



**United Nations
Conference
on Trade and
Development**

Distr.
GENERAL

TD/B/COM.2/EM.20/1
12 October 2006

Original: ENGLISH

TRADE AND DEVELOPMENT BOARD

Commission on Investment, Technology and Related Financial Issues

Expert Meeting on FDI in Natural Resources

Geneva, 20–22 November 2006

Item 2 of the provisional agenda

PROVISIONAL AGENDA AND ANNOTATIONS*

I. PROVISIONAL AGENDA

1. Election of officers
2. Adoption of the agenda
3. FDI in natural resources
4. Adoption of the report of the meeting

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

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 Expert 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.20/1	Provisional agenda and annotations
--------------------	------------------------------------

Item 3: FDI in natural resources

3. The Expert Meeting will focus on issues related to the development impact of FDI in natural resources. The role of transnational corporations (TNCs) in extractive industries is attracting renewed attention, partly as a result of rising commodity prices and increased demand from emerging economies. The role of TNCs in the extractive industries of developing countries has evolved over time, reflecting various factors. In hard-rock mining, the involvement of TNCs has taken the conventional form of foreign direct investment (FDI). In the oil and gas industry, given the pre-eminent role of state-owned enterprises in this industry, it has often taken the form of agreements between States and TNCs. Reflecting in particular the desire of some developing countries to access natural resources, state-owned enterprises are also investing abroad, contributing to South-South investment in extractive industries.

4. Host developing countries continue to seek a balance between creating appropriate business conditions for TNC participation in extractive industries and increasing benefits to the host economy from such participation, while at the same time minimizing environmental and social costs. The distribution and use of revenues are in need of particular policy attention.

5. The Expert Meeting will identify key issues associated with TNCs in the extractive industries. It will examine potential economic, social and environmental impacts of foreign investment on the host economy and discuss various policy options aimed at ensuring development gains from FDI in natural resources. The following themes will be discussed:

- Trends and players in the extractive industries, in particular the evolution over time of the relationship between States and TNCs in the oil/gas and mining industries;
- The global determinants of FDI in extractive industries, including price, technology and political considerations (e.g. energy security);
- Potential benefits and costs of involving TNCs in the extraction of resources;
- Policy choices that make it possible to maximize development gains;

- Ways to minimize potential negative environmental and social effects of natural resource extraction;
 - Implications of outward FDI from developing and transition economies in extractive industries.
6. To facilitate the discussions, the UNCTAD secretariat is preparing an issues note on “Transnational corporations, extractive industries and development: Implications for policies”. In addition, experts are expected to prepare brief papers on the subject. These papers will be made available at the meeting in the form and language in which they are received.
7. Invited participants include experts from international and regional organizations, for example the United Nations regional commissions, the World Bank, the Energy Charter Treaty and the Commonwealth Secretariat, country representatives and local practitioners dealing with FDI in natural resources, representatives of non-governmental organizations, and academics with extensive experience in this area. In addition, a number of private sector representatives will participate in the meeting.

Documentation

TD/B/COM.2/EM.20/2

“Transnational corporations, extractive industries and development: Implications for policies: Issues note by the UNCTAD secretariat”

Item 4: Adoption of the report of the meeting

8. The report of the Expert Meeting will be submitted to the Commission on Investment, Technology and Related Financial Issues at its eleventh session. 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.

* * * * *