This Regional Consultation is organized in response to a request from ESCAP’s Committee on Trade and Investment held in January 2021. The objective of the Regional Consultation is to strengthen capacity in the region to position the interests of developing countries, including least developed countries, through the multilateral trading regime, especially ahead of the 12th Ministerial Conference of the WTO. The regional consultation will provide a non-negotiating environment for stakeholders from Asia and the Pacific to exchange views and discuss prospects and priorities in the run-up to the conference. It will provide a platform to informally discuss, in a transparent and inclusive manner, the state of play on preparation of the WTO MC12 and its relevance for all developing and least developed countries, especially graduating least developed countries. Participation by Government officials, representatives of civil society and selected business representatives will facilitate capturing the current dynamics of negotiations and possible innovative options for reforming the global trade regime and accelerating progress towards the SDGs. The Regional Consultation will be held in English only.

**Objective**

The objective of the Regional Consultation is to strengthen capacity in the region to position the interests of developing countries, including least developed countries, through the multilateral trading regime, especially ahead of the 12th Ministerial Conference of the WTO.
Format and Participants

The Regional Consultation will be held from 07 to 09 September 2021 as a sequence of approx. 3-hour online sessions (using the Zoom platform) in English and without interpretation. The Regional Consultation will include short introduction of the issues by Government officials and/or experts from international organizations and think tanks to facilitate open discussion among the participants. Selected background materials relevant to the theme will be made available to participants in electronic format in advance of the event as possible. Participation by Government officials, representatives of civil society, and selected business representatives will seek to capture the current dynamics of negotiations and possible innovative options for reforming the global trade regime to be fit for purpose for accelerating progress for meeting the SDGs.

Capacity building segment on 10 Sep 2021

In addition to learning enabled through exchange of positions and views between Government officials, experts and other participants, this event includes a specialized learning session focused on application of newly developed tools and datasets helping decision-making for trade policy options such as the Trade Intelligence and Negotiation Advisor (TINA), Regional Integration and value Chain Analyzer (RIVA) as well as an information session on availability of online training in area of trade, trade facilitation and development.

Background Information on WTO MC12

The 12th Ministerial Conference of the World Trade Organization (WTO), its highest decision-making body, will meet from 30 November to 3 December 2021. While it is encouraging for the MC12 is that the WTO Secretariat is led for the first time by a woman, all eyes are on Dr. Ngozi Okonjo-Iweala to see how she will navigate what all know will be choppy waters of MC12. She has already raised the bar high for herself and the members by calling for at least three clear outcomes of the MC12- fisheries, agriculture, and health.

Every WTO Ministerial Conference is burdened with great expectations, but most, if not all, will agree that the MC12 outcomes are distinctly consequential in several dimensions:

1) A resolve to demonstrate the ability of trade and the global trade regime (including the institution behind it) to contribute to managing global crises positively. The MC12 will take place on the eve of the 2nd anniversary of the COVID-19 pandemic outbreak. The pandemic turned into multiple crises: health, social, economic, and developmental. Outside health, trade was an early victim of disrupted cross-border channels and lockdowns. If there were doubts, by now, plenty of evidence points to trade as a key element of health crisis mitigation, allowing for a distribution of essential goods and medicines around the globe. The role of trade (and trade-related policies) in getting through the last mile of the pandemic fight- the vaccines to people - is
only too apparent. So is the need for governments to start walking the talk concerning their transparency and other obligations under the current trade rules. If anything, the 2020 developments showed the value of transparency and monitoring (underpinned by international cooperation).

2) Strengthening the role of trade in sustainable development. The primacy of the multilateral trade governance and open trade development have been weaved into the design of the SDGs and international trade and investment were identified as the key means of implementation of the SDGs. While DDA is long forgotten, development has come front and center to the trade agenda not only in terms of scope but also in terms of process. WTO members' "joint statements" have expanded the conventional trade negotiations by allowing alternatives to multilateral coverage with "de-facto" plurilateral approaches; they also expanded negotiations in areas such as investment (facilitation), MSMEs, and opening a work program on trade and women’s economic empowerment. Central to the development is, of course, the reopening of the Environmental Goods Agreement and expanding it to include the environmental services trade.

3) Viability of the negotiating function of the WTO. The joint statements initiatives have proven the interest and capacity of most members to engage in negotiations new dimensions of commercial policy. However, there are core negotiating issues in the negotiating agenda of the WTO which need to be taken to the finish line, such as the fisheries (subsidies) and at least some items from agriculture (including the food security package).

4) Reform of the multilateral trading system and its dispute settlement mechanism. Members have supported reform for a variety of reasons, but all point to the fact that it has been a quarter of the century since the initial rulebook was agreed. It is perhaps more an issue of what is missing to make the system fit for purpose in the 21st century of the digital world than a need to change any of the key underlying principles such as special & differential treatment and decision-making by consensus. One of the crucial outcomes of the MC12 will be to agree on a direction of the reform in the regime's area of dispute settlement pillar.

Another challenge of the MC 12 is that the global trade environment has already been infected by many problems pre-pandemic. Despite the indisputable positive net effects of trade, lack of adequate social policies to support those adversely affected by openness to globalization has created a backlash against multilateralism, especially in some developed economies. Strong disagreements have emerged on how and even whether to “promote a universal, rule-based, open, non-discriminatory and equitable multilateral trading system under the WTO,” a target of Sustainable Development Goal 17. Since 2018, the situation has been worsened by growing unilateral protectionism to address (ineffectively) serious and worsening issues of inequalities and access to economic opportunities. The risks of trade wars have added to deepening policy
uncertainties and threatened regional and global economic growth and the achievement of the sustainable development goals, as ad-hoc trade policy decisions can lead to job displacements and other undesirable and largely unpredictable socio-economic impacts. The gaining momentum of nationalism will particularly affect Asia-Pacific region, which, throughout the past half-century, followed many industrialized economies in anchoring their development on the opening of their economies to international trade and investment and permitting mobility of people across borders. Moreover, in the region, the sluggish performance of the global economy and the faltering growth of international trade in goods as well as anemic flows of FDI ever since the global financial crisis in 2008/09 raised many concerns about this “export-led growth” and the trust in the roles of international trade and investment as the key means of implementation of the SDGs.