

# Economic and Social Council

E/escap/cti(4)/4

Distr.: General 2 September 2015

Original: English

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

#### Fourth session

Bangkok, 4-6 November 2015 Item 5 (d) of the provisional agenda<sup>\*</sup> **Implementation of Commission resolution 70/5: strengthening regional cooperation and capacity for enhanced trade and investment in support of sustainable development: regional cooperation, research and analysis, and capacity-building initiatives in response to requests contained in the resolution** 

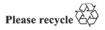
# Overview of the secretariat's activities and initiatives in promoting regional cooperation, research and analysis and capacity-building in trade and investment, including issues for consideration by the Committee

Note by the secretariat

#### Summary

The Commission in its resolution 70/5 made a variety of requests to the Executive Secretary to implement or strengthen the secretariat's activities under the subprogramme on trade and investment. The present document presents the activities of the secretariat under the subprogramme on research and analysis, capacity-building and regional cooperation in the areas of trade policy and analysis, trade facilitation and investment and enterprise development for the period November 2013-November 2015 for review by the Committee. The document excludes activities undertaken by the regional institutions, which are covered in a separate note. It also excludes the secretariat's activities and mechanisms to engage business which are also covered in a separate note.





#### Contents

		0
I.	Introduction	
II.	Trade and investment policy and analysis	
	A.	Overview
	B.	Asia-Pacific Trade and Investment Report
	C.	Asia-Pacific Research and Training Network on Trade5
	D.	Asia-Pacific Trade and Investment Agreements Database and other tools for analysis
	E.	Asia-Pacific Trade Agreement7
III.	Trade facilitation	
	A.	Trade Cost Database and other analytical tools for trade facilitation8
	B.	United Nations Network of Experts for Paperless Trade and Transport in Asia and the Pacific
	C.	Asia-Pacific Trade Facilitation Forum9
	D.	Regional Organizations Cooperation Mechanism for Trade Facilitation
IV.	Investment and enterprise development	
	A.	Research and analysis 10
	B.	Asia-Pacific Foreign Direct Investment Network for Least Developed and Landlocked Developing Countries
V.	Lessons learned 12	
VI.	Issues for consideration by the Committee	

## I. Introduction

1. The Commission, in its resolution 70/5 on strengthening regional cooperation and capacity for enhanced trade and investment in support of sustainable development, requested the secretariat to continue or strengthen a number of activities and mechanisms under the subprogramme on trade and investment covering broadly three areas: research and analysis; capacity-building and technical assistance; and regional cooperation. Following a brief overview, the present document provides an overview of the activities and mechanisms under the subprogramme in these three areas by thematic focus, (namely, trade policy and analysis; trade facilitation; and investment and enterprise development, covering the period November 2013-November 2015.

Page

### II. Trade and investment policy and analysis

#### A. Overview

2. Promoting regional cooperation for development is a key mandate of the Economic and Social Commission for Asia and the Pacific (ESCAP). In this respect, the secretariat assists its member States and associate members in the formulation of development-friendly trade and investment policies and to mainstream trade into long-term development strategies. This work involves the secretariat in undertaking (a) analytical work and applied research to better understand the role of trade and investment, including enterprise development, in sustainable development and its drivers and obstacles and (b) capacity-building and providing policy advice to Governments.

The research programme in trade and investment responds to the 3. priority areas for research identified by the work programme, and to demands for technical assistance from the member States. The focus is primarily on the implications of global trends and regional cooperation and integration for developing economies, especially least developed countries, landlocked developing countries and Pacific small island developing States. The research programme covers trade and investment issues that are of global importance, such as the evolution of the multilateral trading system and negotiations under the World Trade Organization (WTO), and regional importance, such as the design and impact of regional trade agreements on both members and non-members. Research and analysis also cover reforms of national policies that affect trade in goods and services, foreign direct investment (FDI) and migration. The programme exercises "thought leadership" by identifying emerging or neglected issues that are important for developing countries, especially in the context of sustainable development or graduation of least developed countries.

4. Under the research programme, the secretariat, with support from partners, including international organizations and research institutions, has contributed to the development of new publications, databases and research tools for analysing the impact of trade policies. This work has made a significant contribution to the body of relevant knowledge products and tools available to the economies in the region.

5. The secretariat's research is made available to member States for their review and use. Their feedback assists the secretariat in putting forward new ideas and enhances member State engagement with the secretariat. For example in the area of trade, the topics that member States may find relevant in the current context of sustainable development and furthering regional cooperation, include:<sup>1</sup>

(a) The implications of changing patterns of intraregional and interregional trade for specific countries or regions;

(b) The priorities for policy reform in support of participation in value chains or economic diversification in specific countries or a subregion;

(c) Next generation "instruments" (modalities) to harness trade for development — at the bilateral, regional and multilateral levels.

<sup>&</sup>lt;sup>1</sup> Examples of this work include two series: *Asia-Pacific Trade and Investment Report* (www.unescap.org/publications/asia-pacific-trade-investment-report), more concise and topical writings in *Trade Insights* (www.unescap.org/publications/trade-insights-series), as well as individual monographs available on the ESCAP website.

Knowledge generated under the research programme is also integrated 6. with the secretariat's capacity-building and advisory activities. These activities are demand-driven and responsive to the individual needs of members. For instance, the work programme on trade policy includes the provision of expert advice, technical assistance and capacity-building for policymakers, negotiators and other relevant officials of member States on numerous topics, including: (a) preparation and coordination of trade policy reforms, negotiation, implementation and impact evaluation (including of trade policy instruments, such as tariffs, non-tariff measures, subsidies, countervailing measures, antidumping practices and import and export licensing); (b) topics relating to WTO, including agriculture, industrial goods, services, trade-related aspects of intellectual property rights, public procurement, dispute settlement, special and differential treatment, and environmental goods and services; (c) issues related to reciprocal as well as non-reciprocal preferential treatment for developing countries; and (d) opportunities and potential for enhancing intraregional trade and subregional and regional integration through the identification of measures to increase the competitiveness of Asia-Pacific economies and their participation in regional and global value chains.

Some of the results achieved in trade-related capacity-building:<sup>a</sup>

- New handbooks and other reference materials for the use of government officials and negotiators;
- The development of techniques and policy tools for analysing the impact of trade policy reforms and negotiated reciprocal trade deals;
- Monitoring and provision of information on trends and developments in the area of preferential trade agreements through the Asia-Pacific Trade and Investment Agreements Database;
- A dedicated regional capacity-building programme, operating jointly with the WTO secretariat since 1999, has extended training to hundreds of officials and negotiators from ESCAP member States and has been recognized as a model of partnership among international organizations;
- Technical assistance in formulating trade rules in view of the bilateral, regional or multilateral obligations;
- Building national capacities and strengthening national think tank institutions through training of researchers, practitioners and trainers in traditional and next-generation trade issues.

<sup>a</sup> In 2014, of the 19 capacity-building events undertaken, 12 were under the Technical Assistance programme on trade, which were attended by nearly 600 participants from 16 countries in the Asia-Pacific region and beyond. The other 7 were held by ARTNeT in collaboration with partners and members, attended by nearly 200 participants from 24 countries. During the period January-June 2015, 8 capacity-building events were organized, drawing more than 300 participants.

#### B. Asia-Pacific Trade and Investment Report

7. The Asia-Pacific Trade and Investment Report is a recurrent publication prepared by the Trade and Investment Division. The report consists of two parts. The first part contains information on and independent analyses of trends and developments in: (a) intra- and interregional trade in goods and services; (b) FDI; (c) trade facilitation measures; (c) trade policy measures; and (d) preferential trade policies and agreements. The report provides insights into the impacts of these recent and emerging developments on countries' abilities to meet the challenges of achieving inclusive and sustainable development. Part two, which is only included in years when the Committee on Trade and Investment convenes, provides analysis and policy recommendations related to a selected theme. The theme of the 2015 edition is "Asia-Pacific participation in value chains: the role of trade and investment policies." The most salient results and messages of the report are summarized in document E/ESCAP/CTI(4)/1.

#### C. Asia-Pacific Research and Training Network on Trade

8. Effective trade policy can contribute to inclusive, equitable and environmentally responsible growth. However, good decisions depend on the availability of high-quality research and analysis. The Asia-Pacific Research and Training Network on Trade (ARTNeT), which was established in 2004, is an open regional network of leading trade research institutions across the ESCAP region. The primary objective of ARTNeT is to increase the quantity and quality of relevant trade research in the region.

9. The substantive work of the Network has increased as policy issues have evolved. Having started with a principal focus on WTO-associated issues, the research work supported by ARTNeT has diversified in response to new demands in Asia and the Pacific to include issues that are dealt with beyond border regulations, inclusive growth, intellectual property rights, trade finance, small and medium-sized enterprise development, competitiveness, production networks, green growth and other topics. The approach of ARTNeT has been to relate these different research areas to trade and economic reform questions for more inclusive and sustainable pathways to growth.

10. The activities of ARTNeT are focused on three pillars:

(a) Producing demand-driven and home-grown research within the region;

(b) Increasing the research capacity of the region, particularly that of least developed countries and groups of researchers, such as women, who may face more difficulties in getting access to formal education;

(c) Disseminating knowledge and information to key stakeholders and facilitating knowledge- and lessons-sharing dialogues, as well as promoting cooperation, knowledge and capacity among ARTNeT members and relevant stakeholders (including Governments, the international development community, civil society actors, the private sector, the research community and the media).

11. ARTNeT continues to grow; at present, it has 61 member institutions, 5 core partners and 9 associate partners. It now reaches a community of over 1,500 individual researchers and has published 14 policy-relevant books and reports and 153 working papers. Through its capacity-building workshops, ARTNeT has directly trained hundreds of researchers, and by making all

training materials freely accessible on its website, it has contributed indirectly to the skills and knowledge development of many more.

12. In terms of policy impacts, ARTNeT has established close links between the policy and research communities and in generated public debate through its publications, working papers and policy briefs. This has created demand for ARTNeT services as well as increased linkages with other networks and institutions. For example, exposure through international organizations, such as WTO, the Organisation for Economic Co-operation and Development (OECD), the World Bank and ADB, and global research networks, such as Global Trade Alert, Global Trade Analysis Network and the Poverty and Economic Policy Network, have linked ARTNeT researchers to larger policy platforms for research and dissemination.

13. As economies and societies grow, they continuously adapt to new challenges and conditions. Similarly, ARTNeT must evolve to respond to the changing environment of policymakers, analysts, researchers and other stakeholders. As a result, it is evolving as a collaborative platform which will allow a transition to new and broader areas of research beyond trade and investment, to include competitiveness, transfer of technology, innovation, inequalities and inclusive growth, and ecological sustainability.

# D. Asia-Pacific Trade and Investment Agreements Database and other tools for analysis

14. The Asia-Pacific Trade and Investment Agreements Database<sup>2</sup> is an online database of trade agreements maintained by the ESCAP secretariat. The database contains information on agreements signed by a member or associate member. It provides detailed descriptive information on the provisions of regional trade agreements/bilateral trade agreements that have been signed, are in force or are under negotiation. By July 2015, there were 231 such agreements (with 155 in force), including those that have not been notified to WTO, but for which there is official information readily available, and also those under negotiation for which there has been at least a first formal negotiation round.

15. The secretariat also maintains the ARTNeT Interactive Gravity Modeling Database. A gravity model is a popular tool used by trade economists to analyse trade-related policies. By linking trade flows directly with economic size and inversely with trade costs proxied by distance, the model captures some regularities in the pattern of international trade of help to policymakers when considering trade policy changes. As part of the gravity modeling initiative, ARTNeT has created a basic gravity panel dataset, which covers data from 1994 to 2012 for 70 countries, to use for estimation of trade potentials. To assist trade facilitation analysis, ARTNeT has also combined the gravity data and the "behind the border" indicators into a separate dataset.<sup>3</sup>

<sup>2</sup> The database is available on the ARTNeT website (http://artnet.unescap.org/databases.html#second). Due to the current work on enhancing security of United Nations websites, the search function — which was unique to this database — is temporarily unavailable to the public.

<sup>&</sup>lt;sup>3</sup> Unfortunately, a greater part of the functions that enabled this tool to be interactive were disabled due to changes in the United Nations-wide web policies. While a permanent solution is under consideration, as an interim policy, researchers and other users are given access to the datasets after submitting an email request.

#### E. Asia-Pacific Trade Agreement

16. Regional integration is increasingly recognized as critical for promoting economic growth and reducing poverty. Preferential trade agreements have become a cornerstone of the international trade system and a central instrument for regional integration in all parts of the world. In many developing countries, regional integration has become a key means of promoting economic growth and combating poverty. In fact, no low-income country has managed to grow and sustainably reduce poverty without global or regional trade integration.

17. Today's modern preferential trade agreements are shaping a broad and comprehensive reform agenda that developing countries can adopt and implement with full ownership and mutual accountability. Preferential market access is no longer the predominant motive; increasingly important is the use of such agreements to promote labour mobility, protect intellectual property, improve governance and foster transparency and the rule of law, which, in time, help build common regional values and norms for a more peaceful and prosperous world.

18. The Asia-Pacific Trade Agreement is one of the oldest preferential trade agreements in the region and is open for membership to all developing countries in the ESCAP region. The current members are Bangladesh, China, India, the Lao People's Democratic Republic, the Republic of Korea and Sri Lanka. The accession of Mongolia was finalized and is pending national ratification.

19. Although launched as a conventional preferential trade agreement covering only goods under the Bangkok Agreement, and with the name change to the Asia-Pacific Trade Agreement in 2005, this regional trade agreement mandates expansion of coverage to other areas of cooperation. In this context, the members to the Agreement (known as the Participating States) have agreed to work in areas of trade facilitation and trade in services and investment. This was followed up by the signing of three separate framework agreements, all of which have been ratified by the Participating States.

20. The Ministerial Council is the highest decision-making body of the Agreement. It is supported by the Agreement's Standing Committee. The ESCAP secretariat (APTA Unit, Trade and Investment Division) is serving as the secretariat to the Agreement.

21. The Asia-Pacific Trade Agreement is the first regional preferential trade agreement among the developing countries in the region to adopt common operational procedures for certification and verification of the origin of goods. It offers special and differential treatment for countries with special needs, including least developed countries.

22. The Commission in its resolution 70/5 requested the Executive Secretary to continue the promotion of regional cooperation with a view to achieve higher levels of regional economic integration through enhanced intraregional trade, investment and technology flows for sustainable development through, among other things, "expanding of membership and deepening and broadening commitments within the framework of the Asia-Pacific Trade Agreement while studying the feasibility of strengthening the linkages of that Agreement with other regional trade agreements". At its third session, which was held in Bangkok from 20 to 22 November 2013, the Committee on Trade and Investment, agreed that the Asia-Pacific Trade

Agreement provides a complementary mechanism for regional integration, in particular the integration of marginalized countries into the regional economy. The Committee requested that the secretariat, along with Participating States, develop tools to measure the economic impact and implementation of the Agreement upon conclusion of the fourth round of negotiations.

23. The current fourth round will lead to an agreement on tariff concessions covering 10,000 items, compared with 4,290 items under the third round.<sup>4</sup> The round widens the coverage of preferences of total tariff lines for each Participating State and deepens the total tariff concessions by at least 29 per cent of the total intraregional trade under the Agreement. The fourth Ministerial Council of the Asia-Pacific Trade Agreement, scheduled to be held in 2015, is expected to formally adopt the results of the round after which the concessions will enter into force.

# **III.** Trade facilitation

# A. Trade Cost Database and other analytical tools for trade facilitation

24. The ESCAP secretariat has long played an active role in research and analysis for trade facilitation, including through ARTNeT and the United Nations Network of Experts for Paperless Trade and Transport in Asia and the Pacific. The bilateral Trade Cost Database was initiated by ESCAP to address the gap in measuring intra- and interregional trade costs of member countries.<sup>5</sup> Since 2013, it has been expanded into a global database maintained jointly by the secretariat and the World Bank. It has been used to assess trade costs and make policy recommendations by a wide range of organizations, including notably in the context of the WTO Trade Facilitation Agreement negotiation as well as at the recently held Fifth Global Review of Aid for Trade.

25. In September 2014, ESCAP together with the other regional commissions initiated a global survey to collect data on trade facilitation and paperless trade implementation with a view to enabling countries and their development partners to better understand and monitor progress, support evidence-based policymaking, and identify good practices and capacity-building and technical assistance needs. The global survey builds on an annual regional survey that has been conducted by ESCAP since 2012 and covers not only implementation of some important measures included in the WTO Trade Facilitation Agreement, but also the implementation of measures aimed at enabling paperless trade or conducting trade using electronic rather than paper-based data and documentation.<sup>6</sup> Implemented in cooperation with interested partners, the survey is expected to be conducted on a regular basis.

26. Another database under development is the Trade Process Analysis Database,<sup>7</sup> which provides detailed information on trade procedures,

<sup>&</sup>lt;sup>4</sup> The APTA Factsheet (August 2014) available on the APTA website at: www.unescap.org/apta.

<sup>&</sup>lt;sup>5</sup> The database is available on the ARTNeT website at http://artnet.unescap.org/ databases.html#first.

<sup>&</sup>lt;sup>6</sup> Survey results for 2015 are available at: http://unnext.unescap.org/ UNTFSurvey2015.asp.

<sup>&</sup>lt;sup>7</sup> The database is available on the UNNExT website at: http://unnext.unescap.org/ tools/business process.asp.

including their time and costs for specific routes and products across the region. Member States may use the micro-level data featured in the database as a reference to develop new and improved procedures, such as more efficient processing of sanitary and phytosanitary certificates for agricultural trade.

# B. United Nations Network of Experts for Paperless Trade and Transport in Asia and the Pacific

27. The United Nations Network of Experts for Paperless Trade and Transport in Asia and the Pacific (UNNExT) is a community of experts from developing countries and transition economies involved in the implementation of electronic trade systems and trade facilitation. Established by ESCAP in 2009, it supports national, subregional and transcontinental single window, paperless trade and other trade facilitation initiatives, including transit transport facilitation. Activities of the Network include: development of tools and guides; capacity-building; knowledge-sharing; regional advisory services; and research and analysis.

28. The Network continues to achieve significant results. A total of 196 experts in the Asia-Pacific region are now registered in the expert database and about 700 government officials and private sector stakeholders from ESCAP developing member countries, particularly from least developed countries and landlocked developing countries, have benefited from the Network's capacity-building activities since January 2014. As of May 2015, almost 40 per cent of ESCAP members are actively engaged in the development of single window systems for trade facilitation and officials from more than 20 member countries have participated in the UNNExT masterclass on single window implementation, an intensive two-week programme co-organized with the World Customs Organization and the Korea Customs Service.

29. The Network also supports the work mandated through ESCAP resolution 68/3 on enabling paperless trade and the cross-border recognition of electronic data and documents for inclusive and sustainable intraregional trade facilitation, as well as through follow-up resolution 70/6 adopted in August 2014 by providing a ready pool of expertise that has been tapped by member States and the secretariat to develop a relevant and inclusive intergovernmental agreement for the facilitation of cross-border paperless trade.<sup>8</sup>

#### C. Asia-Pacific Trade Facilitation Forum

30. The Asia-Pacific Trade Facilitation Forum has been organized by ESCAP in cooperation with the Asian Development Bank (ADB) since 2009. Hosted by a different country every year, it has become the main annual open regional platform to exchange information, experiences and practices regarding trade facilitation in the Asia-Pacific region, identify priority areas for regional cooperation and integration, and learn about new tools and services that can increase the efficiency of cross-border transactions. The Forum also promotes regional cooperation and coordination in the area of aid for trade.

31. The Forum has achieved considerable success. More than five hundred participants from more than 30 countries, including least developed

The state of implementation of these resolutions is discussed separately in document E/ESCAP/CTI(4)/8.

countries and landlocked developing countries, benefited from the Forum's technical and capacity-building sessions held in Bangkok and Wuhan, China in 2014 and 2015, respectively. Over the last few years, on average, 90 per cent of the participants reported that their knowledge of trade facilitation and paperless trade increased as a result of their attendance.

# D. Regional Organizations Cooperation Mechanism for Trade Facilitation

32. The Regional Organizations Cooperation Mechanism for Trade Facilitation was established after the Committee on Trade and Investment, at its second session, expressed its support for the creation of a region-wide coordination mechanism, bringing together representatives of key regional organizations active in trade facilitation.<sup>9</sup> The overall goal of the mechanism is to facilitate the exchange of information, identify synergies and enhance collaboration for effective implementation of trade facilitation initiatives. Major regional and international organizations are participants in the mechanism. The fourth and fifth annual meetings were held on the side of the Asia-Pacific Trade Facilitation Forum and in conjunction with the meeting of the Global Facilitation Partnership for Transportation and Trade to maximize information exchange and coordination among partners.

## IV. Investment and enterprise development

### A. Research and analysis

33. The secretariat has undertaken research and analysis in areas related to investment and business development. An important area in this regard is the ongoing development of an internal FDI database, which will provide snapshots of FDI trends and recent policy and regulatory changes in countries of the region. The database is expected to provide quick access to data and statistics to be used for analytical work of the secretariat and for inputs to publications from the secretariat, such as *Asia-Pacific Trade and Investment Report, Economic and Social Survey for Asia and the Pacific* and *Statistical Yearbook for Asia and the Pacific*, as well for external publications. In due time, the database is intended to be available externally. An FDI Policy Handbook based on a comprehensive training course on the promotion and facilitation of FDI for sustainable development is also under preparation.

34. Some research and analysis focus has been accorded to Myanmar, given the rapid changes taking place in that country and its need for external support. A business survey and analysis was carried out, with the preliminary results being published in May 2014, followed by a comprehensive data analysis and overview of policy implications published in July 2015. The *Business and Development in Myanmar: A Policy Handbook for Private Sector Development* was published in February 2015 as part of the Studies in Trade and Investment series (No. 82) of the Trade and Investment Division. An analysis of the implications of the ASEAN Economic Community on Myanmar is also underway. As part of ongoing cooperation with OECD, a second multidimensional policy review of Myanmar was carried out, which resulted in an in-depth analysis and recommendations published in January 2015.<sup>10</sup>

35. As part of the preparations for the regional consultations for the Third

<sup>&</sup>lt;sup>9</sup> E/ESCAP/CTI(2)/6, para. 29.

<sup>&</sup>lt;sup>10</sup> The first volume of this review was published in 2013.

International Conference on Financing for Development, which was held in Addis Ababa from 13 to 16 July 2015, the Trade and Investment Division prepared two papers, one covered financing of small and medium-sized enterprises and the other dealt with trade finance.

36. The Trade and Investment Division has also contributed to two studies on the role of the private sector in disaster risk reduction in the region. The first study, entitled "Engaging Asia-Pacific businesses in disaster risk management" was published in April 2014, and was the result of a series of engagements with the private sector to develop an Asia-Pacific perspective for the post-2015 framework for disaster risk reduction. The second study, entitled "Private sector role — public and private partnership for disaster risk reduction" was published in June 2014 as part of the report entitled "Promoting investments for resilient nations and communities", which served as a background document for the Sixth Asian Ministerial Conference on Disaster Risk Reduction, which was held in Bangkok from 22 to 26 June 2014. Based on those two studies, a book entitled *Resilient Business for* Resilient Nations and Communities was launched at the Third United Nations World Conference on Disaster Risk Reduction, which was held in Sendai, Japan, from 14 to 18 March 2015. Presently, a comprehensive policy book on the role of the private sector on disaster risk reduction is being developed and is expected to be launched during the meeting of the Committee on Disaster Risk Reduction, which will be held in Bangkok from 27 to 29 October 2015.

37. The Trade and Investment Division also provided a chapter on small and medium-sized enterprises participation in global value chains for an ADB/Asian Development Bank Institute study, which was launched in Manila in September 2015. Comprehensive studies on value chains in the Greater Mekong Subregion in selected sectors will be published before the end of 2015 under a project funded by the Government of Japan on capacitybuilding of SMEs in the Greater Mekong Subregion for their effective penetration into regional and global markets. A small research paper was also published on socially responsible business containing a review of issues and policies and some country case studies.

38. In addition, the secretariat has contributed to the OECD Economic Outlook for Southeast Asia, China and India 2016 in the form of a chapter on private sector development and integration, and is expected to resume contributing to *World Investment Report*, an annual report published by the United Nations Conference on Trade and Development, in 2016.

39. Within the framework of the ESCAP Sustainable Business Network, the secretariat published two brief papers, "The 3Cs for responsible banking in Asia and the Pacific: corporate governance, corporate social responsibility and corporate sustainability", and "Socially responsible business: training for young business leaders and entrepreneurs-in-making". A handbook on green business is also under preparation for imminent publication.

#### B. Asia-Pacific Foreign Direct Investment Network for Least Developed and Landlocked Developing Countries

40. In December 2010, the Trade and Investment Division organized a consultative meeting to gauge capacity-building needs on FDI promotion and facilitation for least developed countries and landlocked developed countries from the region. As the secretariat had not undertaken FDI capacity-building for quite some time, the purpose of the meeting was to re-establish contacts with the target group and better understand their needs. The idea of forming a regional network of investment policymakers and practitioners was voiced and supported by the participants of the consultative meeting. Following this,

the secretariat organized the first meeting of the Asia-Pacific Foreign Direct Investment Network for Least Developed and Landlocked Developing Countries in 2011, inviting a limited number of least developed countries and landlocked developed countries (limited by funding availability) to nominate a senior-level investment expert/official to be members of the Network.

41. To date, four meetings have been organized (annually from 2011 to 2014) with the first three meetings held in Bangkok and the fourth meeting in Colombo, back-to-back with the Asia-Pacific Business Forum 2014. The fifth meeting is scheduled to be held on 2 November 2015 as part of the fourth Asia-Pacific Trade and Investment Week. The objective of the meetings has been to share experiences and learn from other network members, and outside experts. In some cases, the meetings focused on a particular country, such as Mongolia and Myanmar. The Network has served as both a regional cooperation mechanism and a modality for capacity-building. Examples of some of the issues that have been addressed by the Network are: recent trends and developments in FDI (as reported in the Asia-Pacific Trade and Investment Report); FDI in the natural resources sector; FDI in support of achieving the sustainable development goals; incentive structures for FDI attraction; regional cooperation mechanisms for FDI; and capacity-building needs for FDI. The meetings of the Network have also included country presentations.

42. Countries that have participated regularly in the Network are: Azerbaijan; Bangladesh; Bhutan; Cambodia; Kyrgyzstan; Lao People's Democratic Republic; Mongolia; Myanmar; Nepal; and Tajikistan. Georgia and Kazakhstan also participated in 2011, but due to budget limitations funding was not extended to them during the period 2012-2014. The Network is being expanded at the request of members to include other developing country member States of ESCAP in order to broaden the pool of knowledge and learning and expand the scope for regional cooperation.

43. The meetings of the Asia-Pacific Foreign Direct Investment Network for Least Developed and Landlocked Developing Countries have enabled sharing of knowledge between members and increased connections among FDI policymakers from member countries. With several of the members returning, the Network is becoming a small community of policymakers from selected least developed countries and landlocked developed countries in the region. Several of the members/participants in the 2014 meeting stated (orally and/or in evaluation questionnaires) that the Network is filling a useful role in sharing knowledge and experiences among countries in the region, and that they would welcome an expansion of the Network.

### V. Lessons learned

44. In the implementation of activities under the subprogramme, the following lessons learned have contributed to efforts to plan activities that achieve maximum results and have a strong impact:

(a) Involvement of policymakers, business sector and civil society in ESCAP activities is crucial to maximize the impact of these activities and translate knowledge into concrete policies;

(b) Cooperation among experts and networks of experts is important to advance both the development of new ideas and innovative policy approaches (based on the experience with various organized expert group meetings as well as with existing networks under the subprogramme) and in building cooperation in the area of economic integration, including trade facilitation and investment;

(c) The role of public-private collaboration in facilitating crossborder trade is significant. Such collaboration exists in a number of countries in the Asia-Pacific region in different formats. It is important that Asia-Pacific developing countries learn from such cases. Exchange of knowledge, experience and practices play a key role in enhancing the trade facilitation situation in the diverse Asia-Pacific region;

(d) Participation by a cross-section of the key policymakers from the relevant national entities and ministries during capacity-building activities is essential in order to ensure necessary follow-up. Furthermore, capacitybuilding activities can also be viewed as an opportunity to establish dialogue and collaboration between key stakeholders, which can assist in the future implementation of policy recommendations;

(e) The sharing of best practices, case studies and experiences from experts and among member States has been shown to be a valuable means of building capacity by highlighting concrete processes and measures necessary for implementing trade facilitation policy reform;

(f) To promote the implementation of the capacity-building measures, it is important that national stakeholders identify the gaps as well as the means and national strategies required to address these gaps. Such clearly defined strategies can assist in translating knowledge generated through capacity-building activities into concrete policies and measures.

#### VI. Issues for consideration by the Committee

45. The Committee is invited to review the activities of the secretariat in the implementation of the subprogramme on trade and investment as detailed in this note with particular reference to: (a) regional cooperation; (b) capacity-building; and (c) research and analysis, and identify priorities and focus areas for future work in the area of trade and investment, including enterprise development and technology transfer. The Committee is further invited to provide guidance on the means of implementation of activities under the subprogramme taking into account the lessons learned as identified above and in the light of the adopted Sustainable Development Goals and the post-2015 Development Agenda.