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TRADE AND DEVELOPMENT BOARD
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Item 2 of the provisional agenda

PROVISIONAL AGENDA AND ANNOTATIONS

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II. ANNOTATIONS TO THE PROVISIONAL AGENDA

Introduction

1. During its twenty-third special session, within the context of the UNCTAD Mid-term Review, the Trade and Development Board recommended that UNCTAD's consensus building pillar be strengthened *inter alia* by working towards ensuring that the agendas of the Commissions are topical and focused, including by concentrating on one or two major themes of mutual interest; by ensuring that, as appropriate, the Commissions take into account the work of expert meetings in their substantive policy dialogues; and by ensuring that, in order to advance the consensus-building process, intergovernmental meetings result in development-oriented outcomes including policy options, as mutually agreed (TD/B(S-XXIII)/7 (Vol. I), paras. 32 (b), (e) and (f)).

2. To this end, the Commission will consider 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. In its discussion, the Commission could consider potential UNCTAD contributions to the Aid for Trade initiative.

Item 1. Election of officers

3. In accordance with rule 18 of the rules of procedure of the Commissions of the Trade and Development Board, the Commission shall 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 shall 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).

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

Item 2. Adoption of the agenda and organization of work

5. The eleventh session of the Commission is scheduled to be held from 19 to 23 February 2007. At the closing plenary of its tenth session, on 24 February 2006, the Commission approved the agenda items for the eleventh session and the topics for related expert meetings.

6. The Commission has five days available for the organization of its work. It is suggested that the first plenary meeting, on the morning of Monday, 19 February, be devoted to procedural matters and introductory statements. Agenda items 1 and 2 could be followed by agenda item 8, under which the Commission could take up the outcome of the Ad Hoc Expert Meeting on Building Skills in Developing Countries: Training, Networking and ICTs. The Commission could then take up agenda items 3 to 7 sequentially, ending with agenda item 9 (adoption of the final report).

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

Documentation

TD/B/COM.3/77 Provisional agenda and annotations

Item 3. Improving the competitiveness of SMEs through enhancing productive capacity

8. The objectives for this agenda item are to:

(a) Consider the outcome of the Expert Meeting on Best Practices and Policy Options in the Promotion of SME-TNC Business Linkages (Geneva, 6-8 November 2006), in the context of the mandates of the São Paulo Consensus and the Bangkok Plan of Action on strengthening the competitiveness of developing countries' enterprises, including SMEs;

(b) In the context of the Aid for Trade initiative and with the purpose of generating synergies between the various outcomes of the intergovernmental machinery, consider the enterprise competitiveness issues addressed in the report of the Expert Meeting on Building Productive Capacities in Developing Countries (Geneva, 4-6 September 2006);¹

(c) Review recent trends in the area of enhancing SMEs' competitiveness through their internationalization as one of the core elements of building productive and supply capacity of developing countries and transition economies. In particular, the Commission could consider the experience in Latin America (it examined the Asian experience in 2005 and could take up the African experience in 2008, in the lead-up to UNCTAD XII);

(d) Decide on follow-up and future work, including a topic relevant to this item for an expert meeting in 2007.

9. The establishment of business linkages between SMEs and TNCs is one of the fastest and most efficient ways for local firms to enhance their competitiveness by obtaining critical missing assets, such as access to international markets, finance, technology, management skills and specialized knowledge. The discussion of the outcome of the expert meeting on business linkages will therefore focus on policy options and support measures for strengthening the productive capacities of developing countries through internationalization. The documents on the issue of business linkages build on UNCTAD research, case studies and feedback from technical assistance projects in this area. They identify the key drivers and success factors of linkages programmes and provide guidance on the main steps and mechanisms needed to build an operational linkage programme.

10. At its tenth session, the Commission recognized the important role of SMEs in employment generation, poverty reduction and sustainable economic growth (as also affirmed by the World Summit in 2005), and requested the UNCTAD secretariat to continue promoting enterprise development to facilitate beneficial integration of developing countries and economies in transition into the world economy.

11. At its eleventh session, the Commission will therefore discuss the main developments in SME competitiveness with a view to deepening its analysis of the main factors, policy options and best practices that could facilitate enterprise growth in developing countries and economies in transition, in the light of the changing environment and the rapid pace of globalization. More specifically, it will review new forms of networking and collaboration.

¹ The full report of the Expert Meeting will be considered by the Commission on Investment, Technology and Related Financial Issues at its eleventh session.

SMEs are becoming more involved in supplier networks, strategic alliances and joint ventures both with other SMEs and with large domestic and multinational firms. Networking allows SMEs to combine the advantages of small-scale businesses in terms of flexibility with benefits such as economies of scale provided by large firm groups and access to critical missing assets, including technology, export markets, technology and managerial skills. Increased integration in regional and global supply chains can also contribute to local capacity building, and it favours increased South-South cooperation.

12. The Commission will consider the issue of the supply-side constraints that undermine the competitiveness of developing country enterprises in world markets. This issue was raised in the report of the Expert Meeting on Building Productive Capacities in Developing Countries and should be considered in the context of the Aid for Trade initiative. Supply-side constraints include an inadequate business environment, a weak enterprise sector, insufficient institutional support for enterprise development, and a limited resource base, including shortage of entrepreneurs and skilled professionals. The Commission will discuss how supply-side constraints could be tackled by building a competitive enterprise sector and by unleashing entrepreneurial potential in developing countries.

13. On the enhancement of SMEs through internationalization, the Commission will focus on the integration of SMEs into global value chains. It will discuss, from a policy perspective, how to embed value chains in the overall policy framework of economic development and in a territorial context. The discussions will consider the recent findings of the UNCTAD-OECD joint project on enhancing SMEs through their integration into global value chains.

Documentation

TD/B/COM.3/79	The role of global value chains in building national productive capacities
TD/B/COM.3/EM.28/2	Developing business linkages
TD/B/COM.3/EM.28/3	Report of the Expert Meeting on Best Practices and Policy Options in the Promotion of SME-TNC Business Linkages
TD/B/COM.2/EM.19/3	Report of the Expert Meeting on Building Productive Capacities in Developing Countries

Item 4. Efficient transport and trade facilitation to improve participation by developing countries in international trade

14. The objectives for this agenda item are to:

(a) Review the report of the Expert Meeting on ICT Solutions to Facilitate Trade at Border Crossings and Ports (held in Geneva from 16 to 18 October 2006), in the context of the Bangkok Plan of Action and the São Paulo Consensus and in terms of enabling developing countries to participate more effectively in the globalization processes through efficient transport and trade facilitation;

(b) Identify policy recommendations in order to strengthen trade facilitation and to foster transport efficiency and the development of multimodal transport and logistics

services in developing countries, taking due account of recent developments regarding trade facilitation within the context of the Doha Development Agenda;

(c) Consider the scope for enhancing cooperation among the various international and UN bodies involved in international transport and trade facilitation issues, including mechanisms such as the Global Facilitation Partnership for Transportation and Trade (GFPTT);

(d) Decide on follow-up activities and future work, including a topic for a possible next expert meeting, with a view to contributing to the coverage of trade and transport facilitation issues in the development process.

15. Recent developments in international trade and transport have led to increased use of ICT by traders and transport service providers. This also has a significant bearing on customs and other operations at border crossings and in ports. There is an increasing need for the use of ICT at ports and border crossings as a result of the globalization of trade and production processes, the trend towards liberalization and privatization in the telecommunications services sector, the increasing importance of supply chain security, and the significant ICT content of trade facilitation measures that may be adopted at the eventual conclusion of WTO negotiations on trade facilitation after their possible resumption.

16. ICTs are expected to play an increasing role in the design and implementation of Customs modernization programmes and other trade and transport facilitation measures. ICT applications can reduce waiting times at border crossings and at ports, secure appropriate processing of fees and Customs duties, simplify formalities, and provide timely information to transport operators. The use of ICTs in areas such as Customs automation, electronic documentation and advance information in logistics is likely to continue to grow in coming years. Developing countries must be proactive in reaping the full benefits from ICT tools available worldwide in order to reduce transaction costs, enhance supply capacities, and increase global market access.

17. Document TD/B/COM.3/EM.27/2 served as a basis for discussion at the Expert Meeting. It highlights major recent trends in the use of ICT in global trade and transport, as well as the resulting requirements for Customs modernization and other trade and transport facilitation measures; the role of ICT in trade and transport facilitation; available ICT tools and their applicability to the realities of developing countries and least developed countries; and the way forward. More specifically, interlinked discussions and analyses could cover:

(a) The increased application of ICT as an integral element in trade and transport facilitation, with specific issues including globalization of trade, transport and production processes, recently established policies, legal measures and infrastructure that both facilitate and necessitate the use of ICT, and the need for financial and technical assistance and capacity building;

(b) The formulation of approaches to equipping ports and border crossings, especially those of developing countries, with appropriate ICT applications that facilitate trade and transport. Such formulation should take into account national trade strategy and international trade and transport requirements such as those stemming from the World Customs Organization (WCO) Framework of Standards to Secure and Facilitate Global Trade (SAFE Framework) and possible commitments resulting from the WTO negotiations on trade facilitation;

(c) Possible increased access to global markets through cooperative arrangements in Customs modernization and the implementation of other trade and transport facilitation measures with ICT elements. This includes not only the technical-assistance and capacity-building aspects of cooperation, but also the requirements for establishing an institutional, commercial, legal and operational environment that is conducive to a strong and proactive cooperation.

18. The Commission is expected to discuss policies that reflect the needs and concerns of developing countries regarding the contribution of transport and trade facilitation to the development process. To this end, it will provide guidance to the secretariat and give direction to the analytical, intergovernmental and technical assistance processes, as well as their interaction.

Documentation

TD/B/COM.3/80 Efficient transport and trade facilitation to improve participation by developing countries in international trade: Issues note

TD/B/COM.3/EM.27/2 ICT solutions to facilitate trade at border crossings and in ports

TD/B/COM.3/EM.27/3 Report of the Expert Meeting on ICT Solutions to Facilitate Trade at Border Crossings and Ports

Item 5. ICT and e-business for development

19. The objectives for this agenda item are to:

(a) Identify policies in the field of ICT and e-business that can maximize their effectiveness as instruments to foster trade and development;

(b) Consider the outcome of the Expert Meeting in support of the Implementation and Follow-up of WSIS: Using ICTs to Achieve Growth and Development" (Geneva, 4-5 December 2006), in the context of the Bangkok Plan of Action and the São Paulo Consensus and in terms of the promotion of ICT and e-business in developing countries and countries with economies in transition;

(c) Assess the progress made on the recommendations made by the Commission at previous sessions, on the relevant components of the UNCTAD XI Partnership on ICT for Development, and on other aspects of UNCTAD's programme of work in this area;

(d) Identify issues for further policy discussion in the context of the expert meetings to be organized in 2007. The issue of ICT, e-business and gender is envisaged as a possible proposal for consideration by the Commission;

(e) Provide guidelines for future activities of UNCTAD in the field of ICT and development, including with regard to UNCTAD's practical contribution to the implementation of the outcome of the second phase of the World Summit on the Information Society (Tunis, November 2005).

20. At its tenth session, the Commission decided that an expert meeting should be convened in support of the implementation and follow-up of WSIS, on the subject of using ICTs to achieve growth and development. The meeting took place from 4 to 5 December 2006. The report of the Expert Meeting is contained in document TD/B/COM.3/EM.29/3.

The consideration of the outcome of the Expert Meeting is closely connected with the policy dialogue.

21. The policy dialogue on ICT and e-business for development is to be supported by the results of UNCTAD's work in the field of ICT and e-business as published in the latest *Information Economy Report* which, as requested by member States at the tenth session of the Commission, will provide the substantive background to the work of the Commission concerning this item. In particular, the documentation prepared by the secretariat emphasizes the following as possible areas to be covered by the policy dialogue:

(a) The trends in ICT and e-business adoption and usage in developing countries detected through UNCTAD's recent work in e-measurement;

(b) The importance of conducting ICT policy reviews, and in this regard consideration of the support that UNCTAD can provide to interested developing countries through the implementation of a practical review mechanism;

(c) As a subset of ICT policies, the role of pro-poor policies and measures in the overall context of ICT-for-development strategies and the interaction between ICT and poverty reduction strategies.

Documentation

TD/B/COM.3/81	ICT and e-business for development: Trends and policy issues
TD/B/COM.3/EM.29/2	Using ICTs to achieve growth and development
TD/B/COM.3/EM.29/3	Report of the Expert Meeting in support of the Implementation and Follow-up of WSIS: Using ICTs to Achieve Growth and Development

Item 6. Implementation of agreed conclusions and recommendations of the Commission

22. The guidelines adopted by the Trade and Development Board at its nineteenth special session (TD/B(S-XIX)/4) state that the Commissions' agendas will continue to include an item on follow-up and implementation of past recommendations. In this context, the UNCTAD secretariat has prepared a progress report, which contains information on the implementation of decisions and agreed conclusions adopted at the tenth session of the Commission and addressed to the secretariat.

Documentation

TD/B/COM.3/78	Progress report on the implementation of the agreed recommendations of the Commission at its tenth session
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Item 7. Provisional agenda for the twelfth session of the Commission

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

24. With regard to the selection of topics for expert meetings, at the Mid-term Review the Trade and Development Board recommended that UNCTAD's consensus building pillar be strengthened, inter alia, by exploring the possibility of having some expert meetings on a multi-year basis and building networks of experts (TD/B(S-XXIII)/7 (Vol. I), para. 32 (h)).

Item 8. Other business

Building skills in developing countries: Training, networking and ICTs

25. Under this item, the Commission will deal with the outcome of the Ad Hoc Expert Meeting on Building Skills in Developing Countries: Training, Networking and ICTs (Geneva, 27-28 November 2006) and the recommendations of the experts. The Expert Meeting addressed the following issues, which could be the basis for discussion by the Commission:

(a) Establishing continuity regarding previous UNCTAD meetings on training and capacity building;

(b) Building knowledge and skills for trade in the context of the current trade and development challenges faced by developing countries;

(c) Strengthening training/teaching capacity on trade, investment and development, including the role of ICT and distance learning in this regard;

(d) Strengthening analytical capacity on trade and linking research to policy-making;

(e) Strengthening trade-related knowledge and skills in developing countries to address supply-side constraints in the framework of the Aid for Trade initiative.

Documentation

TD/B/COM.3/AHM.1/2 Building skills in developing countries: Training, networking and ICTs

TD/B/COM.3/AHM.1/3 Report of the Ad Hoc Expert Meeting on Building Skills in Developing Countries: Training, Networking and ICTs

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

26. 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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