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

18-21 February 2002

Rapporteur: Mr. Paul Frix (Belgium)

Speakers:

Director of SITE

Spain for the EU

Director of DITE

United States of America

United Kingdom as Chairperson of
Pillar II of the Mid-term Review

Ethiopia
Uganda

Note for delegations

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

Requests for amendments to statements by individual delegations should be communicated by **Wednesday, 27 February 2002** at the latest, to:

UNCTAD Editorial Section, Room E.8108, fax no. 907 0056, tel. no. 907 5656/1066.

**PROGRESS REPORT ON THE IMPLEMENTATION OF THE AGREED
RECOMMENDATIONS OF THE COMMISSION AT ITS FIFTH SESSION**

(Agenda item 6)

1. The Director of the **Division for Services Infrastructure for Development and Trade Efficiency (SITE)**, introducing item 6, noted the difficulties the secretariat had in reporting on the implementation by member States of the agreed recommendations of the fifth session of the Commission. The reason for this was the limited feedback received from capitals. Concerning the recommendations addressed to UNCTAD, in every case actions carried out by the secretariat to implement these recommendations would have taken place even in their absence, as they largely coincided with the mandates already established by member States. With regard to the recommendations of the fifth session of the Commission regarding capacity-building in electronic commerce, he gave an overview of the research, analysis and dissemination activities in the area of the implications of electronic commerce for developing countries. He mentioned in particular the *E-Commerce and Development Report* that had been issued in November 2001 and that had already been downloaded over 70,000 times from UNCTAD's web site. He also listed a number of conferences, seminars and workshops on electronic commerce that had been organized by the secretariat or to which it had made a significant contribution. He referred in particular to a parallel event at the Third United Nations Conference on the Least Developed Countries that had focused on the new opportunities created by electronic commerce for LDC enterprises. Lastly, he informed delegations that a number of web-based e-tourism tools had been developed by the secretariat and were available to interested developing countries.

2. Concerning the agreed recommendations on human resources development and training in trade-supporting services, he provided information on the number and venue of training activities that had been performed since the adoption of the recommendations. Concerning the recommendation that a pilot exercise for the development of a national HRD policy framework should be carried out in one of the least developed countries, the secretariat had prepared a detailed project, the Government of one LDC country had expressed interest in this exercise, and discussions with donors were under way. The secretariat had placed emphasis on reinforcing its distance learning capacities, and delegations were invited to visit the HRD section's web site for more information in this regard. He concluded by underlining the excellent cooperation that existed between that section, which provided pedagogical expertise and support, and the substantive Divisions, as exemplified by courses recently developed in the fields of trade and environment and competition policies.

3. The **Director of Division on Investment Technology and Enterprise Development (DITE)** presented an overview of activities in regard to enterprise development in 2001 and on the implementations of the agreed recommendations of

the Commission at its fifth session. The key activities had been in the areas of enterprise policy and capacity-building, financial disclosure and reporting, corporate governance, SME-TNC linkages and women entrepreneurs.

4. The focus of enterprise policy was on integrating trade, investment and micro issues, particularly those affecting enterprise competitiveness. Intergovernmental work was key in achieving these goals. Apart from the Commission's fifth session and the expert meetings on financing for SMEs, a significant contribution had been made to the Third Conference on the LDCs and to the preparatory process for the Conference on Financing for Development. A number of research publications had also contributed to this work. With regard to financial disclosure and reporting, the work of the Intergovernmental Working Group of Experts on Accounting and Reporting on accounting by SMEs and on corporate governance deserved to be highlighted. Technical co-operation activities had been undertaken in the areas of accounting reform, environmental accounting and the strengthening of the profession to facilitate cross-border trade in services. Work on capacity building had been undertaken through the Empretec, Med 2000 and Kijani programmes. The focus had been on assisting countries to put in place the institutional infrastructure to provide business and financial services to entrepreneurs with potential. The recommendations of the external evaluation on Empretec had largely been implemented. During 2001 Empretec had provided support to 35,000 entrepreneurs and intensified South-South cooperation. The best indicator of Empretec's usefulness was that 25 countries had formally requested the programme. The research work undertaken on SME-TNC linkages was contained in the *World Investment Report 2001*. Several workshops had been undertaken to promote linkages, and a number of countries were starting linkage programmes.

5. Future challenges would be to further implement the Bangkok mandate, fully integrate technology and enterprise development with investment, prepare for UNCTAD XI, follow up on relevant international conferences (the Third United Nations Conference on LDCs, the Financing for Development Conference and the Doha WTO Ministerial Conference), strengthen Empretec, develop work on corporate governance, launch linkages programmes and maximize the effectiveness and impact of the Division with less resources.

6. The representative of the **United Kingdom**, speaking in her capacity as Chairperson of the pillar of the Mid-term Review on stocktaking, said that the mid-term review exercise would be based on the indicators of achievement agreed to in the medium-term plan (2002-2005). One indicator consisted of member States' views on the practical value and impact on the development prospects of developing countries of policy recommendations, as expressed in the conclusions of the regular review of the work undertaken by intergovernmental bodies. Member States were therefore urged to provide feedback on those matters under the present agenda item.

7. The representative of **Spain**, speaking on behalf of the **European Union**, asked the Director of DITE to further clarify the implementation of the

recommendations of the Commission and to report on problems encountered, particularly in terms of resources. He also asked for details on the Kijani Project. He asked the Director of SITE to report on any problems encountered in the implementation of recommendations of the Commission. Finally, he asked for details on two specific projects, namely the Course on Legal Aspects of International Trade and Trainmar.

8. The representative of the **United States** also requested the Director of DITE to give more details regarding the implementation of the recommendations and future activities. He suggested that the progress report on the implementation of agreed recommendations become the first item of the Commission's work, so as to give direction to the discussion of the following items.

9. The representative of **Ethiopia** asked the Director of DITE to clarify the linkages between small and medium-size enterprises and transnational corporations.

10. The **Director of DITE** said that, in his presentation, he had presented only the work of the secretariat, because the secretariat had little knowledge of how much Governments had done to implement the recommendations addressed to them. The linkages between foreign and domestic affiliates were the most important vehicle for the transfer of technology, skills and markets to developing countries, and the secretariat had studied ways in which these linkages could be strengthened.

11. A **representative of the secretariat** said that the Kijani Project was a new initiative to promote bio-diverse businesses in Africa through a bio-service, which would provide bio-business advice, and through a bio-fund, which would invest in environmentally sound projects. It was a joint initiative by UNCTAD, the World Conservation Union (IUCN) and the International Finance Corporation. It was being funded by Norway, it was applying for a grant from the Global Environment Facility, and it expected to receive investment funds from various national venture capital funds.

12. The **Director of SITE**, referring to Trainmar, said that the management of that project had been integrated into TRAINFORTRADE. The course on e-commerce, which was being requested by a number of developing countries, was at an advanced stage of preparation and would be ready in a few months time. The suggestion by the representative of the United States regarding the organization of the Commission's work was useful, but the decision on such matters was for the Mid-Term Review.

13. The representative of **Uganda** regretted that, although UNCTAD had the expertise and the capacity to carry out its mandate, it lacked the necessary resources, and he suggested that this issue be brought up in discussions on future allocation of funds among UN agencies.