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TRADE AND DEVELOPMENT BOARD  
Commission on Enterprise, Business Facilitation  
and Development  
Seventh session  
Geneva, 24–27 February 2003  
Item 2 of the provisional agenda

**PROVISIONAL AGENDA AND ANNOTATIONS**

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## 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 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 General Assembly resolution 1995 (XIX) as amended).

5. Accordingly, following the cycle of rotation established after UNCTAD IX, the bureau for the seventh session of the Commission will be as follows: Chairperson from List A (Africa); Rapporteur from List A (Asia); and five Vice-Chairpersons (2 from lists A and C combined, 2 from List B and 1 from List D).

**Item 2: Adoption of the agenda and organization of work**

6. The seventh session of the Commission is scheduled for 24-27 February 2002. At the closing plenary of its sixth session, on 22 February 2002, the Commission approved the agenda items for its seventh session and the topics for related expert meetings.

7. With regard to the organization of the work of the session, the Commission has three and a half days available to it. It is suggested that the agenda items be taken up sequentially, with the first plenary meeting, on Monday, 24 February, being 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.3/48

Provisional agenda and annotations

**Item 3: Improving the competitiveness of SMEs through enhancing productive capacity**

9. With a view to facilitating the substantive discussions at the Commission session, the secretariat has prepared an issues paper: "Improving the competitiveness of SMEs through enhancing productive capacity" (TD/B/COM.3/51). A panel will be organized to examine the issues raised in the paper. Panelists will exchange views with Commission members on:

- The concept of competitiveness at the national and enterprise levels
- Elements for a competitiveness strategy
- Micro policies and support programmes to implement such a strategy
- Policy coherence between national programmes and international rules

10. One of the most effective ways to enhance the productive capacity of SMEs is through formulating business linkages with TNCs. A video focusing on successful initiatives has been produced by the secretariat in collaboration with the Governments of Malaysia and Brazil, as well as with private sector institutions in these countries, for the purpose of disseminating best practices to policy-makers and entrepreneurs in both TNCs and SMEs. This video will be shown to the Commission and will be followed by a floor discussion on the replicability of linkage programmes.

11. The Expert Meeting on Improving the Competitiveness of SMEs through Enhancing Productive Capacity: Financing Technology was held in Geneva on 28-30 October 2002. About 100 experts participated and considered national policies and programmes in both the public and private sectors to finance the technology that SMEs need to compete in the global economy, pursuant to paragraphs 119 and 156 of the Bangkok Plan of Action (TD/386).

12. Technology investment involves considerable uncertainty, information asymmetries, new types of assets, and intangible assets to a greater degree than investment in general. Thus, SMEs seeking financing for technology face a double hurdle. First, they face the traditional reluctance of lenders to service the SME sector for various well-known reasons. Second, they face additional hesitations on the part of lenders due to the nature of financing technology, the prospective profitability of which is highly uncertain and only revealed at the end of a long period. Consequently, many Governments have intervened and provided various support mechanisms for financing technology. The Experts recommended various follow-up actions for consideration by the Commission, as reflected in the report of the Expert Meeting (TD/B/COM.3/50).

### **Documentation**

TD/B/COM.3/EM.16/3 TD/B/COM.3/50	Report of the Expert Meeting on Improving the Competitiveness of SMEs through Enhancing Productive Capacity: Financing Technology
TD/B/COM.3/51	Improving the competitiveness of SMEs through enhancing productive capacity

#### **Item 4: Efficient transport and trade facilitation to improve participation by developing countries in international trade**

13. Efficient transport and trade facilitation can significantly increase trade, thereby boosting economic growth and creating new opportunities for development. The issues paper prepared by the secretariat (TD/B/COM.3/53) considers selected issues of improving transport efficiency and implementing trade facilitation measures including legal issues related to trade and transport. Among the most relevant steps for improving transport efficiency are the development of appropriate physical and legal infrastructure, transport sector reform and increased use of information and communication technology. There are a number of recognized trade facilitation measures that could influence transaction costs for developing countries, such as simplification of documentation and trade and Custom procedures, and harmonization of rules and regulations relating to international trade and transport. Furthermore, the implications of new security initiatives that will significantly affect international trade flows require consideration by the Commission. The issues paper is to assist the Commission in its deliberation of the subject.

14. As agreed by the Commission on Enterprise, Business Facilitation and Development at its sixth session, the secretariat convened an Expert Meeting on Efficient Transport and Trade Facilitation to Improve Participation by Developing Countries in International Trade: Problems and Potential for the Application of Current Trade Facilitation Measures. The meeting was held on 25-27 November 2002. It discussed current trade facilitation measures, their application in developing countries and the means of further reducing the divide between more and less advanced countries and regions in the formulation and application of

global trade facilitation instruments. The discussions and conclusions of the Expert Meeting are reflected in the report of the meeting (TD/B/COM.3/52), which is before the Commission for consideration.

#### **Documentation**

TD/B/COM.3/EM.17/3 TD/B/COM.3/52	Report of the Expert Meeting on Efficient Transport and Trade Facilitation to Improve Participation by Developing Countries in International Trade
TD/B/COM.3/53	Efficient transport and trade facilitation to improve participation by developing countries in international trade

#### **Item 5: Electronic commerce strategies for development**

15. With a view to assisting the Commission in its consideration of the main thematic issue of electronic commerce strategies for development, the secretariat has prepared a “Background paper on developments and main issues in electronic commerce and ICT” (TD/B/COM.3/49), which provides an overview of recent developments in Internet use, e-commerce trade and strategies adopted to support the development of e-commerce. The paper outlines selected critical areas requiring the attention of UNCTAD in its work programme on e-commerce, as well as measures that need to be implemented in order to increase the participation of developing countries in e-commerce.

16. The report of the Expert Meeting on Electronic Commerce Strategies for Development is contained in document TD/B/COM.3/47. The Meeting addressed the issue of strategies that developing countries could formulate and implement in order to promote e-commerce and the development of ICTs. The deliberations resulted in a Chairperson’s summary that reflects consensus views of the experts on strategies that are critical for the success of developing countries in their efforts to develop e-commerce and ICTs and that identifies the key areas that developing countries need to consider in their e-strategies.

#### **Documentation**

TD/B/COM.3/EM.15/3 TD/B/COM.3/47	Report of the Expert Meeting on Electronic Commerce Strategies for Development
TD/B/COM.3/49	Background paper on developments and main issues in electronic commerce and ICT

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

17. The guidelines adopted by the Trade and Development Board in carrying out the Mid-term Review at its nineteenth special session, held in Bangkok from 29 April to 2 May 2003 (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”.

18. In this context, the UNCTAD secretariat will prepare a progress report on the implementation of agreed conclusions and recommendations adopted at the sixth session of the Commission and addressed to UNCTAD. Concerning implementation by member States, those member States wishing to do so will have an opportunity to present their experience to the Commission.

**Documentation**

TD/B/COM.3/54	Progress report on the implementation of the agreed conclusions and recommendations of the Commission at its sixth session, including post-Doha follow-up
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**Item 7: Provisional agenda for the eighth session of the Commission**

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

20. According to the guidelines adopted by the Trade and Development Board at its nineteenth session (TD/B(S-XIX)/7), when selecting or approving topics for expert meetings, the Commission concerned should consider, on a case-by-case basis, continuing discussions on a particular theme over a series of expert meetings, in order to build a network of experts and allow for more in-depth discussions. Topics for expert meetings should be of immediate relevance. To this end, each Commission should establish clear terms of reference for its expert meetings.

**Item 8: Other business**

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

21. The report of the Commission will be adopted at its final plenary meeting and submitted to the Trade and Development Board for consideration.

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