



**Asia-Pacific  
Economic Cooperation**

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**2022/SOM1/CTI/026**

Agenda Item: XI

## **Investment Experts' Group Convenor's Report**

Purpose: Information  
Submitted by: IEG Convenor



**First Committee on Trade and Investment  
Meeting  
18-22 February 2022**

## INVESTMENT EXPERTS' GROUP (IEG) CONVENOR'S SUMMARY REPORT TO CTI1 2022

### 1. How the forum's work contribute to CTI's objectives, including taking forward the [Aotearoa Plan of Action](#), as we pursue the [Putrajaya Vision 2040](#):

Please provide a brief list of the forum's work under each sub-heading.

#### a. Support for the Multilateral Trading System

- *"...Growth of international trade flows in the region become more stable and predictable including with increased coverage of WTO rules, through APEC members' effective and transparent implementation of existing and future commitments..."*

The IEG continues to support the multilateral trading system through discussions with external stakeholders such as the Organization for Economic Cooperation and Development (OECD), United Nations Conference on Trade and Development (UNCTAD), the World Economic Forum (WEF) as well as the World Bank on international investment agreements issues. This has paved the way for the investment policymakers of each APEC economy to take stock and utilize what they've learned from these discussions in their home economies.

#### b. Regional Economic Integration

- *"...APEC's trade and investment environment is free, open, fair, non-discriminatory, transparent and predictable..."*
- *"...further advance the Bogor Goals and economic integration in the region in a manner that is market-driven, including through the work on the Free Trade Area of the Asia-Pacific (FTAAP) agenda which contributes to high standard and comprehensive regional undertakings..."*

Investment is the foundation of economic activity and a prerequisite to innovation, growth of manufacturing and trade. The IEG produced the Non-Binding Investment Principles (NBIPs), which were endorsed by APEC Leaders in Jakarta in 1994. As a CTI sub-forum, the IEG has worked to enhance liberalization and facilitation of investment, as well as strengthen member economies' capacity building through economic and technical cooperation.

The APEC NBIPs demonstrates APEC's commitment to promoting investment and addressing challenges posed by a rapidly evolving business environment. The NBIPs, originally endorsed in 1994, were successfully revised in 2011. Considering the fluid investment landscape, the IEG is currently deliberating in revising principles under Investment Facilitation Action Plan (IFAP) which among the elements to support NBIPs.

#### c. Trade Facilitation and Connectivity

- *"...promote seamless connectivity, resilient supply chains and responsible business conduct, APEC economies will improve physical, institutional and people-to-people connectivity..."*

Since 2020, the IEG has incorporated Inclusive and Responsible Business and Investment (IRBI) as a standing agenda item. IRBI aims to help economies craft sustainable policies, and encourage shifting paradigms to facilitate investment in a rapidly changing landscape.

The IEG is actively informed on diverse aspects of IRBI, including Thailand’s Bio-Circular Green (BCG) Economy Model, OECD’s work on RBC and the WEF’s sustainable investment initiatives.

**d. Innovation and Digitalisation**

- *“...To empower all our people and businesses to participate and grow in an interconnected global economy, we will foster an enabling environment that is, among others, market-driven and supported by digital economy and innovation.”*
- *“...strengthen digital infrastructure, accelerate digital transformation, narrow the digital divide, as well as cooperate on facilitating the flow of data and strengthening consumer and business trust in digital transactions.”*

The IEG developed a Work Plan for the Next Generation Trade and Investment Issues (IEG Work Plan on NGeTIs), a multi-year document which was endorsed by both the IEG and CTI prior to the second IEG meeting 2017. The work plan allows IEG members to track the progress of the group’s work in examining the investment aspects of the existing and potential next-generation issues.

IEG members have been working on their selected topics based on existing modalities within APEC and kept consistent with their own priorities. Existing modalities include but are not limited to APEC-funded projects, self-funded projects, researching, publishing or sessions in IEG meetings—and reporting updates at every meeting in future. Under the work plan, members continue to pick up issues for review.

**e. Sustainable and Inclusive Growth**

- *“Advancing inclusive policies, including under the economic drivers of trade & investment, and innovation and digitalisation, to promote sustainable economic growth opportunities and improve quality of life...”*
- *“...develop, encourage and exchange best practice policies, and promote capacity building programmes, that address all environmental challenges - including climate change - and support sustainable growth, such as through trade, including APEC’s work on facilitation of trade in environmental goods and services”*

The APEC Strategy for Investment aims to promote increased investment flows throughout the APEC region. The strategy is implemented under three main pillars of:

- Advanced principles and practices
- Facilitation
- Promotion

Some of the activities under this strategy include analytical studies on investment practices, following up on the IFAP, public-private dialogues on investment, capacity building and information sharing, as well as cooperation with other international organizations.

**2. Forum Main Objectives/Deliverables expected for 2022**

*Please provide a brief list of the forum’s 2022 objectives and expected outcomes/deliverables.*

Bearing in mind the goal of economic development and prosperity of people across the APEC region, the objectives of the IEG are as follows:

- to undertake work related to investment and report its outcomes to the CTI;

- to address issues related to investment and to enhance the liberalization and facilitation of investment in the APEC region;
- to enhance investment-related capacity building through economic and technical cooperation among member economies in the APEC region; and
- to support investment promotion activities of member economies to facilitate investment flows in the region.

Based on these objectives, the IEG expects to reaffirm two principal pillars of its work as follows:

- international investment regime—principles and practices. This pillar looks at various investment issues and challenges from the perspective of international instruments such as International Investment Agreements (IIAs); and
- investment promotion, facilitation and retention, such as continuing the work on the IFAP, Investment Policy Dialogue (IPD), Investment Promotion Agency (IPA), best practice discussions and other crosscutting issues such as global value chains (GVC), public-private partnerships (PPP) and infrastructure.

### **3. Planned private sector engagement in 2022**

*Please provide a list of planned private sector engagement in 2022*

While there are no specific engagements planned, the IEG continued to involve the private sector in a variety of different undertakings, including in:

- Australia’s next phase of the APEC Investment Commitment Handbook, which provides an overview of the obligations contained in international investment treaties; and
- mitigating transient investment-related issues that may have been impacted by the pandemic, among others, to leverage on digital technology.

### **4. Planned cross-fora collaboration in 2022**

*Please provide a list of planned cross-fora collaboration in 2022*

The IEG has several cross-fora collaborations that were planned in 2022. However, this is contingent on the endorsement of a Concept Note that was initiated under the fora with respect to Realizing Inclusive and Responsible Business & Investment (IRBI) in APEC.

In this regard, among the aims of the project is to develop practical toolkits to foster dialogue and facilitate knowledge transfer on two levels: first, among the economies; and second, between the economies and the business community.

### **5. Main outcomes from most recent plenary meeting**

*Please provide in list format*

The First IEG Meeting in 2022 was held on 14 – 15 February, covering a broad range of issues. During this plenary meeting, the IEG:

- further deliberated on the current eight Investment Facilitation principles, and provisionally agreed to have an informal drafting group meet intersessionally to refine the draft text; and
- received relevant updates and state-of-plays on investment-related developments in various international platforms, including on:
  - UNCITRAL’s Investor-State Dispute Settlement (ISDS) reform discussions taking place in Working Group III;
  - the WTO Investment Facilitation negotiations;
  - WEF’s sustainable investment initiative and measures to facilitate sustainable FDI; and

- OECD on responsible business conduct (RBC), sustainable investment/FDI Qualities Policy Toolkit and Circular Economy.
- received updates on Economies' measures and approaches on Bio-Circular Green (BCG) Economy Model; and Green Finance and Sustainable Investing.

**6. Was quorum reached at the most recent plenary meeting?**

*Please advise how many economies participated in the most recent plenary meeting.*

Yes. The IEG1 was attended by delegates from 16 member economies and 4 guests: the World Economic Forum (WEF, a three-year guest, 2020-2022), the United Nations Commission on International Trade Law (UNCITRAL, a three-year guest, 2020-2022) the Organization for Economic Cooperation and Development (OECD), and the World Trade Organization (WTO).

**7. What is your Forum doing to maintain/increase its relevance to APEC member economies and increase participation from its members?**

*Please provide a brief list of planned efforts to increase participation from members*

IEG members have been working on their selected topics of interest based on existing modalities within APEC while keeping consistent with their own priorities. IEG will continue deliberating on the larger tasking statements, including to:

- undertake work and address issues related to investment and to enhance the liberalization and facilitation of investment in the APEC region;
- enhance capacity building in investment through economic and technical cooperation among member economies in the APEC region; and
- support investment promotion activities of member economies to facilitate investment flows in the region.

**8. Decision points needed from CTI**

The IEG seeks endorsement of the Convenor's Report.