

**Introductory remarks at the Working Party on the Medium-
term Plan and the Programme Budget
Fifty-seventh session**

(22-24 November 2010)

Subprogramme 2 - Investment and Enterprise

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The views expressed are those of the author and do not necessarily reflect the views of UNCTAD.

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**Introductory remarks by Mr James Zhan,
Director,
Division on Investment and Enterprise**

Distinguished delegates,

It is my pleasure to briefly introduce Sub-programme II of the UNCTAD budget submission for the next biennium 2012-2013. It presents the work of the Division on Investment and Enterprise. This submission, contained in document (TD/B/WP(57)/CRP.1) "Draft proposed programme narrative for the biennium 2012-2013", has been prepared according to the budget instructions issued by the Controller. Its substantive content also largely reflects guidance received from you, representatives of member States, during the 57th session of the Trade and Development Board (TDB), on the occasion of the "Evaluation and review of UNCTAD's implementation of the Accra Accord". Recommendations made during the previous sessions of the Investment, Enterprise and Development Commission were also taken into consideration in preparing this budget.

Three main considerations have guided the preparation of the budget for Sub-programme II:

1) A result-oriented logical framework:

The programme budget reflects congruence with the biennial programme plan for Sub-programme II for 2012-2013, as defined and adopted by the TDB at its 48th executive session (25 November 2009). The logical framework has since been completed by the adjunction of performance measures. These measures are directly derived from the indicators of achievements. They are either part of the indicators already used by the Division, and presented to you with our DIAE Performance Appraisal Framework (in which case, baselines and targets for the current biennium are clearly identified); or new indicators defined by this Working Party at its 54th session (for which baselines are not available).

Each output has been carefully reviewed to ensure that they will contribute to the attainment of at least one of the expected accomplishments. The overall number of outputs has been increased by some 10%, from 423 outputs in the current budget to 465 outputs for 2012-2013, mostly due to an increase in the number of ad hoc capacity-building activities at the request of member states in light of key emerging development challenges. As financial resources are meant to remain at the same level, this represents a renewed commitment from DIAE to increase its delivery through further increases in efficiency and synergies.

At this point, allow me to start by briefly summarizing the implementation record of Sub-programme II. In the previous biennium 2008-2009, and as evidenced in the last UNCTAD annual report, the Division delivered 92% of the planned outputs. These included some 145 publications (including books, manuals, reviews, reports, and issues papers), 120 advisory services and 110 training courses and workshops. As already mentioned in my presentation of DIAE's achievements since Accra, the Division is very well positioned to fully meet its targets at the end of the current biennium. The same comment applies to the indicators of achievements for Sub-programme II. At the end of the 2008-2009 biennium, and as reported in the 2010 UNCTAD Activity Report, all performance measurements were above the targets set. I would like to add that all indicators for the current biennium also point towards positive results.

2) Responsiveness to mandates given by member States:

During the preparation of the proposed programme budget for 2012-2013, all programme outputs were critically scrutinized to assert their appropriateness and articulation to the mandates covered by the subprogramme. This led to the identification of new, reformulated and discontinued outputs, as well as to some changes in our priorities. Without entering into the details of the budget narrative, I would like to highlight a few examples of new or reformulated activities.

During the last TDB, many delegations stressed their appreciation for UNCTAD's research and analysis in the area of investment for development. They also emphasized the need to harness investment in key sectors for development, such as agriculture and infrastructure. For this reason, and in addition to our flagship research products such as the *World Investment Reports* and the *Series on Best Practices in Attracting and Benefiting from Foreign Investment*, we have incorporated new outputs, including information material and expert meetings on foreign investment and development, which will provide an opportunity to address new and emerging concerns related to investing for development. They will also include advisory services to developing countries in formulating policies aimed at attracting and benefiting from investment, based on best practices in investment policy-making, and the organization of workshops on best practices in thematic areas, including investment in infrastructure and maximizing investment spillovers. Allow me to stress that in this context, the subprogramme will continue its work on foreign investment in agriculture, in infrastructure industries, low-carbon economy and technology dissemination.

MMM analyzing the new economic realities and challenges, including those resulting from the global financial and economic crisis. The 2012-2013 budget includes provisions for the recently launched *Investment Policy Monitors* and *Global Investment Trends Monitors*, which provide timely and e-based quarterly overview and analysis on international investment and policy developments at the national and international levels.

You have also stressed the need to further address the challenges and problems of African countries, Least Developed Countries, and other groups of countries with special needs. In particular, the benefits derived from UNCTAD's Investment Policy Reviews (IPRs) and subsequent assistance in implementing their recommendations were highlighted, as well as the importance of the work on investment promotion and facilitation for the economies with special needs. In this regard, subprogramme II is renewing its commitment to continue delivering its IPRs programme and will, as

evidenced by the increased number of provisions for related capacity-building activities, strengthen its assistance in implementing their recommendations. You may also note the increasing number of outputs aiming at assisting economies with special needs, which include the publications *FDI in LDCs at a Glance*, the *Investment Guides*, and other electronic tools aiming at facilitating a conducive investment climate in national development strategies. I shall also add here that the *World Investment Report* will continue to address in a dedicated section the specific issues of LDCs and countries with special needs.

Another new feature in the provision is the organization of the third session of the World Investment Forum, which has become a new gravity center of all investment development stakeholders for open, universal, inclusive and high-level international investment discourse and policy formulation, and will be organized in parallel with the thirteen Conference.

Overall, the Division will further strengthen the development dimension of its work in the post global crisis era, both in terms of policy analysis and technical assistance to developing countries, particularly the most vulnerable. Further emphasis will be laid on, among others, corporate governance and corporate social responsibility, business linkages and the development dimension of IIAs.

3) Focusing on core competence and maximizing development impact:

As you may recall, at the end of 2009, DIAE established a new strategic orientation based on three approaches: a core-product approach, an IT-enhanced approach, and a networking approach. As a result of the core product approach, the proposed programme budget for 2012-2013 focuses on the two flagships and seven core products of the subprogramme II, i.e. the *World Investment Report* and the World Investment Forum, the Investment Information Systems, the Investment Trends and Policy Monitors, the Investment Policy Reviews, the International Investment Agreements, the Investment Facilitation Compact, Entrepreneurship, and International Standards for Accounting and Reporting. This has two implications for the 2012-2013 programme budget:

Increased synergies among the three pillars of UNCTAD's work: Each core product and activity in the area of investment and enterprise integrate these three dimensions. For instance, in the area of enterprise development, outputs to be delivered include consensus-building through the annual sessions of the Investment, Enterprise and Development Commission and its expert meetings, research and analysis through the publications under the *Series on Enterprise for Development*, and capacity-building through the Empretec and Business Linkages programmes. In the area of Accounting and Reporting, the annual sessions of the Intergovernmental Group of Experts are informed by our research and analysis, disseminated through the *ISAR Annual Reviews* and the *ISAR newsletters*. On this basis, we are developing a technical assistance programme aiming at assisting developing countries in implementing internationally recognized standards and practices in accounting and reporting.

Streamlining publications and improved outreach: The IT-enhanced approach seeks to improve the Division's cost-effective delivery. It resulted in the development of specific instruments and tools, allowing for the dissemination of our work in the area of

investment and enterprise. For instance, the former *World Investment Directories* have been redesigned and will now be disseminated electronically under a new output in the 2012-2013 budget: the *Investment Country Profiles*. The statistical appendices of the *WIR* are now disseminated electronically under the online FDI-TNC databases. Meanwhile, the networking approach, including the development of an online interactive network to build a strong community of stakeholders in the area of investment and enterprise (what we call the World Investment Network), has generated new and current outreach products. For instance, the *IIA newsflash* - a new service developed by the IIA work programme to inform the International Investment Agreements community on the latest developments in the field - appears for the first time in the 2012-2013 programme budget. Overall, there will be a reduction in the number of DIAE's publications by 14, and of the number of pages printed by one-third.

Distinguished Delegates,

Allow me to conclude my presentation by emphasizing the Division's commitment to continue ensuring the relevance, efficiency, effectiveness and impact in its programme delivery. We will also thrive to maximize existing synergies through enhanced coordination within the Division, within UNCTAD and close cooperation with other organizations dealing with investment and enterprise development.

I am available for your questions.
Thank you.