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TRADE AND DEVELOPMENT BOARD
Commission on Investment, Technology
and Related Financial Issues
Tenth session
Geneva, 6–10 March 2006
Item 2 of the provisional agenda

PROVISIONAL AGENDA AND ANNOTATIONS*

PROVISIONAL AGENDA

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* This document was submitted on the above-mentioned date as a result of processing delays.

II. ANNOTATIONS TO THE PROVISIONAL AGENDA

Introduction

1. The Trade and Development Board's guidelines for the functioning of UNCTAD's intergovernmental machinery (TD/B/(S-XIX)/7) 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 panellists 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 questions 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 the General Assembly resolution 1995 (XIX) as amended).

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

Item 2: Adoption of the agenda and organization of work

6. The tenth session of the Commission is scheduled to be held from 6 to 10 March 2006. At the closing plenary of its ninth session (7–11 March 2005), the Commission approved the provisional agenda for its tenth session and topics for the related expert meetings.

7. With regard to the organization of work of the session, the Commission has five days available to it, but it is anticipated that it will complete its work by 1 p.m. on Friday, 10 March 2006. The first plenary meeting, on Monday, 6 March, will be devoted to procedural matters and introductory statements.

8. The secretariat will prepare a detailed programme, which will be available on the first day of the session.

Documentation

TD/B/COM.2/67 “Provisional agenda and annotations”

Item 3: Policy issues related to investment and development

9. With a view to facilitating the Commission's deliberation under this item, the secretariat has made available the *World Investment Report 2005*, which presents the latest global and regional trends on foreign direct investment and addresses the issue of internationalization of research and development.

10. The Commission will discuss the outcomes of the two expert meetings that took place by decision of the Commission at its ninth session. The Expert Meeting on Positive Corporate Contributions to the Economic and Social Development of Host Developing Countries took place from 31 October to 2 November 2005, and the Expert Meeting on Capacity Building in the area of FDI: Data Compilation and Policy Formulation in Developing Countries was held from 12 to 14 December 2005. The reports of these meetings will be presented by their respective Chairmen to guide the discussions.

11. At its eighth session, the Commission recommended that: “The secretariat should also follow up on the work it has undertaken in the *World Investment Report 2003* [which was on the interaction between national and international policies in the area of FDI], especially on issues of special interest to developing countries” (TD/B/COM.2/60, para. 5). The UNCTAD secretariat will therefore organize a panel of experts on the development effect of the elimination of trade-related investment measures. The panel will include experts from countries that notified trade-related investment measures to the WTO and will discuss the effect of the elimination of such measures in selected developing countries, with reference to a series of case studies commissioned by UNCTAD.

12. Pursuant to the recommendations of the Commission at its ninth session, the Commission's work on item 3 will include a joint session with the World Association of Investment Promotion Agencies (WAIPA). A high-level discussion will be organized on the topic “What tomorrow brings: The rise of new players and new forms of FDI”, scheduled for the afternoon of Wednesday, 8 March.

Documentation

UNCTAD/WIR/2005 *World Investment Report 2005: Transnational
and Overview Corporations and the Internationalization of R&D*

TD/B/COM.2/EM.17/3 “Report of the Expert Meeting on Positive Corporate Contributions to the Economic and Social Development of Host Developing Countries”

TD/B/COM.2/EM.18/3 “Report of the Expert Meeting on Capacity Building in the area of FDI: Data Compilation and Policy Formulation in Developing Countries”

Item 4: Issues related to investment arrangements

13. The past few years have seen a proliferation of international investment agreements (IIAs) at the bilateral, regional and interregional levels. The universe of IIAs continues to expand, with a new generation of agreements emerging whose provisions tend to be increasingly sophisticated and complex in content. Economic development policy is therefore being made increasingly complicated by the web of overlapping commitments arising from IIAs. Furthermore, the increasing activity in international investment treaty making has been paralleled by a rise in investor/State disputes. As a result of these developments, countries – and firms – have to operate within an increasingly complex framework of investment rules. This presents new challenges for policy makers. One of the main issues in this context relates to maintaining the coherence of a country's economic development policy.

14. The discussion and secretariat background paper will focus on some of the recent developments and emerging issues in the area of IIAs, identify the most common interactions in existing IIAs and point to examples of solutions that have been employed to maintain policy coherence. They will also look at the implications of the ever-increasing complexity of the international investment system, particularly for developing countries.

15. In this context, the Commission will hear a presentation of the external in-depth impact evaluation of the UNCTAD work programme on capacity building in developing countries on issues in the area of international investment agreements and provide guidance on its future orientation (or activities).

Documentation

TD/B/COM.2/68 “International investment rule-setting: Trends, emerging issues and implications”

UNCTAD/ITE/IIT/2005/6 “IIA Evaluation Report”

Item 5: Investment policy reviews: Exchange of national experiences

16. This item deals with the review at the intergovernmental level of national policies related to investment. The rationale for such a process is to exchange national experiences in attracting and utilizing FDI in an effective and efficient manner through in-depth policy reviews in individual countries and a peer review at the intergovernmental level.

17. At this session, the Commission will consider the investment policy review of Colombia. The deliberations will follow the format of the previous sessions, which proved to

be a useful tool for understanding the diversity of development experiences and contributing to the deliberations and to the dissemination of best practices in investment policy. The review panel will consist of a high-level representative from the Government and representatives from the domestic and international private sector. The secretariat and the high-level representative will introduce the country report, and this will be followed by comments by the panellists and a general discussion. As at the previous session, the discussions of the review will be summarized in the final report of the Commission.

18. The Commission will also have before it the summary of deliberations of the Commission on Science and Technology for Development on the Science and Technology and Innovation Policy Review of the Islamic Republic of Iran. In addition, the secretariat will present an oral report on the follow-up to the recommendations of previous policy reviews.

Documentation

UNCTAD/ITE/IPC/MISC/2005/11 *Investment Policy Review of Colombia*

TD/B/COM.2/69

Summary of deliberations of the Science and Technology and Innovation Policy Review of the Islamic Republic of Iran”

Item 6: Reports of the subsidiary bodies of the Commission

19. Under this item, the Commission will consider the report of the twenty-second session of the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting (ISAR), which discussed issues relating to the practical implementation of the International Financial Reporting Standards (IFRS), as well as the comparability and relevance of corporate responsibility reporting. It also finalized its guidance on good practices in corporate governance disclosure, developed as a voluntary tool for promoting increased transparency and improved corporate governance. At the Commission’s session, a high-level panel of experts will deliberate on the importance of good disclosure on corporate governance in facilitating investment and development.

20. Under this item, the Commission normally considers the report of the Intergovernmental Group of Experts on Competition Law and Policy. In 2005, however, as decided by the General Assembly, the Fifth United Nations Conference to Review All Aspects of the Set of Multilaterally Agreed Equitable Principles and Rules for the Control of Restrictive Business Practices was held in Antalya, Turkey, and there was no session of the Intergovernmental Group of Experts on Competition Law and Policy. The UNCTAD secretariat will brief the Commission on the Conference’s outcome and report, and the resolution adopted by the Conference will be made available to the Commission for information. In the resolution, the Conference recognized *inter alia* the role that competition policy plays in promoting competitiveness, building entrepreneurship, facilitating market access and entry, enhancing the equity of the international trading system, and ensuring that trade liberalization brings about development gains.

Documentation

TD/B/COM.2/ISAR/31 “Report of the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting on its twenty second session”

TD/RBP/CONF.6/15 “Report of the Fifth UN Conference to Review All Aspects of the Set of Multilaterally Agreed Equitable Principles and Rules for the Control of Restrictive Business Practices”

Item 7: Implementation of agreed conclusions and recommendations of the Commission

21. The guidelines adopted by the Trade and Development Board 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.” In this context, the UNCTAD secretariat has prepared a progress report on the implementation of agreed recommendations adopted at the ninth session of the Commission. It will also provide an overview of activities undertaken towards the implementation of the Millennium Development Goals since the last session of the Commission.

Documentation

TD/B/COM.2/70 “The implementation of recommendations of the Commission”

Item 8: Provisional agenda for the eleventh session of the Commission

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

Item 9: Other business

23. A briefing will be organized to highlight activities carried out within the framework of the Commission on Science and Technology for Development (CSTD).

24. Representatives of other international organizations will be invited to report on their activities, with particular emphasis on how their work can assist developing countries to benefit from FDI.

Item 10: Adoption of the Report of the Commission to the Trade and Development Board

25. The report of the Commission will be submitted to the Trade and Development Board at its thirty-eighth executive session in April 2006.