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Committee on Trade and Investment**Seventh session**

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Work of the secretariat and associated results and future focus pertaining to trade and investment under the subprogramme on trade, investment and innovation: work of the secretariat and associated results and priorities pertaining to trade and investment under the subprogramme**Work of the secretariat and associated results and priorities pertaining to trade and investment under the subprogramme on trade, investment and innovation****Note by the secretariat***Summary*

The present document contains an update on the activities and associated results of the secretariat related to the implementation of subprogramme 2 on trade, investment and innovation of the programme of work of the Economic and Social Commission for Asia and the Pacific since the sixth session of the Committee on Trade and Investment, which was held from 13 to 15 March 2019. It includes a summary of progress made on work focusing on (1) research and analysis; (2) technical assistance and capacity-building; and (3) regional cooperation and normative work. The summary reflects the adjustments to the modalities of work and the repurposing of resources necessitated by the circumstances surrounding the coronavirus disease (COVID-19) pandemic and the response to the pandemic. The document concludes with proposed priorities to accelerate the recovery from the COVID-19 crisis and achieve the Sustainable Development Goals.

The Committee may wish to review the work and results of the secretariat and provide guidance and direction on the further development of the subprogramme.

I. Introduction

1. The Economic and Social Commission for Asia and the Pacific (ESCAP) promotes regional cooperation for the implementation of the 2030 Agenda for Sustainable Development, including under subprogramme 2 on trade, investment and innovation. The objective of subprogramme 2 is to assist member States in harnessing trade, investment, innovation, technology and enterprise development for sustainable development and regional cooperation for shared prosperity.

* ESCAP/CTI/2021/L.1.

2. In 2019, in light of insufficient progress on the Sustainable Development Goals globally, the Secretary-General launched the decade of action for the Goals. Implementing the decade of action calls for accelerating sustainable solutions to the greatest global challenges, ranging from issues of poverty and gender to climate change, inequality and the financing gap.

3. The Asia-Pacific region was no exception to the global trend. Even before the outbreak of the coronavirus disease (COVID-19) pandemic, the region was not on track to achieve the Sustainable Development Goals. The contraction of trade and investment and the resulting loss of jobs that followed the onset of COVID-19 have highlighted not only existing vulnerabilities but also the urgent need to reduce vulnerability to future crises and build back better.

4. To support the member States, the secretariat functions in three main ways with regard to subprogramme 2: (a) as a provider of research and analysis for evidence-based policymaking and consensus-building; (b) as a provider of technical assistance and capacity-building to government officials and other stakeholders; and (c) as a convener of the region's Governments and other stakeholders to enable regional cooperation, dialogue and networking. A summary of the portfolio of products and activities associated with trade and investment is provided in the table.

Portfolio of products and activities under subprogramme 2 in the areas of trade and investment

	<i>Asia-Pacific Trade and Investment Report</i>	<i>Studies in Trade, Investment and Innovation</i>	<i>ESCAP Trade Insights and Working Paper series</i>	ESCAP-World Bank Trade Cost Database	Asia-Pacific Trade and Investment Agreements Database	United Nations Global Survey on Digital and Sustainable Trade Facilitation
Research, analysis and consensus building	Asia-Pacific Research and Training Network on Trade (ARTNeT)	Asia-Pacific Trade Facilitation Forum (in cooperation with the Asian Development Bank)	Asia-Pacific Business Forum	United Nations Network of Experts for Paperless Trade and Transport in Asia and the Pacific (UNNExT)	Initiative on Model Provisions for Trade in Times of Crisis and Pandemic in Regional and other Trade Agreements	Asia-Pacific Research and Training Network on Foreign Direct Investment platform
Technical assistance and capacity-building	Asia-Pacific Research and Training Network on Trade (ARTNeT) Empirical Trade Analysis Training	Trade Intelligence and Negotiation Adviser	Guides, workshops and masterclasses through the United Nations Network of Experts for Paperless Trade and Transport in Asia and the Pacific (UNNExT)	Handbooks on negotiating development-friendly trade and investment agreements; foreign direct investment policy handbook; small and medium-sized enterprises policy guidebook	United Nations Development Account projects	Catalysing Women's Entrepreneurship project

Regional cooperation mechanisms	Committee on Trade and Investment	Interim Intergovernmental Steering Group on Cross-border Paperless Trade Facilitation and Framework Agreement on Facilitation of Cross-border Paperless Trade in Asia and the Pacific	Asia-Pacific Trade Agreement	Regional Organizations Cooperation Mechanism for Trade Facilitation
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5. The present document contains an overview of activities conducted and results achieved by the secretariat with regard to the implementation of subprogramme 2 since the sixth session of the Committee on Trade and Investment, held from 13 to 15 March 2019.¹ It should be read together with the other pre-session documents prepared for the seventh session of Committee, which serve to illustrate the challenges that the economies in the Asia-Pacific region are facing in trade and investment in the context of the COVID-19 pandemic and beyond. Most of the activities conducted from March 2020 onward were redesigned to account for the new challenges associated with the pandemic, including the need to organize events online. The conclusion of the present document contains proposals to accelerate actions and scale up commitments and support for trade and investment in the context of sustainable development.

II. Progress in the implementation of work on trade, investment and innovation

A. Providing research and analysis for evidence-based policymaking

6. Evidence-based policymaking rests on the availability of high-quality quantitative and qualitative research. To this end, the secretariat has produced several studies on emerging and ongoing policy issues in the region. The secretariat has contributed to building reliable data sets and improving methodological approaches for applied research. While the focus has been on providing assistance for evidence-based policymaking to the countries with special needs, the secretariat has also responded to the needs of middle-income countries in the area of trade and investment.

7. Much of the research conducted since the sixth session of the Committee was motivated by several broad priority themes identified in the programme of work and by demands for technical assistance from member States:

- (a) Enhancing the resilience and sustainability of trade, investment and global and regional value chains during and after the COVID-19 crisis;
- (b) Understanding the impact of surging trade tensions among the major trading nations and the fallout for the economies in the region;
- (c) Understanding the scope and impact of non-tariff measures and their linkages to sustainable trade and investment;
- (d) Monitoring the evolution of the liberalization and facilitation of preferential trade and investment and regional integration, including under the Asia-Pacific Trade Agreement;
- (e) Supporting the expansion of digital trade;

¹ A note by the secretariat on its work on innovation (ESCAP/CICTSTI/2020/6) was submitted to the Committee on Information and Communications Technology, Science, Technology and Innovation at its third session, which was held on 19 and 20 August 2020.

- (f) Supporting sustainable trade and investment, including through the compilation and provision of new reliable data sets;
- (g) Understanding the effects of outward foreign direct investment (FDI) on the sustainable development of home economies.

8. Some of the secretariat's research outputs informed the forthcoming Asia-Pacific Trade and Investment Trends 2020/2021 series of reports, which are summarized in document ESCAP/CTI/2021/1. Other research outputs were disseminated through publications, reports and commentaries issued by the secretariat as well as partner institutions, such as the Department of Economic and Social Affairs of the Secretariat, the Asian Development Bank (ADB), the International Trade Centre (ITC) and the United Nations Conference on Trade and Development (UNCTAD). The full lists of publications and documents and of activities are available online (see annex).

9. In response to requests arising from the COVID-19 pandemic, the continuing need to make international trade simpler and more inclusive and the rise of digital trade, the secretariat deepened its analytical work on trade. In a joint study with ADB, entitled *Asia-Pacific Trade Facilitation Report*, ESCAP updated its estimates of the benefits associated with the full digital implementation of the World Trade Organization (WTO) Agreement on Trade Facilitation and cross-border paperless trade.

10. Significant efforts have been dedicated to novel research approaches and surveys to compile new data to measure and monitor the trade and investment performance of member States in areas including trade costs, trade facilitation and paperless trade measures, non-tariff measures, regional integration and the home country effects of outward FDI flows. Free access to databases and data sets is available through the Asia-Pacific Research and Training Network on Trade (ARTNeT) (<https://artnet.unescap.org>). Information on some of the databases is presented below.

11. Trade costs, including tariff and non-tariff components, significantly impair developing countries' expansion of trade and their integration into global and regional value chains. The ESCAP-World Bank Trade Cost Database was developed to assist in monitoring aggregate and bilateral trade costs. Regular updates to the database,² combined with trade facilitation indices based on data collected through the ESCAP-led United Nations Global Survey on Digital and Sustainable Trade Facilitation,³ are particularly useful to assess and monitor the extent and impacts of non-tariff measures and regulatory burdens for most of the ESCAP member States.

12. In the *Asia-Pacific Trade and Investment Report 2019* (published in October 2019), the results of research conducted in partnership with UNCTAD established a clear quantifiable link between non-tariff measures and the Sustainable Development Goals. On the basis of detailed case studies and private sector surveys conducted in collaboration with ITC, a series of policy options were also provided for least developed countries and other developing countries to minimize harmful effects of non-tariff measures.

² The most recent update includes data from 1995 to 2018 for more than 180 countries. In addition to maintaining the ESCAP-World Bank Trade Cost Database, ESCAP produced a trade cost forecast database for the years 2019 to 2024, based on data from the Economist Intelligence Unit, indicating a 7 per cent rise in trade costs in 2020 during the COVID-19 crisis.

³ See www.untfsurvey.org.

13. In light of increasing outward and intraregional FDI flows originating in developing ESCAP economies, a study was conducted.⁴ In it, 11 home country effects of outward foreign direct investment were identified and linked to the Sustainable Development Goals that would be rendered more achievable in the home countries as a result. Measures that could provide policy-level support for the sustainable development effects of outward FDI in home countries were also identified. As a follow-up, the secretariat, together with the World Economic Forum and King's College London, is currently expanding the menu of options that was presented in the publication into an in-depth policy toolkit on outward FDI. As the first of its kind, the policy toolkit will directly contribute to increasing the ability of member States to design and operationalize tailored policies to effectively leverage outward FDI for positive development outcomes, in line with their national sustainable development priorities.

14. In the area of regional integration, the secretariat has provided research and analysis to address the challenges of negotiating and successfully implementing preferential trade and investment agreements. In the context of the COVID-19 crisis, the secretariat is spearheading the global Initiative on Model Provisions for Trade in Times of Crisis and Pandemic in Regional and other Trade Agreements, in collaboration with UNCTAD, WTO and the other regional commissions. This work has resulted in an online repository of more than 60 written contributions co-authored by more than 200 researchers, in which authors propose alternative ways to make trade and investment governed by regional trade agreements more resilient to crises and emergencies and to better align trade and investment with the Sustainable Development Goals.⁵

15. In summary, 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 and investment policies, including with regard to building back better in the wake of the COVID-19 crisis. Going forward, research on trade and investment is expected to be increasingly focused on its role in supporting positive engagement in the fast-growing digital economy as well as on the continued mainstreaming of sustainable development into trade and investment policies. Accordingly, ESCAP and the Organization for Economic Cooperation and Development (OECD) have initiated a joint research project on digital trade regulatory integration in the Asia-Pacific region. In addition, the *Asia-Pacific Trade and Investment Report 2021*, to be prepared in collaboration with the United Nations Environment Programme (UNEP) and UNCTAD, will be focused on climate-smart trade and investment.

B. Providing technical assistance and capacity-building

16. The secretariat is also engaged in building the capacity and skills of those involved in making trade and investment policies, negotiating trade and investment agreements and implementing policy changes and reforms.

17. Technical assistance and capacity-building provided by the secretariat cover various topics, including liberalization at the multilateral, bilateral and plurilateral levels, but the common feature of the assistance and advisory services is that they are demand driven. The secretariat responded to government requests by delivering policy advisory services and targeted training activities in a number of areas as described below.

⁴ *Outward Foreign Direct Investment and Home Country Sustainable Development*, Studies in Trade, Investment and Innovation, No. 93 (United Nations publication, 2020).

⁵ ESCAP, "Initiative on model provisions for trade in times of crisis and pandemic in regional and other trade agreements", 13 May 2020.

18. The secretariat provided support on preparing and coordinating trade and investment policy reforms, preparing countries for trade and investment negotiations, assisting with policy implementation and evaluating the impacts of policies. For example, the secretariat has provided assistance to the Government of Bangladesh on the preparation of a feasibility study for a possible comprehensive economic partnership agreement with the Government of India. The support includes developing new analytical features for the online Trade Intelligence and Negotiation Adviser, which now enables users to calculate the potential impact on trade that could result from the loss of trade preferences when member States graduate from the category of least developed country.⁶ The secretariat also held a workshop on the Asia-Pacific Trade Agreement for representatives from Mongolia. In addition, it has rolled out online training programmes for trade researchers and policy analysts, including on how to use “R”, a free open-source programming language, for trade policy analysis.⁷ Training sessions and tools to facilitate the use of data on trade in value added for global value chain analysis were provided, in collaboration with ADB, and tools for measuring the sustainability of regional integration were developed under the United Nations Development Account.

19. In addition, the secretariat has provided support on managing non-tariff measures for sustainable development. In collaboration with UNCTAD and with support from ITC, WTO, the Eurasian Economic Commission and government agencies in host countries, ESCAP has organized a series of capacity-building activities and events on non-tariff measures regionally and in North and Central Asia and has collected primary data on non-tariff measures in three countries in the subregion. The secretariat was subsequently invited to share its expertise at five national workshops on non-tariff measures in South-East Asia, organized by the Economic Research Institute for ASEAN and East Asia and UNCTAD. A new online course on non-tariff measures and sustainable development was also released in 2020, based on earlier research studies conducted with UNCTAD.

20. The secretariat has also provided support in the form of capacity-building workshops on the implementation of trade facilitation and paperless trade measures including digital customs systems and national single window facilities. For example, ESCAP, ADB and the Government of India held the Asia-Pacific Trade Facilitation Forum 2019 as well as a series of capacity-building workshops attended by more than 200 experts and participants.⁸ In 2020, as COVID-19 spread through the region and the world, a virtual seven-week regional training workshop on trade facilitation for sustainable development was held in collaboration with the International Institute for Trade and Development of Thailand.⁹ Building on assistance provided to eight countries on conducting readiness assessments for cross-border paperless trade in 2019, an online system to guide and support national readiness assessments was established in cooperation with the WTO Enhanced Integrated Framework and the United Nations Commission on International Trade Law.¹⁰ The secretariat also supported the preparation of subregional studies on trade

⁶ <https://tina.negotiatetrade.org>.

⁷ ESCAP, “ESCAP online training on using R for trade analysis”, course description, 5 March 2020.

⁸ ESCAP, “Asia-Pacific Trade Facilitation Forum 2019”, event summary, 18 September 2019.

⁹ ESCAP, “ESCAP-ARTNET-ITD online course on trade facilitation for sustainable development”, course summary, 18 September 2020.

¹⁰ <https://readiness.digitalizetrade.org/>.

facilitation practices implemented in response to COVID-19¹¹ and the testing of an additional module on measures to facilitate trade during crises and pandemics for the United Nations Global Survey on Digital and Sustainable Trade Facilitation 2021.¹² These studies will inform upcoming regional meetings, where good practices and policy recommendations will be shared with regard to trade and transport connectivity for building back better in the wake of the pandemic.

21. Furthermore, the secretariat has provided support on promoting and facilitating FDI for sustainable development through national workshops for policymakers and officials involved in related activities in Timor-Leste, based on the *Handbook on Policies, Promotion and Facilitation of Foreign Direct Investment for Sustainable Development in Asia and the Pacific*.¹³ Capacity-building and South-South knowledge-sharing on FDI also took place at the annual meetings of the Asia-Pacific Foreign Direct Investment Network for Least Developed and Landlocked Developing Countries, which has been brought under the umbrella of the Asia-Pacific Research and Training Network on Foreign Direct Investment platform. The secretariat is also providing support in this regard by developing the above-mentioned policy toolkit on maximizing the sustainable development outcomes of outward FDI in home countries in collaboration with the World Economic Forum and King's College London.

22. In addition, the secretariat has provided support on catalysing women's entrepreneurship and improving access to finance for women entrepreneurs, including the following: technical support for the development of innovative financing mechanisms, including a women's livelihood bond, impact investment initiatives and an innovation fund focused on the development of digital finance solutions for women entrepreneurs; policy and regulatory training and technical assistance to financial policymakers and regulators; studies and workshops that serve to highlight trends and to advocate and encourage the advancement of women entrepreneurs and the innovative financing mechanisms that support them.

23. Lastly, the secretariat has provided assistance under a United Nations Development Account project on fostering inclusive and sustainable development through the increased participation of small and medium-sized enterprises in global value chains. Under the project, various country studies on small and medium-sized enterprises and sustainable investment indicators were commissioned. Two studies were completed in Kyrgyzstan, followed by a national workshop to formulate concrete policy recommendations in 2019.

24. Between April 2019 and October 2020, well over 1,000 trade and investment officials from the region benefited from the capacity-building activities delivered by ESCAP. Nearly 95 per cent of participants indicated that their capacity on the topic had increased after attending a capacity-building event. More than 100 participants in two e-learning courses, on business process analysis for trade facilitation and on using "R" programming for trade analysis,

¹¹ These studies have been issued as working papers for comments (see Jiangyan Fu, "Trade facilitation in times of pandemic: practices from the East and North-East Asia", Asia-Pacific Research and Training Network on Trade Working Paper, No. 196 (Bangkok, ESCAP, 2020); Yelena Vassilevskaya, "Trade facilitation in times of pandemic: practices from North and Central Asia", Working Paper, No. 197; and Prabir De, "Trade facilitation in times of pandemic: practices from South and South-West Asia", Working Paper, No. 198).

¹² The additional module was initially discussed at an expert group meeting and is being further developed and tested (see ESCAP, "Expert group meeting on trade facilitation in times of crisis and pandemic", 30 July 2020).

¹³ ST/ESCAP/2786.

successfully passed course tests and received online certificates. An additional 211 participants in the Policy Hackathon on Model Provisions for Trade in Times of Crisis and Pandemic in Regional and Other Trade Agreements, many of whom were junior trade specialists from developing countries in the region, also received certificates jointly issued by ESCAP and UNCTAD upon review and acceptance of the participants' written contributions for publication in a public online repository.

25. Looking ahead, the secretariat has started developing a handbook on model provisions for trade in times of crisis in regional trade agreements, building on the results of the research and Policy Hackathon conducted earlier in 2020. The handbook will be used to support training workshops planned as part of a United Nations Development Account project involving UNCTAD and the five regional commissions, which was launched in 2020 to help the Governments of developing countries to build resilience in trade, transport and logistics in the wake of COVID-19 including through regional cooperation and trade digitization. The secretariat is also finalizing courses on trade and sustainable development, in collaboration with relevant experts from academic institutions in Asia-Pacific developing countries, in a continuing effort to mainstream sustainable development into trade and investment policymaking. In addition, the second editions of the *Handbook on Policies, Promotion and Facilitation of Foreign Direct Investment for Sustainable Development in Asia and the Pacific* and the *Policy Guidebook for SME Development in Asia and the Pacific*¹⁴ are also being developed. Pending the availability of funding, most of these guides will be turned into freely accessible online courses.

C. Convening the region's Governments and other stakeholders to enable regional cooperation, dialogue and networking

1. Normative work

26. With respect to promoting regional cooperation in trade and investment, the secretariat has two specialized instruments in place: the Framework Agreement on Facilitation of Cross-border Paperless Trade in Asia and the Pacific and the Asia-Pacific Trade Agreement.

27. The Framework Agreement remains the most recent ESCAP treaty on trade and development. The objective of the Framework Agreement, adopted by the Commission in 2016, is to promote cross-border paperless trade by enabling the exchange and mutual recognition of trade-related data and documents in an electronic form and facilitating interoperability among national and subregional single window and other paperless trade systems. The Framework Agreement is now nearing entry into force, as the Governments of Azerbaijan, Bangladesh, the Islamic Republic of Iran and the Philippines have already acceded to or ratified it and the Government of China has completed its domestic ratification process. The secretariat, with generous funding from the Republic of Korea, has supported the operation of the Interim Intergovernmental Steering Group on Cross-border Paperless Trade Facilitation. The Steering Group and its associated Legal and Technical Working Groups are working on a road map and related guidance documents for the implementation of the Framework Agreement. The Steering Group comprises representatives from more than 25 member States at varying levels of development, all of which are encouraged to become a party to the Framework Agreement as soon as possible to maximize benefits to all. The Governments of Mongolia and Tajikistan are participating in an

¹⁴ United Nations publication, 2012.

accession/ratification accelerator programme launched by the secretariat in 2020 and open to all developing countries upon request.¹⁵

28. The Asia-Pacific Trade Agreement participating States continued their negotiations for the fifth round of liberalization through the Standing Committee and the designated working groups in trade facilitation, investment, services and rules of origin. On 29 September 2020, the Government of Mongolia deposited its instrument of accession with the secretariat and became the seventh member of the Asia-Pacific Trade Agreement.

2. Knowledge and practice networks

29. Knowledge and practice networks aim to enable representatives of Asia-Pacific countries to collaborate, exchange experiences and identify common challenges in the areas of trade, investment and sustainable development.

30. Two of the most mature ESCAP knowledge networks operate in the area of trade and investment: the Asia-Pacific Research and Training Network on Trade (ARTNeT) and the United Nations Network of Experts for Paperless Trade and Transport in Asia and the Pacific (UNNExT). Both were established to develop and share expertise on pressing regional challenges in the areas of trade policy, regional integration and trade facilitation in the context of pursuing sustainable development. They particularly focus on capacity development and research relevant to developing countries in the region and have attracted many members, associates and partners.

31. Since 2016, the Asia-Pacific Research and Training Network on Trade (ARTNeT) has been featured among the most influential regional think tank networks in the annual *Global Go To Think Tank Index Report* produced by the University of Pennsylvania in the United States of America. The Network continues to grow; at present, it has 76 member institutions in 24 economies of the region, 5 core partners, 12 associate partners and 8 collaborating institutions and networks. It currently reaches a community of close to 1,900 individual researchers and has published 26 books and reports on policy and more than 200 working papers. Through its capacity-building workshops, the Network has directly trained hundreds of researchers, and by making all training materials freely accessible on its website, it has contributed indirectly to the improvement of skills and knowledge of many more. More recently, in 2018, the Network expanded by establishing the Asia-Pacific Research and Training Network on Science, Technology and Innovation Policy.¹⁶ Its core partners, apart from ESCAP, include the Office of the National Higher Education, Science, Research and Innovation Policy Council of Thailand, the Science and Technology Policy Institute of the Republic of Korea, the Association of Pacific Rim Universities and Google.¹⁷

32. 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 economies in transition 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

¹⁵ ESCAP, “Accession/ratification accelerator programme for the Framework Agreement on Facilitation of Cross-Border Paperless Trade in Asia and the Pacific”, announcement, 20 July 2020.

¹⁶ See <https://artnet.unescap.org/sti>.

¹⁷ As this Network focuses on science, technology and innovation, its work is also reported through the Committee on Information and Communications Technology, Science, Technology and Innovation.

trade and other trade facilitation initiatives, including transit transport facilitation. Activities of the Network include the development of tools and guides, capacity-building, knowledge-sharing, regional advisory services, and research and analysis. The Network continues to achieve significant results. More than 430 experts in the Asia-Pacific region are currently registered in the database and more than 1,000 government officials and private sector stakeholders from developing countries, particularly from least developed countries and landlocked developing countries, have benefited from the Network's capacity-building activities since it was established. As of November 2019, almost 70 per cent of ESCAP member States were actively engaged in the development of single window systems for trade facilitation. Officials from more than 20 developing countries have participated in the masterclass on single window systems implementation, an intensive two-week programme co-organized with the World Customs Organization and the Korea Customs Service. The fifth masterclass is planned to be held in Cheon-an, Republic of Korea, in November 2021.

33. The Network supports the work mandated by the Commission in its resolutions 68/3 and 70/6 on enabling paperless trade and the cross-border recognition of electronic data and documents for inclusive and sustainable intraregional trade facilitation, by providing a ready pool of experts that member States and the secretariat can tap into to facilitate the implementation of the Framework Agreement on Facilitation of Cross-border Paperless Trade in Asia and the Pacific. For example, through the Network, the secretariat, in collaboration with the World Customs Organization, has already supported a Task Force on Cross-border Electronic Data Exchange for North-East Asia involving four countries in the subregion.

34. Since its establishment in 2011, the meetings of the Asia-Pacific Foreign Direct Investment Network for Least Developed and Landlocked Developing Countries, now part of the Asia-Pacific Research and Training Network on Foreign Direct Investment platform,¹⁸ have enabled sharing of knowledge and increased connections among policymakers and officials from investment promotion agencies, academia and international organizations. Meetings of the Network are often organized in collaboration with the World Economic Forum, UNCTAD and other partners. The 2019 meeting of the Network focused on outward FDI, home country effects and home country measures that Governments can put in place, such as institutions, policies and tools, to support the positive development outcomes of outward FDI. At the meeting, member States encouraged the secretariat to continue this work and develop the above-mentioned policy toolkit on policies for maximizing the sustainable development potential of outward FDI in home countries. Selected experts from the Network have also agreed to be part of an advisory body to help to guide and review the second edition of the *Handbook on Policies, Promotion and Facilitation of Foreign Direct Investment for Sustainable Development in Asia and the Pacific*, which is currently under development and scheduled to be published in 2021 under the title *Handbook on Foreign Direct Investment Policies, Promotion and Facilitation for Sustainable Development in Asia and the Pacific*. As part of the review process, a first expert group meeting was held on 12 November 2020.

35. In addition, through the ESCAP Sustainable Business Network, the secretariat is working to promote business engagement and leadership in implementing the 2030 Agenda and achieving the Sustainable Development Goals. The vision of the Network, which was born out of the earlier ESCAP Business Advisory Council and is governed by an Executive Council, is to grow

¹⁸ See <https://artnet.unescap.org/fdi>.

into a regional network of corporate sustainability leaders engaging with ESCAP to advance progress on the Goals through impactful initiatives and to inspire a race to the top to encourage companies to mainstream sustainability into their missions.

36. To that end, in May 2020, the Executive Council decided that Network membership would shift from the individual to the corporate level. It also decided that members would be required to become signatories of the United Nations Global Compact and perform annual reporting on the progress of their sustainability efforts. It further decided that task forces should be more time limited, focused on outcomes and closely linked to the work of the relevant subprogrammes of ESCAP.

37. In response, the secretariat has begun active outreach efforts to expand the Network to include large, sustainability-focused corporations from the region while striving for balanced regional representation. The ESCAP subprogrammes have also identified modalities for how the Network might be used by the private sector to achieve its objectives, including in key areas such as advancing climate action, reducing plastics, increasing sustainable finance and advancing the digital economy.

3. Regional forums

38. The Asia-Pacific Trade Facilitation Forum has been held every two years since 2009 by ESCAP in cooperation with ADB. Different countries have hosted the Forum, which has become the main open 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. It also promotes regional cooperation and coordination on aid for trade.

39. The Forum has achieved considerable success. More than 550 participants from more than 30 countries, including least developed countries and landlocked developing countries, benefited from the Forum's technical and capacity-building sessions which were held in Yogyakarta, Indonesia, in 2017 and New Delhi in 2019. In recent years, on average, 90 per cent of the participants reported that their knowledge of trade facilitation and paperless trade had increased as a result of their attendance. The forthcoming Forum in 2021 will be hosted by the Government of Singapore.

40. The Asia-Pacific Business Forum¹⁹ has evolved as an important annual event for dialogue between the public and private sectors on the role of business in achieving sustainable development. Organized in partnership with the ESCAP Sustainable Business Network, the Forum has attracted interest as the only region-wide forum addressing issues related to business and sustainability. In 2019, for the first time, the Forum was held in the Pacific, hosted by the Government of Papua New Guinea. In 2020, for the first time, the Forum was organized as a fully online event owing to the COVID-19 pandemic, and held on 30 October 2020 on the theme "The future of global value chains and implications for small and medium-sized enterprises".

41. Over the past few years, the secretariat has also collaborated with the United Nations Development Programme, the International Labour

¹⁹ The report on the fourteenth Asia-Pacific Business Forum, including a summary of recommendations, is available at www.unescap.org/sites/default/files/APBF%202018%20Report-FINAL.pdf.

Organization, the United Nations Children’s Fund, the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women), UNEP, OECD and other regional and global partners to organize an annual Responsible Business and Human Rights Forum. This multi-stakeholder Forum has convened representatives from business, government, academia and civil society to engage in dialogues on how to advance the responsible business and human rights agendas in the region. In 2020, for the first time, the Forum was held fully online owing to the COVID-19 pandemic, and it attracted more than 6,000 registered attendees who participated in three full days of discussions and one day of side events.

III. Conclusions and recommendations

42. The global and regional policy landscape for trade and investment is rapidly changing. Trade tensions among leading trading partners as well as the COVID-19 crisis have disrupted value chains and hubs and triggered the shift of production and supply nodes from established exporting locations to others, mainly in South-East Asia.²⁰ Through the subprogramme on trade, investment and innovation, the secretariat will continue to respond to the shifting priorities of member States in the area of trade and investment. In line with the focus on accelerating actions for the implementation of the 2030 Agenda, in particular the achievement of Sustainable Development Goals 8, 9 and 17 which are closely associated with the subprogramme, the secretariat proposes the following priority areas for consideration and appropriate action by the Committee:

(a) Promoting the development of digital trade and the digitization of trade procedures, such as paperless trade and e-commerce, through various modalities including the implementation of the Framework Agreement on Facilitation of Cross-border Paperless Trade in Asia and the Pacific, as part of the ESCAP response to the COVID-19 crisis;²¹

(b) Promoting sustainable intraregional trade through deepening and widening regional cooperation and integration mechanisms, including the Asia-Pacific Trade Agreement, to ensure that trade and trade procedures are inclusive and contribute to addressing climate change and other environmental challenges and to support effective cooperation in times of crisis and pandemic;

(c) Promoting responsible business conduct and voluntary business action in support of the 2030 Agenda as well as the identification of policies at the national and regional levels that strengthen linkages between trade and investment and selected Sustainable Development Goals, in particular Goals 8, 9 and 17;

(d) Promoting FDI and the development of small and medium-sized enterprises with a focus on policies and strategies for facilitating inward and outward FDI, rehabilitating and increasing the resilience of small and medium-sized enterprises and facilitating women’s entrepreneurship.

(e) Promoting stakeholder engagement through established regional cooperation forums, for example the Asia-Pacific Trade Facilitation Forum, the

²⁰ This issue is discussed at length in document ESCAP/CTI/2019/1, which contains a summary of the *Asia-Pacific Trade and Investment Report 2018*.

²¹ One of the three main streams of work of the ESCAP socioeconomic response to COVID-19 is restoring and building resilience in supply chains and supporting small and medium-sized enterprises (see ESCAP, “Socioeconomic response to COVID-19: ESCAP framework” (Bangkok, 2020)). Paperless trade and e-commerce are also highlighted as key opportunities for regional cooperation in ESCAP, “Regional road map for implementing the 2030 Agenda for Sustainable Development in Asia and the Pacific” (Bangkok, 2017).

Asia-Pacific Business Forum and other regional forums organized in collaboration with partners such as the Responsible Business and Human Rights Forum, as well as through knowledge and practitioner networks such as the Asia-Pacific Research and Training Network on Trade (ARTNeT), the United Nations Network of Experts for Paperless Trade and Transport in Asia and the Pacific (UNNExT), and the ESCAP Sustainable Business Network.

43. The secretariat will continue to work in these priority areas through three established modalities: (a) research and analysis for evidence-based policymaking; (b) technical assistance and capacity-building; and (c) regional cooperation and normative work. It will continue to pursue partnerships at the regional and global level, as appropriate, to forge synergies and avoid duplication. It will pursue these activities within the approved programme of work and budget for 2021 and the proposed programme of work for 2022, which is currently in draft form.

IV. Issues for consideration by the Committee

44. The Committee may wish to review and deliberate on the content of the present document and to consider the following issues in particular:

(a) The balanced role of the secretariat as a contributor of knowledge and research, a provider of technical assistance and capacity-building, and a convener of Governments to strengthen regional cooperation and provide a regional voice on trade and investment issues in the context of continued global uncertainties;

(b) The relevance of the specific priorities and implementation modalities identified above and whether any other priorities and/or modalities should be considered for inclusion in the future work of the secretariat in the area of trade and investment, including through financial and in-kind support for relevant projects from ESCAP member States.

Annex

Lists of publications, documents and activities since the sixth session of the Committee on Trade and Investment

1. Publications and documents

Available at
www.unescap.org/sites/default/files/Lists%20of%20publications%20and%20documents.pdf.

2. Activities

Available at www.unescap.org/sites/default/files/Lists%20of%20activities.pdf.
