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DRAFT REPORT OF THE COMMISSION ON ENTERPRISE, BUSINESS FACILITATION AND DEVELOPMENT ON ITS FIFTH SESSION

22 – 26 January 2001

Rapporteur: Mr. Sivaramen Palayathan (Mauritius)

Note for delegations

This draft report is a provisional text circulated for clearance by delegations.

Requests for amendments to statements by individual delegations – to be submitted in English and French – should be communicated by **Friday, 2 February 2001** at the latest, to:

UNCTAD Editorial Section, Room E.8102, Fax No. 907 0056, Tel. No. 907 5654.

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Chapter IV

HUMAN RESOURCES DEVELOPMENT AND TRAINING IN TRADE-SUPPORTING SERVICES: KEY TO GROWTH WITH SPECIAL POTENTIAL FOR LDCS

(Agenda item 5)

1. For its consideration of this item, the Commission had before it the following documentation:

Human Resources Development and Training in Trade-supporting services TD/B/COM.3/36

Report of the Expert Meeting TD/B/COM.3/32

A. Statements made in plenary session

2. The **Director of the Division for Services Infrastructure for Development and Trade Efficiency**, introducing item 5, noted the key importance of human resources development (HRD) in general and their particular relevance to trade-supporting services (TSS), which were at the heart of the Division's work. He expressed his belief in distance learning and the formidable opportunities it provided to better serve the training needs of communities everywhere, and explained that companies in the forefront of this field had presented their ideas to the Expert Meeting on Human Resources Development and Training in Trade-Supporting Services. He also drew attention to the proposal made by the secretariat for work in a pilot country to introduce new approaches, including technology applications, to be shared with other countries.

3. The **Chief of the Information and Training Branch** drew attention to the wide interest generated by the Expert Meeting and the impressive experience of many experts who had participated, which showed that countries had good experience although there was much progress still to be made. Before itemizing the policy issues raised and the conclusions reached, he explained the vital nature of HRD in relation to economic development in general, even though the experts had focused on TSS. He explained the indispensable nature of a culture for HRD, with support for it in the long term and the need to link it with change across society. Furthermore, he pointed to the importance of implementing HRD across a whole community of TSS suppliers. He referred to the important work already done by the secretariat through programmes such as TRAINFORTRADE and TRAINMAR for institution-building, and more diverse programmes under technical cooperation or in specific fields such as commercial diplomacy. Work had already been done in LDCs and the intention was that all work would take account of the conditions of application within developing countries, including LDCs. Finally, he outlined the policy issues raised and the recommendations made by the experts, which were presented in detail in document

TD/B/COM.3/32. He also explained the proposal for a pilot exercise to help develop and apply policy in a particular country, to be followed by one or more workshops to share experience, as described in document TD/B/COM.3/36.

4. The representative of **Mexico**, speaking on behalf of the Latin American and Caribbean Group, said that in line with the outcome of the UNCTAD X his group considered that HRD in TSS was a priority issue for UNCTAD. He supported the recommendations made, including the development of a policy framework that countries could adapt to local circumstances, and expressed particular interest in regional workshops at which proposals could be put forward and given shape. He wholly agreed with the policy lines laid down by UNCTAD.

5. The representative of **Uganda**, speaking on behalf of the African Group, noted the great importance attached to the subject as initiated at UNCTAD X. TSS should be a pillar of development by contributing to the creation of new business. The report of the Expert Meeting gave a clear picture of what needed to be done, the many parties involved and the need to work together. This action within countries should be recommended to Governments and supported by international agencies. An exchange of experience was needed and UNCTAD should help, with particular attention to LDCs, to ensure that trained manpower could be retained while encouraging an exchange of expertise. He approved of the proposal for a model policy framework and measures led by UNCTAD and the International Trade Centre (ITC) to encourage local action. Above all, he approved of the pilot exercise to develop a policy framework and work through a national council, which he said would be most meaningful if conducted in a LDC, and he noted the high number of LDCs in Africa and the rationale in choosing one. However, he suggested that the pilot exercise should be associated with a complete programme of action, which would call for resources. He noted that the use of demonstrated expertise among developing countries, including LDCs, would be effective in reaching sustainable results as well as keeping costs down. The momentum generated by the Expert Meeting should not be lost.

6. The representative of the **Philippines**, speaking on behalf of the Asian Group and China, agreed that HRD in TSS was a source of development, especially with globalization. All options for their improvement needed to be seized, and the report of the Expert Meeting was timely. Action by countries themselves should be given close attention, including the public–private partnerships, but should go hand in hand with an international effort. She agreed that this needed to be harmonized and UNCTAD should take a lead. In this regard, LDCs needed assistance in the field of human resources and her group urged donors to provide assistance. However, every effort should be made to use this effectively, and she proposed that emphasis be given to the training of trainers to enhance the ability of local university professors to conduct training locally. UNCTAD could, she suggested, provide for the necessary support to local trainers so that cost could remain modest while results would be sustainable. She concluded that the recommendations of the secretariat in document TD/B/COM.3/36 were important, including awareness, a model framework and the pilot exercise. However, she suggested that the competence of UNCTAD should be reinforced with experience from the field and proposed that a pilot exercise be carried ou in Asia and the

Pacific, preferably in an LDC, with inputs from the region. This would be effective at low cost, although it would still call for external financial assistance.

7. The representative of **Nepal** echoed the views of the previous speaker, while stressing their importance for LDCs and the need for international cooperation and support. He noted that qualified manpower would sometimes need to be brought in from outside but supported the concept of training through local universities. He asked that UNCTAD contact national authorities to promote the concept and provide assistance to staff of their universities in meeting local needs. He noted that Nepal had sent experts from the private sector to the Expert Meeting and that they were supportive of the pilot study. He believed that Nepal could provide good support for the study on condition that there were no financial implications.

8. The representative of **Switzerland** referred to the diverse levels at which HRD could be considered and enhanced, from reducing illiteracy to use of advanced technology. She suggested that the Commission make a clear assessment of action that was possible and the priorities and inevitable constraints. Wider issues could be a matter for follow-up by the secretariat, such as the implications of basic education, the interests of the private sector and integration with trade policy. She noted the recent round-table held by OECD countries that would lead to relevant guidelines, and the need to avoid overlap.

9. The representative of **Cuba**, supporting the earlier statements made on behalf of the Latin American and Caribbean Group, emphasized the importance of HRD and training for competitiveness and development. However, he drew attention to the importance of education and provided statistics on literacy levels in different parts of the world. Illiteracy was too high in many countries, although Cuba had almost eliminated it by paying great attention to school attendance through investment of a high proportion of GDP in education. Training had become a follow-up to education, and Cuba had broadened opportunities by providing distance-learning possibilities through television. The need to start from basic education should be a concern of Governments.

10. The representative of **Sweden**, speaking on behalf of the **European Union**, noted that the special attention given to LDCs was highly appropriate. Investment in education and training, she said, also brought benefits by improving domestic income distribution. She noted that in all subjects discussed by the Commission human resources had been shown to be a vital factor, and most were ready for action at the domestic level. A policy framework was useful but should take account of the interests of all stakeholders, should build on HRD institutions, promote common standards, and consider privatization to stimulate private initiative. The international community could support domestic action for policy reform, promoting best practices and mobilizing efforts. She drew attention to the need for countries to integrate measures with a trade strategy, and said it was necessary to consider how HRD policies should fit with wider human issues such as formal education.

11. The representative of the **Libyan Arab Jamahiriya** emphasized that HRD in TSS was a driving force for sustainable development. He suggested that it should be taken most seriously by the business world, which should take into account the need to prepare for

electronic commerce. He supported in particular the statement made by the representative of the African Group with regard to training that would facilitate sharing in the benefits of globalization.

12. The representative of the **International Confederation of Free Trade Unions**, which had many members in LDCs, stressed the long-term nature of HRD. She noted the magnitude of the problems that remained by reference to the high number of illiterate people in the world. HRD was an investment that should be encouraged by reduction of foreign debt. However, success would also require structural change in many countries and must be linked to education. All policy measures should be developed in collaboration with workers and employers. She reiterated the importance of education and training for all countries and drew attention to the meeting on HRD that had taken place during the Conference of the International Labour Organization in 2000.

Chapter V

ORGANIZATIONAL MATTERS

A. Opening of the session

13. The fifth session of the Commission on Enterprise, Business Facilitation and Development was held at the Palais des Nations, Geneva, from 22 to 26 January 2001. In the course of the session, the Commission held-plenary meetings and informal meetings. The session was opened on 22 January 2001 by Mr. Carlos Fortin, Deputy Secretary-General of UNCTAD.

B. Election of officers

(Agenda item 1)

14. At its 16th plenary meeting, on 22 January 2001, the Commission elected its Bureau as follows:

Chairperson:	Mr. Martins Pavelsons (Latvia)
Vice-chairpersons:	Mr. Abdirizak Ali Musa (Kenya) Mr. Douglas Griffiths (United States of America) Mr. Eberhard von Schubert (Germany) Mr. Julio Vasquez Roque (Cuba) Mr. Sayyed Jalaleddin Alavi-Sabzevari (Islamic Republic of Iran)
Rapporteur:	Mr. Sivaramen Palayathan

C. Adoption of the agenda and organization of work

(Agenda item 2)

15. At the same meeting, the Commission adopted the provisional agenda circulated in document TD/B/COM.3/33. Accordingly, the agenda for the fourth session was as follows:

1. Election of officers

2. Adoption of the agenda and organization of work

3. Enhancing the competitiveness of SMEs in the context of FDI in developing coutries: Relationships between SMEs and TNCs to ensure the competitiveness of SMEs

4. Capacity-building in electronic commere: impact of the new economy on traditional sectors of developing economies: Electronic commerce and tourism

5. Human resources development and training in trade-supporting services: Key to growth with special potential for LDCs

6. Provisional agenda for the sixth session of the Commission

7. Other business

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

D. Provisional agenda for the sixth session of the Commission

(Agenda item 6)

E. Other business

(Agenda item 7)

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

(Agenda item 8)