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

Held at the Palais des Nations, Geneva, from 6 to 8 April 2011

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I. Chair's summary

A. Opening statements

1. The third session of the Multi-year Expert Meeting on Services, Development and Trade: the Regulatory and Institutional Dimension was opened by Mr. Supachai Panitchpakdi, Secretary-General of UNCTAD. He stressed that infrastructure service sectors (ISS) were instrumental in countries' economic and social development and an important component of their post-crisis recovery strategy. Several empirical studies had confirmed the positive correlation between efficient ISS and competitiveness, and higher income levels. ISS also had a strong impact on achievement of the Millennium Development Goals. Assuring the quality of regulatory and institutional frameworks (RIFs) had therefore become the locus of national efforts to improve ISS performance. Countries stood to benefit from useful lessons learnt in this area as illustrated by the recent financial regulatory reforms at national and international levels.

2. He concluded that the development of ISS had to be anchored in a comprehensive, integrated and coherent strategy of growth, development and trade, which required close coordination with complementary policies. Enhanced trade and regulatory cooperation, including through South-South efforts and exchange of national experiences and know-how, needed to be promoted for expanding investment and development in ISS. To improve regulatory and pro-development outcomes, multi-stakeholder interaction among policymakers, regulators, trade negotiators, civil society, and private sector would be instrumental. This meeting would contribute to the above goals.

3. In presenting the secretariat's background note (TD/B/C.I/MEM.3/8), Ms. Mina Mashayekhi, Officer-in-Charge of the UNCTAD Division on International Trade in Goods and Services, and Commodities, highlighted key lessons and issues relating to development of ISS and RIFs, with particular focus on financial services, energy and transport. They included (a) building coherence between RIFs and other policies including sectoral development planning, social, trade and investment policies, competition, consumer protection and environmental considerations; (b) maintaining legal, financial and administrative independence of regulators to ensure their credibility; (c) developing best-fit policies adapted to local circumstances with the State playing an important role; (d) establishing effective dispute settlement procedures to assure compliance, accountability and consumer protection; (e) ensuring clarity of roles between sector regulators and competition authorities to avoid duplication and conflicts; (f) continuously adapting regulation to market evolution, technological development, social and development concerns; and (g) maintaining necessary policy space in multilateral and regional trading agreements, permitting developing countries to adapt their regulations to changing circumstances given their underdeveloped domestic regulation.

4. The preliminary report of the UNCTAD second Survey of Infrastructure Services Regulators addressed to selected national ISS regulators of all UNCTAD member States was submitted for discussion. This survey focused on trade-related aspects of ISS and regulators' participation in regulatory activities at regional and international levels. The secretariat also submitted a compilation of selected country and regional case studies as well as the forthcoming publication on *Services, Development and Trade: the Regulatory and Institutional Dimension of Infrastructure Services* (UNCTAD/DITC/TNCD/2010/5). A number of sectoral country case studies were submitted (including from Australia, Central African Republic, Indonesia, Mali, Mexico and Turkey).

5. Experts commended UNCTAD for the background note with high quality and comprehensive analysis and for convening the meeting, which brought together various

stakeholders, increased awareness and clarified issues relating to ISS development and RIFs.

B. Key policy, regulatory and institutional issues

6. Accounting for 24 per cent of output, 13 per cent of employment and over 35 per cent of services exports globally in 2008, ISS had a strong impact on production, trade and competitiveness. Low cost and reliable services in communications, transport, financial services and energy supply facilitated producing competitive goods and services and enhanced trade. For ISS to contribute successfully to a country's economic and social development, RIFs had to be supportive.

7. An integrated approach to ISS development and regulation had become increasingly necessary due to key importance of ISS in the economy. One option was to create an advisory body such as the *Infrastructure Australia* for coordinating policies and regulations. *Infrastructure Australia* was a statutory body seeking to assist the government, investors and infrastructure owners in developing national infrastructure strategies, coordinating regulatory efforts and implementing policies in interrelated sectors e.g. water, energy, transport and communications. Its methodology in advancing these goals involved (a) identifying policy and physical infrastructure needs from the demand side by auditing existing infrastructure policies, gaps, investment needs and pricing schemes to ensure they were based on cost-benefit analysis and measured against performance indicators; (b) promoting more effective use of existing infrastructure by developing clear objectives, monitoring their fulfilment and establishing proper incentives; (c) promoting infrastructure investment through better regulation and a transparent and effective coordination and governance system seeking to avoid duplication and overlaps; (d) linking infrastructure development with productivity through project prioritization and strategic assessments on who benefited or not from infrastructure development and regulatory reform.

8. More recently, it was seeking to ensure that regulations provided the market with the right signals to changing technology. It proposed a new policy on developing and expanding the use of national broadband network (NBN) as an enabling technology to generate more efficient management of energy, water and transport services. NBN could help services providers and regulators generate efficiency gains, favouring the adoption of smart grids and meters for climate change mitigation, intelligent vehicles, dynamic toll systems and efficient water management technologies.

9. On internalizing ISS externalities, e.g. access by the poor or negative externalities on the environment, into regulation, some experts commented that these issues deserved adequate attention, though bringing in additional objectives was the main challenge for regulators since they should not be detracted from pursuing their role of promoting economic efficiency. Pursuing too diverse objectives could lead to a situation where no objectives were met.

10. A key requirement for successful regulators was adaptive leadership in fast-changing economic, social and technological environments. While stability and certainty were considered as key elements of regulators' credibility, regulators were also required to evolve with the economy. Many regulators considered they had a legitimate role in providing notions and ideas about change, because they had first-hand technical knowledge and hence were more able than policymakers to monitor changes and propose means for achieving policy objectives. The regulatory evolution in the telecommunication sector offered a good example. Adaptive regulation was a key factor in creating an enabling environment for investment and innovation spurring this sector's growth. The first wave of regulatory reforms started with the liberalization drive triggered in 1997 by the conclusion of the telecommunications agreement in the World Trade Organization

(WTO) and governments developed regulatory structures to create a pro-competitive environment, encourage investments, and promote universal access. In response to the rapid growth of mobile phones, countries introduced flexible licensing and innovative spectrum management practices along with adoption of international and regional practices and standards.

11. The development of broadband-based information and telecommunications services brought about a second wave of regulatory reforms. According to the International Telecommunication Union (ITU), a 10 per cent increase in broadband had led to 1.8 per cent GDP growth in developing countries, as broadband improved efficient use of resources in various production activities, created employment and allowed emergence of integrated services. Many countries had adopted policies and regulatory measures to promote broadband access, including (a) a flexible, non-discriminatory, technology-neutral and service-neutral licensing; (b) incentives for large and small operators; (c) optimizing spectrum management; (d) unbundling core and access networks; (e) infrastructure sharing; (f) encouraging public-private partnership; and (g) supporting small-scale development in rural areas.

12. Despite remarkable increase in provision of telecommunication services thanks to regulatory and technological evolutions, developing countries and least developed countries (LDCs) still faced great challenges in terms of these services' affordability and universal accessibility. The Central African Republic reformed its telecommunications sector in light of its development objectives, WTO commitments, the Economic Partnership Agreement negotiations with the European Union (EU), and the needs of consumers. The Economic and Monetary Community of Central Africa Regional and ITU contributed to this process. Despite significant progress in a number of areas, e.g. extension of the mobile telephony network, job creation, and improved access to the internet, a number of challenges remained, e.g. energy-related difficulties, insufficient investment in the fixed network and low penetration rates in the hinterland.

13. Investment gaps were significant in ISS. Over $1 trillion of investment was needed during the following decade to support continuous growth and poverty reduction goals. But not all infrastructure investments generated economic benefits. Good regulatory frameworks were necessary to help identify efficient projects via cost-benefit analysis. Several experts mentioned the unevenness in investment levels in different ISS, e.g. in respect of network expansion in the telecommunications and energy sectors, especially in developing countries. They pointed at important differences in the investment requirements of these sectors. In telecommunications, initial investment needed for setting the network and starting operations was lower than in energy. Telecommunications operations also became profitable earlier than energy services where the number of clients served by a particular network was more limited.

14. Public–private partnerships (PPPs) were considered to be viable alternatives to traditional government financing of infrastructure with transparent competitive bidding and the right contractual arrangement PPPs. They transferred risk to the private sector through bundling construction and operation of ISS-related projects, while the public sector bore demand–side risks. However, results were mixed, leading to caution about their use. In the absence of right incentives and contract arrangements PPPs may not be successful.

15. Governments could attract investment by introducing competition through vertically unbundling the competitive elements from the natural monopoly of ISS. This would decrease the incumbents' market power while allowing private investment in competitive sectors. Nevertheless, unbundling did not work in every sector, especially in sectors with economies of scale. For example, in the electricity sector, power generation and distribution separated from transmission could be open to competition. Regulation, however, was required to reap the benefits of competition. Moving from unregulated to

regulated third party access boosted investment by 5 per cent. Since investors based their investment decisions on regulatory practices due to high sunk costs, policy consistency of regulators helped build investor confidence by reducing regulatory risks and investment uncertainty.

16. Pricing was a key element of regulation as it strongly influenced investors' decision-making. Experts agreed that tariffs set by the regulators should send the right signals to attract investment while addressing consumers' interests. Too-low tariffs could work as an entry barrier for potential entrants. Especially when they were below actual cost, implementation was difficult, as in India's case. The State had to make up the deficit, resulting in billions of dollars in losses. In Peru, regulators only set tariffs where competition was absent or insufficient. For example, the telecommunication regulator decided tariffs for fixed telephony, but not for mobile telephony. To ensure level playing field between the incumbent and new entrants, the same interconnections fees for calls made in the fixed network applied to all market participants.

17. Many experts stressed that a regulator should be independent in order to be credible, efficient and effective. It was difficult to make decisions which went against the hierarchy. When regulators reported to a ministry, they could exercise independence if their duties were specifically stated in law. Experts agreed that independence per se was not sufficient to guarantee credibility. Budgetary separation from government and regulators' immunity from prosecution may strengthen independence. Governmental influence on regulators' budgets (e.g. capturing license fees for other purposes) could weaken regulators' power and credibility. Further, independence without qualified staff, adequate financial resources and rigor in economic analysis was of limited value.

18. Transparency was considered crucial in maintaining regulatory independence. Transparency and independence were not conflicting but fundamental to an effective regime. Since independence was necessary to ensure impartial regulatory decision-making, transparency in decision-making contributed to such independence. If the regulator was transparent by undertaking consultations with all stakeholders, publishing its pricing approach, explaining and publishing its decisions (e.g. on granting licenses or not), it lessened the possibility of regulatory capture by interests groups, including government. By providing such public access to information, the independence in regulatory decision making was opened to public scrutiny.

19. Relations between ISS regulations and competition were close and intricate. The clarity of roles and coherence between sector regulators and competition authorities would avoid duplication and conflicts and enhance implementation. Countries adopted various approaches in this regard. In order to minimize regulatory costs (i.e. compliance costs and risk of regulatory error), Australia established the Australian Competition and Consumer Commission (ACCC) with economy-wide responsibility for economic regulation in addition to competition law and consumer protection. It also established a number of sector-specific regulators responsible for technical regulation. Economy-wide benefits of this model included improvements in (a) providing coordinated regulation; (b) delivering consistency across sectors; (c) providing administrative savings by pooling skills and expertise; (d) reducing investor uncertainty and the need for regulatory intervention through learning economies; (e) promoting greater accountability; and (f) reducing the risk of industry capture.

20. This "one organization" model was largely based on the consideration that competition within the market was the best means of achieving the greatest welfare benefits. Nevertheless, it acknowledged that intervention in some markets was required to achieve the efficient use of resources before relying on market disciplines. Economic regulation, e.g. setting prices and other terms and conditions of access, sought to imitate competitive pressures in dependent markets. Had the functions of competition and economic regulation not been taken up by the same agency, the former could have been

lost or relegated to a secondary position by a regulator solely in charge of economic regulation.

21. In Peru, the roles of sector regulation and competition authorities in addressing disputes on consumer protection and firms' rights were clearly defined. Specialized administrative tribunals linked to the sectoral regulatory authorities were responsible for settling disputes on consumer protection in telecommunications, energy, transportation, portable water and sanitation services partially privatized over the previous two decades. In addition to handling competition policies, the National Institute for the Defense of Competition and Intellectual Property (INDECOPI) was in charge of consumer protection in other economic sectors, including the financial sector. Regulators' decision could be reviewed by arbitration, which was disputed by several regulators.

C. Regulation of energy and transport services

22. Energy and transport services were considered important inputs for ensuring the competitiveness of a country's production and trade of goods and services. Experts examined various aspects of RIFs in these sectors ranging from pricing methodology to regional cooperation.

23. Different pricing methods – i.e. rate of return, price cap and revenue cap – could be applied in energy services with different policy implications. The first two were volumetric-based methodologies whereas the third was not. While the former created incentives for increasing consumption as revenues were based on sales volume as well as disincentives for promoting energy efficiency, the latter removed incentives for increasing consumption as providers were rewarded for promoting consumers' efficient use of energy. It was, however, highlighted that regulators needed to consider the impact on risk allocation as the third methodology lowered the risk for energy suppliers. In order to apply this methodology of good knowledge of the cost structure and perceived revenues of service providers were required, but collecting information had proven to be difficult, particularly in developing countries and LDCs. The Malian electricity and water regulatory agency had to abandon this methodology because firms' responses to its questionnaires were insufficient. Experts shared the view that all pricing options were information-intensive with the revenue cap methodology being the most intensive one. Provision of information was considered as much an issue of willingness as of firms' capacity. In the absence of response from firms, the regulators could use assumptions which would give them incentive to respond. Further, firms could no longer avoid collecting and providing data once a regulator has institutionalised accounting standards. When an independent regulator exists, incentive price regulation increases infrastructure investment towards its optimal level.

24. Another issue relating to energy pricing was subsidies. Several key questions needed to be addressed in deciding on subsidization. The first and foremost question was what should be subsidized (e.g. a specific technology or a resource, for reasons of economic development or consumption of given services). Questions should also be asked as to whom, how, when and how long the subsidies should be granted. In addition, the competitive effects of subsidies (e.g. on incumbents or new entrants) should be addressed. More explicit and transparent subsidization allowed better analysis of the competitive effects on the economy and hence better decisions on subsidization.

25. It was stressed that subsidies were instrumental to address a great variety of needs in the economic, social and environmental realms. Subsidies would continue to exist even if they were banned by legislation, therefore policymakers and regulators should rather focus on how to effectively target and rationalize subsidization and avoid rent seeking behaviour. Their effects should be continuously assessed and their duration limited. However, altering subsidy programmes was often difficult. Several cases in Latin

America were cited where governments' decisions to suspend subsidies (e.g. those linked to petrol consumption) provoked popular uprising, which often led to a reversal of governments' decisions.

26. Several experts emphasized that subsidies had to be targeted to given beneficiaries. They could be specific groups among the population (e.g. low-income groups, rural population) for consumption subsidies or specific industry segments for production subsidies. Subsidy programmes would not be viable without proper targeting. For example, a subsidy targeting rural population could end up benefiting middle and high-income population as not all people living in rural areas were poor.

27. Universal access to electricity was a big challenge in developing countries and LDCs. In order to address this issue, Mali created an Agency for the Development of Domestic Energy and Rural Electrification (AMENDER) aimed at expanding electricity supply in rural areas and suburbs. The agency had competence to (a) promote rural electrification, which was a priority of Mali's electricity development strategy; (b) facilitate coordination among agencies at all levels; (c) provide technical assistance in project development and management; and (d) monitor the full implementation of rural investments. The support provided by AMENDER could cover 60–80 per cent of project development and investment costs. Small-scale independent energy producers were encouraged to operate in rural areas.

28. Attracting investment into the electricity sector was especially difficult because the expected rate of return on investment tended to be rather low, and subject to more risks and delays relative to other sectors, e.g. telecommunications. Lack of financial resources had become a major stumbling block in LDCs for energy development in addition to lack of a sound technological base. Countries had taken regulatory and institutional measures to attract investment. Mali adopted an electricity development strategy aimed at exploiting its large potential for hydroelectric and solar energy generation while connecting its national network with those of neighbouring countries in a regional cooperation framework. The main goals were long-term viability, productive and allocative efficiency, equity, and environment protection, the fulfilment of which required huge investment. Mali was striving to overcome chronic financial constraints including through clarifying and strengthening its regulatory, contractual and fiscal norms. As a result of market-oriented reforms that de-monopolized and substantially liberalized the energy sector, the current energy regime followed the principle of public-private cooperation under the supervision of a multisectoral agency regulating electricity and water. Both concession and authorization regimes are applied. The former, which implied a lower degree of regulation, only applied to smaller energy producers. Tariffs were based on the cost recovery principle, allowing for an adequate profit rate.

29. Regulatory quality matters more than ownership in sustaining investment and State–owned enterprises (SOEs) could play a useful role as the Brazilian experience in oil and gas had shown. Being a vertically integrated SOE in extraction, production and refining under the supervision of the Ministry of Energy and Industry, Petrobras made important advances in petrochemical production, offshore technology development and construction of hydroelectric facilities in the 1970s. It also created Brazil's first ethanol programme. In the 1980s its monopoly ended and some activities such as petrochemicals were privatized. The1980–1995 period was characterized by oil price declines, fierce competition among producers, minimum regulatory intervention and low investment in exploration and production. Brazil became a net oil and gas importer and investments in exploration for additional reserves and the development of ethanol dramatically declined. In response, the Government shifted toward a mixed model which maintained the role of Petrobras as a key SOE in the sector while allowing the private sector's participation in all segments of the value added chain. This model focused on ensuring quality, avoiding market failure and promoting fuel diversification. The diversification policy not only

sought to improve energy security but also to take advantage of ethical, environmental and cost-related motivations in consumers vis-à-vis new ethanol and biodiesel products.

30. The speed of reform in various subsectors of energy could be different depending on their specificities. In India, reform in electricity proceeded at a different pace than in gas. Regulatory frameworks applicable to electricity changed dramatically in 2003 characterized by creation of independent regulators, decentralization and unbundling of State Electricity Boards. Regulators had broad responsibility encompassing licensing, tariff-setting and development of power market. In rural areas, power generation and distribution were exempt from licensing. This reform allowed for increased participation of private investment in power generation and for open access of generators to transmission and distribution. Greater efficiency was promoted through competitive bidding, whereby the private sector competed for being awarded development projects at the Central and State levels. In the gas sector, the independent regulator (Petroleum and Natural Gas Regulatory Board) created in 2007 only regulated downstream activities (refining, processing, storage, transportation, distribution and marketing). It registered and authorized operation of entities in this subsector, ensuring access to pipelines as common carrier or contract carrier, determined pipeline tariffs and set technical and safety standards. Regulation of upstream activities (exploration, production contract sharing) were still conducted by the Government.

31. A question was raised whether it was useful to have separate regulators for gas and electricity as in India. One expert commented that, since gas was largely used in electricity production, it would make sense to have a single regulator for reasons of coherence and consistency, as in Nigeria, where 70 per cent of gas was used for electricity production. It was noted, however, that every country had specificities and that the existence of two regulators in India's electricity and gas sectors could be explained by the fact that the Government was the main gas supplier while it was not in electricity. In Brazil, having a separate agency for electricity and gas was not an issue, as gas was not used for electricity generation. Thus, a decision on merging regulatory fields under a single regulatory body had to be based on national realities and requirements.

32. Environmental protection brought about both opportunities and challenges, particularly to developing countries. Challenges were the related costs for environmental protection, including climate change adaptation and mitigation, but they also provided opportunities for making more efficient and effective use of existing clean energy as well as creating new ones. While investment in nuclear energy was pending after the recent accident in Japan, China encouraged market entry in other renewable energy as sustainability had become an important policy objective. Old and small coal-fired generators were replaced by large ones and the number of wind farms was growing with implementation of yardstick prices for them. To encourage investment in renewable energy and increase its supply, India adopted several measures consisting of preferential tariff (i.e. higher prices for renewable energy), purchase obligations requiring government agencies and private sectors to prioritize purchasing power generated with renewable energy, facilitative framework for grid connectivity of renewable energy generators with the Government assuming the cost of connection to new renewable generation facilities and use of renewable energy certificate to facilitate trading of renewable energy. Under its fuel diversification policy, the Brazilian Government and Petrobras were investing more than $200 billon in research and development in oil, gas and other fuels to improve their quality, storability, tradability and efficiency. Since most of the electricity was generated by hydro or thermo facilities running on oil or biofuels, this diversification policy would allow Brazil to use natural gas reserves as an input to its petrochemical industry.

33. Experts discussed the advantages of introducing new technologies in the energy sector. As power outages and power quality could be monitored more closely while allowing for real-time demand response, new technologies such as smart grids and meters contributed not only to improved service quality but also to more efficient energy

services. However, the example of Boulder, Colorado in developing a "smart city" showed that the costs of such technology and other concerns – including privacy concerns of consumers about the information that smart meters provided on their daily activities – could delay its full-scale introduction in the near future. It was also pointed out that the risk of faster technology depreciation than physical depreciation and insufficient standardization by equipment producers could lead to the less rapid adoption of such technologies.

34. Regional integration and cooperation in energy supply had become common. Their benefits were thought to be economies of scale (particularly for small countries) sharing of fixed costs, diversity of resources and optimization of market forces. Such benefits were not straightforward, including when there was an asymmetrical risk allocation. The attempt by AES, a multinational power company, to produce electricity for the entire Central American market by building dams in Honduras failed, because Honduras considered that it would take on most risks associated with the project, including environmental prejudice. Other concerns related to sovereignty and national security when relying on foreign supply. A country would hesitate to export power in times of domestic shortage, notwithstanding the existence of export contracts as in the case of South Africa. The same happened to Argentina's gas exports to Chile and Brazil. Market power could also be a limitation, as one country being the main supplier could generate mistrust regarding supply and price stability. Examples included the Russian Federation's gas exports to Europe and the Plurinational State of Bolivia's gas exports to Chile. Political instability in one or several countries within a region was also a barrier to the common market and trade of energy services. Finally, the tendency of countries to establish a national champion often impeded such efforts.

35. Meanwhile, regional coordinated reforms and harmonized regulation were being pursued as illustrated by the European integration in energy markets. The legal framework for the European energy reform had focused on liberalization, sustainability and security of supply. To complete the single internal energy market by 2014, the third EU energy package was being implemented. A key element was the creation of an Agency for the Cooperation of Energy Regulators in 2010 to coordinate regulators' actions more efficiently at the European level and provide greater clarity and regulatory certainty. The agency's main duties included regulatory oversight of the cooperation between transmission system operators (TSOs), decision powers regarding specific cross-border issues, and general advice to the Commission on market regulation issues. Another key element was creating the European Network of TSOs for electricity and gas to ensure better coordination at European level and non-discriminatory access to transmission networks by strengthening their independence. National regulators and TSOs were currently working on guidelines and network codes applicable across networks. Energy integration required cooperation among stakeholders, including market participants, regulators and TSOs, but it was felt that cooperation could be hindered by competition between stakeholder groups and within the groups.

36. In the Economic Community of West African States, regional cooperation was sought as a means to attract investment in the electricity sector. It was expected that grouping beneficiary countries and developing regional regulatory frameworks and regulators would make the region more interesting for investment in building several power stations. However, the expected levels of investment were not achieved. A key issue was how to handle tariffs and subsidies in a transparent and separate manner. There was need for further analysis and sharing lessons in other regions.

37. Brazil was also looking at strengthening regulatory and political cooperation and dialogue in oil and gas with the Southern Common Market (MERCOSUR), Mexico and countries in the Bolivarian Alliance for the Americas, and Portuguese-speaking countries. Means for cooperation included joint projects, regulators associations and direct technical support and technology exchanges.

38. It was suggested that different legal traditions were a barrier to regional integration. In the EU, where there was a certain unity in legislation and some processes to promote it, the energy integration process seemed to be relatively faster than in other cases.

39. As for the transport sector, it was noted that all transport services were highly regulated. Transport regulations addressed, *inter alia,* (a) safety and security (e.g. technical conditions of vehicle, and qualifications of drivers); (b) market entry; (c) conditions of key facilities; (d) environmental aspects (e.g. pollution control, hazardous cargo); and (e) universal access. Australia used to have a regulatory model based on a complex set of state/territory regulation of land transport. This generated high costs in cargo transfer, border control bottlenecks, difficulties in interagency coordination and low levels of inter-State mobility. In the early 1990s a national regulatory model was adopted and the National Transport Commission (NTC) was created. This promoted higher levels of investment in multimodal frameworks (rail and road) and established new regulations to facilitate access, eliminate state/territorial barriers, ensure connectivity, and improve safety and productivity. More recently, NTC decided to look into new regulatory challenges: (a) a better understanding of relations between physical assets and vehicles; (b) enhancing universal access by introducing community services obligations; (c) setting fees that would support asset maintenance; and (d) making effective use of new technologies and introducing eco-driving. In order to recover investment costs, NTC applied licensing fees and fuel charges with differential rates. Rates were determined according to vehicles, distances and locations. About $2.2 billion of income stream thus generated annually went directly into the Government budget. Concerns had arisen in the NTC on how to ensure that part of those resources was effectively used in strengthening the regulatory and institutional capacity of the agency. It was stated that such fees could be considered at odds with proposed disciplines for domestic regulation of services in the Doha Round of trade negotiations, which provided that fees should be collected to pay regulatory cost and not for recovering other costs.

D. Making the financial sector serve development needs

40. Hasty liberalization and deregulation were widely seen as the root causes for the recent severe crises. There was consensus on the need for more effective, better coordinated macro- and micro-prudential regulation and supervision at the global level, while countries should adopt appropriate regulation and supervision in light of their own specificities and development needs.

41. Financial intermediation, capital formation and reasonable risk-taking were considered essential to well-functioning markets and innovation that led to long-term growth. Meanwhile, innovation demanded a regulatory framework that protected the financial system from catastrophic failure, protected consumers and investors from widespread harm and ensured disclosure of information for them to make appropriate choices. Evidence showed that the risks and inequities stemming from excessively loose or non-existing financial regulation were more severe than those possibly caused by excess regulation.

42. One expert noted that for many years, the core strength of the United States financial system was a regulatory structure that sought a careful balance between incentives for innovation and competition on one hand, and protections from abuse, predation and excessive risk-taking on the other. Properly-set regulatory checks and balances helped to create economic stability which, in turn, gave rise to extraordinary national wealth. The careful mix was eroded over time by the development of new products and markets, leaving the regulatory system outdated and outmaneuvered. The supervisory boundaries of the regulatory system had remained stagnant. A huge amount

of risk was moved outside the regulated banking system into shadow-like, non-bank entities. Being subject to less oversight, lower capital requirements, and more favourable accounting treatment compared with traditional banks, they offered weaker consumer protection. The Federal Reserve had no authority to set and enforce capital requirements on them.

43. In an effort to avoid similar crises in the future, a trend towards financial re-regulation emerged. Financial services were to be seen as a form of public services requiring an adequate form of regulation for growth and development. Important legislative changes had occurred in major developed countries. High-level coordinating bodies had been established in the United States, EU and United Kingdom along with new regulatory institutions. Nevertheless, several experts shared the view that the potential effectiveness of the regulatory reforms in avoiding future financial crises is not fully clear.

44. In the United States, the Dodd–Frank Act, which became law in 2010, required systemically important financial institutions (SIFIs) to build up their capital and liquidity buffers, constrained their relative size, and placed restrictions on the riskiest activities. It increased regulatory accountability, brought transparency to the shadow banking system, and attempted to comprehensively regulate over-the-counter (OTC) derivatives markets. It created a much-needed mechanism for the orderly liquidation of failing financial firms without putting taxpayers at risk. The Federal Reserve was granted authority to provide a clear, strong and consolidated supervision and regulation of any financial firm whose failure could threaten financial stability. Regulators were authorized to restrict excessively risky activities, including a prohibition of proprietary trading by banking entities. The Act also established the Financial Stability Oversight Council with responsibility for examining emerging threats to the financial system. Ultimately, such regulatory reforms are expected to create a more stable financial system and help regulators better identify and restrain excessive risks.

45. In Europe, pre-financial crisis regulation generally failed to address the changing nature of systemic risks in wholesale capital markets and market-based regulatory models increased pro-cyclicality. One major challenge in reforming EU financial regulation was to improve the governance of SIFIs, which were currently not subject to higher capital requirements. How to regulate the universal banking model and credit rating agencies also posed challenges. Like the United States, the EU had sought to address financial stability concerns arising from OTC derivatives markets by adopting Regulation on Market Infrastructure in September 2009. This regulation was also aimed at improving the transparency of such markets. It introduced a reporting and clearing obligation for OTC derivatives, measures to reduce counterparty credit risk and operational risk for bilaterally cleared OTC derivatives and common rules for central counterparties and for trade repositories. There was limited convergence between the current United States and EU regulation on derivatives, but more convergence was expected. A lesson to be learnt was that managing a common currency area such as the EU – where members failed to coordinate economic, fiscal and financial policies – was not an easy task.

46. While not seriously affected by the crisis, India was acting to further strengthen its financial regulatory regime. A high-level Financial Stability and Development Council was established to address issues relating to financial stability, financial sector development (including financial literacy and inclusion), inter-regulatory coordination, macro-prudential regulatory framework (including regulation of SIFIs) and interface with international regulatory bodies. Due to particular technicalities and externalities of the banking sector, mergers and acquisitions of banks would be put under the jurisdiction of the central bank, not under the Competition Commission. The central bank also proposed to regulate financial holding companies having a bank as one of its arms. India's experience could be of interest to developing countries as they should simultaneously pursue stability and development goals. Given limited regulatory skills, an often small

economic size and the particular central role of the central bank in crisis situations, it could be desirable to have several regulatory functions concentrated in the central bank.

47. China set supervisory goals for the near future in accordance with new international standards, some of which were even higher. Ratios relating to capital adequacy, loan loss provisioning, provisioning coverage, liquidity coverage ratio, and net stable funding were to be raised. Counter-cyclical buffers were to be imposed and SIFIs would be subject to tighter regulation than other financial institutions. Regulation and supervision conducted by the China Banking Regulatory Commission (CBRC) covering all banking institutions' operations were rendering China's banking industry more competitive and efficient. CBRC also contributed to increasing public knowledge about modern financial products, services and the related risks, and combating banking-related crimes.

48. CBRC combined consolidated and risk-based supervision with risk management and internal control systems, enhanced transparency, accurate loan classification, sufficient loss provisioning, acceptable profitability and adequate capital. In terms of total assets/capital, profits and return on capital/assets of the banking industry and the quality of major banks' assets, the present banking system was healthier and more efficient than in the early 2000s. By end of 2010, 84 Chinese banks were among world's top 1,000 banks compared with 15 in 2003. Service quality was also improving, evolving from a products-focused to a customers-focused approach, from prioritizing profit-maximization to according more weight to added value and customer protection, and from wholesale banking services to diversified banking services. Under the same regulatory rules and supervision, notwithstanding the unfolding of the international crisis, foreign banks had enjoyed rapid and steady growth both in assets and profits in recent years.

49. International regulatory reform and coordination had evolved around the Financial Stability Board (FSB) and G-20. However, global coordination of financial regulation was difficult. Countries prioritized their national financial and economic goals. Economic cycles were increasingly diverging from one country to another, even if they were globally interconnected.

50. Before the financial crisis, policymakers focused on micro-prudential regulations and did not adequately monitor and control systemic risks. Market-based regulatory models did not mitigate systemic risks. Given the high degree of integration and globalization of cross-border financial markets, the risk of financial contagion was strong. The new rules on bank capital and funding ("Basel III") sought to improve the sector's resilience to financial shocks and to strengthen macro-prudential regulation and supervision. They were to be introduced gradually to facilitate sectoral and macroeconomic transition starting from 2013 until 2022.

51. The reforms were expected to bring long-term economic gains by reducing the probability and frequency of future crises. Yet, some experts considered Basel III a small step forward as its focus on macro-prudential regulations was still inadequate. One expert suggested enhancing Basel III's macro-prudential role by controlling credit booms in the economy after a vulnerability assessment on ratio of total credit to GDP, ratio of non-core (i.e. wholesale deposits, bonds, securitization and foreign exchange borrowing and repurchase) to core liabilities (i.e. retail deposits and equity) and ratio of financial liabilities (i.e. repurchase and financial commercial paper to monetary aggregates). Furthermore, enhancing regulatory capital and liquidity ratios for banks was not adequate. A more holistic approach was needed, which included more stringent and enhanced capital levels, liquidity/asset requirements, counter-cyclical capital and/or dynamic provisioning, addressing an individual bank's credit boom in terms of loan-to-value ratios and loan-to-income ratios, requiring banks to hold liabilities consisting mainly of retail deposits, to be followed by equity with smaller percentage from securitized finance and repurchase and setting leverage caps/ratios by linking asset growth to equity growth. A

financial stability tax could also be imposed on banks' non-core liabilities. It was cautioned that, despite long-term gains, implementation of Basel III could produce adverse effect for developing countries due to possible increase in the cost of credit and lower availability of funds.

52. There was concern about a race-to-the-bottom in financial regulation due to potential relocation of financial intermediation activities. However, large flows of capital towards heavily regulated countries such as China and India showed that financial operators' behaviour was affected by many factors, not just by regulatory burdens. Financial repression was also likely to resurface, as developed countries struggled against increasingly severe budget constraints.

53. Several experts pointed out that developed countries acted aggressively as *demandeurs* for more access to developing countries' financial markets in free trade agreements (FTAs), bilateral investment treaties and WTO negotiations. Liberalization commitments in these contexts did not offer a sequencing mechanism for capital account liberalization, nor a provision of reversal in times of crisis. Thus, they did not contain adequate safeguards for developing countries. Developing countries should maintain ample policy space for regulating and reforming their financial sectors according to their national development needs. As financial innovations carried significant risks, they should allow only a limited number of new financial instruments in their markets, applying a positive list approach. The presence of excessively large transnational financial operators should also be limited, as they were difficult to control and regulate in practice.

54. It was considered important to ensure linkage between the financial sector and the real economy. The experience of Islamic banking in Indonesia was cited as a relevant example. Indonesia supported the development of Islamic banking with several preferential regulatory norms, including less capital requirements. Co-existing in Indonesia as in many other countries, Islamic banks were subject to a regulatory framework (including institutions) distinct from that applied to conventional banks. Conventional banks could invest in Islamic banks, but not vice versa.

55. With returns based on assets and project investment in the real sectors, Islamic banks offered ethical financial services with no interest, speculation, inequality and uncertainty. In Indonesia, 56 per cent of their financing went to trade and 45 per cent was lent for financing working capital. Small and medium-sized enterprises were their major clients. In the previous five years, this sector grew at 46 per cent annually despite the global crises. Both its assets and financing had grown at a higher rate than conventional banking. Its resilience to the crises had shown how parallel regulatory systems could operate in the same market while respecting prudential principles, allowing competition and giving consumers choices. To help this sector overcome challenges mainly due to its small market share, lack of human resources and dearth of product development, Indonesia created six initiative programmes to be implemented within 10 years (2005–2015), including increasing Sharia compliance.

56. National development banks/institutions could play a facilitating role in financing national development, especially in deploying financial resources for infrastructure projects as exemplified by the State–owned Brazilian Development Bank and 70 per cent State-owned Cassa Depositi e Prestiti (CDP) in Italy. CDP's main funding source was postal savings directly guaranteed by the State. It financed investments of "general economic interest" by the State, local governments and other public entities through specific-purpose loans. Using revolving funds, it granted loans at concessionary interest rates. It was also a long-term investor and partner in the "Italian Fund for Infrastructure".

57. There were also regulatory reforms in the insurance sector. The problem of systemic risks in insurance emerged during the financial crisis as the American International Group (AIG) had to be bailed out by the United States Government. The AIG collapse was caused by its non-core insurance activities, i.e. credit default swaps and

other derivatives sold by one of its units – AIG Financial Products (AIGFP). AIGFP as such was not an insurance company, nor was it regulated by insurance regulations.

58. Mandated by the G-20 and supported by the International Association of Insurance Supervisors (IAIS), FSB was developing a methodology to identify insurance companies that deserved a SIFI designation. IAIS acknowledged that being less systemically important and risky than the banking industry, some activities in the insurance sector were interconnected with and vulnerable to other areas of the finance industry. Such SIFIs subject to higher capital regulation would be identified by mid-2011.

59. It was stated that core insurance activities – e.g. investment management activities; liability origination activities; risk-transfer activities; capital, funding and liquidity management; and selling credit protection – did not give rise to systemic risk. Poorly managed, they could lead to insolvencies which had been addressed by the current insurance regulatory system, but not to systemic failures. Historically there was no precedent of core insurance activity having triggered a systemic financial crisis. The criteria originally set for determining systemically important banks could hardly apply to insurance companies. However, some experts argued that some derivatives were developed as insurance instruments and therefore insurance companies such as AIG should be subject to SIFI regulation.

E. Trade in infrastructure and regulatory measures

60. Governments faced broad regulatory challenges when moving away from production of services to regulation of services commercially produced by private firms or SOEs. They had to develop rules encompassing all policy objectives and establish institutions to implement them. The crisis highlighted the importance of the right to regulate as regulatory challenges were continuous and dynamic, not something to be completed once and for all. Because competitive markets were characterized by innovation, new business models and new market trends, regulators needed to adapt their regulation so as to avoid failures and crises. This was deemed particularly important in ISS, which determined countries' competitiveness and their citizens' social welfare.

61. One expert stated that liberalization of services under the General Agreement on Trade in Services (GATS) could not be equated with deregulation. The basic ingredient of liberalization was competition. Competition required more rather than less regulation. There had been successful and less successful cases of services liberalization. It was the absence or inadequacy of proper RIFs that were the main causes of failures as was exemplified by the recent financial crisis.

62. Several elements of the GATS were questioned by a few experts. Firstly, competition did not have only positive impacts. It could lead to risky behaviour, as the financial crisis had shown. Secondly, there was no guarantee that the sequencing taken by a country between regulation and liberalization would be the right one. Some countries could end up liberalizing their markets before having the adequate regulatory framework in place. For example, the current GATS negotiations included financial services while new national and international regulations were being developed to address the root causes of the recent crisis. It was also stated that the right to regulate claimed to be preserved by the GATS only existed inasmuch as it was compatible with countries' obligations under the GATS, including specific commitments. The same could be said of FTAs.

63. It was stated that the right to regulate was a sovereign right of States, not something conferred to them by an international treaty. Most experts believed that with commitments under the GATS and FTAs, governments' capacity to use certain policy remedies was diminished. One expert, however, disagreed, noting that countries were free

to establish regulatory frameworks that they deemed suitable. The GATS did not tell countries how to regulate services. Probably, countries did not want this as there were specialized agencies dealing with regulation such as ITU and the International Monetary Fund. Article XVIII of the GATS, however, provided a framework for negotiating additional obligations on particular regulatory issues. One example was the Reference Paper for Basic Telecommunication Services containing obligations such as objective criteria and transparency of licensing, establishment of an independent regulator, and safeguarding competition through Governments' reasonable measures. Further, countries provided national treatment and market access according to their own schedules of commitments. It was clarified that the measures committed to be removed were regulatory ones.

64. One view was that, despite greater transparency and predictability provided by the GATS as a multilateral framework, liberalization had taken place mainly unilaterally and – except for a few WTO members such as Mexico and recently acceded members – liberalization commitments had mostly bound the status quo. It was argued that GATS was a new instrument and that binding liberalization at existing levels was valuable as it included market access commitments reflecting recently adopted reforms and liberalization. Active in negotiating FTAs, Mexico had undertaken commitments going beyond its WTO commitments related to (a) access to and use of public telecommunication networks, value added services and standards in the telecommunications sector; and (b) sectors such as maritime, air and road transport. Ratchet clauses had become recurrent in Mexico's trade agreements, as they allowed automatic consolidation of new liberalization without requiring resource-intensive re-negotiation processes. As for recently acceded members, the imbalanced situation they faced vis–à–vis existing members in the accession negotiations led to their more extensive and deep liberalization commitments than those of existing members.

65. Negotiations on disciplines for domestic regulation of services in the Doha Round raised concerns among several experts due to their potential implications over regulatory practices and the policy space left to regulatory authorities. Particular areas of concern include requirements to "pre-establish" regulations, their relevance to the supply of services, "necessity test", and burdensome obligations for transparency (e.g. prior commenting). In their view, "necessity test" could allow dispute panels to determine whether a policy was necessary or not. Several cases before WTO dispute settlement panels were cited where panels found a number of regulations, including environmental regulations, to be unnecessary. One expert, however, noted that the negotiations were not about what was the proper regulatory framework but rather aimed to ensure that domestic regulations were transparent and did not constitute unnecessary barriers to trade in services. Countries exercised the sovereign right to determine the content of regulations, but regulations would be based on objective and transparent criteria and would not constitute restriction on the supply of services, nor a barrier to trade. Although some panels could have gone beyond analysing whether there was a less trade-restrictive measure reasonably available to the country to pursue its policy objective, this did not undermine the fact that the current negotiations allowed countries to determine exactly what the necessity test could look like. Concern was raised that trade was given priority over other policy objectives.

66. It was indicated that disciplines on domestic regulation could contribute to trade in professional services supplied through movement of natural persons (mode 4). Qualification requirements and other entry procedures applicable to mode 4 were among the more complex and burdensome regulations. They were also subject to regulatory action of professional bodies that might have special interests when assessing the qualifications of new professionals in the market. Obligations on transparency and simplification of procedures in this area could effectively complement potential liberalization commitments in mode 4.

67. Experts agreed that consultation mechanisms on trade negotiations, including those on domestic regulation in WTO, were greatly needed at national level as any potential commitments should be based on solid impact analysis and audit. There were many cases where regulators were not adequately informed and did not participate in negotiations. It was also mentioned that consultations at State level, albeit particularly challenging as resources were limited, were becoming increasingly relevant, because those commitments could affect State-level regulation. Regional regulators' forums were considered as an available option for seeking advice and expertise when assessing the potential effects of trade negotiations at national and regional levels. Intergovernmental organizations such as UNCTAD and ITU were considered as key platforms for regulators and other stakeholders to provide inputs into multilateral and regional negotiations.

68. Several experts suggested that regional trade agreements were probably the natural place for regulatory cooperation to start, especially in relation to cross-border supply and supply of services through mode 4. One example was the APEC Business Traveler Card scheme, which facilitated the movement of business people by saving them time and effort in applying for individual visas or entry permits each time they wished to travel on business.

69. Regional cooperation frameworks seemed to be emerging fast. Most of them tended to incorporate a wide array of activities ranging from discussions on best practices to agreements on common regulatory frameworks in a particular sector. For example, Mexico had a cooperation programme with the United States to deal with security issues at the border by upgrading infrastructure, including through adoption of less intrusive technologies. The East Asia & Pacific Infrastructure Regulatory Forum was seeking to exchange best practices affecting trade and investment. It has also undertaken several programmes to strengthen national regulators' capacity in handling particularly sensitive issues such as how to determine costs and apply tariffs and subsidies transparently. In Latin America, the "Foro Arco del Pacifico" formed by 11 countries in the region was seeking higher levels of integration through services trade liberalization, but also advancing an ambitions agenda covering non-trade topics in order to generate infrastructure and logistics convergence. Some experts pointed out that the aim of cooperation should not be harmonizing legal or institutional approaches, taking into account the diversity of legal traditions, and local and regional realities. Exchange of information on best practices and developing guidelines for national regulators to follow in light of their own country's situation was more useful.

70. The case of Latin America demonstrated that, while cooperation frameworks had placed a great deal of focus on development of the "software" (i.e. market liberalization and regulatory harmonization), more focus and attention was needed on "hardware" (i.e. physical infrastructure), as it was impossible to expand trade if relevant investment in physical infrastructure was not provided in parallel. High costs of upgrading and expanding infrastructure to cope with growing ISS demand were an obstacle to deepen cooperation among Latin American countries. This region was lagging behind Asia in terms of achieving desirable levels of investment in infrastructure. Some countries, such as Mexico, had taken relevant initiatives. It invested 4.9 per cent of its GDP between 2007 and 2009. Multilateral and regional finance institutions needed to play a bigger role in financing the services "hardware" building in individual countries or regions.

F. The way forward

71. Recognizing the valuable work that UNCTAD had undertaken since 2008, experts proposed to focus UNCTAD research and analytical work as well as technical assistance in the following areas:

(a) Coherence between regulation and trade liberalization examining practices and experiences in building coordination and coherence between trade negotiators, policymakers and regulators and making regulatory and trade agendas mutually supportive;

(b) National services policy reviews with particular emphasis on ISS, including regulatory assessments through collaboration with existing regulatory networks and with policymakers and other stakeholders;

(c) Case studies in regulation and building institutional competence, with a focus on why a particular model worked or failed in a country;

(d) Reviewing of best-fit practices by ISS regulators, and the possible preparation of a 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;

(e) Further work on regulation of financial services (including financial inclusion) and insurance services;

(f) Further development of the UNCTAD survey of infrastructure services and dissemination of its results to ISS regulators;

(g) Further analysis of ISS development and RIFs at regional level;

(h) Analysis of how RTA parties negotiate joint infrastructure service provision and regulation harmonization and of regional regulators' experience to identify whether there was a way forward; and

(i) Analysis of trade and development implications of GATS commitments on domestic regulation and of possible GATS disciplines on domestic regulation including for mode 4.

II. Organizational matters

A. Election of officers

(Agenda item 1)

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

Chair:	Ms. Marion Williams (Barbados)
Vice-Chair-cum-Rapporteur:	Ms. Rina Prihtyasmiarsi Soemarno (Indonesia)

B. Adoption of the agenda and organization of work

(Agenda item 2)

73. At its opening plenary meeting, on Wednesday, 6 April 2011, the multi-year expert meeting adopted the provisional agenda for the session (contained in TD/B/C.I/MEM.3/7). 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

74. Also at its opening plenary meeting, the multi-year expert meeting agreed that the Chair should summarize the discussions.

D. Adoption of the report of the meeting

(Agenda item 4)

75. At its closing plenary meeting, on 8 April 2011, 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
Angola
Australia
Barbados
Belarus
Botswana
Bulgaria
Central African Republic
China
Cote d'Ivoire
Cuba
Djibouti
Dominican Republic
France
Gabon
Germany
Ghana
Haiti
Hungary
Indonesia
Iran (Islamic Republic of)
Italy
Kazakhstan
Kuwait
Lesotho
Maldives
Mali
Mexico
Mongolia
Morocco
Myanmar
Nigeria
Nepal
Philippines
Russian Federation
Saudi Arabia
Slovenia
South Africa
Swaziland
Thailand
Turkey
Uganda
Ukraine
United Republic of Tanzania
United States of America
Uzbekistan
Venezuela (Bolivarian Republic of)
Zambia
Zimbabwe

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

African, Caribbean and Pacific Group of States
Economic Community of West African States
European Union
Organization for Economic Cooperation and Development
South Centre

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

Economic Commission for Latin America and the Caribbean

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

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

International Labour Organization
Word Trade Organization
International Trade Center
United Nations Industrial Development Organization
International Telecommunication Union

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

General category
International Cooperative Alliance
International Council of Nurses
International Organization of Employers
Ocaproce International
Third World Network

In the process of affiliation
Centre for Research on Multinational Corporations

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

Mr. **Zhao** Houlin, Deputy Secretary-General, International Telecommunications Union
Mr. Y Venugopal **Reddy**, Emeritus Professor, University of Hyderabad and Former Governor of Reserve Bank of India/Member of the Commission of Experts of the President of the UN General Assembly on Reforms of the International Monetary and Financial System (VC)
Mr. Michael **Deegan**, Coordinator and Head of Infrastructure, Australia
Mr. Moctar **Toure**, Président de la Commission de Régulation de l'Electricité et l'Eau, Mali
Mr. Mark **Pearson**, Deputy CEO of Regulation, Australian Competition and Consumer Protection Commission
Mr. José Luis **Sardón**, President of the Commission for the Elimination of Bureaucratic Barriers of the Peruvian Institute for the Defence of Competition and Protection of Intellectual Property (INDECOPI) and Dean, Faculty of Law of the Peruvian University for Applied Sciences, Peru (VC)
Mr. Robert **N'Dekele**, Cadre à l'Agence Chargée de Régulation des Télécommunications, République Centrafricaine
Mr. **Guo** Wei, Director, Electricity Department, State Energy Bureau, China
Mr. Gregory **Bounds**, Senior Economist, Division on Regulatory Policy, OECD
Mr. Pramod **Deo**, Chairperson, Central Electricity Regulatory Commission, India
Mr. Luis Eduardo **Duque Dutra**, Chefe de Cabinete Do Diretor Geral, National Gas, Petroluem and Biofuel Agency, Brazil
Mr. Ashley **Brown**, Executive Director of the Harvard Electricity Policy Group, Harvard University
Mr. Philippe **Raillon**, Chair, International Strategy Working Group, Council of European Energy Regulators
Ms. Meena **Naidu**, Chief Policy Officer, National Transport Commission, Australia (VC)
Ms. **Deng** Yumei, Assistant Director-General, Banking Supervision Department III, China Banking Regulatory Commission
Mr. Rifki **Ismal**, Special Assistant to Deputy Governor of the Central Bank, Indonesia

Mr. Alexander **Kern**, University of Zurich Law Faculty and the Centre for Financial Analysis and Policy, University of Cambridge
Mr. Michael S. **Barr**, University of Michigan Law School, United States (VC)
Mr. Christophe **Courbage**, Research Director, International Association for the Study of Insurance Economics
Mr. Hamid **Mamdouh**, Director, Trade in Services division, WTO
Mr. Guillermo **Malpica Soto**, Director General, Services Negotiations, Ministry of Economy, Mexico
Mr. Vivek **Sharma**, Coordinator, Secretariat of East Asia and Pacific Infrastructure Regulatory Forum