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TRADE AND DEVELOPMENT BOARD
Commission on Investment, Technology
and Related Financial Issues
Expert Meeting on the Impact of FDI on Development
Geneva, 24–26 January 2005
Item 2 of the provisional agenda

PROVISIONAL AGENDA AND ANNOTATIONS

I. Provisional agenda

1. Election of officers
2. Adoption of the agenda
3. The impact of FDI on development
4. Adoption of the report of the meeting

II. Annotations to the provisional agenda

Item 1: Election of officers

1. It is recommended that the Expert Meeting elect a Chairperson and a Vice-Chairperson-cum-Rapporteur.

Item 2: Adoption of the agenda

2. The provisional agenda for the meeting is contained in section I above. A detailed programme will be made available one week before the meeting.

Documentation

TD/B/COM.2/EM.16/1 Provisional agenda and annotations

Item 3: The impact of FDI on development

3. As was requested at the eighth session of the Commission on Investment, Technology and Related Financial Issues, the Expert Meeting will focus on issues related to the impact of FDI on development and its role in integrating developing countries into the world economy. Innovation and research and development (R&D) are of particular importance for developing countries. They are essential for upgrading technologies, moving up the development ladder, and catching up with developed countries. Transnational corporations (TNCs) are dominant players in technology generation, transfer and diffusion. While some R&D activities – notably to adapt products to local markets – have been internationalized for many years, only recently have R&D activities serving regional or global markets become subject to globalization. It is hence particularly timely to look at the development implications of such a process.

4. Six themes that are of preponderant importance for FDI in R&D and its impact on development will be discussed:

(a) What kind of opportunities are opened, and risks created, by the offshoring of R&D to developing countries?

(b) To what extent can FDI in R&D in developing countries help reduce the R&D and innovation gaps between developed and developing countries?

(c) How does the globalization of R&D affect the transfer of technology to host economies?

(d) How does the globalization of R&D contribute to national science and technology efforts and the development of national innovation systems of developing countries?

(e) What kind of host-country policies can facilitate diffusion of technologies from TNCs' R&D activities to the local economy?

(f) What measures can home countries adopt to promote R&D-related FDI to developing countries?

5. To facilitate the discussions, the UNCTAD secretariat has prepared an issues note on "The impact of FDI on development: Globalization of R&D by transnational corporations and implications for developing countries". In addition, experts are expected to prepare brief papers on the subject under discussion. These papers will be made available at the meeting in the form and language in which they are received.

Documentation

TD/B/COM.2/EM.16/2

The impact of FDI on development: Globalization of R&D by transnational corporations and implications for developing countries (issues note by the UNCTAD secretariat)

Item 4: Adoption of the report of the meeting

6. The report of the Expert Meeting will be submitted to the Commission on Investment, Technology and Related Financial Issues at its ninth session (Geneva, 7–11 March 2005). The Expert Meeting may wish to authorize the Rapporteur, under the authority of the Chairperson, to prepare the final report after the conclusion of the meeting.