

First Expert Group Workshop on Trade, Finance and Development
13-14 April 2015 – Geneva, Switzerland

Agenda

Location: Hotel Richemond, Geneva, Switzerland

Monday 13 April

09:00 – 09:20 Welcome Remarks and brief description of the E15 Initiative

Ricardo Meléndez-Ortiz (ICTSD)
Sean Doherty (World Economic Forum)

09:20 – 09:45 Introduction of the E15 Expert Group on Trade, Finance and Development

Harsha Vardhana Singh, Convener (ICTSD)
Prof Jean-Louis Arcand, Theme Leader (Graduate Institute, Geneva)

Group members and observers will be invited to briefly introduce themselves.

The session will recall the discussions at the scoping videoconference which were kicked-off by the concept note prepared by the Theme Leader. The Expert Group is expected to identify relevant and innovative policy tools and improve existing frameworks to leverage trade and finance for sustainable development.

9:45 – 11:00 Group overview paper: State of play

Presenter: Prof Jean-Louis Arcand, Theme Leader (Graduate Institute, Geneva)
Chair: Harsha Vardhana Singh, Convener (ICTSD)

Jean-Louis Arcand will present the overview paper which sets out the methodological approach to the key questions being investigated by the group and serves as the main basis for the group's discussion. The paper explains the complex interactions between trade, finance, and growth (development) in terms of three effects: (a) the direct effects of trade and finance on growth; (b) the indirect effects operating through mitigating adverse geographical factors (such as infrastructure finance or trade preferences); and (c) the indirect effects operating through institutions. The institutional approach underlies the analysis of the trade-finance-growth nexus.

Open discussion

11:00 – 11:15 Coffee break

11:15 – 12:15 Making development financing more conducive to sustainable development in LDCs

Presenter: Patrick Guillaumont (FERDI) – *Joining via videoconference*
Chair: Harsha Vardhana Singh, Convener (ICTSD)

This session discusses the major role of development finance in addressing the multidimensional vulnerabilities that challenge sustainable development in all its forms. While in most developing countries, this role is played by other types of development finance, including contra-cyclical finance, guarantees, support to regional integration, adaptation to climate change, etc., in poorer countries, it

remains primarily in the domain of ODA. The session, therefore, examines the evolving role of ODA – in not just promoting development, but in sustaining it too.

Open discussion

12:15 – 13:15 Post-2015 Development Agenda: Interlocking Trade and Finance in the LDCs

Presenter: Debapriya Bhattacharya (Centre for Policy Dialogue - CPD)

Chair: Prof Jean-Louis Arcand, Theme Leader (Graduate Institute, Geneva)

This session will critically examine whether the international donor community has followed up on its commitments since Monterrey (2002) and Doha (2008). A key question will be whether the global framework for financing development can support the Sustainable Development Goals (SDGs) by providing new and additional financing, with a focus on trade as one of the means of implementation. The session will provide some insights ahead of the 3rd International Conference on Financing for Development (July 2015).

Open Discussion

13:15 – 14:00 Lunch

14:00 – 14:30 The role of trade finance in trade flows

Presenter: Pol Antrás (Harvard University, co-convenor) – *Joining via videoconference*

Chair: Prof Jean-Louis Arcand, Theme Leader (Graduate Institute, Geneva)

The trade collapse of the last quarter of 2008 and early 2009 fuelled the debate about the role of trade finance in shaping trade flows in less developed economies. This session will provide a brief overview of some of the issues that have centered that debate, at least in academic circles, and will also provide an update of what we know about the trade finance market and its consequences for development. Finally this session will focus on theoretical and empirical issues with the hope to elicit a discussion on regulation issues.

14:30 – 15:30 Engaging the private sector to influence regulatory institutions

Presenter: Katrin Kuhlmann (New Markets Lab)

Chair: Prof Jean-Louis Arcand, Theme Leader (Graduate Institute, Geneva)

Regulatory frameworks in areas such as trade facilitation, SPS, TBT, and services can be part of broader economic regulatory systems, which when well designed and implemented, could be a potent source of growth, diversification and innovation in developing countries. This session discusses how these frameworks can be used as tools to enhance the regulatory process so as to increase broad-based opportunities for trade, investment and growth, and to strengthen developing countries' engagement with the multilateral trading system. In particular, the session will highlight how the private sector can be engaged in regulatory reform and will provide practical and relevant policy options for enabling economic development through (trade-related) institutional changes.

Open discussion

15:30 – 16:15 Special Session with Select Private Sector Representatives

– *Joining via videoconference*

Chair: Sean Doherty (World Economic Forum)

Select private sector representatives will join the workshop via an interactive web/video/telephone conferencing.

16:15 – 16:30 Coffee break

16:30 – 17:30 Trade preferences for development

Presenter: Kimberley Elliott (Center for Global Development)

Chair: Prof Jean-Louis Arcand, Theme Leader (Graduate Institute, Geneva)

The Bali Ministerial Conference reiterated the Hong Kong declaration, calling on developed countries that do not yet provide DFQF market access to improve coverage of their existing schemes. While a number of developing countries have come up with DFQF schemes of their own after Hong Kong, the US remains the most notable exception among major developed countries. Reviewing the gains from DFQF schemes, this session will discuss what it would take for the US to expand duty-free coverage to 97 percent of its tariff lines. The paper will consider both policy options as well as their economic and political feasibility.

Open Discussion

17:30 – 18:15 Impact of services on development

Presenter: Jane Drake-Brockman (International Trade Centre - ITC)

Chair: Harsha Vardhana Singh, Convener (ICTSD) - TBC

This session will articulate the transmission mechanism through which services trade, and specific service sectors such as financial services, affects economic growth and development – both directly (e.g. growth-enhancing effects of improved service delivery), and indirectly through institutions. The discussion will embrace a broader view of finance, and will focus on the role of domestic finance in supporting SME development.

Open discussion

19:15 Dinner – Hotel d’Angleterre

Tuesday 14 April

9:00 – 10:00 Prospects for Aid for Trade

Presenters: Frans Lammersen (OECD) and Christophe Bellmann (ICTSD) - TBC

Chair: Harsha Vardhana Singh, Convener (ICTSD)

The Aid for Trade initiative, launched in 2005/06, has weathered significant headwind, including the financial crisis, and has become an important factor in the global financial landscape. However, as donor-countries have come under increasing budget pressures at home, their support for Aid for Trade is waning while pressure for the initiative to show concrete results is mounting. At the same time, a number of developments have made the initiative even more important than ever before. Aid for Trade is one of the means of implementation of the SDGs. The recent WTO Trade Facilitation Agreement has also created expectations of a scaled-up initiative, as has the upcoming Global Financing for Development conference. Will the Aid for Trade initiative stand up to these expectations?

Open discussion

10:00 – 11:00 Group discussions on outstanding issues and next steps

Chair: Prof Jean-Louis Arcand, Theme Leader (Graduate Institute, Geneva)

The extensive final session of the meeting will allow participants to offer final comments and raise any outstanding issues. It will solicit feedback on what other issues should be focused on in the second round of think pieces to be commissioned after the meeting. Finally, the Theme Leader will summarize the main take-aways from the two days and briefly outline the next steps to prepare the group for the second expert group meeting in July 2015.

11:00 – 11:15 **Coffee break**

11:15 – 12:45 **Group discussions (continued)**

12:45 – 13:00 **Conclusion**

13:00 – 14:00 **Lunch**