



# United Nations Conference on Trade and Development

Distr.: General  
9 December 2009

Original: English

---

**Trade and Development Board  
Trade and Development Commission  
Investment, Enterprise and Development Commission  
Expert Meeting on the Contribution and Effective Use of  
External Resources for Development, in Particular for  
Productive Capacity-Building**

Geneva, 22–24 February 2010  
Item 2 of the provisional agenda

## Provisional agenda and annotations

### I. Provisional agenda

1. Election of officers
2. Adoption of the agenda and organization of work
3. Contribution and effective use of external resources for development, in particular for productive capacity-building
4. Adoption of the report of the meeting

### II. Annotations to the provisional agenda

#### Item 1. Election of officers

1. It is recommended that the expert meeting elect a Chair and a Vice-Chair-cum-Rapporteur.

#### Item 2. Adoption of the agenda and organization of work

2. The provisional agenda for the expert meeting is reproduced in chapter I above. A detailed programme will be available one week before the meeting.

*Documentation*

TD/B/C.II/EM.1/1 Provisional agenda and annotations

#### Item 3. Contribution and effective use of external resources for development, in particular for productive capacity-building

3. The Trade and Development Board, at its forty-seventh executive session, held on 30 June 2009, approved the following topic for a single-year expert meeting: “Contribution

and effective use of external resources for development, in particular for productive capacity-building”.

4. In December 2008, in Doha, Qatar, Heads of State and Government, as well as High Representatives, reviewed progress made since the 2002 International Conference on Financing for Development, held in Monterrey, Mexico. They reiterated, inter alia, their resolve to take concrete action to implement the Monterrey Consensus and address the challenges of financing for development. They also recognized that mobilizing financial resources for development and the effective use of all those resources were central to the global partnership for sustainable development, including in support of the achievement of the internationally agreed Development Goals.

5. Meanwhile, UNCTAD-XII, held in 2008 at Accra, Ghana, had recognized that monetary and financial stability at the national and international level and crisis prevention were important for sustainable development and growth. UNCTAD-XII affirmed that measures to mitigate the impact of excessive volatility of short-term capital flows and to improve transparency of financial flows should be considered. Enhanced measures to deepen the resilience of economies to external and domestic shocks were also vital to crisis prevention efforts. Policy measures and technical assistance to enhance responsiveness to risk were also important.

6. The Conference emphasized that further cooperation among development partners and relevant international institutions could improve country ownership, more closely align external resources to national development priorities and enhance mutual accountability. The Conference welcomed the increased resources that would become available as a result of the establishment of timetables by many developed countries to achieve the target of 0.7 per cent of gross national product for official development assistance by 2015.

7. In addition, the Conference noted that the primary responsibility for boosting productive capacity and technological upgrading lay with the countries themselves. The development of domestic productive capacity was seen as essential for effective use of foreign direct investment (FDI) and for overall economic development. FDI could, in turn, contribute to further improve domestic capability provided that the right policies were in place, including support to the domestic enterprise sector, to avoid the crowding-out effect of local firms by foreign companies and to encourage linkages with foreign affiliates. Furthermore, home countries could help promote development gains from FDI in host countries through measures such as incentives, risk mitigation and capacity-building measures aimed at facilitating private flows to developing countries. UNCTAD-XII further noted that investment in basic economic and social infrastructure was vital for developing countries.

8. UNCTAD-XII affirmed that all developing countries, in particular the least developed countries (LDCs), had to build productive capacity, ensure access to basic services, and strengthen their legal and regulatory frameworks and institutions. In this regard, it was considered necessary to examine policies to enhance the productive capacity of developing countries, particularly LDCs, and improve their ability to compete in the global economy.

9. Finally, in June 2009, the World Conference on the World Financial and Economic Crisis and Its Impact on Development committed to a coordinated and comprehensive global response to the crisis and to undertaking actions aimed at, inter alia, (a) restoring confidence and economic growth, and creating full and productive employment and decent work for all; (b) safeguarding economic, development and social gains; (c) providing adequate support for developing countries to address the human and social impacts of the crisis; (d) ensuring long-term debt sustainability of developing countries; and (e) seeking to

provide sufficient development resources to developing countries without unwarranted conditionalities.

10. UNCTAD's expert meeting will explore how the interaction of the key components of external resources for development can better focus on building productive capacity. The imperatives already recognized at Doha and Accra in this regard have acquired greater pertinence in the light of the global financial and economic crisis. Experts from governments, academia, international organizations and UNCTAD will deliberate how developing countries can better respond to the challenge of mobilization and effective management of external resources focused on productive capacity-building, including through appropriate macroeconomic policies, more effective use of official development assistance, enhanced debt sustainability and the complementary role of FDI.

*Documentation*

TD/B/C.II/EM.1/2 Contribution and Effective Use of External Resources for Development, in Particular for Productive Capacity-Building

**Item 4. Adoption of the report of the meeting**

11. The report of the expert meeting will be submitted to the Trade and Development Commission and the Investment, Enterprise and Development Commission at their next sessions. The expert meeting may wish to authorize the Rapporteurs, under the authority of the Chair, to prepare the final report after the conclusion of the meeting.

*Inputs from experts*

Experts nominated by member States are encouraged to submit brief papers (approximately five pages) as contributions to the work of the meeting. The papers should be submitted to the UNCTAD secretariat in advance of the meeting. The papers will be made available at the meeting in the form and language in which they are received.

Experts are requested to submit papers to the UNCTAD secretariat by 11 January 2010, addressed to Ms. Dong Wu, e-mail: [dong.wu@unctad.org](mailto:dong.wu@unctad.org).