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TRADE AND DEVELOPMENT BOARD

Commission on Investment, Technology
and Related Financial Issues

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Agenda items 3, 4, 5, 6, 7 and 9

AGREED RECOMMENDATIONS

1. UNCTAD should continue its global analysis on FDI and its analytical work on the impact of FDI on development to identify productive, beneficial and effective FDI, in order to help developing countries and countries with economies in transition better understand how FDI can contribute to growth and development. The findings should continue to be disseminated through policy briefs and regional seminars and, in particular, the *World Investment Report* (WIR). Member States are invited to continue to participate in the dissemination of the WIR, and briefings should continue to be organized for Geneva-based delegations in the context of the WIR launch. The WIR would benefit from being launched regionally, in addition to Geneva, and within existing resources, by using established partnerships and organizations within the regions. This could help increase and widen the audience, thus strengthening the relevance and impact of this valuable flagship publication.

2. UNCTAD should also continue its analytical work on the multiple factors necessary to attract and benefit from FDI, including through its work on the WIR, and should assist, within its mandate, developing countries and countries with economies in transition in their formulation and implementation of policies conducive to attracting and benefiting from FDI.

3. The Commission welcomes the rising trend of outward FDI from developing countries and with economies in transition, which should be encouraged through greater South–South cooperation. UNCTAD should continue to study South–South FDI and its impact and facilitate the exchange of experience.

4. In the light of the deliberations of the Commission, UNCTAD should continue to study FDI in services, such as tourism and infrastructure, as well as recent trends in national FDI policies. The Commission notes the findings and recommendations of the Expert Meeting on FDI in Natural Resources, highlighting the crucial role of extractive industries in many developing economies and the increasing involvement of transnational corporations in those industries. UNCTAD should continue studying and disclosing new experiences in this regard, particularly their impact on the economic and social development of host countries.

5. Stressing the crucial role of timely and relevant information on FDI and TNC activities, the Commission appreciates UNCTAD's support to assist developing countries in improving FDI data collection and analysis, in the area of assessment of FDI impacts on development. UNCTAD could intensify its technical assistance, either from its trust funds on a demand- and needs-based basis or as a result of the beneficiary country having identified such needs as part of its national development plan or PRSP, and where the beneficiary had identified UNCTAD as its preferred implementing agency. The Commission notes further that UNCTAD should continue to work on the trade and development aspects of corporate social responsibility as it relates to all TNCs.

6. The Commission further notes the report on the Expert Meeting on Building Productive Capacities. Investment plays an important role in this regard. The Aid for Trade initiative should give favourable consideration to integrating trade-related investment and enterprise development as important components, particularly in respect of SMEs.

7. UNCTAD's analytical work should draw lessons from successful experiences with the transfer and diffusion of technology through FDI and other channels. It should also support efforts by developing countries, in particular LDCs, to respond to technological changes, identify best practices in transfer of technology and assess the effectiveness of policies aimed at domestic innovative capability-building.

8. The Commission, in recognition of the further proliferation of international investment agreements and the resultant complexity for developing countries and countries with economies in transition of investment policymaking and implementation at various levels, agrees that UNCTAD should serve as the key focal point in the United Nations system for dealing with matters related to international investment agreements, and continue to provide the forum to advance understanding of issues related to international investment agreements and their development dimension, including with reference to investor-State dispute resolution, involving all relevant stakeholders. In this area of work, particular consideration should be given to the needs of LDCs. The Commission requests UNCTAD to intensify its efforts in capacity-building that is demand-driven by the needs of developing countries and countries with economies in transition with a view to maximizing the contribution of international investment agreements to development.

9. The Commission recommends that member States consider the possibility of establishing a standing expert group to foster a greater understanding of the complex issues related to international investment agreements and their development implications. The

decision regarding the standing expert group should be taken at the level of the Trade and Development Board.

10. The Commission notes with appreciation the presentations of the IPRs of Morocco and Zambia and the follow-up implementation report on the IPR of Uganda. The Investment Policy Reviews are a valuable tool for developing countries and countries with economies in transition to improve the environment for both domestic and foreign investment. It asks the secretariat to strengthen its efforts to ensure that the developmental needs and priorities of countries under review form an integral part of the IPR and its follow-up mechanism. The Commission emphasizes the importance of timely follow-up assistance in the implementation of the recommendations, which includes capacity-building and investment facilitation. The Commission notes the pipeline of requests for IPRs and related technical assistance and invites development partners to enable UNCTAD to respond to these requests. The Commission recommends that the intergovernmental discussion of the Investment Policy Review should be in the form of a more interactive exchange of experiences. The Commission invites the secretariat to make a proposal to this end.

11. The Commission notes the Report of the Ad Hoc Expert Meeting on Policy Advocacy and invites UNCTAD to favourably consider requests for technical assistance in this area.

12. The Commission took note of the report of the twenty-third session of ISAR as contained in TD/B/COM.2/ISAR/35, and of the agreed conclusions therein, and approved the provisional agenda that the Group of Experts has proposed for its twenty-fourth session. It also received the report of the seventh session of the Intergovernmental Group of Experts on Competition Law and Policy.

13. The Commission welcomes the cooperation with other organizations active in the area of investment, in particular WAIPA, and would like to see the practice of joint sessions of the Commission and WAIPA continued. In addition, closer cooperation between UNCTAD and investment agencies will be a way to increase the capacity and effectiveness of these investment agencies.

14. The Commission underlines the contribution that UNCTAD can make to the follow-up of major UN conferences, including the Monterrey Consensus on Financing for Development.