

M. Strengthening capacities in the ESCWA region to negotiate bilateral investment treaties

Economic and Social Commission for Western Asia, jointly with the United Nations Conference on Trade and Development (\$502,200)

Background

69. Several challenges remain in the key areas of the Monterrey Consensus most relevant for the ESCWA member countries, namely attracting FDI, promoting domestic financial resources, and sustainable debt management to finance development projects. In 2002, ESCWA, as part of assisting member countries in promoting FDI inflows, implemented a joint project with the United Nations Conference on Trade and Development (UNCTAD) to provide technical assistance to member countries in the area of compilation and reporting of FDI. As a result, eight member countries have established databases for FDI statistics based on internationally accepted methodologies. The establishment of FDI databases has enabled those countries to compile accurate foreign direct investment data and statistics for the policymaking based on common methodologies among ESCWA member countries to collect, compile, analyse and disseminate data on FDI. Furthermore, the established databases in member countries provide inputs to the UNCTAD World Investment Report on an annual basis.
70. In addition, ESCWA assisted member countries in formulating adequate FDI policies by preparing country studies on FDI policies in eight member countries. The studies analysed FDI policies adopted in those countries and provided a set of policy recommendations to the policymakers to assist them in formulating investment-friendly strategies and policies. As a result, several new policies and procedures have been undertaken by ESCWA member countries in recent years to attract FDI.
71. In the next step of technical assistance in the area of FDI, ESCWA is to assist member countries in strengthening their negotiation skills on bilateral investment agreements by organizing national training workshops to upgrade the skills of government officials from member countries in negotiating bilateral investment agreements. Those agreements have become one of the most important policy tools for the promotion and protection of FDI. Almost all countries have signed such agreements as part of their efforts to increase FDI inflows for development and to protect their investors abroad. These agreements provide legal protection and favourable treatment to investors and investments of the contracting parties by covering substantive issues such as expropriation, free transfer of funds, dispute settlement, standards of treatment and admission and establishment. The benefits of these agreements depend on the skills of the negotiating parties and their experience in formulating such agreements.
72. However, many countries, including ESCWA member countries, lack adequate technical skills and expertise to efficiently negotiate these agreements, which in turn reduces their economic reward. The project will assist ESCWA member countries to enhance their negotiating skills and techniques and provide a venue for the exchange of experience and expertise in the area of bilateral investment agreements designed to promote interregional and intraregional investment flows as well as integrating the Monterrey Consensus into their economic strategies and policies.

<p>Objective of the Organization: To strengthen the capacity of Governments in designing and negotiating bilateral investment treaties in ESCWA member countries and improve the negotiation skills of decision makers responsible for the finalization of bilateral investment treaties.</p>	<p>Summary budget (Thousands of United States dollars)</p> <table> <tr> <td>General temporary assistance</td> <td style="text-align: right;">50.0</td> </tr> <tr> <td>Consultants</td> <td style="text-align: right;">43.5</td> </tr> <tr> <td>Travel</td> <td style="text-align: right;">55.0</td> </tr> <tr> <td>Contractual services</td> <td style="text-align: right;">17.7</td> </tr> <tr> <td>Operating expenses</td> <td style="text-align: right;">6.0</td> </tr> <tr> <td>Study tours</td> <td style="text-align: right;">25.0</td> </tr> <tr> <td>Workshops</td> <td style="text-align: right;"><u>305.0</u></td> </tr> <tr> <td>Total</td> <td style="text-align: right;">502.2</td> </tr> </table>	General temporary assistance	50.0	Consultants	43.5	Travel	55.0	Contractual services	17.7	Operating expenses	6.0	Study tours	25.0	Workshops	<u>305.0</u>	Total	502.2
General temporary assistance	50.0																
Consultants	43.5																
Travel	55.0																
Contractual services	17.7																
Operating expenses	6.0																
Study tours	25.0																
Workshops	<u>305.0</u>																
Total	502.2																
<p>Relationship to the strategic framework for the period 2010-2011 and the Millennium Development Goals: ESCWA subprogramme 3 (Economic development and integration); Millennium Development Goal 8.</p>																	

Expected accomplishments of the Secretariat	Indicators of achievement
<p>(a) Improved the capacity of concerned government officials, particularly in the ministries of foreign affairs, justice, economy, investment and planning in designing and negotiating bilateral investment agreements</p>	<p>(a) (i) Increased number of government officials participating in the workshops on the negotiations of bilateral investment treaties</p> <p>(ii) Increased number of users of the web-based network established as part of the project</p>
<p>(b) Development of skills on how to apply those negotiated bilateral investment agreements for settlement of investment dispute</p>	<p>(b) Increased number of member countries negotiating investment agreements designed to promote interregional and intraregional investment flows</p>

Main activities

73. The main activities of the project will include:
- (a) Organizing eight training workshops for staff of different government agencies (investment, legal, foreign affairs, international cooperation and finance) to improve the technical capabilities of member countries in designing and negotiating bilateral investment treaties;
 - (b) Conducting one expert group meeting to provide a forum for member countries to share and exchange country experiences and to develop common procedures for conflict resolutions between foreign investors and the host country;
 - (c) Providing advisory service to strengthen national and regional institutions in dealing with conflict resolutions between countries involved in bilateral investment agreements;
 - (d) Establishing a platform (website) to promote the exchanges of expertise between different Governments to encourage the implementation of common procedures and standards among member countries in the area of FDI;
 - (e) Organizing intraregional study tour to create opportunities for government officials who are involved in designing and negotiating bilateral investment treaties to learn from best practices and to share their experience with others in the region.

M. Strengthening capacities in the ESCWA region to negotiate bilateral investment treaties		
Implementing entities: ESCWA with UNCTAD		Duration: 2011 – 2014
Objective: To strengthen the capacity of governments in designing and negotiating bilateral investment treaties in ESCWA member countries and improve the negotiation skills of decision makers responsible for the finalization of bilateral investment treaties.		
Summary budget (Thousands of United States dollars)	Detailed budget (US dollars)	
General temporary assistance	50.0	General Temporary Assistance Temporary assistance at the General Service level to assist in all aspects related to holding training workshops, the expert group meeting and the study tour (in support of activities (a), (b), (c) and (e)). (25 work months x \$2,000 per month)
Consultants	43.5	
Travel	55.0	
Contractual Services	17.7	
Operating expenses	6.0	
Study Tours	25.0	
Workshops	305.0	
Total	502.2	
		Consultants <u>(a) International consultants</u> International consultants for preparing training materials and holding workshops (in support of activities (a), (b) and (e)). (4 work months x \$6,000 per month) and (\$3,000 for consultant(s) travel)
		International consultant to conduct external evaluation for the project.
		<u>(b) National/Regional Consultant</u> National/Regional Consultant to design and set a website to promote the exchanges of expertise between different member countries (in support of activity (d)).
		Travel <u>International UN Staff</u> (10 missions) by international UN staff to organize eight training workshop, one expert group meeting and provide advisory service upon the request of member countries (in support of activities (a), (b), (c) and (d)). (\$2,500 per mission x 11 missions x 2 persons)
		Contractual Services Contractual Services in support of all activities (\$17,700)
		Operating expenses <u>Communications</u> (in support of activities (a), (b), (c), (d) and (e)).
		<u>Supplies</u> (in support of activities (a), (b), (c), (d) and (e)).
		Study Tours <u>Study Tours of government officials and experts in the countries of (Egypt, Yemen, Syria, Jordan, Saudi Arabia, UAE, Oman, Bahrain, Iraq, and Qatar)</u>

50 000

27 000

9 000

7 500

55 000

17 700

3 000

3 000

25 000

	<p>Regional study tours to strengthen the capacity of Investment Departments in ESCWA member countries (in support of (c), (d) and (e)). (\$2,500 per study tour x 10 study tours)</p> <p>Seminars and Workshops 8 workshops) in the country(s) of (Yemen, Iraq, Qatar, Saudi Arabia, Lebanon, Kuwait, Jordan, Sudan) (in support of activities (a) and (d)). (\$1,500 per participant x 20 participants x 8 workshops)</p> <p>One Expert Group to share and exchange country experiences in dealing with conflict resolutions between countries involved in bilateral investment agreements (in support of activities (b), (c), and (d)). (\$2,500 per participant x 26 participants)</p>	<p>240 000</p> <p>65 000</p>
--	--	------------------------------