive Council.