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### TRADE AND DEVELOPMENT BOARD Commission on Enterprise, Business Facilitation and Development Tenth session Geneva, 21–24 February 2006 Item 2 of the provisional agenda

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### II. ANNOTATIONS TO THE PROVISIONAL AGENDA

### Introduction

1. At UNCTAD X, in February 2000, UNCTAD welcomed the document entitled "Improving the functioning and the structure of the intergovernmental machinery of UNCTAD" (reissued in TD/B/EX(24)/L.1). The recommendations in that document aimed to enhance the status of the Commissions as policy-formulating organs and to strengthen the substantive linkages between expert meetings and Commissions.

2. In addition, at its nineteenth special session held in April 2002 within the context of the Mid-term Review, the Trade and Development Board reviewed the functioning of the intergovernmental machinery and adopted guidelines to improve its efficiency (TD/B(S-XIX)/4). These guidelines state that the Commissions should conduct a policy discussion on the basis of secretariat research, reports of expert meetings and other relevant inputs, including from panellists and from other intergovernmental organizations and civil society. It should also place the outcome of the discussions within the appropriate policy context and framework. While considering the outcome of expert meetings, the Commissions should complement the issues dealt with by expert meetings, and avoid duplicating their debates as much as possible.

3. When deciding on the nature of the Commissions' outcomes, a main objective should be to maximize the time devoted to substantive dialogue among government representatives so as to build consensus on issues within UNCTAD's competence, and to minimize the time devoted to drafting exercises. The Bureau and the regional coordinators will indicate the nature of the outcomes they seek from the Commissions. Whenever possible the outcomes should be in the form of a Chairman's summary reflecting substantive dialogue and separate concise recommendations to the UNCTAD secretariat. Further options for the outcome may include: principles, guidelines, best practices, agreed conclusions, etc.

4. To this end, the Commission will consider the reports of the expert meetings held during the previous months, as well as background documentation prepared by the secretariat identifying the policy questions for discussion by the Commission.

### Item 1: Election of officers

5. In accordance with rule 18 of the rules of procedure of the Commissions of the Trade and Development Board, the Commission is to elect a Chairperson, five Vice-Chairpersons and a Rapporteur from among the representatives of its members, taking into account the need to ensure equitable geographical distribution. Moreover, rule 19 of the rules of procedure states that the Bureau of the Commission shall consist of seven members (i.e. four members from Lists A and C combined, two members from List B and one member from List D referred to in the annex to General Assembly resolution 1995 (XIX) as amended).

6. Accordingly, following the cycle of rotation established after UNCTAD IX, the bureau for the tenth session of the Commission will be as follows: Chairperson from List D;

Rapporteur from List A (Africa); and five Vice-Chairpersons (three members from Lists A and C combined, and two members from List B).

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

7. The tenth session of the Commission is scheduled for 21–24 February 2006. At the closing plenary of its ninth session, on 25 February 2005, the Commission approved the agenda items for the tenth session and the related expert meetings.

8. The Commission has four days available to it for its work. It is suggested that the agenda items be taken up sequentially, with the first plenary meeting, on Tuesday, 21 February, being devoted to procedural matters and introductory statements.

9. The secretariat will prepare a detailed programme, which will be available on the first day of the session.

### Documentation

TD/B/COM.3/71 Provisional agenda and annotations

# Item 3: Improving the competitiveness of SMEs through enhancing productive capacity

10. The issues note "Promoting TNC-SME linkages to enhance the productive capacity of developing countries' firms: A policy perspective" (TD/B/COM.3/75) reviews recent trends in areas of internationalization of developing countries' domestic enterprises, in particular through the establishment of productive linkages with large foreign affiliates. Evidence shows that, under specific conditions, such a process can increase the productive and export capacity of developing countries' enterprises by facilitating their access to new markets, technology, management skills and knowledge, and eventually by integrating them – directly or indirectly – into global value chains. The issues note looks at the circumstances in which the establishment of TNC-SMEs linkages has become a key driver of economic growth and an effective channel for technology and skills transfer. In order to achieve this goal, it analyses best practices in the promotion of business linkages from a policy perspective and highlights lessons to be learned from selected country case studies.

11. Following the Commission's decision at its ninth session and within the framework of the São Paulo Consensus and the Bangkok Plan of Action, the secretariat convened an Expert Meeting on Enhancing the Productive Capacity of Developing Countries' Firms through Internationalization, which was held on 5–7 December 2005. During the meeting, the experts focused on the opportunities and challenges of internationalization for developing country enterprises, especially through outward foreign direct investment. They analysed the main trends of this new phenomenon, the main drivers for internationalization by regional and global players, the impact of investing abroad on the competitiveness of domestic enterprises, and possible ways of encouraging internationalization though policy measures. They also discussed how these trends could contribute toward South-South cooperation. The discussions of the Expert Meeting are reflected in the report of the Meeting (TD/B/COM.3/EM.26/3), which is before the Commission for its consideration.

#### Documentation

TD/B/COM.3/75	Promoting TNC-SME linkages to enhance the productive capacity of developing countries' firms: a policy perspective
TD/B/COM.3/EM.26/3	Report of the Expert Meeting on Enhancing the Productive Capacity of Developing Countries' Firms through Internationalization

## Item 4: Efficient transport and trade facilitation to improve participation by developing countries in international trade

12. The secretariat has prepared an issues note on efficient transport and trade facilitation to improve participation of developing countries in international trade (TD/B/COM.3/72). Based on this note, the Commission should be able to identify policy recommendations in order to strengthen trade facilitation and to foster transport efficiency and the development of multimodal transport and logistics services in developing countries, taking due account of recent developments regarding trade facilitation within the context of the Doha Development Agenda. The Commission should consider the scope for enhancing cooperation between the various international and UN bodies involved in international transport and trade facilitation issues such as the Global Facilitation Partnership for Transportation and Trade (GFPTT). It should decide on follow-up activities and future work, including a topic for the next expert meeting, with a view to contributing to the coverage of trade and transport facilitation issues in the development process.

13. The Expert Meeting on Trade Facilitation as an Engine for Development was held from 21 to 23 September 2005. The report of the Expert Meeting is contained in document TD/B/COM.3/EM.24/3. The Commission is expected to review the outcome of the Expert Meeting within the context of the Bangkok Plan of Action and the São Paulo Consensus in terms of enabling developing countries to participate more effectively in globalization processes through efficient transport and trade facilitation. The note by the secretariat on trade facilitation as an engine for development (TD/B/COM.3/EM.24/2), which is also to serve as a basis for discussion, highlights major developments in the field of trade facilitation, including those relevant to trade and transport facilitation and development; needs and priorities; GATT Articles V, VIII and X; and the way forward.

	Documentation
TD/B/COM.3/72	Efficient transport and trade facilitation to improve participation by developing countries in international trade
TD/B/COM.3/EM.24/2	Trade facilitation as an engine for development
TD/B/COM.3/EM.24/3	Report of the Expert Meeting on Trade Facilitation as an Engine for Development

### Item 5: ICT and e-business for development

14. The secretariat has prepared a background paper on 'ICT and e-business: Selected trends and issues on the ICT for development agenda" that summarizes the conclusions of the secretariat's latest work on the issues of ICT and e-business for development. The paper presents the progress so far in UNCTAD's e-measurement initiative, as well as some elements to facilitate the Commission's deliberations on the policies that developing countries could consider in order to facilitate ICT adoption by enterprises, including in areas such as Internet interconnection costs, Internet security and specific legal aspects of **C**T and e-business. The paper also suggests ways in which UNCTAD could support the implementation of the WSIS outcome.

15. At its ninth session, the Commission decided that an expert meeting should be convened on the question of ICT and tourism for development. The meeting took place from 30 November to 2 December 2005. It brought together experts from both developed and developing countries, from international and regional bodies involved in ICT and tourism issues, and from civil society organizations. The experts discussed existing international best practices in the area of e-tourism and shared experiences on strategies and policies through which developing countries can use ICT in the tourism industry in order to maximize its contribution to their sustainable development. They also examined the practicalities of implementing e-tourism tools in a private-public partnership framework involving all the stakeholders of the tourism industry. On the basis of the outcome of the Expert Meeting, the Commission may wish to formulate recommendations for further UNCTAD work in this area. The report of the Expert Meeting is contained in document TD/B/COM.3/EM.25/3.

#### Documentation

TD/B/COM.3/74	ICT and e-business: Selected trends and issues on the ICT for development age nda
TD/B/COM.3/EM.25/2	ICT and tourism for development
TD/B/COM.3/EM.25/3	Report of the Expert Meeting on ICT and E-tourism for Development

## Item 6: Implementation of agreed conclusions and recommendations of the Commission

16. The guidelines adopted by the Trade and Development Board at its nineteenth special session (TD/B(S-XIX)/4) state that the Commissions' agendas will continue to include an item on follow-up and implementation of past recommendations. In this context, the UNCTAD secretariat has prepared a progress report that contains information on the implementation of decisions and agreed conclusions adopted at the ninth session of the Commission and addressed to the secretariat. Member States are invited to report on their own implementation in statements to the Commission.

### Documentation

TD/B/COM.3/73 Progress report on the implementation of the agreed recommendations of the Commission at its ninth session

### Item 7: Provisional agenda for the eleventh session of the Commission

17. A draft provisional agenda for the eleventh session of the Commission will be submitted for consideration and approval.

18. According to the guidelines adopted by the Trade and Development Board at its nineteenth session (TD/B(S-XIX)/4), when selecting or approving topics for expert meetings, the Commission should consider, on a case-by-case basis, continuing discussions on a particular theme over a series of expert meetings, in order to build a network of experts and allow for more in-depth discussions. Topics for expert meetings should be of immediate relevance and have clear terms of reference.

### Item 8: Other business

19. The Commission will be briefed on the links between the secretariat's work on enterprise, business facilitation and ICT for development and the World Summit Outcome 2005.

### Item 9: Adoption of the report of the Commission to the Trade and Development Board

20. The report of the Commission will be adopted at its final plenary meeting and submitted to the Trade and Development Board for consideration.

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