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Multi-year Expert Meeting on Services, Development and Trade:
the Regulatory and Institutional Dimension

Second session

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Report of the Multi-year Expert Meeting on Services, Development and Trade: the Regulatory and Institutional Dimension on its second session

Held at the Palais des Nations, Geneva, from 17 to 19 March 2010

Contents

	<i>Page</i>
I. Chair's summary	2
A. Opening statements.....	2
B. Trends in infrastructure services and reforms.....	3
C. Key regulatory issues.....	5
D. Institutional arrangements	8
E. Financial services: the changing regulatory landscape and its implications for growth and development	10
F. Cooperative mechanisms for regulatory and institutional frameworks	13
G. Regulatory and institutional aspects in trade agreements	15
H. The way forward	18
II. Organizational matters.....	19
 <i>Annex</i>	
Attendance	20

I. Chair's summary

A. Opening statements

1. The Multi-year Expert Meeting on Services, Development and Trade: the Regulatory and Institutional Dimension was opened by the Deputy Secretary-General of UNCTAD, Mr. Petko Draganov. Mr. Draganov affirmed that infrastructure services, such as finance, energy, water, telecommunications and transportation, played a crucial role in supporting markets for other services, agriculture and industry. They formed the backbone of national economies, and were essential in accelerating social development and enhancing human welfare. Therefore, it was essential that they formed an important part of national and international development efforts, including those aimed at achieving the Millennium Development Goals.

2. Mr. Draganov stressed that many countries were concerned that the ongoing financial and economic crisis had slowed down progress in the infrastructure services sectors (ISS). Many governments had introduced economic stimulus measures emphasizing infrastructure development, renovation and upgrading, and adaptation, aimed at improving environmental sustainability, as part of their efforts to create jobs and to revive economic growth. Some of the measures were serving to maintain infrastructure services until such time as normal economic activity was restored in those sectors. It was important to explore ways of making the regulatory and institutional frameworks for ISS more resilient against failure in times of crisis.

3. Mr. Draganov emphasized that trade and investment agreements did not reduce countries' policy space to regulate effectively. In the Doha Round, therefore, it was important that the developing countries' progress over the past decade in advancing regulatory and institutional frameworks (RIFs) not be affected negatively. Mr. Draganov concluded that the expert meeting should proceed to identify practical solutions to meet key challenges.

4. The background note prepared for the meeting by the secretariat (TD/B/C.I/MEM.3/5) was introduced by the Officer-in-Charge of the UNCTAD Division on International Trade in Goods and Services, and Commodities, Ms. Mina Mashayekhi. She commented that progress in building solid ISS in developing countries – particularly in the least developed countries (LDCs) – remained variable and incomplete. Various ownership models involving state-owned enterprises, private firms, or combinations of both such as public-private partnerships (PPPs) had been tried, but with mixed outcomes. Governments assumed a particularly important function as an enabling and developmental state. Policymakers faced the challenge of establishing the policies and RIFs best suited to countries' local conditions and development imperatives, in order to safeguard fair competition, adequate investment levels, equitable pricing, universal access, quality services and consumer protection. Trade, industrial, services and macroeconomic policies needed to be carefully tuned in order to achieve the desired combination of goals associated with the development of ISS. In addition, significant amounts of time and of financial and human resources, technology and skills were required in designing and implementing adequate RIFs. Moreover, international regulatory cooperation would likely play an important role in supporting developing countries' efforts in this area. South-South cooperation and investment flows were on the rise and were crucial in light of the persisting and substantial infrastructure deficits in many developing countries.

5. Ms. Mashayekhi said that the financial market boom that had preceded the crisis, in a wave of privatization, deregulation and liberalization, had not been accompanied by adequate national and global regulation and market oversight. The regulatory failure had become manifest during the crisis, and the crisis had also challenged assumptions of rational and self-regulating markets. An “overhaul” of national and international financial-sector regulations aimed at bringing about a more stable financial sector was now on the policy agenda of major economies and international bodies.

6. Ms. Mashayekhi concluded that the building and maintaining of workable RIFs posed challenges for all governments, with LDCs facing particular constraints in human capital and financial resources. There was no single prescription for good regulation. Regular interaction and collaboration between services policymakers, regulators, trade negotiators and civil society could help to improve regulatory outcomes.

7. The findings of the UNCTAD Survey of Infrastructure Services Regulators – which had been addressed to all UNCTAD member States – were presented. The survey’s focus had been on questions pertaining to the regulator, on staff and staff development, and on financial resources, equipment and cooperation. The survey had demonstrated, inter alia, that there had been a clear increase in the number of independent regulators over time but with notable differences across sectors, that universal access policy was common in all countries, and that the main approach was universal access obligations, followed by universal service funds and consumer subsidies. Foreign operators were generally authorized to bring in their management and expert personnel from abroad on a temporary basis.

8. A number of country papers and/or case studies were submitted, notably from Azerbaijan, the Central African Republic, China, Ethiopia, Guatemala, India, the Islamic Republic of Iran, Jamaica, Kazakhstan, Kenya, the Lao People’s Democratic Republic, Madagascar, Serbia, South Africa, the United Arab Emirates and Yemen.

B. Trends in infrastructure services and reforms

9. Discussions focused on the evolution of RIF reform. Due to both the social and the economic characteristics of infrastructure services, governments had traditionally sought to control these sectors either by outright ownership, by exercising regulatory oversight, or by both. In order to meet the increasing demand for these services, many countries had undertaken reforms since the 1980s. The existence of or potential for competitive markets made possible both privatization and the introduction of competition in given segments of ISS. In the privatization process, governments tried to balance their short-term goal of maximizing revenues with the long-term goal of optimizing the viability of the particular sector. Research had shown that while private participation had appeared to have improved ISS performance, a more important determinant of a positive outcome was the type and quality of regulations and institutional capacities. Experts agreed that RIFs needed to be in place before privatization, because regulation corrected market failures; ensured profitability; implemented public policy objectives, notably universal access to essential services; established an appropriate economic environment; generated employment; and provided consumer protection. Governments were faced with the challenge of ensuring that these multiple – and in some cases conflicting – objectives were pursued simultaneously.

10. RIFs also allowed actors in the market to know the conditions under which services could be provided and consumed. There were a variety of infrastructure regulatory regimes, but two main models had been introduced by different countries, namely regulation by contract and regulation by rule. Governments had found that regulation by contract required that the government think ahead about all situations that may arise in the future, whereas investors had found that regulation by rule provided too much flexibility or discretion to regulators. Within these, there were varied institutional models that could be adopted. No matter which institutional model countries chose, it was particularly important that the regulator be legally able to make the decisions that it believed to be the best within the frameworks set by the law. Given the existence of cross-cutting policy, regulatory and institutional ISS issues, experience gained in one sector could usefully be applied to other sectors.

11. The telecommunications sector was an example of how regulatory reform promoted the development of the sector. The Deputy Secretary-General of the International Telecommunication Union (ITU) stated that the first wave of regulatory reform focusing on opening up the telecommunications sector to competition had promoted the advancement of the information and communications technology (ICT) sector with rapid technological changes. Independent telecommunications regulators had been established in 160 countries. As a result of reforms and technological developments, the majority of the world's population had access to telephony services, and the Millennium Development Goal in this regard had been already met. Nevertheless, there was still a big gap between developed countries on the one hand, and developing countries – especially LDCs and small, isolated island countries – on the other hand. ITU also stated that the sector had shown resilience in the wake of the global financial crisis, which could be attributed to the good policy and regulatory environment that countries had created. However, investors had become cautious, and in response, regulators were prioritizing incentives for investment and working closely with investment promotion agencies. Government stimulus packages were an opportunity for financing the modernization of infrastructure.

12. ITU pointed out that network convergence, which enables the convergence of services, was driving regulatory reform, leading to the second wave of regulatory reform. Infrastructure sharing, services-neutral and technology-neutral licences, and expanding universal access from fixed-line voice services to broadband were the main challenges of the second regulatory reform wave. Experts shared the view that policies, legislation and regulation should be dynamic, in order to accommodate technological changes, and that the related greening of relevant policy incentives and technical regulations was essential to promote more environmentally sustainable development trajectories against the backdrop of climate change.

13. The experience of the United Republic of Tanzania demonstrated how regulation adapted to the new technology of ICT could promote economic development and trade. As one of the pioneers in establishing a converged regulatory framework characterized to be service-neutral and technology-neutral, the United Republic of Tanzania had made remarkable achievements in delivering telecommunications services. Competition and universal access policies had led to the tele-penetration rate in the United Republic of Tanzania reaching 33 per cent in 2009, higher than in most African countries. Efforts were being made to turn the United Republic of Tanzania into a connecting hub in the East African region through submarine cables. Promoting effective competition, economic efficiency and the interests of consumers, and protecting the financial

viability of efficient suppliers and ensuring universal access to regulated services to all consumers – including low-income, rural and disadvantaged consumers – should be core duties of the regulatory authority. Challenges to ICT development included the availability of physical ICT infrastructure, the high cost of bandwidth, spectrum management, the expansion of ICT services to rural areas, affordable tariffs, and the availability of other infrastructure such as power and roads.

14. In the transport sector, where public supply had ceased to dominate and competition had been introduced, as the experience of Nepal had shown, efficient and effective transport links were important for the competitiveness of domestic supply and international trade. An integrated approach covering all modes of transport should be considered in developing the transport infrastructure. Bilateral and regional transport cooperation agreements were essential for helping LDCs to reach export markets more easily. Development partners and United Nations agencies including UNCTAD played an important role in assisting the development of ISS including transport and strengthening their linkages with other sectors, particularly tourism in LDCs.

C. Key regulatory issues

15. A major objective of infrastructure services regulators was balancing the multiple objectives of all stakeholders. To that end, regulators had to handle properly key issues, such as market structure and entry conditions, degrees of competitiveness, ownership rules, price and ratemaking methodology, services quality, and universal access to essential services. While many governments had resorted to privatization since the 1980s as remedy to the perceived problems of public provision, outright privatization without adequate RIFs often failed to yield the expected results. State-owned enterprises remained a valid option. Since state-owned enterprises were found frequently in developing countries, closer attention needed to be paid to them, and further research to examine the differences between regulating privately and publicly operated enterprises would be important. It was stressed that while bad regulation would likely lead to bad results, good regulation did not always assure good outcomes, as these could be trumped by numerous other variables, including macroeconomic difficulties.

16. With regard to public–private partnerships (PPPs), experts noted the lack of a clear definition, but stated that PPPs were found somewhere between traditional public procurement and full privatization. The expert from the Organization for Economic Cooperation and Development (OECD) drew attention to the study that the OECD had carried out on PPPs in 2008, which emphasized that PPPs were different from traditional public procurement only when a sufficient amount of risk had been transferred from the public sector to the private partner. Competition, including in the pre- and post-contract phases, was a key factor in ensuring effective transfer of risk. The distinguishing feature that determined whether or not PPPs were just a form of privatization was “partnership”. The objective of the private partner to maximize its profits could be aligned with the objective of the government to deliver efficient and effective services. This was done by the government specifying – usually in some detail – both the quantity and quality of the services it required, and by both parties agreeing upon the price of the services concerned when concluding the contract. In contrast, privatization involved no strict alignment of objectives, since it usually meant that the government was not involved in the output specification of the privatized entity. The reasons for creating PPPs tended to be strong –

including an ability by the private sector to deliver at a lower cost than the public sector, and the involvement of local governments. However, past experience had shown that PPPs were not necessarily always the only or the best option for public infrastructure and service needs.

17. The need was highlighted to create a knowledge centre in relevant ministries to advise and work with local governments in the choice and process of forming PPPs, including in the adoption of clearly delineated legal frameworks. This was especially important for developing countries in order to enable the public sector to defend its interests vis-à-vis the private sector. There was a need for political commitment, to champion projects, to reduce opposition, and to ensure completion of contracts through consecutive election cycles.

18. The meeting discussed the particular case of small-scale providers (SSPs) and what could be done to ensure that they were covered by regulation and that consumers were protected. It was noted that in certain countries there were many SSPs active in a given sector, so regulation of their activities was a real challenge. The approaches suggested included providing incentives for SSPs to join the formal economy, and for the regulator to distinguish what was essential in terms of regulation (e.g. water quality) and what could be left to the market (e.g. the pricing of services where competition between SSPs sufficed). In some areas, municipalities and grassroots organizations might be best placed to intervene in the regulation of ISS, rather than the national government.

19. On the interface between competition authorities and other regulatory authorities, the experience of Indonesia's Commission for the Supervision of Business Competition (KPPU) had shown that sufficient coordination between the two was necessary, in order to ensure coherence and to achieve improvements to infrastructure services. Competition authorities should intervene by harmonizing competition law and regulation governing the sector, eliminating barriers to fair interconnection among operators, ensuring alignment with competition standards, minimizing costs, assessing the feasibility of mergers and acquisitions, examining ownership issues, and signing memorandums of understanding to facilitate cooperation between competition authorities, regulatory agencies and the government. The memorandum of understanding could raise sector regulators' awareness of the existence of competition law and allow early involvement by the competition authority in the drafting of regulations to ensure compliance with the competition law. KPPU had also taken the initiative of monitoring implementation of the competition-related provisions after the regulations had entered into force.

20. It was pointed out that different price-regulatory mechanisms had been adopted for pricing regulation, such as rate of return, price cap and revenue cap. With rate of return regulation, prices were set to cover firms' capital and operating costs and an agreed "fair" return on their investment. For the regulated company, this method provided predictability and stability for future profit levels. For the regulator, the approach allowed it to attract investors, as returns were subject to less risk than those of an average firm. Rate of return regulation had been questioned on several grounds: it could create a negative public opinion of regulators, as regulated companies might seek to maintain high profits. In addition, it could underestimate capital depreciation, which was problematic in industries needing to adapt to exogenous technological progress.

21. With price cap regulation, prices for services were set upfront, and firms' returns varied according to the level of incurred capital and operating costs. This approach was used in industries that regularly needed to adapt to exogenous

technological changes, as it provided better incentives for capital replacement. It had proven effective in sectors where information asymmetry was prevalent between the regulator and the regulated. Price caps could promote cost reduction and productive efficiency, but rate reviews were considered necessary to ensure that those efforts were maintained during the whole period of the concession.

22. The more sophisticated “revenue cap” methodology put a ceiling on the revenue that the operator could obtain in a given period. Like the price cap, this methodology was also based on cost, but the revenue could be adjusted for end-use efficiency gains. The operator could make its profit by encouraging energy saving by consumers. Out of the three pricing options, revenue cap seemed the most attractive, as it promoted demand-side efficient use of utilities in response to the impact of climate change. No rule of thumb existed, however, as to which option would be more suitable for a particular country. In the context of developing countries, it was sometimes contended that the potential efficiency gains from end-users were insufficient to warrant the transaction costs of the revenue cap methodology. And yet the poorer countries were precisely the ones who could least afford wasteful energy consumption.

23. Experts shared the view that the regulator required some degree of flexibility, even though rigidity/predictability was preferred by investors. A balance between predictability and flexibility was considered crucial. In the case of a price regime, the predictability requirement implied that the regime should be transparent, with its basic methodology laid out in the law and made public, rather than related to the specificity of the price.

24. The meeting discussed the pricing of water services, which was considered to be a problem in many developing countries, where segments of the population may not be able to afford water services. This again brought to light the fact that regulation could not always be exported from developed- to developing-country contexts, because in developed countries, the main issue might, for example, have been to limit price rises, whereas in developing countries, the main challenge may, instead, have been to guarantee high enough prices to ensure sufficient quality of services. Differentiated prices, and subsidies targeted to the poorer segments of the population (preferably subsidies for connections, rather than subsidies for consumption) were two other options considered.

25. Universal access was a common policy objective that governments had tried to implement. In order to increase access in rural areas and for poor farmers, China had allowed private capital to enter the power-generation sector, and had increased the level of involvement by local governments in the management of the power sector in the 1980s. It also unbundled grid operation from power generation in 2002, in order to provide an incentive for stable investment in power generation by creating a level playing field between private and state-owned companies, and it connected rural areas to major power grids, including through projects to enable every village and every household to be connected. A new round of overhaul of the rural power grids across China was launched in 2010. In addition, the needs of rural areas were catered for through projects to promote alternative energy sources (thermal, hydro and solar energy) supplied independently of the major power grids to residents in remote regions. As a result, 99.9 per cent of the rural households had access to electricity, and the cost burden of electricity consumption on rural populations was reduced through the “same grid, same price” scheme, which allowed for equal pricing for urban and rural areas. In line with global efforts to mitigate the negative impacts of climate change, China had also adopted supply and demand measures aimed at encouraging energy savings by consumers and incentivizing power enterprises to become more energy-efficient (e.g. by using clean technologies).

26. A recent and innovative phenomenon observed in Africa, whereby money transfer services were provided through mobile phones, fell outside of the financial regulatory frameworks in many countries. At the international level, this issue had not been addressed from a prudential perspective, but it was being addressed from an anti-money laundering and an anti-terrorist perspective. The absence of data on such money transactions made the design and implementation of macroeconomic policies difficult. Given the huge amounts involved, an absence of regulation could become a systemic risk and cause financial instability. One expert suggested that, as in developed countries, telephone service providers should be linked to financial service providers, which in turn should be linked directly or indirectly to a central bank. Developing-country members of the G20 could introduce these and other key developing-country issues on the international agenda.

D. Institutional arrangements

27. The various institutional models for the regulation of infrastructure services included: (a) self-regulation; (b) regulation by contract; (c) regulation by agency; and (d) hybrid models. All the models reviewed had both advantages and shortcomings, so no single model could be applied to all countries. Self-regulation existed when companies themselves determined their own conditions (e.g. set their own tariffs). Self-regulation failed when these companies insufficiently took into account broader public objectives – leading to a need to transfer the regulatory function to other entities. Regulation by contract limited the cost of regulation, but as it was not possible to determine in advance all the situations that might arise during the contract period, this model was not well suited to countries with underdeveloped conflict-resolution institutions. Regulation by agency helped to concentrate human and financial resources and to ensure transparency in regulatory processes, but it was not appropriate for countries with limited resources, or where it was difficult to ensure independence from political authorities. Hybrid models were developed following the failures of models imported into developing countries. In hybrid models, certain regulatory functions were externalized so as to supplement internal capacities and reduce long-term costs. However, hybrid models were not appropriate where decisions required political inputs, or when the experts recruited lacked a long-term view of the country's challenges.

28. One expert presented the specific case of a multi-sector regulatory model, the Office of Utilities Regulation in Jamaica, which regulated telecommunications, electricity, water and transportation. The following factors were identified as the main advantages of a multi-sector regulatory model: (a) cost-effectiveness; (b) better use of scarce personnel; (c) facilitated cross-sector training; and (d) consistency with the trend of utilities services convergence. This model was considered to work well for small economies, given the size, scope and available resources of such economies, but it was also noted that the United States used this model at state level, while at the federal level, the single-sector regulatory model was used. One expert raised concerns about regulating the transport sector using the multi-sector regulatory model. In her view, there were some unique factors that applied to transport. The marginal pricing methodology, which was generally used for pricing energy and water, was not suitable for the transport sector. Therefore, inclusion of transport under the single multi-sectoral regulatory body could affect the long-term sustainability of the transport sector.

29. The critical elements of effective regulation included: (a) transparency; (b) consistency and predictability of decisions; (c) independence; and (d) credibility, legitimacy and accountability. In order to maintain transparency, important aspects were an open consultative system with stakeholders, with full disclosure of information, and sufficient information on decision-making processes. To achieve consistency and predictability, advance information for corporate planning purposes was seen as crucial, as was equal treatment of stakeholders. Independence from political processes and independence of funding were considered essential for the independence of the regulator. And finally, in order to attain credibility, legitimacy and accountability, the crucial elements were competency in decision-making, and the establishment of clear performance indicators and reporting.

30. With regard to regulation by contract, political interference was considered a particular challenge, due to the economic importance of the private companies negotiating with the government on one side, and the weak bargaining position of policymakers and regulators on the other side. In order to counter such a situation and end up with successful PPPs, the rules of the project needed to be clear and transparent from the beginning. Although policymakers were to retain control over the long-term policy objectives in given sectors, it was deemed essential for regulation to be based on economic considerations and for the role of regulators to be limited to implementing the principles determined by the policymakers.

31. It was stated that it might be more relevant for developing countries to look at the specific regulatory functions that needed to be fulfilled, rather than seeking to apply a ready-made model. In the case of water, the following main functions were identified: regulation of the natural monopoly, regulation of tariffs, quality control, regulation of competition, consumer protection, and protection of the environment. Specific tasks in relation to each of these functions included collecting information and data, monitoring the implementation of existing rules, setting and enforcing new rules and resolving conflicts. It was noted that more research was needed on tools for benchmarking performance, setting tariffs and limiting the discretion of the regulatory entity, and that a special focus was needed on sanitation regulations, which remained largely underdeveloped, particularly in developing countries.

32. The meeting discussed whether regulators were always in a position to monitor the activities of foreign services suppliers as effectively as those of domestic services suppliers. The examples of foreign investors active in the area of telecommunications, and policy concerns in terms of privacy and consumer protection laws, were raised. The experience of Singapore had been to put in place customer protection laws that prohibited telecommunications operators from selling information about their customers to marketing companies. In the rare cases where this prohibition had not been respected, the companies had been heavily sanctioned, so it was possible to manage these situations.

33. The meeting also discussed the measures that could be taken to make regulators more effective, such as increasing regulators' enforcement powers, ensuring sufficient salaries to retain qualified professionals, and establishing national regulatory databases. The availability of appeal procedures and dispute-settlement processes was considered by several experts to be essential for effective regulation. It was noted that a first review of an aggrieved party's petition by the regulator (before recourse to tribunals and courts) had the merit of allowing the regulator a second chance to consider a case thoroughly, and could avoid the lengthy delays associated with court processes. Experts agreed

on the importance for the regulator of having its decisions upheld by the courts, as a sign of its reliability and the quality of its decisions.

34. The experience of Madagascar in reforming its energy sector illustrated both an institutional component (with the establishment of the energy regulator) and a sector-development component (with the promotion of PPPs aimed at improving the quality and availability of services). An important question was raised regarding whether it was appropriate for the regulator to be in charge both of regulation and of industry development. Some experts believed that this could be seen as an advantage, as certain regulatory functions (e.g. setting tariffs, and providing incentives for the roll-out of certain services) could directly contribute to the development of the industry, as illustrated by the experience of Singapore, where the objective of the agency was not only to regulate but also to facilitate the development of competitive and high-quality telecommunications services. Another expert was of the view that caution may be needed in including sector development in the functions of the regulatory agency, because the decision as to what would be good for development was a political decision and not a function of a regulatory agency.

35. The experience of the telecommunications regulatory agency in Singapore showed that the regulator might need to distinguish between those areas where it must intervene, and those where market mechanisms may be sufficient. The main regulatory principles applied were: (a) reliance on market forces and the promotion of effective and sustainable competition through strong enforcement power established by legislation; (b) transparent decision-making processes; and (c) effective and speedy dispute-settlement mechanisms.

E. Financial services: the changing regulatory landscape and its implications for growth and development

36. The background note prepared by the UNCTAD secretariat for this meeting was said to have correctly analysed the context for financial sector reform. The sizeable rescue packages in developed countries clearly demonstrated that the financial sector problems were essentially problems of the developed economies, and that the reform proposals were addressing the problems of instability brought about by excessive deregulation. To that extent, the compulsion for reforms as a response to the crisis related directly to the developed countries, and indirectly to other countries.

37. There was a broadly held view that the magnitude of the economic and social implications of the crisis was such that it had led to a rethinking of mainstream economic policy thinking and of the orthodox paradigm (which had often been imposed on developing countries as a prerequisite for aid and loans, and participation in free trade agreements) that liberalization and deregulation of financial services was always the optimal choice. In the wake of the crisis, many countries that had deregulated their markets were now seeking to re-regulate, in order to restore more stable and robust financial markets.

38. It was pointed out that the financial sectors in developing countries had been less severely affected by the crisis, partly because they were less integrated into the global capital market, and also due to the fact that deregulation in those countries had not been carried forward to the same extent as in major developed countries, where the crisis had originated. The problem for developing countries during the current crisis was rather one of contagion through cross-border flows of capital and the cross-border presence of financial intermediaries, as well as

reductions in cross-border flows and the resulting drying-up and high cost of capital.

39. In this regard, the adequate and effective regulation of cross-border financial flows posed a particular challenge for developing countries – an issue assuming increasing prominence in the ongoing debate on financial sector regulatory reform. Cross-border movement of capital for the purposes of short-term, speculative, portfolio investment should be made subject to stricter control and regulation, particularly in developing countries, as such flows do not serve the real economy and could be a major factor in creating high levels of market volatility. The importance of a greater role for host-country regulation of cross-border capital flows was made clear. There had been a welcome change in the attitude towards capital controls – “capital account management”. The experience of India had shown that capital account management could be effective for weathering the crisis, especially when combined with prudential regulation of financial intermediaries. This pointed to the importance of adequate national regulatory autonomy and policy space for the host-country regulator. On the other hand, this could be challenging for developing countries, as it may be difficult for them to effectively regulate complex financial products and (often) powerful, foreign financial institutions (branches or subsidiaries) operating in their jurisdiction, and the complex international regulatory framework had put the developing-country regulators at a disadvantage. This was an area for further research, including by UNCTAD.

40. The empirical evidence about the benefits of many of the instruments of financial innovation was not positive. Even as the proposals for reform were being considered, a reasonable consensus was that the beneficial effects of these innovations should be demonstrable before they were permitted. There was merit for developing countries in being cautious, including by strengthening the regulation of such innovations, and by assessing their benefits over a considerable period of time before permitting them in their jurisdictions.

41. A general observation was that the globalization of finance had preceded the globalization of regulation. The globalization of regulation might be more complicated, and an agreement might have to be very broad in order to gain acceptance, but be too broad to be effective. There were inadequate global governance arrangements to enforce a global financial regulatory regime. If the problems of globalizing financial regulation remained to be addressed, it was logical to consider a recalibration of global finance to match an acceptable system of globalized financial regulation. Having recognized the risks of a premature globalization of finance, its rollback – similar to the rollback in deregulation in the financial sector – needed to be on the agenda for reforms.

42. The importance of international cooperation in regulation was highlighted. It was noteworthy that the agenda for financial sector reform in the G20 and the Financial Stability Forum were concentrating on the appropriate regulatory reforms essentially by taking account of the experience of the major developed countries, which had advocated the role of private banks and ignored state-owned banks. However, the Commission of Experts of the President of the United Nations General Assembly on Reforms of the International Monetary and Financial System (the Stiglitz Commission), and to some extent the Warwick Commission, had pointed to a larger dimension to the issue. The experience of countries where the financial sector was less affected – such as Australia and Canada – may offer important lessons. The experience of Asian countries – especially China and India – could be contrasted with that of some other countries, particularly in Eastern Europe. While reform proposals had to give priority to those countries which were systemically important for global finance,

it was useful to draw lessons from the experiences of other countries when considering regulatory regimes for global finance. Developing countries within the G20 should be integrating the concerns of developing countries as a whole. There could be merit to having separate standards, adapted to the needs of developing countries.

43. The basic objectives of financial regulation in the past were to ensure a level playing field in the market and the solvency of individual institutions. The scope of regulation in some countries was restricted to commercial banks, whereas regulatory regimes were soft on non-banking financial companies such as investment banks, and entities such as hedge funds were not regulated. The objectives were being redefined to include financial stability, which included elements of countercyclicality, cognizance of asset price movements, and a focus on the interests of depositors. The current reforms intended expanding the scope of regulation to include non-banks. This took into account the importance of deposit-taking activity, the capacity to create liquidity, and the criticality of the institution for systemic stability. It was also proposed to link the intensity of regulation to the nature of the functions being performed by the institutions and the relevance of those functions to stability, which was useful from a developing-country perspective.

44. In addition to microregulation, making the macroprudential framework work towards ensuring financial stability would be the key policy direction. How this would impact developing countries was a major policy issue. Countercyclical measures taken by developed countries were severely impacting smaller economies, and funds had been diverted from core economic sectors. The growing public debt in developed economies to manage the crisis could also give rise to serious, unprecedented situations and a set of totally new challenges. Their increasing public debt to GDP ratios would imply a manifold global increase in the global public debt that had to be financed by the somewhat integrated global financial markets. The resulting possible crowding-out of resources available for the private sector may impact developing countries significantly, given the excessive preference for developed economies accorded by the financial markets. The issue of the global impact of high public debt in developed countries – particularly when the level of savings of domestic households happened to be low – merited greater attention, including from the G20.

45. Different countries had different levels of economic, institutional and financial-market development. The impact of the global financial crisis and the related regulatory corrective actions needed to vary for each country. The question was therefore raised as to whether it would be appropriate to ask these countries to follow the same prescriptions that had been made to cure developed-country problems. The crisis had revealed the need to rethink the development paths prescribed to developing countries, including the role of state-owned banks, which seemed to provide more confidence to consumers in more fragile financial systems with higher volatility impacts.

46. There was no empirical evidence in the context of the current crisis that a particular regulatory structure had contributed to greater stability. There was, as yet, no agreement on the need to create a new institutional structure, and neither was there agreement on giving the mandate entirely to the central bank. In developing countries, central banks generally commanded greater credibility than other newly created institutions for regulation, and they had the technical expertise that other regulators lacked. In view of the importance of traditional commercial banking in developing countries, there was considerable merit in

formalizing a mandate for financial stability with the central bank, which should also be responsible for the regulation of banks and payment systems.

47. Several experts said that a distinction should be made between regulatory failure and a failure of the regulatory agencies. The current crisis had mainly been caused by lax implementation of the regulations that should have been applied. A key lesson from the global financial crisis was that there should be synchronization between the regulators' skills and the sophistication of the financial markets. While it could take years to improve the regulators' skills, new financial products could be on the financial markets overnight.

48. It was emphasized that the developmental component should be taken into account in designing financial regulation. The proposals under consideration for reforms were yet to analyse the adverse impact of excessive deregulation on both development and growth. For instance, some developing countries, including China and India, had been giving developmental orientation to the functioning of the financial sector, with demonstrably positive outcomes. It was also essential to recognize the importance of public policy in ensuring that the financial sector – and, in particular, the banking sector – covered a large part of the population. Policy and regulatory initiatives and incentives for financial inclusion were essential. It was suggested that UNCTAD could play an important role in undertaking research in this area.

49. Large-sized financial institutions were very likely to be systemically important. An institution or bank considering itself to be “too big to fail” could lead to a tendency to take extreme risks. It was doubtful whether prescribing additional capital would be enough of a disincentive from taking such risks. Therefore, there could be considerable advantage in developing countries prescribing a limit on the extent of an institution's share in the financial sector. It might also be necessary to consider prescribing a limit on the share of a foreign bank, as it was often the case that specific institutions had disproportionate shares of specific markets. For instance, in India, a few foreign banks accounted for about half of the foreign exchange market and about a quarter of the secondary market in government securities, which indicated some complexities in this regard.

50. The expert from the International Association for the Study of Insurance Economics stated that the new Solvency II regime adopted in the European Union was a reform at the forefront of the development of financial regulation, which acted as a key reference for insurance regulation, and heavily influenced local and regional regimes, as well as other countries. In his view, this was detrimental to industry profitability and to policyholders. It would have a disproportionate impact on poorer economies, where insurance uptake was cost-sensitive. Insurance accounted for more than 7 per cent of world GDP and 11 per cent of world assets. The industry had a unique understanding of risk mitigation and adaptation, and played an important role in developing new markets, assuring trade flows and protecting foreign investments.

F. Cooperative mechanisms for regulatory and institutional frameworks

51. Supporting the exchange of national experiences and know-how, cooperative mechanisms were important tools that helped countries – and particularly developing countries – to overcome regulatory resource and capacity constraints. Inter-agency collaboration, through regulatory agency networks, had become increasingly common in the twenty-first century. These

networks were voluntary and consensus-driven. They often lacked formal treaty status, and generally focused on technical issues such as information, enforcement and harmonization. Experts presented and discussed cooperative approaches for enhancing the quality and credibility of regulations and institutions, and for securing highly qualified professional staff that could manage knowledge- and information-intensive ISS regulations.

52. Several examples of cooperation were highlighted, including the cooperation between the Organization of Caribbean Utility Regulators and the University of Florida Public Utility Research Centre, which provided advanced training courses for regulators in the region; the cooperation between the Association of Water Regulatory Entities of the Americas and Universidad Argentina de la Empresa; and European Union networks linking the Florence School of Regulation with regulatory agency networks in Africa. Experts cautioned that good regulatory training should focus on exchanges of experiences, rather than importing approaches that had been used in other countries. They also stressed the importance of inter-agency cooperation, and of cooperation with academic institutions.

53. The expert from the African Forum for Utility Regulators (AFUR) noted the need for cooperation between regulators, for the progressive integration of regional markets, for public utilities management and for good governance. There could be two cooperative approaches: securing direct regulation of markets, or promoting regulation through cooperation among regulators in the same region. AFUR had taken the latter approach. Regulators shared information through AFUR's bulletins and activities reports; strengthened capacity through annual conferences on major topics, sectoral committees, workshops, harmonized policies and legislation; and promoted regulations through adoption of minimum quality-of-service standards in the fields of energy, communications, water and sanitation. AFUR worked closely with the African Union and subcontinental integration groups on regulatory issues, and with other sector-specific institutions such as the World Forum on Energy Regulation. AFUR had recently received support from GTZ to promote institutional capacity-building.

54. In the Gulf region, regulatory cooperation between emirates of the United Arab Emirates, and between member States of the Gulf Cooperation Council (GCC), was taking place. In the Emirate of Abu Dhabi, for example, the Regulation and Supervision Bureau was currently cooperating with other GCC regulators on the GCC inter-grid connection project. Cooperation had been advanced in the region thanks to its participation in the Arab Electricity Regulators' Forum, the Energy Regional Regulators' Association and the International Water Association.

55. The experience of Uganda highlighted the importance of cooperation for the provision of water services through PPPs at the local level in Ugandan towns. Local water authorities, established by a ministerial statutory instrument, with the responsibility to supply water in a particular town, appointed private operators to manage the day-to-day operations and maintenance of the water supply system, on a contractual basis. Revenue for private operators was generated through a management fee specified in the contracts. Experience had proved that Uganda's model of private participation in the management of water supply systems in small towns was significantly more effective and efficient than the earlier supply models managed by municipal authorities. Recently, in view of decreased financing of water infrastructure by the national Government, water authorities in many towns had lengthened the duration of contracts to private operators and introduced measures allowing them to invest in water

infrastructure facilities. This deeper form of cooperation with private firms, replacing the Government as the investor, revealed a promising “gradualist” approach to engaging and developing the particular capacities of local firms through PPPs in developing countries.

56. Kyrgyzstan’s experience in the energy sector illustrated the scope for regional cooperation in ISS. Given the differing endowments of the Central Asian countries in natural resources, not only was it considered opportune for them to consider moving towards developing a regional energy market and an intergovernmental agreement on the use of resources, it was also suggested that this could be accompanied by the development of a regional energy regulatory body.

57. Other forms of bilateral and multilateral cooperation were considered useful for promoting the effectiveness of regulatory agencies, including assistance provided by developed countries (e.g. funding a consultant to assist with the development of a regulatory agency at its inception). Cooperation could also be carried out through exchange programmes on a South–South basis, such as the twinning arrangement between Jamaica and the United Republic of Tanzania on utilities regulation. Another useful activity was the sharing of experiences and information with regulators in the same region or with international organizations, while peer reviews could provide motivation for the national regulator to improve its regulation quality and capabilities.

58. In the financial sector, with the aim of coordinating supervision efforts, members of the Central American Council of Superintendents of Banks, Insurance and Other Financial Institutions signed a multilateral memorandum of exchange and mutual cooperation and cross-border consolidated supervision, in September 2007. This instrument led to the formation of a liaison committee, which under the coordination of the Superintendency of Guatemala, implemented, as of January 2009, strategic actions that included exchanges of information and procedures for approval and monitoring, in order to exercise cross-border surveillance. Virtual meetings were regularly scheduled, so as to follow up on the main risks of regional financial conglomerates, with an emphasis on the evolution of liquidity.

59. It was pointed out by several experts that funding from development partners had played a very useful role in the course of cooperation between developed and developing countries, or in helping the regional cooperation mechanism to remain operational.

G. Regulatory and institutional aspects in trade agreements

60. The impact of trade and investment agreements – including the World Trade Organization (WTO) agreements – on domestic regulatory frameworks was discussed, as the inclusion of services in trade agreements had raised concerns of a potential conflict between the liberalization and regulation of services and the impact of trade rules on national regulatory autonomy. It was felt that when liberalization took place before services sectors were regulated, a country might end up with a regulatory vacuum, thereby hindering the development of services sectors and resulting in negative outcomes.

61. The WTO representative indicated that this did not mean that liberalization should be equated to deregulation, nor that the regulatory vacuum was created by the General Agreement on Trade in Services (GATS). He also suggested that there was a need for transparency-inspired, competition-enhancing institutional reforms to properly tackle and sequence the regulatory challenge.

62. There were different views on whether financial re-regulation in some developed countries was inconsistent with their WTO commitments, including their commitments on “standstill” and national treatment under the GATS and the Understanding on Commitments in Financial Services. Some experts underlined the broad scope of prudential carve-out provided for in the GATS Annex on Financial Services, which permitted WTO members to take practically any measure for prudential reasons (including bailout measures) in order to protect the integrity and stability of financial systems. The absence of any disputes in relation to the measures addressing the impacts of the current crisis was offered as proof that the prudential carve-out allowed countries to take the corrective actions that they deemed necessary. Other experts questioned whether those re-regulatory measures allowed some countries to avoid their commitments under the GATS. These experts were of the view that the GATS – but also free trade agreements relating to services and investment that developing countries had entered into with developed countries prior to the crisis – should be reviewed in light of the current crisis.

63. One specific mode of supply where liberalization commitments could play an important role in ISS was temporary movement of natural persons (mode 4), particularly the movement of professionals such as accountants, engineers and technicians.

64. Better management of this mode may remain a challenge as long as some national laws and regulations dealing with immigration and labour did not distinguish between mode 4 categories and the general pool of immigration. That lack of distinction, as well as a lack of commercially meaningful commitments, was causing a problem vis-à-vis efforts to treat mode 4 as a means of supplying a service and of furthering the liberalization of a broader range of categories of services suppliers in the current round of GATS negotiations. Non-recognition of the qualifications of services suppliers often rendered market access meaningless. In addition, it was stressed that domestic regulation and mode 4 – whether in WTO or in regional and bilateral contexts – also interfaced when it came to the issue of regulatory coherence and harmonization.

65. Mexico’s experience with its free trade agreements (FTAs) in relation to professional services illustrated how trade agreements could contribute to liberalizing the movement of categories of persons relevant for supplying infrastructure services. It also revealed that developing countries should encourage their professionals in various sectors to form strong national associations to express their interest in the FTA negotiations. For example, in the context of the North American Free Trade Agreement (NAFTA), the development of professional standards was delegated to professional associations, and the mutual recognition agreements that they might develop would then be presented to the Free Trade Commission. Mexico’s various agreements had demonstrated varying degrees of ambition in this respect (with the NAFTA agreement being the most ambitious, containing a separate annex on professional services; the FTA with Japan providing a lower level of access for professionals; and the agreements with the European Union and the European Free Trade Association providing for future negotiations).

66. The experience of the Caribbean Community (CARICOM) and its efforts at establishing a single market and economy were presented. The two principal challenges for the region were managing the creation of a Caribbean single market and economy, and putting in place the services regulatory framework. Services were identified as a key sector, as 65 per cent of the region’s GDP and 70 per cent of its employment originated from services. Moreover, most of the

CARICOM States had services trade surpluses, with tourism being the biggest contributor. The region was still debating whether to adopt international, regional or private standards for the various services sectors, including ISS. The overall objectives were to harmonize the regulatory frameworks of the CARICOM countries so as to reduce rent-seeking due to differentials in the regulatory processes, to reduce the costs of developing the Caribbean single market and economy, and to promote intraregional and extraregional trade. Attention was also devoted to identifying areas where regulation should be applied on a modal basis. With regard to mode 4, a decision was taken that all service providers would be considered as professionals (including barbers, hairdressers and taxi drivers), that there would be harmonized requirements and procedures for registration and licensing, and that all service providers would be requested to have a certain number of years of experience under the supervision of a qualified professional.

67. The experience of the economies of the Association of Southeast Asian Nations (ASEAN) was presented. Infrastructure services were considered vital to the integrated economy, as they were regarded as enablers of value-added services or vital factors in industrial production. They had also allowed some ASEAN economies to position themselves as regional centres in financial or telecommunication-enabled services. There was a clear social justice dimension in national development schemes with regard to ISS; obligatory universal access for telecommunications and water was often the case. The experiences of the ASEAN economies were mixed – with some success stories in financial services and telecommunications, for example, but problems in areas such as water and energy. So the region was carefully considering the pace and sequencing of further liberalization in essential services sectors, and was carrying out a comprehensive review of the existing regulatory regime in order to ensure the soundness and sustainability of the sectors, particularly those relating to sensitive infrastructure systems such as financial services and telecommunications.

68. One expert from the World Bank noted that the impact of trade agreements on ISS depended on the type of agreement, the types of regulatory provisions included therein, and the trading partners involved. Agreements between developing countries did not generally include regulatory issues, whereas agreements between developed and developing countries included certain provisions relating to certain sectors only (e.g. the financial and telecommunications sectors) where partners' trade interests were strong. It was difficult to compare NAFTA-type, GATS-type and EU-type agreements. The speaker suggested that general principles should be included (e.g. those already in the GATS and the Reference Paper on Basic Telecommunications), but not prescriptive provisions, because RIFs differed from country to country, and regulatory needs changed over time. Provisions should, however, represent the language that regulators use and the way that regulators think, in order to avoid creating a gap between regulatory and trade communities.

69. Regional and bilateral agreements had often made reference to the negotiations for future disciplines on domestic regulation in WTO, with a view to reviewing and possibly incorporating the WTO domestic regulation disciplines into those agreements. The delay in the negotiations had posed a systemic problem for those agreements; however, to negotiate specific domestic regulation provisions for every agreement could result in a corresponding spaghetti bowl of provisions in regional trade agreements. Some experts, however, questioned whether trade agreements were flexible enough to deal with new situations that might arise, and with paradigm shifts.

70. It was generally agreed that greater cooperation between trade ministries, regulatory bodies and other ministries (of telecommunications, energy, transport, finance etc.); and between these bodies and the judicial and legislative branches, was an essential part of achieving the right balance.

H. The way forward

71. Recognizing the valuable work that had been carried out since the first session of this multi-year expert meeting, the second session discussed the way forward and the next steps, including proposals for future work by UNCTAD.

72. Experts proposed that more research and analysis would be needed in the following areas:

- (a) Cross-cutting issues relevant to all infrastructure services sectors (e.g. addressing market failures, ensuring competition, promoting universal access), and opportunities for developing countries to expand their participation in the production and trade of infrastructure services, as well as the possible negative impact of the economic and financial crisis;
- (b) Coherence between regulation and trade liberalization (i.e. how to improve coherence, how trade rules impact on national regulatory autonomy, how to make regulatory and trade agendas mutually supportive, and what it means if there is no coherence between the two, particularly for development);
- (c) Case studies that would serve to identify successful and failed experiences, with a focus on why a particular model worked in a country, and that would identify potential areas of conflict between the privatization, liberalization and regulation of services;
- (d) National services policy reviews, including regulatory assessments, through collaboration with existing regulatory networks and with policymakers and other stakeholders;
- (e) The reviewing of best practices by infrastructure services regulators, and the possible preparation of a best practices toolkit, organized by sectors, from which developing countries could extract information applicable to their own country, and which would assist them in exploring different policy and regulatory options;
- (f) Identification of which countries or groups of countries share common issues and difficulties but are at different stages of development, so as to encourage the creation of cooperative arrangements and mutual assistance, including the funding of programmes of mutual exchanges, and peer review;
- (g) Financial and insurance services, with particular emphasis on developmental aspects;
- (h) Tools for benchmarking performance, setting tariffs, and limiting the discretion of the regulatory entity;
- (i) Further development of the UNCTAD survey of infrastructure services regulators, and collection and dissemination of data on ISS;
- (j) Surveying the regulatory provisions in bilateral, regional and plurilateral trade agreements; and

(k) Analysis of the trade and development implications of domestic regulation, and of possible GATS disciplines on domestic regulation, particularly for mode 4.

73. Experts suggested that UNCTAD could provide support to national and regional regulatory institutions and promote further exchanges and networking between them, with a view to enhancing inter-agency cooperation and cooperation with academic institutions. It was also suggested that transport and water supply might warrant more attention at the next session of the expert meeting.

74. Finally, experts suggested that UNCTAD would have an important role to play in providing technical assistance to policymakers and regulators on ISS.

II. Organizational matters

A. Election of officers

(Agenda item 1)

75. At its opening plenary meeting, the multi-year expert meeting elected the following officers:

Chair:	Mr. Chitsaka Chipaziwa (Zimbabwe)
Vice-Chair-cum-Rapporteur:	Ms. Judith Arrieta (Mexico)

B. Adoption of the agenda and organization of work

(Agenda item 2)

76. At its opening plenary, the multi-year expert meeting adopted the provisional agenda for the session (contained in TD/B/C.I/MEM.3/4). The agenda was thus as follows:

1. Election of officers
2. Adoption of the agenda and organization of work
3. Services, development and trade: the regulatory and institutional dimension
4. Adoption of the report of the meeting

C. Outcome of the session

77. At its opening plenary meeting on Wednesday, 17 March 2010, the multi-year expert meeting agreed that the Chair should summarize the discussions.

D. Adoption of the report

(Agenda item 4)

78. Also at its opening plenary meeting, the multi-year expert meeting authorized the Vice-Chair-cum-Rapporteur, under the authority of the Chair, to finalize the report after the conclusion of the meeting.

Annex

Attendance*

1. Representatives of the following States members of UNCTAD attended the expert meeting:

Algeria	Madagascar
Angola	Malaysia
Australia	Mexico
Azerbaijan	Myanmar
Benin	Nepal
Bhutan	Nigeria
Bolivia (Plurinational State of)	Oman
Brazil	Pakistan
Burkina Faso	Paraguay
Burundi	Peru
Cambodia	Philippines
Cameroon	Romania
Canada	Russian Federation
China	Saudi Arabia
Colombia	Serbia
Congo	Singapore
Cuba	South Africa
Dominican Republic	Spain
Ecuador	Sudan
France	Swaziland
Guatemala	Switzerland
Haiti	Syrian Arab Republic
India	Thailand
Indonesia	Trinidad and Tobago
Iran (Islamic Republic of)	Turkey
Iraq	Uganda
Italy	United Arab Emirates
Jamaica	United Kingdom of Great Britain and Northern Ireland
Jordan	United States of America
Kazakhstan	Venezuela (Bolivarian Republic of)
Kenya	Viet Nam
Kyrgyzstan	Yemen
Lao People's Democratic Republic	Zimbabwe
Lesotho	

2. The following observer was represented at the expert meeting:

Palestine

3. The following intergovernmental organizations were represented at the expert meeting:

African Union
Common Market for Eastern and Southern Africa
Economic Community of the Great Lakes Countries
European Union
International Services Trade Information Agency
South Centre

* For the list of participants, see TD/B/C.I/MEM.3/Inf.2.

4. The following United Nations organization was represented at the expert meeting:

International Trade Centre WTO/UNCTAD

5. The following specialized agencies or related organizations were represented at the expert meeting:

Food and Agriculture Organization of the United Nations
International Labour Office
International Telecommunication Union
World Trade Organization

6. The following non-governmental organizations were represented at the expert meeting:

Consumer Unity and Trust Society
Ingénieurs du monde
International Bar Association
Third World Network

7. The following panellists were invited to the expert meeting:

Ms. Ashley **Brown**, Executive Director of the Harvard Electricity Policy Group, Harvard University
Mr. Houlin **Zhao**, Deputy Secretary-General, International Telecommunication Union
Mr. John S. **Nkoma**, Director-General, Tanzania Communications Regulatory Authority, United Republic of Tanzania
Mr. Purushottam **Ojha**, Secretary of Ministry of Commerce and Supplies, Nepal
Mr. Stéphane **Jacobzone**, Senior Economist, Regulatory Policy Division, Public Governance and Territorial Development Directorate, Organization for Economic Cooperation and Development
Mr. Tresna P. **Soemardi**, Chair, Commission for the Supervision of Business Competition, Indonesia
Mr. **He** Gang, Director of Policy and Regulations Department, State Electricity Regulatory Commission, China
Mr. Kern **Alexander**, Research Fellow, University of Cambridge
Ms. Sophie **Trémolet**, Trémolet Consulting
Mr. Remi **Rabarivelo**, Director of Energy Planning, Ministry of Energy, Madagascar
Mr. Leong **Keng Thai**, Deputy Chief Executive, Infocomm Development Authority, Singapore
Mr. Ansord **Hewitt**, Secretary of Office, Office of Utilities Regulation, Jamaica
Mr. Ularbek **Mateyev**, President, Kyrgyzaltyn Management Consulting, Kyrgyzstan
Mr. Yaga Venugopal **Reddy**, Former Governor, Reserve Bank of India, Member of the Commission of Experts of the President of the United Nations General Assembly on Reforms of the International Monetary and Financial System
Mr. César **Marroquín Fernández**, Senior Adviser, Superintendent of Banks of the Central Bank, Guatemala
Mr. Patrick M. **Liedtke**, Secretary-General and Managing Director, International Association for the Study of Insurance Economics
Mr. Martin **Khor**, Executive Director, South Centre, Geneva
Ms. Myriam **van der Stichele**, Senior Researcher, Centre for Research on Multinational Corporations
Mr. Mark **Jamison**, Director, Public Utility Research Centre, University of Florida

Mr. Djamah Segui Honoré **Bogler**, Directeur des études juridiques, African Forum of Utility Regulators

Mr. George **Walusimbi Mpanga**, Executive Secretary, Uganda Services Exporters' Association, Uganda

Mr. Fernando **de Mateo**, Ambassador, Permanent Mission of Mexico to WTO

Mr. Hamid **Mamdouh**, Director, Division of Trade in Services, WTO

Mr. Maurice **Odle**, Economic Adviser to the Secretary-General of the Caribbean Community

Mr. Sebastine **Sáez**, Senior Trade Economist, World Bank

Mr. Jose Victor **Chan-Gonzaga**, Mission of the Philippines to WTO
