

PLURILATERAL COOPERATION WITHIN THE WTO: PRIORITIES FOR THE G20

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Plurilateral Cooperation Within the WTO: Priorities for the G20

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Abstract

The World Trade Organization (WTO) members struggle to update multilateral trade rules to address challenges such as digitalization, artificial intelligence, and environmental pressures. Geopolitical rivalry, protectionism, and a more heterogeneous membership make compromise harder to achieve. To overcome this impasse, groups of members increasingly turn to plurilateral negotiations to advance in selected issue areas such as e-commerce, investment facilitation, and services. Almost all members now take part in at least one plurilateral track, and some plurilaterals, such as the Investment Facilitation for Development (IFD) Agreement, are supported by almost 80 percent of the membership.

The challenge lies in integrating these agreements into the WTO's legal system. There are two principal ways: the integration of plurilateral disciplines in members' schedules of commitments, as in the case of the Services Domestic Regulation (SDR) Agreement, or the integration of a standalone agreement under Annex 4 of the WTO Agreement, as sought by the members of the IFD and the Agreement on Electronic Commerce (ECA). Integration under Annex 4 requires consensus, which is blocked by a small number of members. To overcome the blockage, the signatories of the ECA have decided to apply the agreement on an interim basis. The disagreement on plurilaterals, which may lead to further fragmentation, runs through the G20 as well.

Addressing the concerns of non-signatories and blocking members relating to policy space, implementation challenges, and agenda-setting at the WTO is central. Discussions should primarily take place in the WTO, but the G20 offers an informal leadership-level setting that brings together the main signatories, skeptical members, and international organizations to support implementation.

This policy brief recommends that the G20 (1) convene a dialogue on voluntary principles for plurilaterals, built on openness, transparency, development, and anchoring in WTO institutions; (2) highlight needs assessments and commit to predictable technical and financial assistance; (3) promote design standards that protect policy space and make development benefits visible.

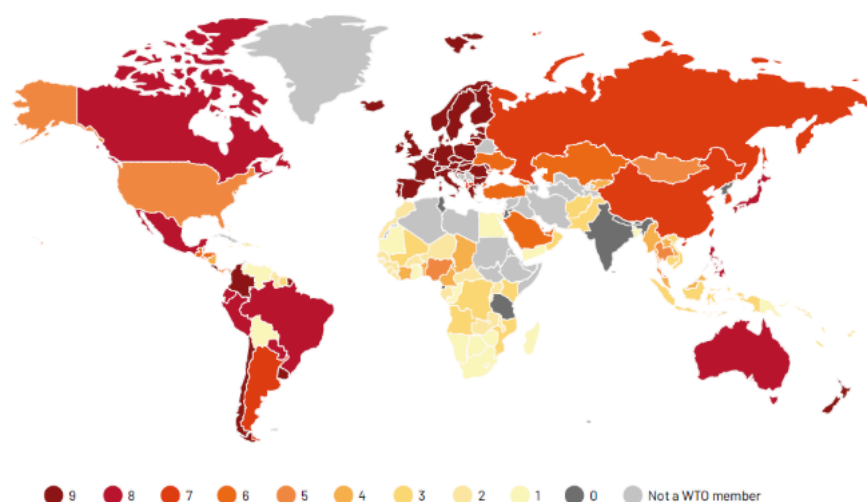
Challenge: The Role of Plurilaterals in Updating the WTO Rulebook

A central challenge for the multilateral trading system is how to update the WTO rulebook to address fundamental shifts, such as the digitalization of economic activity, the rapid diffusion of artificial intelligence, and growing environmental pressures. Yet, WTO members have not found the collective will to set narrow national interests aside and reach compromises in the interest of the broader membership.

The reasons for this impasse are manifold, including geopolitical rivalry between the largest trading powers, surging protectionism, violations of non-discrimination principles, and a larger and more heterogeneous membership. There are also more institutional bottlenecks, notably the consensus principle and the single undertaking rule, under which large thematic areas are negotiated as package deals (“nothing is agreed until everything is agreed”). This approach is increasingly dysfunctional. The last multilateral round, the Doha Development Round, stalled in 2008 due to deep disagreements between developed and developing country members of the WTO. Since then, members have only agreed on technical and single-issue agreements, such as the Trade Facilitation Agreement (2013) or the Agreement on Fisheries Subsidies (2022).

To avoid involving all members at the negotiation stage (although consensus is still needed at the end), parts of the WTO membership increasingly resort to plurilateral agreements. In fact, almost all WTO members are part of at least one plurilateral initiative (Figure 1). At the WTO Ministerial Conference in Buenos Aires in 2017, new plurilateral Joint Statement Initiatives (JSI) were launched, namely on electronic commerce, investment facilitation, services domestic regulation, and micro, small, and medium-sized enterprises (MSMEs).

Figure 1: Participation in WTO plurilateral tracks



Note: The figure shows the number of plurilateral tracks in which each WTO member participates (status: 7 August 2026).

Source: Berger and Brandi (2026).

Plurilateral agreements are not new to the multilateral trading system. As recently as the 2010s, members pursued plurilateral negotiations outside the formal WTO system, notably on an Environmental Goods Agreement and a Trade in Services Agreement. Further back, during the Kennedy (1964-1967) and Tokyo (1973-1979) Rounds of the General Agreement on Tariffs and Trade (GATT), the WTO's predecessor, sub-groups of members negotiated so-called "codes of conduct" in areas such as anti-dumping, technical barriers to trade, subsidies, and countervailing measures, import licensing, government procurement, civil aircraft, and bovine meat and dairy that bound only its signatories. Many of these codes were multilateralized in the Uruguay Round (1986-1994) and now apply to all members.

Two established models of integration exist. First, plurilateral agreements that are formally integrated under Annex 4 of the WTO Agreement, which bind only members that have accepted them and whose benefits do not extend to non-signatories. Crucially, integration requires a consensus decision of all members, signatories, and non-signatories alike. Annex 4 currently lists two agreements: the Government Procurement Agreement and the Agreement on Trade in Civil Aircraft. Second, signatories can list the obligations they are willing to undertake in their schedules of commitments. The new disciplines become effective subject to a technical, time-bound certification process.¹ The Information Technology Agreement follows the scheduling approach. Its tariff cuts apply on a most-favored-nation basis to non-signatories, which is why it only takes effect once a critical mass of trade is covered, limiting free riding.

¹ On the scheduling approach and certification process, see Mamdouh (2023).

In the case of the JSIs, free riding is less of a concern. With the exception of the JSI on MSMEs, which was agreed in 2020 and consists of recommendations and declarations, the other three JSIs cover predominantly regulatory issues that apply to all economic actors regardless of nationality. The challenge lies in integrating these agreements into the WTO's legal system. The signatories of the three JSIs have pursued three different approaches to legal integration:

The scheduling approach: The members of the SDR Agreement did not negotiate a new agreement per se, but a Reference Paper with disciplines that they inscribe in their schedules of commitments under the General Agreement on Trade in Services (GATS).² The technical nature of this approach has enabled the entry into force of the SDR Agreement for 72 WTO Members to date.³

Inclusion by consensus: Scheduling is not suited for the IFD Agreement, as scheduled commitments would be confined to the scope of the GATS or GATT, whereas the IFD Agreement covers foreign direct investment in all sectors.⁴ The signatories therefore seek to integrate it as a standalone agreement under Annex 4. The 131 signatories to date have secured the support of the rest of the membership except India, which has repeatedly blocked integration, most recently at the 14th Ministerial Conference in March 2026.

Interim arrangements: As several members blocked integration under Annex 4, the ECA signatories, 66 members representing roughly 70 percent of world trade, apply it as an interim arrangement outside the formal WTO framework, which allows earlier implementation while keeping the hope of eventual integration by consensus.

The three approaches differ in their legal avenues and prospects for eventual integration into the WTO system. Interim application raises the question of whether it is a pragmatic bridge to future multilateralization or whether it accelerates fragmentation. If the ECA example sets a precedent, we may be heading towards a hybrid system, in which the WTO serves as a platform for “willing” countries to launch negotiations, while implementation takes place outside the formal WTO system.⁵ This may appear pragmatic in the short to medium term, but in the long term it can unleash centrifugal forces: signatories have fewer incentives to seek consensus on formal integration, and non-signatories have less influence on rules that affect them.

The central question is therefore how to address the concerns of non-signatories and of countries blocking the integration of plurilaterals supported by a majority of the membership. Three types of concern stand out: First, substantive concerns related to potential constraints on policy space and the lack of financial and technical capacity to implement the agreements. Second, concerns about agenda setting, particularly that the development-related aspects of the Doha Development Round should be concluded first before new issues are negotiated. Third, legal and institutional concerns regarding the lack of a mandate for plurilateral negotiations, the risk of fragmentation through different integration speeds, and the absence of

² Pitschas (2025).

³ World Trade Organization, accessed 16 Oct. 2026.

⁴ Mamdouh (2023).

⁵ Berger and Brandi (2026).

guardrails and legal safeguards for plurilaterals under the WTO reform agenda. Blocking countries have signaled openness to good-faith discussions and constructive engagement on the role of plurilaterals. These discussions should primarily take place in Geneva at the WTO. The G20, however, has made clear at previous summits that it supports WTO reform to ensure a functioning multilateral trading system. Moreover, the G20 includes both the main signatories and several members that have voiced concerns, such as India, the U.S., Indonesia, Brazil, South Africa and Türkiye (on the ECA). It therefore offers a setting – which is both informal and involves heads of state and government – to address these concerns directly.

Recommendations

The G20 is not a negotiation forum and it cannot and should not decide on WTO rules. However, the G20 brings together systemically significant economies, including the main signatories of plurilateral agreements as well as the members questioning or blocking them. Moreover, international organizations relevant for fostering trade and trade governance, including the WTO, UN Trade and Development (UNCTAD), the International Trade Centre (ITC), and the World Bank, are also invited on a regular basis to the G20 table. The G20 working groups, ministerial meetings, and leaders' summits allow for informal exchanges that formal negotiating formats in Geneva rarely do. Given that the G20 itself is divided on the role of plurilaterals in the WTO, the following recommendations should be considered voluntary and follow an incremental approach.

1. High-level principles to address procedural and institutional concerns

The G20 should convene a structured dialogue to develop voluntary principles for plurilaterals, to be endorsed by leaders and annexed to their summit declaration. Starting with principles is an important and useful step, especially because objections to most plurilaterals are procedural rather than substantive. In the case of investment facilitation, India is blocking the IFD Agreement, but at the same time it is pursuing bilateral investment facilitation agreements that cover similar substantive disciplines as the IFD Agreement. India's objections relate to the plurilateral negotiating procedure and the fear that it could be used more regularly. Four high-level principles should form the core of a G20 decision:⁶

- *Openness*: Negotiations should be open to all WTO members from the outset, as they were in the case of the JSIs, and agreements remain open to later accession on equal terms. Signatories should publish accession procedures and conditions so that non-signatories are able to assess their readiness. The IFD Agreement's needs assessment process shows how this can work, as it allows members to gauge their gaps and technical and financial support needs.
- *Transparency*: Parties should regularly report on the status quo of the negotiations to the full membership and involve national-level stakeholders, including the business community. Experience with the Trade Facilitation Agreement shows that business involvement helps identify areas where reform matters most. The IFD pilots found that

⁶ Berger et al. (2023).

awareness and knowledge of the agreement among national stakeholders was largely missing and may be an important barrier for subsequent implementation.⁷

- *Development*: Plurilaterals should be negotiated with the interests and constraints of low- and middle-income countries in mind. In this respect, longer transition periods, special and differential treatment, or technical assistance should be important building blocks of development-friendly plurilaterals.
- *Anchoring*: Plurilaterals should use WTO bodies and the Secretariat for transparency, monitoring and the participation of non-signatories. Signatories commit to pursue formal integration under Annex 4 or through scheduling. Interim arrangements are no substitute for integration and should be explicitly transitional while remaining open to all members. They should be reviewed regularly in the relevant WTO bodies.

The G20 has adopted high-level principles of this kind before, including the 2016 Guiding Principles for Global Investment Policymaking, which can serve as a model. Principles of this kind would not pre-empt more formal discussions and negotiations in Geneva. On the contrary, the G20 can provide a setting that gives policymakers an informal political space to compromise and provide guidance. To connect the outcomes of the G20 process to Geneva, trade ministers should transmit the principles to the WTO General Council as a contribution to the ongoing reform discussions. The principles would give the delegation in the WTO political cover to facilitate compromises.

2. Predictable and demand-driven implementation support

One of the main concerns of signatories and non-signatories of new (plurilateral) agreements is the lack of technical, financial, and administrative capacity to implement. The G20 should therefore highlight the importance of needs assessments as an instrument to support the proper implementation of plurilateral agreements. The research-based pilot needs assessment for the IFD Agreement in Lao PDR, Togo, and Zambia found that none of the analyzed provisions were fully implemented. The main barriers were weak coordination between domestic agencies and stakeholders, poor information management, and limited digitalization.⁸ G20 members should therefore commit to predictable technical and financial assistance for low-income countries, both before and after an agreement takes effect. They should task the WTO, UNCTAD, ITC, and the World Bank to coordinate needs assessments on request, as under the Trade Facilitation Agreement, and to cover all plurilateral agreements.

3. Safeguard policy space and support development benefits

Plurilaterals are easier to accept when they leave regulatory autonomy intact and deliver tangible development benefits. First, plurilateral negotiations should have a clearly defined scope. The IFD Agreement is a useful example as it concentrates on administrative procedures and excludes market access, investment protection, and investor-state dispute settlement (ISDS). Moreover, a firewall clause can keep such disciplines separate from ISDS. Second, special and differential treatment should be a standard feature. It currently appears in only 10 of 102 agreements with investment facilitation provisions⁹ and plurilaterals, while

⁷ Berger et al. (2023).

⁸ Ibid.

⁹ Polanco, Olekseyuk, and Berger (forthcoming).

covering similar substantive provisions, such as the SDR and IFD Agreement, differ in their coverage of special and differential treatment.¹⁰ Third, agreements should include incentives that directly support development, for example supplier development programs or benefits for firms that meet agreed sustainability criteria, in the way the Trade Facilitation Agreement rewards “Authorized Economic Operators”.¹¹ Such measures address concerns that new issues crowd out development priorities.

¹⁰ Pitschas (2025).

¹¹ Berger et al. (2021).

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