



United Nations Conference on Trade and Development

Distr.: General
14 February 2008

Original: English

Trade and Development Board
Commission on Enterprise, Business Facilitation and Development
Twelfth session
Geneva, 4–5 February 2008

Report of the Commission on Enterprise, Business Facilitation and Development

I. Chair's summary

A. Opening statements

1. Opening and general statements were made by the UNCTAD secretariat, G-77 and China, the Asian Group, the African Group, the Group of Latin America and Caribbean Countries (GRULAC), Group D countries, least developed countries, the European Union and the delegation of Indonesia. It was noted that the twelfth session of the Commission offered an opportunity to take stock of progress made over the previous four years and to consider key issues in view of the upcoming UNCTAD XII. The statements emphasized that due consideration needed to be given to the conditions of small and medium-sized enterprises (SMEs) in developing countries, and in particular to the specific requirements of SMEs in least developed countries. In this respect, attention was drawn to the need to (a) enhance private sector participation to improve infrastructure and productive capacities; (b) promote SME development through business linkages and skills upgrading programmes; and (c) adopt multilateral approaches in trade facilitation.

B. Transport, logistics and global value chains

(Agenda item 3)

2. The UNCTAD secretariat highlighted the main issues relevant to trade logistics and SMEs' effective integration into global value chains (GVCs) as discussed in document TD/B/COM.3/84. The key challenges and opportunities noted as requiring UNCTAD's continuing attention and due consideration included infrastructure, investment, efficiency of trade and transport-related services, the overall enabling environment, and incentives to develop public-private partnerships and linkages.

3. The ensuing panel discussion included presentations from public and private sector representatives. They outlined how SMEs and their linkages with GVCs could strengthen and enhance South-South trade (e.g. in the agri-food sector between South-East Asia and Western Africa) and the importance of consistent and coherent

international cooperation in promoting and increasing supply capacities, and facilitating technology and know-how transfer. From the perspective of transnational corporations (TNCs), certain challenges remained to effectively meet the growing consumer demand in developing countries. Within global production patterns, optimizing output at the lowest logistical and administrative costs involved tackling various technological, operational, political, legal and institutional challenges affecting developing countries, and creating a viable enabling environment. This was also considered key by freight forwarders to facilitate developing countries' integration into global production and trading networks. In this respect, further cooperation with international organizations was highlighted as an efficient way to improve transport and other trade supporting services in developing countries.

4. The representatives from the private sector and entrepreneurship support institutions also emphasized the importance of an enabling environment in stimulating entrepreneurship and facilitating global trade. It was noted that, in developing countries, providing the basic skills and mentoring services to entrepreneurs played a vital role in enabling SMEs or start-ups to access critical business support services, such as finance, and to develop adequate business practices and standards. Several panellists emphasized the complexity of current global supply chains as well as different possible ways of optimizing them – through the removal of invisible barriers, the use of emerging technologies and public–private partnerships in infrastructure development – keeping in mind the need to strike a balance between measures to facilitate trade and those to safeguard revenues, security and industrial protection.

C. Report of the expert meeting on regional cooperation in transit transport – solutions for landlocked and transit developing countries

(Agenda item 4)

5. The Chair of the expert meeting presented the proceedings and conclusions of the expert meeting as contained in document TD/B/COM.3/EM.30/3. The conclusions of the meeting highlighted in particular the importance of focusing on solutions to the transit transport challenges at the multilateral, regional, bilateral and local levels, mainly through the harmonization of the legal frameworks and the optimization of transit transport. In this context, the importance of the midterm review of the Almaty Programme of Action was highlighted.

6. The UNCTAD secretariat provided information on a recently completed project on capacity-building for landlocked and transit developing countries, focusing on collaboration along the transit transport chain. The project included transit corridor pilot projects linking (a) the Lao People's Democratic Republic and Thailand; (b) Zambia and Namibia; and (c) Uruguay and Paraguay. It demonstrated that a structured corridor and cluster approach in transit transport was beneficial for both public and private partners in landlocked and transit developing countries. The success and sustainability of the approach had been proven by the continuation of the cluster activities in all three pilot corridors in 2008–2009, beyond the completion of the project.

D. Report of the expert meeting on increasing the participation of developing countries' SMEs in global value chains

(Agenda item 4)

7. The report of the expert meeting contained in TD/B/COM.3/EM.31/3 was presented by the Chair. The report focused on policies and measures needed to integrate and improve the participation of SMEs into global value chains. Its main sources of reference were the findings of a recent research project jointly conducted

by UNCTAD, the Organization for Economic Cooperation and Development (OECD) and the University of Fribourg entitled “Enhancing the role of SMEs into global value chains”. It identified the main bottlenecks that hindered the participation of SMEs in GVCs in both developed and developing countries, and underscored the need to address the informal economy, the need for long-term support and reforms in property rights, credit and networking, as well as the special situation of women entrepreneurs.

8. The report emphasized that policies seeking to help SMEs participate in GVCs needed to (a) be dynamic; (b) consider the entire chain and its governance; (c) improve the capacity of SMEs to meet international standards, innovate or upgrade; (d) create an adequate regulatory framework which favoured competitive markets; (e) link SMEs to universities and research centres; (f) provide entrepreneurship training; and (g) improve access to finance and facilitate structured business linkages between SMEs and TNCs. In this regard, entrepreneurship training provided by Empretec, UNCTAD’s integrated capacity-building programme, proved to be extremely beneficial in building innovative, dynamic and internationally competitive SMEs through specific entrepreneurial skill training and advisory services, including on promoting business linkages.

9. The long-standing collaboration between OECD and UNCTAD in the area of SMEs and entrepreneurship was highlighted by landmark events such as (a) the Bologna Conference and its Charter on SME Policies in 2000, which laid down a broad and overarching set of principles to better respond to SME issues and needs in the global economy; (b) the Istanbul Ministerial Conference in 2004 on SME financing and removal of trade barriers; and (c) the 2007 Tokyo Conference on SMEs, internationalization and GVCs. Currently, the challenge for UNCTAD and OECD in their collaborative effort was to further their joint research activities, taking into account current changes in the global business panorama and delving more into policy recommendations for SMEs’ development.

E. Implementation of agreed conclusions and recommendations of the Commission at its eleventh session, including assessment of the work of the Commission since UNCTAD XI

(Agenda item 5)

10. The progress report (document TD/B/COM.3/85) was presented by representatives from the Division on Investment, Technology and Enterprise Development (DITE) and the Division for Services Infrastructure for Development and Trade Efficiency (SITE). The implementation of DITE’s mandate was highlighted through some of its major achievements and the impact of its research and analytical work, intergovernmental bodies and technical assistance. The most prominent and effective among those were (a) the business linkages programme; (b) the Empretec programme, especially in empowering SMEs to improve revenues and exports; (c) increased local sourcing by TNCs and large domestic firms; and (d) stimulating entrepreneurship among women and youths. Significant interest was expressed by several delegations on UNCTAD’s cooperation with OECD and other international agencies, such as the International Trade Centre (ITC), on internationalization of SMEs and the expansion of the business linkages and the Empretec programmes. There was also a request for UNCTAD to undertake a more systemic impact assessment of its technical cooperation work and to address those requests from developing countries that, due to resource constraints, had not yet been able to install Empretec centres or business linkage programmes.

11. The activities undertaken by SITE were conducted in accordance with its mandate under the São Paulo Consensus and further guidance provided by the Commission’s agreed recommendations. Interdivisional cooperation remained the

modus operandi of the division; activities on transport and trade facilitation and information and communication technologies (ICT) were carried out on the basis of UNCTAD's three interlinked pillars of work. Research and analytical work was widely disseminated through annual and non-recurring publications, while relevant technical assistance and capacity-building initiatives had been deployed as appropriate. Consensus-building work was supported by the substantive discussions and the outcome of well-attended and productive expert meetings that centred on the main topics of SITE's mandate and research programmes. SITE's work benefited from continued cooperation with other international organizations and entities, notably in the framework of the Global Partnership on ICT Measurement, the Global Facilitation Partnership (GFP), as well as Annex D organizations of the World Trade Organization (WTO) negotiations on trade facilitation. The activities undertaken by SITE had produced good impact on policymaking and improvement of capacities in beneficiary countries. SITE managed to broadly respond to the mandate under the São Paulo Consensus; implementing more activities would require additional resources. In closing, the United Nations Industrial Development Organization (UNIDO) noted that the Commission had succeeded in emphasizing the key factors affecting SMEs' participation in global value chains and the important role of open access to ICT.

F. Other business

(Agenda item 6)

12. The Commission agreed that the agenda for the next Commission would be examined after UNCTAD XII and that no agreed recommendations would be adopted in view of the Conference. The final report would contain the chair's summary as well as an account of procedural matters and would be submitted to the Trade and Development Board.

II. Organizational matters

A. Opening of the session

13. The twelfth session of the Commission on Enterprise, Business Facilitation and Development was opened at the Palais des Nations, Geneva, on 4 February 2007, by Mr. Julio Vasquez (Cuba), Chair of the Commission at its eleventh session.

B. Election of officers

14. At its plenary meeting, on 4 February 2008, the Commission elected the following officers to serve on its Bureau:

| | |
|--------------|---|
| Chair: | Mr. El Mostapha Ait Amor |
| Vice-chairs: | Mr. Georgi Avramcev (The former Yugoslav Republic of Macedonia) |
| | Mr. Paul Roger Batibonak (Cameroon) |
| | Mr. Carlos Santos (Ecuador) |
| | Mr. Fredrik Arthur (Norway) |
| | Mr. Edward Brown (United Kingdom) |
| Rapporteur: | Mr. Xuekun Sun (China) |

C. Adoption of the agenda and organization of work

15. At the same meeting, the Commission adopted the provisional agenda circulated in document TD/B/COM.3/83. Accordingly, the agenda for the twelfth session was as follows:

1. Election of officers
2. Adoption of the agenda and organization of work
3. Transport, logistics and global value chains
4. Reports of expert meetings
5. Implementation of agreed conclusions and recommendations of the Commission at its eleventh session, including assessment of the work of the Commission since UNCTAD XI
6. Other business
7. Adoption of the report of the Commission to the Trade and Development Board

D. Adoption of the report of the Commission to the Trade and Development Board

16. At its closing plenary meeting, on 5 February 2008, the Commission authorized the Rapporteur to prepare a report of the meeting, with the Chair's summary on the substantive agenda items, for the Trade and Development Board.

Annex

Attendance

1. Representatives from the following States members of UNCTAD attended the Commission:

| | |
|----------------------------------|---|
| Albania | Libyan Arab Jamahiriya |
| Angola | Madagascar |
| Argentina | Malaysia |
| Bangladesh | Mali |
| Belarus | Mauritania |
| Benin | Mexico |
| Bosnia and Herzegovina | Mongolia |
| Botswana | Morocco |
| Brazil | Mozambique |
| Bulgaria | Nigeria |
| Cameroon | Paraguay |
| Chad | Peru |
| China | Philippines |
| Congo | Poland |
| Côte d'Ivoire | Qatar |
| Cuba | Russian Federation |
| Czech Republic | Saudi Arabia |
| Ecuador | Serbia |
| Dominican Republic | Slovenia |
| Egypt | South Africa |
| Finland | Spain |
| France | Sri Lanka |
| Ghana | Sudan |
| Germany | Syrian Arab Republic |
| Greece | Thailand |
| Haiti | The former Yugoslav Republic of Macedonia |
| Honduras | Trinidad and Tobago |
| India | Tunisia |
| Indonesia | Uganda |
| Iran (Islamic Republic of) | United Arab Emirates |
| Iraq | United Kingdom of Great Britain and Northern Ireland |
| Israel | United States of America |
| Italy | Viet Nam |
| Japan | Yemen |
| Kenya | Zimbabwe |
| Lao People's Democratic Republic | |
| Lesotho | |

2. The following observer State was represented at the Commission:

Holy See

3. The following intergovernmental organizations were represented at the Commission:

African, Caribbean and Pacific Group of States
 African Union
 Agency for International Trade Information and Cooperation
 Economic Community of West African States
 European Community

League of Arab States
Organisation internationale de la Francophonie

4. The following specialized agency was represented at the Commission:

United Nations Industrial Development Organization

5. The following non-governmental organizations were represented at the Commission:

General Category

International Centre for Trade and Sustainable Development
Village Suisse ONG (VSONG)
Mr. Adalbert Nougá, Administrateur fondateur, Geneva

Special Category

International Federation of Freight Forwarders Associations
International Multimodal Transport Association

6. The following panellists participated in the session:

4 February 2008

Mr. Philippe Régnier, Graduate Institute of International and Development Studies, University of Geneva
Mr. Andreas Vogel, Supply Chain Leader, Oral Care, Central Eastern Europe, Middle East and Africa, Procter and Gamble
Mr. Marco Sangaletti, Director General, International Federation of Freight Forwarders Associations (FIATA)
Mr. Nana Boateng, Director, Empretec Ghana
Mr. Christian David Mueller, Vice-President, Global Rail Markets, ABB
Mr. Mark G. Watts, Six Sigma Champion for Europe, Middle East and Africa, DuPont
Mr. Jean-Paul Duperrex, Director – Middle East and North Africa, SGS

Tuesday, 5 February 2008

Mr. Rigoberto Gauto Vielman, Ambassador, Permanent Mission of Paraguay
Mr. Dmitry Godunov, First Secretary, Permanent Mission of the Russian Federation
Mr. François Gilardoni, Senior Coach, FONGIT – Hightech Business Incubator
Ms. Marie-Florence Estimé, Deputy Director, Organization for Economic Cooperation and Development Centre for Entrepreneurship, SMEs and Local Development



United Nations Conference on Trade and Development

Distr.: General
7 March 2008

Original: English

Trade and Development Board
Commission on Enterprise, Business Facilitation and Development
Twelfth session
Geneva, 4–5 February 2008

Report of the Commission on Enterprise, Business Facilitation and Development

Corrigendum

Paragraph 9

For the existing text *substitute*

9. The long-standing collaboration between OECD and UNCTAD in the area of SMEs and entrepreneurship was highlighted by landmark events such as (a) the Bologna Conference and its Charter on SME Policies in 2000, which laid down a broad and overarching set of principles to better respond to SME issues and needs in the global economy; (b) the Istanbul Ministerial Conference in 2004 on SME financing and removal of trade barriers; (c) the OECD–APEC (Asia–Pacific Economic Cooperation) global conference on “Removing Barriers to SME Access to International Markets”, held in Athens in 2006; and (d) the 2007 Tokyo Conference on SMEs, internationalization and GVCs. Currently, the challenge for UNCTAD and OECD in their collaborative effort was to further their joint research activities, taking into account current changes in the global business panorama and delving more into policy recommendations for SMEs’ development.
