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TRADE AND DEVELOPMENT BOARD  
Commission on Investment, Technology and Related Financial Issues  
Expert Meeting on Building Productive Capacities  
Geneva, 4–6 September 2006  
Item 2 of the provisional agenda

**I. PROVISIONAL AGENDA \***

1. Election of officers
2. Adoption of the agenda and organization of work
3. Building productive capacities
4. Adoption of the report of the Meeting

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\* This document was submitted on the above-mentioned date as a result of processing delays.

## II. ANNOTATIONS TO THE PROVISIONAL AGENDA

### Item 1: Election of officers

1. It is recommended that the Expert Meeting elect a Chairperson and a Vice-Chairperson-cum-Rapporteur.

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

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

#### *Documentation*

TD/B/COM.2/EM.19/1      Provisional agenda and annotations.

### Item 3: Building productive capacities

3. The Sao Paulo Consensus adopted at UNCTAD XI (TD/B/410) states that a key objective of UNCTAD's work "is to assist developing countries, in particular LDCs, to design and implement active policies for building productive capacity and international competitiveness, based on an integrated treatment of investment, corporate responsibility, technology transfer and innovation, enterprise development and business facilitation (including transportation and ICT), competitiveness, diversification and export capacity, to sustain a high level of growth and promote sustainable development." In this context, the Commission on Investment, Technology and Related Financial Issues (at its tenth session, Geneva, 6–10 March 2006) decided to convene an Expert Meeting on Building Productive Capacities.

4. A common feature of countries that have succeeded in building productive capacity has been the combination of export orientation and the use of active policies directed towards promoting productive investment, technology transfer, enterprise development and the consolidation of productive chains. Competitiveness policies include technology and innovation policies, investment and enterprise development policies, and policies oriented to promote diversification and the consolidation of clusters, as well as their incorporation into global value chains. They are mainly oriented to the supply-side of the economy.

5. The Expert Meeting will explore successful policies and approaches to building productive capacity and international competitiveness in developing countries, including programmes of assistance. This includes policies to attract foreign direct investment and complementary technology and innovation policies, including enterprise development policies, to enhance the benefits of FDI. It also includes the need to enhance the linkage between ODA and FDI. The Expert Meeting will emphasize an integrated treatment of policy areas and policy coherence, with a view to promoting broad-based development and contributing to the attainment of the MDGs. UNCTAD should distil its experience from the investment policy reviews, the Invest in Peace initiative and other related investment policy advice.

6. Presentations by experts will contribute to a better understanding of the policies that may contribute to the successful building of national capacities, and of the major concerns of developing countries in this area from the investment and development perspectives. In this connection, the Expert Meeting will consider development concerns and issues confronting

developing countries as they seek to attain national objectives related to FDI and the attendant package of benefits, including enterprise competitiveness, technology, managerial know-how and privileged access to world markets for the attainment of development goals.

7. To facilitate the discussion, the UNCTAD secretariat has prepared an issues note. 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.

8. Experts may wish to refer to the investment policy reviews conducted by UNCTAD. The reports may be downloaded from UNCTAD's website ([www.unctad.org/ipr](http://www.unctad.org/ipr)).

9. Expert may also wish to refer to *the Least Developed Countries Report 2006: Developing Productive Capacities*. This examines the core processes through which productive capacities develop in LDCs, identifies key constraints which are weakening the strength of these processes and identifies some policy priorities to overcome these constraints. The Report can be downloaded from UNCTAD's website ([www.unctad.org/ldcr](http://www.unctad.org/ldcr)) after 20 July 2006, 17:00 hours GMT.

#### *Documentation*

TD/B/COM.2/EM.19/2      *Building Productive Capacities*. Issues note by the UNCTAD secretariat.

UNCTAD/LDC/2006      *The Least Developed Countries Report 2006: Developing Productive Capacities*.

#### **Item 4: Adoption of the report of the Meeting**

10. The report of the Expert Meeting will be submitted to the Commission on Investment, Technology and Related Financial Issues at its next session. The Expert Meeting may wish to authorize the Rapporteur, under the authority of the Chairperson, 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. Papers, which will draw on experts' and private sector experience, will be made available at the meeting in the form and language in which they are received.

Experts are requested to submit papers by 1 August 2006 to: Ms. Fiorina Mugione, Chief, Enterprise Competitiveness Policies, Division on Investment, Technology and Enterprise Development, Palais des Nations, CH-1211 Geneva 10, Switzerland, Fax: +41 22 907 0197, email: [fiorina.mugione@unctad.org](mailto:fiorina.mugione@unctad.org).

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