



**United Nations Conference
on Trade and Development**

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Trade and Development Board
Investment, Enterprise and Development Commission
Multi-year Expert Meeting on Investment for Development
Second session
Geneva, 3–5 February 2010
Item 2 of the provisional agenda

Provisional agenda and annotations

I. Provisional agenda

1. Election of officers
2. Adoption of the agenda
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4. Adoption of the outcome of the meeting

II. Annotations to the provisional agenda

Item 1. Election of the officers

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

Item 2. Adoption of the agenda

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

Documentation

TD/B/C.II/MEM.3/4 Provisional agenda and annotations

Item 3. Foreign direct investment, domestic investment and development: enhancing productive capacities

3. In its session on 10 July 2008, the Trade and Development Board decided that the Investment, Enterprise and Development Commission should convoke a multi-year expert meeting on investment for development, the second session of which should deal with foreign direct investment (FDI), domestic investment and development: enhancing productive capacities.

4. The purpose of this meeting is to bring together experts, government policymakers and representatives from transnational corporations (TNCs), as well as civil society and academia, to address the development implications of investments, combining both foreign and domestic sources, and designing and preparing effective and active policies to boost productive capacities and international competitiveness of developing and transition economies. The expert meeting will analyse the development impact of both FDI and domestic investment activities, including the interaction between the two. It will also analyse the role of public-private partnerships (PPPs) in this regard.

5. At the outset of the meeting participants will also examine how these two types of investments – domestic and foreign – have evolved in the past decades, and what would be the optimum level of investment to ensure that there are no “crowding out” effects between the two types of investments and that synergies between them will be enhanced. Depending on the situation, FDI may substitute for, complement, or even strengthen capital formation by domestically-owned firms; therefore policymakers should ensure that FDI does not lead to the crowding out of domestic investment. The meeting will identify the conditions under which the optimal balance between FDI and domestic investment would be achieved, and discuss how to realize the potential for creating linkages and synergies between these two types of investments. Investors from developing countries also play a role in this context.

6. The meeting will consider three different aspects – infrastructure, agriculture (including food production) and climate change. The meeting will focus on the latter two, as infrastructure will be discussed in the context of agriculture and climate change issues. It will also consider how policies can help ensure that the direct and indirect effects of both foreign and domestic investment bring development gains, with due respect given to the public-private initiatives.

7. The expansion of agricultural production is crucial for fighting hunger and alleviating poverty. Recently, rising FDI in agriculture in general, and in staple food production in particular, has provided an opportunity to boost investment and enhance production in low-income countries. At the same time, concerns have been expressed about the potential negative social and environmental effects of such FDI. To explore how to enhance the development benefits of foreign participation in agricultural production, a

session of the meeting will focus on the potential for the interaction and creation of synergies between foreign and domestic investment. It will deal with both FDI-related aspects of such interaction and non-equity forms of cooperation, especially contract farming. It will also present policy options for enhancing linkages and creating PPPs.

8. Over the course of the next decades the investment needs for climate change mitigation and adaptation will be huge. In each economy, not least in the developing world, a crucial question is how to incentivize the relevant entities, including the domestic and foreign private sectors, to develop or diffuse the necessary technologies or expertise. A session during the meeting will examine these issues, especially how to attract relevant investments and to create the requisite linkages – for example through PPPs between the public and private sectors, both domestic and foreign – to meet the challenges and opportunities created by climate change for developing countries. The crucial issue of how to leverage additional private capital via market mechanisms, public funding or international and, especially, national policies tailored to national circumstances will also be examined. The interactive debate during the session will seek to ascertain and underline the fundamental contours of the policies that need to be put in place.

9. To facilitate the discussions, the UNCTAD secretariat has prepared an issues note on the interaction of FDI and domestic investment. In addition, experts are encouraged to prepare brief papers on the subject under discussion. These papers will be made available at the meeting in the form and language in which they are received.

Documentation

TD/B/C.II/MEM.3/5 Maximizing synergies between foreign direct investment and domestic investment for development: enhancing productive capacities

Item 4. Adoption of the outcome of the meeting

10. The expert meeting is expected to “facilitate an exchange of experiences on investment and development... [and] draw lessons from such experiences, with a view to helping developing countries secure greater benefits from investment” (TD/B/55/9, para. 30). The outcome of the expert meeting will be used as input for the final session of the multi-year expert meeting, with a view to formulating pragmatic policy instruments, in line with paragraph 207 of the Accra Accord.

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 will be made available at the meeting in the form and language in which they are received. They should be submitted to the UNCTAD secretariat in advance of the meeting, and addressed to Mr. Masataka Fujita, Palais des Nations, CH-1211, Switzerland; fax: 41 22 917 0194; e-mail: masataka.fujita@unctad.org.