



Report: High-level Regional Roundtable on the WTO Investment Facilitation for Development Negotiations: Perspectives from Caribbean Economies

The high-level regional roundtable on the WTO Investment Facilitation for Development Negotiations: Perspectives from Caribbean Economies, was co-organized by the International Trade Centre (ITC), the German Development Institute/Deutsches Institut für Entwicklungspolitik (DIE), the Shridath Ramphal Centre for International Trade Law, Policy and Services (SRC) of The University of the West Indies' Cave Hill Campus (The UWI Cave Hill) in Barbados, and the World Economic Forum (WEF), in the framework of the Investment Facilitation for Development project, jointly implemented by ITC and DIE. The roundtable took place on 24 February 2021, from 10:00 am to 12:30pm (Barbados, GMT -4) time. It included 130 participants.

The roundtable offered participants a platform for strategic exchange on the WTO negotiations on investment facilitation for development focused on the Caribbean economies. The event provided an opportunity for participants to reflect on the value added of a WTO framework on investment facilitation for development.

The programme, including the speakers' bios, is attached to this report.

Summary of the main outcomes of the workshop

I. The state of play of the WTO Investment Facilitation Framework for Development (IFF4D)

To date, 106 WTO members are participating in the IFF4D negotiations, four of which are from the Caribbean region. They are Barbados, Dominica, Grenada and Suriname. The current draft of the informal consolidated text includes members' proposals that are now being consolidated into a revised text that was presented in April 2021, will be the basis of the final agreement between the members, hopefully by the Twelfth WTO Ministerial Conference. The revised text includes provisions such as providing greater transparency to ensure predictability; providing measures to simplify, expedite and streamline administrative procedures during the investment life-cycle; and promoting domestic and cross-border cooperation. The scope of the discussions does not include market access, investment protection or investor-state dispute settlement (ISDS).

A group of members is working on revised proposals and alternative proposals, including facilitation of the movement of investors and insulating the investment facilitation agreement from other international investment agreements, also referred to as the "firewall". The provisions on which more work is needed include the scope of the agreement, certain definitions, special and differential treatment, sustainable investment provisions, and anti-corruption measures.

II. The views of the Caribbean countries that are currently participating in the IFF4D

Dominica and Grenada are currently the only Caribbean countries that have made a submission to the IFF4D negotiations. The main issues that are of importance to the Caribbean countries include the following:

Sustainability and development aspects in the IFF4D: It is important to clarify that the definition of “investment” under the IFF4D will not include any type of investment other than investment for development. The development and sustainability aspects of the IFF4D are of core importance to the Caribbean countries and should be in line with their sustainable development goals and include corporate social responsibility elements.

Anti-corruption obligations: There is a reference in the IFF4D to anti-corruption obligations that the countries believe is too descriptive and goes too far. Such issues should be left to states.

Special and differential treatment, technical assistance and capacity building: During the roundtable, it was emphasised that technical assistance and capacity building should be provided not only to support the implementation of the IFF4D, but also to provide support to the Caribbean countries during the negotiations, to enable them to engage in a constructive way. Such support should include needs assessment and gap analyses, which are critical for a meaningful participation in the negotiations. It is critical for the engagement of the Caribbean countries in the initiative that they have the opportunity to assess their investment facilitation needs, and to assess what measures they really need to implement to attract and retain foreign direct investment (FDI).

Home countries obligations: The current IFF4D imposes obligations on host states but not on home states. There needs to be a rebalancing process, to include obligations on home states. Such obligations are still being discussed internally, but can include transparency of the incentives provided to outward investors. Home states may also be required to provide, upon request from a host country, an investor’s track record of sustainable investment (to the extent that this information is available to the home country).

During the roundtable it was suggested that, if more countries from the Caribbean would get involved in the negotiation process, they could be more influential.

III. Learning from recent developments regarding investment facilitation

During the roundtable, the following five lessons and trends from recent developments regarding investment agreements were outlined:

The shift: The importance of investment promotion and protection is reduced, and there is consensus on the need to focus on investment facilitation. The investment guiding principles that were adopted for the African Continental Free Trade Area (AfCFTA) Investment Protocol include investment facilitation measures as one of the top priorities.

The spirit: Another trend includes linkages between investment facilitation and cooperative measures. For example, the EU-China Comprehensive Agreement on Investment (CAI), the Regional Comprehensive Economic Partnership (RCEP) and the investment guiding principles for the AfCFTA all focus on investment cooperation, technical assistance and capacity building.

The scope: Investment facilitation primarily revolves around simplifying administrative procedures and ensuring transparency. ISDS is explicitly excluded from the IFF4D, which focuses instead on dispute prevention and alternative dispute mechanisms, such as mediation.

Sustainability: Recent investment agreements include linkages between investment facilitation and sustainability, such as in the CAI.

The space: Investment facilitation is a more appropriate tool to preserve policy space for states, as it allows for more flexibility regarding domestic regulation and laws in the implementation process. Africa has a bottom-up approach, which allows countries to implement their own policies.

IV. The potential welfare gains from an IFF4D

Governments do not seek to facilitate investment per se, but rather for the development benefits that investment provides, whether in the form of jobs, technology, upgrading, gender equality, environmental management, or social inclusion. Investment facilitation frameworks can help increase the sustainable development contribution of investment flows through certain measures. The pool of capital seeking to finance sustainable investment is growing, with capital earmarked for environmental, social and corporate governance investment estimated at over a trillion dollars.

Results from a DIE draft study on the potential welfare gains from different investment facilitation scenarios were introduced during the roundtable. The research is based on DIE's Investment Facilitation Index which, in its current stage, covers 86 economies. The study showed that developing countries with low levels of current investment facilitation practice would benefit most from the implementation of IFF4D proposals. The study further showed that, as greater investment facilitation commitments are taken, gains increase in terms of consumer welfare and gross domestic product impact, and that the lowest and middle-income countries can be expected to reap the highest gains. There are some spillover gains for non-participant countries that, however, are also lower than gains from membership in an IFF4D. The study indicates that Caribbean countries will benefit considerably if an IFF4D agreement were adopted and implemented.

Under the ITC/DIE project, and in collaboration with the WEF, an [*Inventory of Investment Facilitation Measures*](#) was produced. This *Inventory* includes measures that might be important to include in the IFF4D and in regional and national efforts. Importantly, the *Inventory* has chapters on measures that make a direct contribution to sustainable development, as well as on measures that can leverage new digital tools to facilitate investment. It also suggests that investment facilitation should cover both inward FDI and outward FDI, as the evidence shows that outward FDI can be an additional, complementary, channel for sustainable development. The *Inventory* provides example text that may be adopted to operationalize these measures.

V. The value added of an IFF4D for Caribbean countries

FDI is significant for the Caribbean countries, as a tool to increase productivity and employment, and contribute to economic growth. As a result of the COVID-19 pandemic and the related economic downturn, global flows of FDI fell by 42% in 2020. In Latin America and the Caribbean, the decline is estimated to have been even more, between 45% and 55%. Revitalizing investment flows is therefore a fundamental component of the recovery. In a context of uncertainty and declining FDI flows, investment facilitation may provide a boost in confidence and a practical solution for helping to revive the global economy.

With these objectives in mind, the significance of the IFF4D cannot be overstated. A successful outcome can contribute towards creating an enabling environment to facilitate FDI flows into productive activities. The Caribbean has always been an attractive destination for FDI, including because of its welcoming policies towards FDI, both financial and non-financial.

Many Caribbean economies have low corporate and income tax rates, but more could be done in terms of improving the regulatory environment. In the World Bank ranking of “ease of doing business”, no Caribbean country is in the top 50. It was mentioned during the roundtable that the IFF4D also needs to support measures that are already in place.

It was stated that the IFF4D can assist Caribbean countries with domestic reforms, focusing on sustainability, to meet national and international social development goals, help create a more enabling environment for investment and improve the investment climate. An IFF4D will also assist in establishing benchmarks for Caribbean countries’ level of investment facilitation.

In addition, an IFF4D can help establish partnerships between developed economies and developing economies, with the former helping to provide technical assistance and capacity building so that the latter can successfully implement the IFF4D. Partnerships can be established between investment authorities in different economies for knowledge sharing and peer-learning. Partnerships can also facilitate two-way investment. An IFF4D should therefore focus on supporting the development of partnerships between investment authorities for peer-learning and win-win two-way investment.

In addition, an added value in participating in the IFF4D negotiations is that participants can influence the final outcome of the agreement, which should include special and differential treatment, technical assistance and capacity building. Caribbean countries need to be in a position that they are shaping emerging multinational rules and not merely be takers of rules.

VI. Implementation of the IFF4D and learning from the WTO Trade Facilitation Agreement (TFA)

The experience with the WTO TFA provides a wealth of experience to build on with respect to investment facilitation. This includes providing for different levels of implementation capacity through self-designating members in terms of categories ‘A’, ‘B’, and ‘C’ and providing developing economies with customized levels of support. The experience from trade facilitation also indicates the importance of creating public-private mechanisms to help implement provisions.

In order to realize the gains of an IFF4D, public-private mechanisms of consultation and collaboration are important, so that investors’ needs can be understood. Such an understanding could lead to the implementation of measures that could have a real impact on investment decisions.

The TFA led to the creation of a Global Alliance for Trade Facilitation. The Global Alliance for Trade Facilitation currently has over a dozen projects around the world, soon scaling up to twenty. Reviews of these projects have found that they achieved significant gains in terms of time and cost saved to trade.

A similar alliance could support the implementation of an investment facilitation agreement.



Deutsches Institut für
Entwicklungspolitik



German Development
Institute



High-level Regional Roundtable on the WTO Investment Facilitation for Development Negotiations: Perspectives from Caribbean Economies

24 February 2021, 10:00am to 12:30pm (Barbados, GMT -4)

This high-level regional roundtable is co-organized by the International Trade Centre (ITC), the German Development Institute/Deutsches Institut für Entwicklungspolitik (DIE), the Shridath Ramphal Centre for International Trade Law, Policy and Services (SRC) of The University of the West Indies' Cave Hill Campus (The UWI Cave Hill) in Barbados, and the World Economic Forum (WEF), in the framework of the Investment Facilitation for Development project, jointly implemented by ITC and DIE. The roundtable will take place on 24 February 2021, from 10:00 am to 12:30pm (Barbados, GMT -4) time.

The roundtable is meant to offer a platform for strategic exchange on the WTO negotiations on investment facilitation for development among a selected group of high-level policy makers, government officials, private sector representatives and eminent academic scholars, focused on Caribbean economies. The event will provide an opportunity to reflect on the value-added of a WTO framework on investment facilitation for development. Such a reflection process will help participants to ensure that their countries' international engagement is in line with their sustainable development strategies and in line with their national and regional reform agendas.

Investment policy makers face a huge challenge to tackle declining flows of foreign direct investment (FDI) as a result of the COVID-19 pandemic. According to UNCTAD, global FDI contracted by 42% in 2020, compared to the previous year, and is expected to decline further in 2021. Caribbean economies experienced a contraction of 37%. The consequences of the pandemic necessitate a discussion of the kind of policies and frameworks that are needed to facilitate FDI, including investment that directly helps to promote sustainable development.

Negotiations on a distinct set of investment facilitation measures are moving forward rapidly in the WTO. Among the 106 WTO members participating in these negotiations, four are Caribbean Community (CARICOM) members, and two (Dominica and Grenada) have made a submission to the negotiations. Investment facilitation can be understood as a set of measures concerned, among other things, with improving the transparency and predictability of investment frameworks,

streamlining procedures related to foreign investors, and enhancing coordination and cooperation between different stakeholders.

Caribbean economies, to varying extents, have been implementing reforms at the national and regional levels to improve their business environment. The majority of the CARICOM Member States' international investment agreements, the majority of which are older-generation bilateral investment treaties, focus primarily on investment protection and liberalization and less so on investment promotion and facilitation. The investment provisions in some CARICOM trade agreements with third States, such as the CARIFORUM-EU Economic Partnership Agreement, the CARIFORUM-UK Economic Partnership Agreement and the cooperation agreements between Brazil-Guyana and Brazil-Suriname, contain more extensive investment facilitation provisions.

The roundtable will provide a brief background on the progress of the WTO negotiations on investment facilitation for development and provide a platform for an exchange of the views and the interests of CARICOM economies in these negotiations. The roundtable will focus on the value-added of a WTO Investment Facilitation Framework for Development for CARICOM, the main challenges and concerns that ought to be taken into consideration in these negotiations, especially as they relate to sustainable FDI and sustainable development.

The objective is to facilitate awareness raising, joint learning and capacity building among participants. The roundtable will be held under the Chatham House Rule to facilitate open and results-oriented discussions. A report will distil key policy recommendations from the discussions at the roundtable.

PROGRAMME

10:00 am	Opening addresses Neil Paul , Director, SRC UWI Pamela Coke-Hamilton , Executive Director, International Trade Centre Guest address: Yi Xiaozhun , Deputy Director General, World Trade Organization
10:25 am	1st Session: The state of play of the WTO Investment Facilitation Framework for Development (IFF4D)
Chair	Karl P. Sauvant , Resident Senior Fellow, Columbia University/Columbia Center on Sustainable Investment (CCSI)

Speakers

Mathias Francke, Ambassador of Chile to the WTO, Coordinator of the Structured Discussions on Investment Facilitation for Development – ***“The state of play of the WTO negotiations of an IFF4D”***

Joel Richards, Senior Technical Specialist, Trade Permanent Delegation of the OECS in Geneva - ***“What is the value-added of an IFF4D for Caribbean countries?”***

Zoryana Olekseyuk, Senior Researcher, German Development Institute / Deutsches Institut für Entwicklungspolitik (DIE) – ***“The economic impact of an IFF4D”***

Makane Moïse Mbengue, Professor and Director of the Department of Public International Law and International Organization at the Faculty of Law of the University of Geneva – ***“Learning from recent developments regarding investment facilitation”***

11:30am

2nd Session: Voices from the Caribbean countries on the importance of an agreement on investment facilitation at the WTO

Chair

Jan Yves Remy, Deputy Director, SRC UWI

Speakers

Hon. Ian Douglas, Minister of Trade, Commerce, Entrepreneurship, Innovation, Business and Export Development, Dominica

Hon. Sandra Husbands, Minister, Ministry of Foreign Trade, Barbados

Chantal Ononaiwu, Trade Policy & Legal Specialist, Office of Trade Negotiations, CARICOM Secretariat

Suzette Hudson, Senior Advisor, Investment Promotion Caribbean Export Development Agency

Carmel Haynes, Executive Director of the Barbados International Business Association

Matthew Stephenson, Policy and Community Lead, International Trade and Investment, World Economic Forum

Discussant

Alicia Nicholls, Trade Researcher, SRC UWI

12:15 pm

Concluding remarks

H.E. Ambassador Stephen Fevrier, Organisation of Eastern Caribbean States, Geneva Mission

Background materials

[Joint Ministerial Statement on Investment Facilitation for Development](#)

Balistreri, Edward J., Axel Berger and Zoryana Olekseyuk, “Economic Effects of an International Investment Facilitation Framework”, Briefing Paper 2020, Bonn: Germadding an Development Institute / Deutsches Institut für Entwicklungspolitik (DIE).

Karl P. Sauvant and Evan Gabor, “Advancing Sustainable Development by Facilitating Sustainable FDI, Promoting CSR, Designating Recognized Sustainable Investors, and Giving Home Countries a Role”, [available here](#).

Karl P. Sauvant, Matthew Stephenson, Khalil Hamdani, and Yardenne Kagan, “*An Inventory of Concrete Measures to Facilitate the Flow of Sustainable FDI: What? Why? How?*” (Geneva and Bonn: International Trade Centre and German Development Institute / Deutsches Institut für Entwicklungspolitik, November 2020), [available here](#).

Ahmed Omic and Matthew Stephenson, “What Can Governments Do to Facilitate Investment? Important measures identified through surveys” (World Association of Investment Promotion Agencies and World Economic Forum, December 2019), [available here](#).

“What have we learned in the framework of a project on Investment Facilitation for Development: A summary”, [available here](#).

Alicia Nicholls, “A WTO Investment Facilitation Agreement: What Added Value for the Caribbean?”. SRC Trading Thoughts Article, [available here](#).

Bios

Pamela Coke-Hamilton

Pamela Coke-Hamilton has served as Executive Director of the International Trade Centre since 1 October 2020. She joined ITC from the United Nations Conference on Trade and Development, where she was Director of the Division on International Trade and Commodities. She served with the Jamaican Government, the Caribbean Forum in trade negotiations, and multilateral institutions, including the Organization of American States and InterAmerican Development Bank. She previously served as Executive Director of the Caribbean Export Development Agency, strengthening the private sector and MSMEs through investment promotion. She holds a Juris Doctor in Law from the Georgetown University School of Law in Washington, DC.

Hon. Ian Douglas

Hon. Ian Douglas is Minister for Trade, Commerce, Entrepreneurship, Innovation, Business and Export Development, Dominica, from 2019. He served as Attorney General in 2005, as Minister for Tourism and Legal Affairs from 2007-2014, and as Minister of Trade, Energy and Employment from 2014-2019. He studied at the University of the West Indies, Cave Hill Campus in the faculty of Law and then went on to the Hugh Wooding Law School in Trinidad. He opened his private

Legal Practice and ran his private practice as an Attorney-at-Law from 2001-2005. He was a founding member of the Portsmouth Citizens Commission which developed the Portsmouth Development Plan, and is presently a founding member of the Joint Constituency Association.

Mathias Francke

Mathias Francke is Coordinator of the Structured Discussions on Investment Facilitation for Development and the 2019 APEC SOM Chair. Previously, he was Director General for Multilateral Economic Affairs, Director for Bilateral Economic Affairs, Chief of Cabinet, and senior advisor at the Chilean Vice Minister of Trade. As a Foreign Service officer since 1989, he was posted in the Chilean UK embassy (2014 to 2018), Chile's Permanent Mission to the WTO (2000 to 2005, and as Deputy Head of Mission from 2006 to 2010) and the Trade Office of the Chilean Embassy to the USA (1992 to 1996). He is a lawyer from the Catholic University of Chile and has a graduate degree from the School of Foreign Service at Georgetown University.

Carmel L. Haynes

Carmel Haynes is the Executive Director of BIBA, the Association for Global Business, in Barbados. BIBA represents over 140 member firms involved in international financial services, trade and logistics, management and corporate services. As the Executive Director of BIBA, she supports the President and Board of BIBA in delivering on the Association's mission to advance the global business sector in the interest of its members and the economic development of Barbados. Before returning to BIBA, where she previously held the role of Senior Executive, she was the regional representative for the Royal Institution of Chartered Surveyors (RICS) in the Caribbean and the Southeast USA.

Suzette Hudson

Suzette Hudson is the Senior Advisor of Investment Promotion at the Caribbean Export Development Agency. Her main responsibility is the management of the Secretariat for the Caribbean Association of Investment Promotion Agencies (CAIPA). Her work with CAIPA covers the development and execution of technical cooperation projects focused on business climate reform, capacity building for CAIPA members, the execution of investment promotion and trade missions and events and the provision of support for the institutional development of CAIPA. She holds a Master's degree in Development Economics and a Bachelor's degree in International Relations.

Hon. Sandra Husbands

Hon. Sandra Husbands, M.P. Minister in the Ministry of Foreign Affairs and Foreign Trade, Barbados, is responsible for the government's international trade policy which establishes and monitors the conditions and environment under which international trade takes place across the globe. She oversees the country's engagement and negotiations at the regional, bilateral and international level. More specifically, she is responsible for engagements at the level of the CARICOM Council for Trade and Economic Development (COTED), The Association of Caribbean States (ACS) Special Committee on Trade Development and External Economic Relation.

Makane Moïse Mbengue

Makane Moïse Mbengue is Professor and Director of the Department of Public International Law and International Organization at the Faculty of Law of the University of Geneva. He is also an Affiliated Professor at Sciences Po Paris (School of Law). He is the President of the African Society of International Law. He was the Lead Expert for the negotiations and drafting of the Pan-African Investment Code in the context of the African Union. He is involved in several investment negotiations across Africa. He acts as counsel in disputes before international courts and tribunals (in particular the International Court of Justice) and as arbitrator and expert in investment arbitration proceedings. He is the author of several publications in the field of international law.

Alicia Nicholls

Alicia Nicholls is an international trade policy specialist and currently part of the research team of the SRC where she focuses on investment law and policy, WTO reform and US-Caribbean trade and investment issues. In her personal capacity, she is a frequent writer for international business industry magazines and frequently presents at industry and academic conferences on issues affecting Caribbean international financial centres, tax, AML/CFT and investment migration programmes. She is an Advisory Board Member of the Caribbean-ASEAN Council, a member of the Caribbean Settlement Network Working Group and part of the Caribbean Chamber of Commerce in Europe (CCCE) Network of Experts.

Zoryana Olekseyuk

Zoryana Olekseyuk is a Senior Researcher at DIE. Her work focuses on economic integration/disintegration, trade, FDI, and investment facilitation, mainly with respect to developing and emerging economies. Being an experienced computable general equilibrium (CGE) modeler, she developed many innovative CGE models, e.g., incorporating data from heterogeneous firms and FDI in services. She has contributed to many international research projects and acts as a consultant for the World Bank. Her research is published in such journals as World Economy, Empirica, Review of Development Economics, Economic Modeling, and the Journal of International Trade and Economic Development.

Chantal Ononaiwu

Chantal Ononaiwu is the Trade Policy and Legal Specialist at the Caribbean Community (CARICOM) Secretariat's Office of Trade Negotiations, where she develops and provides advice on proposals for CARICOM's external trade negotiations and advises on other matters pertaining to international trade and investment. She has served as a negotiator for CARICOM in its external trade negotiations and has represented the Community in cases before the Caribbean Court of Justice.

Neil C.A. Paul

Neil C.A. Paul is the Director of SRC UWI. He possesses considerable experience from the grassroots to policy-making levels in the fields of communication and development applied in the disciplines of trade policy, agriculture and the environment. He holds an MPhil in Agriculture from the University of the West Indies, St. Augustine, Trinidad, and a Bachelor's degree in Agricultural Communications from the University of Illinois at Urbana. Champaign, USA. He was employed with

the Caribbean Export Development Agency (Carib Export) as Trade Policy Advisor, responsible for trade policy and services and has worked with the OECS Secretariat in the then Natural Resources Management Unit and with The Caribbean Regional Environmental Project.

Jan Yves Remy

Jan Yves Remy joined the Shridath Ramphal Centre for International Trade Law, Policy and Services (the SRC) as deputy director in August 2018. She is an international trade lawyer who, over the course of her 15-year career, has advised governments and private stakeholders on international trade matters with a focus on dispute settlement under the auspices of the World Trade Organization (WTO). Prior to joining the SRC, she worked for five years at the office of Sidley Austin LLP in Geneva, Switzerland, where she was a senior trade associate. She holds a Ph.D in issues arising under the Caribbean Court of Justice.

Joel K. Richards

Joel Richards is an international trade policy and private sector development professional with over 12 years of advising senior government officials and business executives within the Caribbean Community (CARICOM) bloc on issues relating to trade and competitiveness. He is currently a senior advisor to the Organisation of Eastern Caribbean States (OECS) Commission's Diplomatic Mission in Geneva where he represents OECS member states at the World Trade Organization and other relevant international bodies.

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>), participated in various events relating to it and currently assists 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.

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. Since 2017 he has been 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.