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Commission on Trade in Goods and Services, and Commodities Eighth session Geneva, 9–13 February 2004 Item 2 of the provisional agenda

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^{*} This document was submitted after the normal submission dates owing to the heavy secretariat workload arising from the need to provide support to the Preparatory Committee for UNCTAD XI.

II. ANNOTATIONS TO THE PROVISIONAL AGENDA

Introduction

1. At its nineteenth special session, held in April 2002 within the context of the UNCTAD Mid-term Review, the Trade and Development Board reviewed the functioning of its intergovernmental machinery and adopted guidelines to improve the machinery's efficiency (TD/B(S-XIX)/7). These guidelines state that the Commissions should conduct a policy discussion on the basis of secretariat research, reports of expert meetings and other relevant inputs, including from panelists and from other intergovernmental organizations and civil society. It should also place the outcome of the discussions within the appropriate policy context and framework. While considering the outcome of expert meetings, the Commissions should complement the issues dealt with by expert meetings, and avoid duplicating their debates as much as possible.

2. When deciding on the nature of the outcome, a main objective should be to maximize the time devoted to substantive dialogue among government representatives so as to build consensus on issues within UNCTAD's competence and reduce to the necessary minimum the time devoted to drafting exercises. The Bureau and the regional coordinators will indicate the nature of the outcome they seek from the Commissions. Whenever possible the outcome should be a Chairman's summary reflecting substantive dialogue and separate concise recommendations to the UNCTAD secretariat. Further options for the outcome may include: principles, guidelines, best practices, agreed conclusions, etc.

3. To this end, the Commission will have before it the reports of the expert meetings held during the previous months, as well as background documentation prepared by the secretariat identifying policy issues for discussion by the Commission.

Item 1: Election of officers

4. In accordance with rule 18 of the rules of procedure of the main Commissions of the Trade and Development Board, the Commission is to elect a Chairperson, five Vice-Chairpersons and a Rapporteur from among the representatives of its members, taking into account the need to ensure equitable geographical distribution. Moreover, rule 19 of the rules of procedure states that the Bureau of the Commission is to consist of seven members (i.e. four members from Lists A and C combined, two members from List B and one member from List D, referred to in the annex to General Assembly resolution 1995 (XIX) as amended).

5. Accordingly, following the cycle of rotation established after UNCTAD IX, the bureau for the eighth session of the Commission will be as follows: Chairperson from List D; Rapporteur from List C; and five Vice-Chairpersons (3 from lists A and C combined and 2 from List B).

Item 2: Adoption of the agenda and organization of work

6. The eighth session of the Commission is scheduled for 9-13 February 2004. At the closing plenary of its seventh session (3-6 February 2003), the Commission approved the provisional agenda for its eighth session and topics for the related expert meetings.

7. With regard to the organization of the work of the session, the Commission has five days available to it. It is suggested that the agenda items be taken up sequentially, with the first plenary meeting, on Monday, 9 February, being devoted to procedural matters and introductory statements. The deliberations and findings under the various agenda items could provide additional insights to intergovernmental preparations for UNCTAD XI.

Documentation

TD/B/COM.1/60 Provisional agenda and annotations

Item 3: Market access, market entry and competitiveness

8. Under this agenda item, the Commission will examine market entry and market access conditions in importing countries, as well as distribution networks that inhibit developing countries from responding to new opportunities for trade arising from global trade negotiations and agreements. Improving market access with more predictable market entry conditions would mean improving competitiveness. It would also require policies to focus on building competitiveness of enterprises, shifting trade specialization towards higher-value-added products, and creating domestic linkages to sustain export-led growth and translate it into income gains. The Commission will discuss capacity-building assistance that improves the ability of developing countries to take full advantage of new opportunities for trade and to develop sound trade and trade-related policies.

Documentation

| TD/B/COM.1/65 | "Access, market entry and competitiveness: Note by the UNCTAD secretariat" |
|---------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| TD/B/COM.1/66 | "Report of the Expert Meeting on Market Entry Conditions Affecting Competitiveness and Exports of Goods and Services of Developing Countries: Large Distribution Networks, Taking into Account the Special Needs of LDCs" |

Item 4: Trade in services and development implications

9. This agenda item provides the Commission with an opportunity to examine the increasing role of developing countries in international trade in services, as well as the challenges faced and experiences accumulated by them in the ongoing multilateral negotiations on trade in services. Public policies, including the development of a regulatory

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framework and competitive business environment, and sequencing of the liberalization process are crucial in ensuring development gains from liberalization of trade in services for developing countries. Recent developments include the outsourcing of services to developing countries, which has created new trading opportunities in services. In addition, regional integration involving developing and least developed countries in all regions has increasingly been expanding to include services. The liberalization of trade in infrastructure services can bring economic benefits to developing countries, but the necessary preconditions have to be put in place to ensure domestic supply capacity building and competitiveness, affordability and universality of access. Given the interlinkages among GATS modes of supply, a balanced approach to their liberalization is needed to ensure their maximum contribution in terms of generating employment, growth and development.

10. The Commission will also review the ongoing negotiations under the GATS and the potential for reinforcing the participation of developing countries in trade in services by delivering commercially meaningful commitments on the part of their major trading partners, particularly in Mode 4. The elaboration of disciplines on GATS rules and domestic regulation with appropriate flexibility for developing countries is also important.

Documentation

| TD/B/COM.1/62 | "Trade in services and development implications: Note by the UNCTAD secretariat" |
|---------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| TD/B/COM.1/64 | "Report of the Expert Meeting on Market Access Issues in Mode 4 (Movement of Natural Persons to Supply Services) and Effective Implementation of Article IV on Increasing the Participation of Developing Countries" |

Item 5: Trade, environment and development

11. Under this agenda item, the Commission will examine trade and environment issues in the context of a broad agenda for sustainable development. This requires increasing focus on issues of key developmental concern to developing countries such as market access, trading opportunities for environmentally preferable goods and services, the protection and sustainable use of bio-diversity and traditional knowledge, and the effective implementation of integrated packages of enabling, and, where necessary, trade measures in multilateral environmental agreements to address global environmental problems.

12. It is particularly important to ensure that improved market access for products from developing countries is not eroded on account of difficulties in complying with increasingly stringent and complex environmental requirements, in particular for small and medium-size enterprises. The Commission will also examine policies needed to convert niche markets for certain environmentally preferable products into dynamic sectors to allow developing countries to diversify exports into value-added products.

Documentation

| TD/B/COM.1/63 | "Trade, environment and development: Background note by the UNCTAD Secretariat" |
|---------------|---------------------------------------------------------------------------------------------------------------------------------|
| TD/B/COM.1/59 | "Report of the Expert Meeting on Definitions and Dimensions of Environmental Goods and Services in Trade and Development" |

Item 6: Implementation of agreed conclusions and recommendations of the Commission, including the post-Doha follow-up

13. The guidelines adopted by the Trade and Development Board in carrying out the Midterm Review at its nineteenth special session (TD/B(S-XIX)/7) state that: "Commissions' agendas will continue to include an item on follow-up and implementation of past recommendations. The secretariat will report on its implementation of recommendations addressed to it, and member States will be invited to report on their own implementation in statements to the Commission."

14. In this context, the UNCTAD secretariat will prepare a progress report on the implementation of agreed conclusions and recommendations adopted at the seventh session of the Commission addressed to UNCTAD. Member States wishing to report on their own implementation of recommendations will have an opportunity to present their experiences in this regard to the Commission.

Documentation

TD/B/COM.1/61"Progress report on the implementation of agreed conclusions
and recommendations of the Commission, including the post-
Doha follow-up: Note by the UNCTAD secretariat"

Item 7: Provisional agenda for the ninth session of the Commission

15. A draft provisional agenda for the ninth session of the Commission will be submitted for consideration and approval.

Item 8: Other business

Item 9: Adoption of the report of the Commission to the Trade and Development Board

16. The report of the Commission on its eighth session will be submitted to the Trade and Development Board.