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**Trade and Development Board**  
**Investment, Enterprise and Development Commission**  
Second session  
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## Report of the Investment, Enterprise and Development Commission on its second session

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## **I. Action by the Commission**

### **A. Expression of appreciation**

1. The authorities of the Dominican Republic and Haiti expressed their appreciation for the technical assistance provided by UNCTAD under the programme to promote foreign direct investment (FDI) to enhance capital formation and capacity-building in both countries. Both Governments called on the donor community to come to the financial support of that programme, particularly concerning investment promotion, equipment acquisition, and the reconstruction of the Haitian investment promotion agency.<sup>1</sup>

### **B. Adoption of agreed conclusions**

2. The Commission adopted its agreed conclusions as presented below in chapter II.

## **II. Agreed conclusions**

### **A. Agreed conclusions<sup>2</sup>**

#### *The Commission*

1. *Welcomes* the *World Investment Report 2009: Transnational Corporations, Agricultural Production and Development*, which provides detailed analysis, inter alia, on the issue of investment in agriculture in developing countries.
2. *Notes* that enhancing administrative efficiency is an important element for business facilitation, as well as for building the necessary infrastructure to achieve the internationally agreed development goals (IADGs), including through public and private investment.
3. *Requests* UNCTAD to continue its capacity-building activities to support developing countries in the development of iPortals.
4. *Recognizes* the relevance of administrative efficiency in facilitating business, especially for small and medium-sized enterprises (SMEs). Stresses the need for transparency which contributes to the fight against corruption. Notes that UNCTAD's support in building the technical and managerial capabilities of SMEs through its Empretec programme plays an important role in instilling entrepreneurial skills that enables some SMEs to participate in global value chains, and welcomes the expansion of Empretec to other developing countries, especially the least developed countries (LDCs). Appreciates UNCTAD's efforts to support the diffusion of entrepreneurship.
5. *Expresses its concern* about the impact of the food, financial and economic crises on sustainable development and the uneven progress towards achievement of some of the IADGs, including the Millennium Development Goals (MDGs). Stresses the importance of investment in agriculture to ensure food security and sustainable development, emphasizing the need for promoting an enabling and predictable environment conducive to direct investment in agriculture.

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<sup>1</sup> The Commission took note of the appreciation expressed by the authorities of the Dominican Republic and Haiti.

<sup>2</sup> As adopted at the final plenary meeting on 30 April 2010.

6. *Recognizes* that investment in agriculture can contribute to building capacity and to progress towards achievement of some of the IADGs, including some of the MDGs.

7. *Requests* the UNCTAD secretariat, further to the deliberations of the Trade and Development Board at its fifty-sixth session, and in line with General Assembly resolution 64/192, in cooperation with other relevant institutions, to continue its work on the Principles for Responsible International Investment in Agriculture for Sustainable Development, emphasizing the need for a transparent and inclusive process for developing and considering such principles, which would allow ample input from Governments and all relevant stakeholders.

8. *Underscores* the importance to developing countries of enhancing productive capacities in agriculture and economic diversification, and in this regard requests UNCTAD, within its mandate and within existing resources, to reinforce its assistance to developing countries, particularly the LDCs, including in the areas of investment and technology.

9. *Calls upon* the UNCTAD secretariat to actively pursue the mandate on investment-related issues given by the Accra Accord so as to help developing countries, in particular LDCs, to build productive capacity in agriculture and to achieve sustained growth and development in order to, inter alia, make greater progress towards accomplishment of the IADGs.

## **B. Agreed conclusions on the outcomes of expert meetings<sup>3</sup>**

### *The Commission*

10. *Takes note* of the reports of the Multi-year Expert Meeting on Enterprise Development Policies and Capacity-building in Science, Technology and Innovation (STI) on its second session (TD/B/C.II/MEM.1/7); the Multi-year Expert Meeting on International Cooperation: South-South Cooperation and Regional Integration on its second session (TD/B/C.II/MEM.2/6); the Multi-year Expert Meeting on Investment for Development on its second session (TD/B/C.II/MEM.3/6); the Expert Meeting on Green and Renewable Technologies as Energy Solutions for Rural Development (TD/B/C.II/EM.3/3); and the Expert Meeting on the Contribution and Effective Use of External Resources for Development, in particular for Productive Capacity-building (TD/B/C.II/EM.1/3).

### **1. Multi-year expert meetings**

(Agenda item 3 (a))

#### *Multi-year Expert Meeting on Enterprise Development Policies and Capacity-building in Science, Technology and Innovation (STI) at its second session*

11. *Welcomes* the identification of actionable outcomes, including the creation of a set of good practices on entrepreneurship policies and the development of core indicators on entrepreneurship development.

12. *Encourages*, within UNCTAD's available resources, the development of a policymaking tool for entrepreneurship development in developing countries and countries with economies in transition, based on policy frameworks and core indicators and taking into account best practices and lessons learned from other relevant intergovernmental institutions and stakeholders.

<sup>3</sup> As adopted at the final plenary meeting on 30 April 2010.

13. *Encourages* UNCTAD to cooperate with other international, regional and national organizations and other stakeholders to develop relevant STI indicators as a basis for effective policy recommendations; to explore the possibility of developing a common list of STI indicators adapted to the realities of developing countries and to build capacity in developing countries, in particular the LDCs; to collect and analyze STI data; and to assist policymakers to formulate development-oriented STI policies.

*Multi-year Expert Meeting on International Cooperation: South–South Cooperation and Regional Integration at its second session*

14. *Considers* that scaling up investment, both public and private, in the agricultural sector is one of the keys to addressing the challenges of food insecurity in developing countries. In pursuit of the same, recognizes the importance of better investment planning, sharing of knowledge and experience, capacity-building, trade facilitation in the agricultural sector, and South–South cooperation. In this regard, encourages UNCTAD to continue its work on promotion of South–South and regional cooperation.

15. *Further considers* that foreign direct investment (FDI) in agriculture and related industries and services, within the framework of transparency and appropriate regulation, is an important strategic component that can help enhance developing countries' marketing channels, technological know-how and management skills.

*Multi-year Expert Meeting on Investment for Development at its second session*

16. *Emphasizes* the importance, inter alia, of promoting an enabling environment for attracting investment in view of the increasing importance of investment as a driver for development, and for the transfer of technology.

17. *Notes* the potential impact of FDI on food security and rural poverty alleviation and supports the development of the set of Principles for Responsible International Investment in Agriculture for Sustainable Development; emphasizes the need for a transparent and inclusive process which allows ample input from Governments and all relevant stakeholders and requests UNCTAD to continue its collaboration with other international organizations to this end in line with General Assembly resolution 64/192 and the Declaration of the World Food Summit in 2009 of the Food and Agriculture Organization of the United Nations (FAO).

18. *Notes* the potential role of FDI in addressing the effects of climate change on trade and investment in developing countries, and requests UNCTAD, in accordance with its mandate as outlined in Accra Accord paragraph 100, to focus its policy analysis on trade- and investment-related issues.

19. *Notes* the importance of UNCTAD, in collaboration with other organizations with substantial expertise on international investment issues, identifying and addressing the challenges and opportunities for international investment to contribute more effectively to economic development for all countries. In this regard, welcomes the collaboration with other institutions on quarterly reports on measures affecting international investment.

## **2. Single-year expert meetings**

(Agenda item 3 (c))

*Expert Meeting on Green and Renewable Technologies as Energy Solutions for Rural Development*

20. *Encourages* Governments to consider the inclusion of renewable energy technologies (RETs) in national policies and recognizes the important role that trade and investment can play in disseminating RETs.

21. *Requests* UNCTAD, within its mandate and within available resources, in collaboration with other relevant institutions, to analyse best practices in promotion of investment in RETs for sustainable rural development, particularly focusing on incentive structures and strengthening enterprise development.

*Expert Meeting on the Contribution and Effective Use of External Resources for Development, in particular for Productive Capacity-building*

22. *Emphasizes* the importance of an enabling environment that allows FDI to act as a catalyst for development at the domestic and international level, and the role of Governments and other stakeholders in enhancing local productive capacity by promoting more efficient allocation of resources as well as technological and organizational efficiency. Notes that insufficient domestic capacity limits FDI inflows and their impact on development. Further notes the importance of UNCTAD's work on investment, including the Investment Policy Reviews.

23. *Recognizes* that boosting investment and capital accumulation depends on both private capital inflows and domestic resource mobilization, and that external borrowing can play an important role in financing of capital goods imports required for the creation and upgrading of productive capacities, particularly in instances where foreign exchange cannot be generated through exports.

### **3. Intergovernmental Working Group of Experts**

(Agenda item 3 (b))

*Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting (ISAR)*

24. *Takes note* of the report of the twenty-sixth session of ISAR as contained in TD/B/C.II/ISAR/54, and of the agreed conclusions therein; and

25. *Approves* the provisional agenda that the Group of Experts has proposed for its twenty-seventh session.

## **III. Chair's summary**

### **A. Opening of the session**

1. The Secretary-General of UNCTAD, Mr. Supachai Panitchpakdi, made an opening statement. Statements were also made by (a) the representative of Cuba on behalf of the Group of 77 and China; (b) the representative of Bangladesh on behalf of the Asian Group; (c) the representative of Costa Rica on behalf of the Group of Latin American and Caribbean Countries (GRULAC); (d) the representative of Egypt on behalf of the African Group; (e) the representatives of Spain and of the European Union countries on behalf of the European Union; (f) the representative of Hungary on behalf of Group D; (g) the representative of Nepal on behalf of the Least Developed Countries (LDCs); and (h) the representative of Paraguay on behalf of the Landlocked Developing Countries (LLDCs). Representatives of the following States also made statements on behalf of their individual countries: Algeria, China, the Dominican Republic, Haiti and Indonesia. The Chair of the Commission also made a statement.

2. As countries struggled to overcome the impacts of the recent financial and food crises, the Secretary-General highlighted the importance of investment in the agricultural sector. Despite the urgent need to invest more in agriculture – both to ensure food security and to support long-term economic development – investment into this sector remained

depressed. In many countries, domestic investment in agriculture would not be sufficient; external funding from private and public sources needed to be mobilized in order to increase productive capabilities in that area. Foreign investment by transnational corporations (TNCs) could play a significant role in promoting sustainable and pro-poor agricultural development, by increasingly participating in agricultural production via non-equity modes of entry such as contract farming. As those activities had expanded in recent years, pressure had grown for action at the multilateral level to develop a set of principles for “responsible investment in agriculture”. To that end, the important role of UNCTAD in leading this coordinated effort to support best practices in agricultural investment was noted.

3. The Secretary-General also discussed the importance of public investment in administrative efficiency, and its potential role in easing investment activities – both domestic and foreign – in the aftermath of the global financial and economic crisis. During the current period of weak economic growth, those investments could pay important dividends – not only by reducing government costs, but also by creating a more welcoming environment for all investors by increasing the transparency and predictability of administrative processes. International cooperation for sharing and disseminating business facilitation solutions, such as UNCTAD’s iPortal, could considerably accelerate the pace and reduce the cost of administrative reform in developing countries.

4. The Secretary-General noted the importance of national science, technology and innovation policies in helping to achieve the Millennium Development Goals, highlighting that technology, along with trade, investment and finance, was at the core of UNCTAD’s integrated treatment of development issues. In particular, increasing income and reducing hunger called for – among other things – modern agricultural and industrial technology. UNCTAD, through its research and analysis, as well as its technical assistance, continued to play an important role in supporting developing countries in building up their own capabilities. The Secretary-General added that through policy dialogue, UNCTAD also supported policymakers in developing countries to overcome the obstacles they faced in harnessing science, technology and innovation for growth and development.

5. Referring to the impact of the economic and financial crisis, the Chair highlighted the need to develop a work programme on Aid for Investment to help developing countries, particularly LDCs, to overcome the crisis and to develop productive capacities, and expressed the hope that the Commission would reach a real outcome, which not only would share best practices among countries, but also would impact on the lives of those affected by the crisis.

6. The Commission noted that the meeting was taking place at an important juncture, as the international community was preparing the second review of the Millennium Development Goals and the Fourth United Nations Conference on the Least Developed Countries. All delegations expressed their preoccupation with the consequences of the global and financial crisis on flows of FDI – as exemplified by the decline of those flows to developing countries by more than one third from the year 2008 to the year 2009. Most of the speakers stressed the fact that the crisis was now a development crisis, and that the poorest countries were the hardest hit. Many delegates noted favourably UNCTAD’s extensive investment-related work to assist developing countries, including technical assistance and policy reviews. UNCTAD’s monitoring and reporting work on the consequences of the crisis on FDI, and its effect on development, was acknowledged by several delegations, which called for the continuation of UNCTAD’s work in that area. The relevance of the work performed by the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting (ISAR) was also highlighted by many speakers.

7. Meanwhile, most delegations stressed the importance of FDI in helping accelerate development and reduce poverty, and its potential role in helping poor countries overcome the impact of the crisis. In that context, many delegates stressed the importance for

developing countries of setting up a national and international enabling environment conducive to investment for development, and the relevance and importance of policy space, consistent with international obligations and best practices, in the design and implementation of policies for attracting investment. In that regard, all delegations highlighted the contribution of UNCTAD's investment policy reviews, as well as its work on investment promotion and facilitation in creating the conditions to strengthen the environment for investment.

8. Many delegations stressed the important role of science, technology and innovation (STI) in development, and noted that this was one of the issues pertinent to the Commission as per the Accra Accord. Several delegates maintained that the lack of local technological capacities, infrastructure, institutions and finance were key barriers to the transfer of technology, preventing developing countries from accessing knowledge and absorbing technology. There was a need for active policies to overcome these barriers. In view of the importance of STI for development, a specific request was made for a stand-alone agenda item on STI at the future sessions of the Commission. Other delegations expressed their concern with this idea, as it would be against the Accra Accord, in particular, *inter alia*, paragraphs 180 and 201.

9. Mention was also made of the enabling role of information and communications technology in development, in particular by creating a better investment climate. It was suggested that new and emerging technologies should be treated with special focus and attention, given their potential for providing solutions to pressing problems such as food and energy security and climate change adaptation or mitigation.

10. Many delegates highlighted the necessity of investing in infrastructure and transport systems, and the potential of public-private partnerships in financing those investments. In addition, many delegations underscored the potential of remittances in the creation of productive capacities in developing countries.

11. The importance of an enabling environment for the private sector and entrepreneurial investment for sustainable economic development was also pointed out. In that regard, delegations acknowledged the positive contribution made by the Empretec programme in facilitating entrepreneurship development.

12. In the current times of crisis, several delegations noted the relevance of administrative efficiency in facilitating business, especially in reducing barriers for small and medium-sized enterprises (SMEs). Some delegates called for a more proactive role by the State in regulating internal markets and in creating the conditions for growth.

13. Many delegations pointed out developing countries' difficulties in dealing with the increasing number and the complexity of international investment agreements. The importance of preserving flexibility was mentioned too.

14. Delegations also stressed the importance of agriculture as a central issue in achieving the Millennium Development Goals – in particular the eradication of poverty and hunger. The food crisis had drawn the attention of the international community to the importance of drastically increasing investments in the agricultural sector, provided that those investments were conducted in a responsible and sustainable manner. Speakers acknowledged the work undertaken by UNCTAD, in cooperation with the World Bank, the Food and Agriculture Organization of the United Nations (FAO) and the International Fund for Agricultural Development (IFAD), and within the mandates of General Assembly resolution 64/192, in preparing principles for responsible investment in agriculture for sustainable development.

15. The importance of South-South cooperation as a complement to North-South cooperation in the area of investment was also highlighted by several speakers, and there were calls for increased dialogue on best practices among regions, including through the

World Investment Forum scheduled for 6–9 September 2010 in Xiamen, China, on which a delegation briefed the Commission.

16. Statements were made on the consequences of the dramatic earthquake in Haiti, and the support provided by the international community – including through the assistance provided by UNCTAD in developing a joint strategy for investment promotion for the Dominican Republic and Haiti which required financial support from donors – was acknowledged.

17. Delegations expressed their appreciation for the new multi-year expert meetings and for the opportunity they provided for exchanging experiences, and encouraged UNCTAD to make further efforts with a view to making them more interactive and to ensuring the widest possible participation by experts from developing countries, including LDCs.

18. The Director of UNCTAD's Division on Investment and Enterprise presented recent trends and developments in global FDI flows and policies based on two new core products – the *Global Investment Trends Monitor* and the *Investment Policy Monitor*. While FDI flows had collapsed to all economic groupings and all modes of entry during 2009, forward-looking data for 2010 suggested that a rebound was potentially at hand. Developing economies were particularly well placed to see flows rise, as the global economic rebound appeared to be starting among those countries.

19. Investment policy trends continued in 2009 in the direction of openness and facilitation, although increased State ownership in ailing firms and “policy slippage” in the trade area were creating potential challenges. Although the winding-down of stimulus packages worldwide could potentially have a dampening effect on investment flows, the stimulus packages could also create further opportunities for firms to acquire shares released by governments. International investment rulemaking continued to develop at a rapid pace, with almost two investment treaties signed every week over the past couple of years.

20. The Director also noted the strong impact of the crisis on entrepreneurship, and presented UNCTAD's work in developing policy priority areas to reinvigorate entrepreneurship. As the global economy was on growth recovery, policymakers had to continue on the reform path, creating the framework for a sustainable, dynamic, job-creating business sector and encouraging entrepreneurship and innovation.

## **B. Investment in the agricultural sector with a view to building productive capacities**

(Agenda item 5)

21. In light of rising investment and related TNC activity in the agricultural sector in developing countries – acknowledging the opportunities and risks, and through a process of consultation with member States and other groups – the UNCTAD secretariat, FAO, IFAD and the World Bank Group had proposed a preliminary set of principles, called the “Principles for Responsible International Investment in Agriculture for Sustainable Development”. These principles were the subject matter of the session. The principles were introduced by the secretariat, and they were followed by remarks on the topic by members of the panel, which consisted of the United Nations Special Rapporteur on the Right to Food, high-level representatives from governments and industry, and representatives of non-governmental organizations (NGOs). An interactive debate followed.

22. Speakers and delegates highlighted the growing magnitude of global food security concerns, which were due to a number of factors including population growth, changes in global demand, and environmental issues. In order to address those challenges, an increase in agricultural investment was deemed essential for the coming decades. Multilateral and bilateral official development assistance (ODA) had declined over the past years, and there was a need for more public assistance for agricultural development, and for significant new



private investment in the sector. TNCs could potentially play an important role, but governments needed to proactively support positive impacts and limit negative consequences.

23. Various concerns were mentioned relating to foreign investment in agriculture in developing countries, with a stress on the fact that agricultural development in general, and FDI in particular, should not lead to the detriment of the poorest. The issues to consider included the danger of “land grab”, the need for the alleviation of poverty and hunger, the consequences of price instability on commodity markets, and protection of the land rights of smallholders and local communities. More transparency pertaining to investment in agriculture was vital, not only on the part of governments, but also from the corporate sector.

24. In general, the meeting was supportive of the development of guidelines for responsible agricultural investment for sustainable development, including further related work by UNCTAD and other United Nations agencies in line with General Assembly resolution 64/192. The Commission welcomed a report of the outcomes from the Roundtable on Responsible Agricultural Investment co-hosted by the Governments of Japan and the United States and the African Union Commission and held on 25 April 2010 in Washington, D.C., which attracted more than 150 participants, from UNCTAD and other international organizations, numerous governments, NGOs, civil society organizations and agricultural firms. It was emphasized that the process of developing guidelines should be transparent and inclusive. Consideration should be given to addressing some issues more carefully in the principles, such as the positive outcomes to be achieved through observance, environmental aspects, and a balance between the responsibilities for investors and those of governments.

25. Moreover, support from all stakeholders was needed. As one speaker pointed out, foreign investment in agriculture remained controversial, especially among farmers in developing countries. At the same time, another speaker stressed that the principles also needed to be supported by the private sector, so as to facilitate rather than deter investments. The importance of dissemination of the principles, of technical assistance and of other work (from specific policy-orientated research to the establishment of a platform to share best practices) was also emphasized.

26. In conclusion, it was underlined that the principles should aim at promoting beneficial FDI for agricultural development, rather than discouraging it altogether. The principles should help member States to establish policies and priorities. The principles should help investors to formulate investment strategies, and should help to guide their operational conduct. Development of the principles was an ongoing process, and consultations with member States, civil society and private players must continue. UNCTAD should stand ready to be involved in this process and to set up technical assistance programmes to ensure further dissemination of the principles – as well as the relevant capacity-building – if appropriate.

### **C. Investment Policy Review of Belarus**

(Agenda item 5)

27. The meeting considered the *Investment Policy Review of the Republic of Belarus* (UNCTAD/DIAE/PCB/2009/10).

28. The Secretary-General of UNCTAD, in his opening remarks, stressed that Belarus had a lot to offer to investors, and congratulated the Government on the recent reform effort designed to create a more transparent and competitive business environment. Referring to the Investment Policy Review (IPR), the UNCTAD secretariat noted that Belarus had great potential for attracting FDI – among other things, by virtue of its strategic location between the Russian Federation and the European Union, its sizeable market, its highly skilled workforce and its well-developed infrastructure.

29. The UNCTAD secretariat also stressed that the recent reform had led to increased FDI inflows since 2007. However, it was noted that private investment in Belarus – including FDI – remained low in comparison to other countries of the Commonwealth of Independent States (CIS). This could be explained, in part, by the remaining constraints on business development, and on SMEs in particular. The constraints identified by the IPR included price controls, cumbersome administrative procedures and extensive controls, discrimination in access to production inputs, and low fiscal competitiveness.

30. The secretariat further reported on the strategy recommended in the IPR to attract increased FDI inflows and to support the development of SMEs through FDI. In particular, the IPR suggested improving FDI-specific regulations, for instance by upgrading the investment code, and by enhancing the general investment climate in areas such as fiscal competitiveness, competition policy and administrative efficiency. It recommended removing obstacles to the development of SMEs (including by reducing taxes and the administrative burden, and by removing price limitations) and adopting policies to foster SME development through FDI, such as strengthening the investment promotion agency, supporting entrepreneurship development, and designing linkages policies. It called on the Government to maintain its commitment to implement the recommendations and to foster private sector involvement in the economy, and called on the international community to provide its support.

31. The United Nations Development Programme (UNDP) in Belarus expressed appreciation for the IPR recommendations and stressed the contribution of FDI to human development, adding that the report was also a sign of the close cooperation between the United Nations system and the Government of Belarus. UNDP committed to support the implementation of the IPR recommendations and the efforts of the Government towards an improved investment environment.

32. On behalf of the Government of Belarus, the Deputy Prime Minister welcomed the IPR as an independent and objective study, which was timely and important to the reform process. After presenting an overview of recent macroeconomic and FDI performance in Belarus, he elaborated on the competitive advantages and investment opportunities of the country. In particular, he mentioned that Belarus was one of the few countries that had maintained a high level of economic growth in times of crisis, as reflected by the key economic indicators, which had been positive. Furthermore, indicating that Belarus was firmly engaged in a policy of privatization, he stressed that the approach chosen was one that would avoid mistakes that had been experienced by other countries.

33. The Government of Belarus fully endorsed the recommendations of the IPR, and was strongly committed to their implementation. It was reported that some recommendations to enhance the business climate had already been adopted, including a reduction of the tax burden on SMEs, the simplification of administrative procedures, and a revision of licensing requirements. The Government also pledged to pursue its efforts to further enhance the investment climate.

34. Delegations from the member States of UNCTAD commented on the IPR and its recommendations. They welcomed the recommendations and commended the efforts of the Government, which had significantly improved the business environment. Several member States also saluted the recently established customs union between Belarus, Kazakhstan and the Russian Federation, which was opening new perspectives for investment in Belarus and the region. However, some delegations expressed concern about the pace of certain reforms and their impact on foreign companies, mentioning that some discrimination persisted among public and private enterprises. They also encouraged the Government in its process of accession to the World Trade Organization (WTO), and called for the full implementation of the IPR recommendations.

35. Member States requested the secretariat to undertake investment policy reviews for other countries with economies in transition. In that regard, they called upon the international community to provide the required financial support for such undertakings.

36. Some representatives of the large international investment community present at the discussion described their investment experience in Belarus. They acknowledged that important measures had been taken by the Government to enhance the investment climate since 2007, making Belarus a better place to invest. However, they claimed that regulation remained cumbersome and changed too frequently, which made it challenging to plan and run a business. They argued, nevertheless, that the Government was responsive to dialogue and sought to promote effective collaboration.

37. As a sign of the Government's commitment to the IPR process and to the implementation of the IPR recommendations, Belarus and UNCTAD signed a new Memorandum of Understanding at the end of the meeting to formalize their collaboration.

#### **D. Investment Policy Review of El Salvador**

(Agenda item 5)

38. The meeting considered the *Investment Policy Review of El Salvador* (UNCTAD/DIAE/PCB/2009/20).

39. In his opening remarks, the Secretary-General of UNCTAD commended the Government of El Salvador for its open stance towards foreign investment and for the progress made towards putting in place a regulatory framework that was both attractive to investors and protective of the national interest. The smooth political transition of 2009 had demonstrated to the world the maturity of the country's democratic institutions, and had further solidified socio-political stability. He indicated, however, that much progress remained to be made in El Salvador to fight poverty and reduce inequalities. El Salvador could make better use of FDI as a means of building the competitiveness of domestic firms and lifting up the country's economy.

40. UNCTAD encouraged the Government to put in place policies that would maximize benefits from FDI in terms of human capital formation and infrastructure development, the upgrading and modernizing of domestic firms, and the development of new productive sectors and technology transfers. To that end, the IPR recommended three key strategies: (a) leveraging FDI in support of national competitiveness; (b) using FDI for sustainable development; and (c) utilizing the above two strategies for further investment promotion.

41. Member States recognized the positive steps that El Salvador had taken over the last couple of decades to achieve development through an open economy, citing, among other things, the privatization of state-owned enterprises and pension funds, the dollarization of the economy in 2001, the accession to bilateral and regional trade agreements, and the adoption of market-oriented policies. In that respect, it was considered high time for El Salvador to step up image-building efforts aimed at the investor community, in order to promote the country's stability, favourable investment climate and business potential. The use of the large Salvadorean diaspora as a "sales force" for the country was also mentioned.

42. There was consensus among member States that – particularly in the aftermath of the recent global financial and economic crisis – appropriate regulation was essential to ensure maximization of the developmental benefits of FDI. Member States supported the recommendations of the IPR for further improvements in El Salvador's legal and regulatory environment, including in the areas of corporate taxation, the customs service, the competition framework, and investment protection.

43. Following the recommendations of the IPR, delegates pointed to the need to further develop El Salvador's human capital, and considered the attraction of FDI in higher education to be a priority for the country. Some delegates mentioned that the shortage of highly skilled labour and the scarcity of English-speakers remained an obstacle to foreign

investors. Therefore, participants encouraged El Salvador to lift the existing legal barriers to FDI in higher education in order to attract international institutions of academic excellence, and to join the Bologna Policy Forum to promote student and academic exchanges.

44. The creation of a strategy to attract “green” and “responsible” FDI to promote sustainable development, on the basis of the IPR recommendations, was encouraged by delegates, considering the increasing business opportunities in those areas and El Salvador’s potential. Both fiscal and non-fiscal incentives could be designed to this end, including the adoption of a widely accepted methodology of carbon accounting at the national level.

45. Discussants supported the IPR recommendations on the need for the Government of El Salvador to pursue the involvement of the private sector in infrastructure development, particularly through public–private partnerships (PPPs). While it was acknowledged that the road infrastructure was of a high standard, and that private investors had already contributed to developing high-quality services in telecommunications and electricity, the lack of a functioning modern port was a key deficiency for an export-oriented country such as El Salvador. Delegates confirmed that making the port of La Unión operational under a concession contract as soon as possible should be a priority for the Government. Some countries offered to share their experience in attracting FDI and in utilizing PPPs to develop infrastructure.

46. Delegates pointed out the importance of export orientation in small open economies. El Salvador could benefit not only from attracting FDI, but also from internationalizing its home-grown firms by making them more export-oriented and by exploring further outward investment opportunities in Central America. Important steps to that end were being taken. These included the current efforts to maximize synergies in investment and export promotion, with the reforms at El Salvador’s investment promotion agency (Agencia de Promoción de Inversión de El Salvador (PROESA)) and the country’s export promotion agency, Exporta El Salvador, under the umbrella of the national commission for the promotion of exports and investment (Comisión Nacional de Promoción de Exportaciones e Inversiones (CONADEI)). El Salvador could make further progress by continuing to increase its exports through existing trade agreements such as CAFTA–DR, as well as by diversifying the country’s trading partners, through the free trade agreements currently being negotiated between Central America and the European Union, and a bilateral agreement with Canada.

47. The need was mentioned to eliminate certain tax incentives and to review the free zone scheme to bring these into compliance with WTO rules. It was noted in this regard that El Salvador recognized its obligation and had already begun a process in dialogue with the private sector to readjust its fiscal incentives and free zone scheme to make these entirely compliant in the near future.

48. The Government of El Salvador stated that it had already started implementing a number of the recommendations of the IPR. It welcomed UNCTAD’s offer for further technical assistance, and vowed to continue to work in partnership with the secretariat on the IPR.

## **E. Empretec Women in Business Award**

(Agenda item 7)

49. The Commission welcomed the holding of the Women in Business Award and expressed its appreciation to Mrs. Margarita Cedeño de Fernández, First Lady of the Dominican Republic; Ms. Bisila Bokoko, Executive Director, Spain–United States Chamber of Commerce; and Ms. Gerry Elsdon, Chief Executive Officer, Cinnamon Communications for participating in the award ceremony. The Commission congratulated the winner, Ms. Beatrice Byaruhanga (Uganda); the runner-up, Ms. María de la Luz Osses

Klein (Chile); and the winner of the third prize, Ms. Joy Simakane (Botswana); as well as the seven other finalists, namely Ms. Guenet Fresenbet Azmach (Ethiopia); Ms. Lilian Okoro (Nigeria); Ms. Lina Hundaileh (Jordan); Ms. Lucia Desir (Guyana); Ms. Olga Lidia Arean (Argentina); Ms. Vanessa de Figueiredo Vilela Araujo (Brazil); and Ms. Viviyata Chivunga (Zimbabwe).

## **F. The role of States: efficiency in public investment for development – sharing best practices**

(Agenda item 4)

50. This agenda item was introduced by the Chair, who called on the UNCTAD Deputy Secretary-General to elaborate on the subject in some opening comments. The Deputy Secretary-General stated that the main subject to be addressed during the meeting was a set of approaches that could be followed by Governments to make it as easy as possible for companies to comply with national rules and the revision of best practices in the fields of e-government, transparency, and the simplification of business-related procedures with special focus on small enterprises and the informal sector. The UNCTAD secretariat further elaborated on the agenda item, emphasizing the importance of public investment in administrative efficiency for growth and increases in productive capacity (particularly in times of crisis) as well as for business facilitation and empowerment of the poor. The secretariat highlighted the main subjects of the issue note (TD/B/C.II/8), mentioning three fundamental trends in administrative efficiency for business facilitation: (a) administration should be user-centric, i.e. rules and regulations should be designed and implemented with the needs of the user in mind; (b) the “think small first” principle, by which rules and procedures should primarily be adapted to the situation of smaller companies; and (c) the importance of international exchanges of experiences, which could significantly accelerate the pace, and reduce the cost, of administrative modernization.

51. The secretariat further demonstrated the use of the iPortal, which, inter alia, incorporates the UNCTAD eRegulations system (a turnkey e-government software allowing Governments to present administrative procedures on the Internet); the Business Facilitation portal, an electronic platform to promote the exchange of good practices in business facilitation; and the iGuides portal. The eRegulations system and the Business Facilitation portal were the subjects of many of the subsequent examples presented by member States during the deliberations.

52. The Chair called on a wide range of speakers from both developing and developed countries, who delivered comments addressing different aspects of the issue of administrative efficiency. Most of the comments highlighted the practical experiences of member States in developing simplification solutions, such as the establishment of “one-stop shops”, or the implementation of electronic tools (e.g. eRegulations) within their countries to streamline applications for the setting-up of enterprises and for their operations.

53. Most speakers underlined the importance of administrative efficiency to alleviate the administrative costs weighing on enterprises, to boost productive capacities, and to facilitate the entry of small-scale entrepreneurs into the formal sector. Enhancement of administrative efficiency was also seen as a way to diminish administrative misconduct and a useful approach against corruption. The role of new technologies, particularly the use of Internet technologies (including UNCTAD’s eRegulations system), was emphasized by most speakers as a key tool for improving transparency and efficiency in the conduct of necessary administrative procedures.

54. Several speakers also addressed the need for high-level political support on issues related to administrative efficiency at the macro level. This was considered essential in order to undertake and institutionalize the necessary changes in the regulatory framework, and in administrative structures, processes and practice. Conversely, collaboration with the private sector and with civil society organizations was considered necessary in order to

implement a bottom-up approach to changing administrative rules and ensuring a user-centric process. Representatives from academia and international organizations expressed interest in working jointly with UNCTAD in identifying, disseminating and implementing government solutions for business facilitation.

55. The speakers identified a number of findings based on their experiences, as follows:

- (a) Increases in administrative efficiency and transparency reduce corruption, and the use of Internet technology significantly boosts transparency in administrative procedures.
- (b) The use of “one-stop shops” and of Internet technology clarifies procedures for both domestic and foreign investors, thereby lowering administrative barriers to investment.
- (c) The use of “one-stop shops” and the implementation of eRegulations in some countries has significantly boosted the rate of registration of new enterprises and spurred investment, despite the global financial crisis.

56. Some key policy recommendations came out of the discussions, as follows:

- (a) Countries should create “one-stop shops” for enterprise creation and other business-related operations, and make maximum use of Internet technology in this process. Countries should also ensure they have programmes in place to support SMEs.
- (b) Governments should embed the development of “one-stop shops”, e-tools and organizational structures of the public administration within a broader reform process.
- (c) Countries should exchange experiences with each other as part of a continuing improvement process that involves identifying new tools and new ways to streamline administrative procedures without sacrificing the quality of regulations. In particular, South–South cooperation should be encouraged.
- (d) The Business Facilitation portal that enables countries to share their experiences and currently lists 81 solutions should be further extended so as to provide a broader choice of solutions for increasing administrative efficiency in order to facilitate business.
- (e) Countries should work together with UNCTAD and other institutions to implement the solutions presented, in order to promote the private sector (particularly SMEs and microenterprises) through modernization of the public sector.
- (f) Emphasis should be put on the identification of criteria used to define best practices for business facilitation, and on the continuous identification and documentation of such good practices. UNCTAD should cooperate in this field with other international institutions and with academia.

## **G. Reports of expert meetings**

### **1. Report of the Multi-year Expert Meeting on Enterprise Development Policies and Capacity-building in Science, Technology and Innovation (STI)**

(Agenda item 3 (a)(i))

57. The Commission took note of the Report of the Multi-year Expert Meeting on Enterprise Development Policies and Capacity-building in Science, Technology and Innovation (STI) on its second session. This multi-year expert meeting, which had been

held 20–22 January 2010, had aimed to identify the key components of entrepreneurship and innovation policy frameworks, as well as effective ways of monitoring and assessing the performance of entrepreneurial and STI activities in developing countries. Mr. Anas Alami Hamedane, the expert meeting's Vice-Chair-cum-Rapporteur, presented the report of the meeting.

58. The Vice-Chair emphasized the importance of entrepreneurship and innovation as key elements for economic growth and poverty reduction, and thus towards achievement of the Millennium Development Goals. He also emphasized the importance of UNCTAD's entrepreneurship policy framework and related inventory of good practices, which was based on six major components, namely: (a) the general enabling environment for entrepreneurship; (b) an awareness of the importance of entrepreneurship policies and network-building; (c) entrepreneurship education and skills development; (d) access to finance; (e) technology upgrading and innovation; and (f) the regulatory framework.

59. The Vice-Chair stressed that Science, Technology and Innovation were major drivers of knowledge-based economies and sustainable economic development, and noted the value of developing coherent and evidence-based STI policies adapted to the realities, challenges and opportunities of developing countries. In that respect, experts had stated that the limited capacities to analyse STI data and the limited availability of internationally comparable STI indicators represented a problem for evidence-based policymaking; experts had therefore emphasized the need to promote the development of relevant STI indicators, for policy design, implementation and evaluation, that were adapted to the specific context of developing countries.

60. The Vice-Chair reported that experts had identified a series of actionable outcomes from the multi-year expert meeting, including further development of UNCTAD's inventory of good practices on entrepreneurship policies for a coherent policy framework for entrepreneurship development and as a knowledge-sharing platform to connect experts. Experts had also called on UNCTAD to continue developing a set of core indicators to assess the effectiveness of entrepreneurship policies, taking into account best practices and lessons learned from other relevant institutions and stakeholders. Such a set of indicators, together with the policy framework, would provide a policymaking tool for entrepreneurship development in developing countries and countries with economies in transition.

61. The Vice-Chair also reported that experts had requested UNCTAD to further develop its research and policy analysis on STI issues and serve as a forum for STI policy dialogue. They had encouraged UNCTAD to continue conducting reviews of national STI policies in developing countries, and to continue cooperating with other international, regional and national organizations and with other stakeholders to develop relevant STI indicators to provide a basis on which effective policy recommendations could be made. Finally, experts had encouraged UNCTAD to cooperate with other organizations and stakeholders to support developing countries – in particular LDCs – in collecting and analysing STI data, and to assist policymakers in formulating development-oriented STI policies.

## **2. Report of the Multi-year Expert Meeting on International Cooperation: South–South Cooperation and Regional Integration**

(Agenda item 3 (a)(ii))

62. The Commission took note of the Report of the Multi-year Expert Meeting on International Cooperation: South–South Cooperation and Regional Integration on its second session (TD/B/C.II/MEM.2/6). The Vice-Chair of the expert meeting presented the main outcome of the meeting relevant to the work of the Commission.

63. The key issues included: (a) the possibilities for South–South investment in agriculture; (b) drivers explaining the recent food security–related investments in many developing countries; (c) the internationalization of transnational corporations (TNCs) from developing countries in agriculture and food processing; (d) progress towards establishing a set of principles for responsible investment in agriculture; and (e) policy options to ensure the beneficial impact of South–South investment on productive capacity in the agriculture sector.

64. There had been broad agreement at the expert meeting that the challenges of the “food crisis” could not be addressed without tackling a series of long-standing issues, such as persistent underinvestment. While foreign direct investment (FDI) alone would not fill the investment gap, it provided important marketing links, access to technology, and management skills, which were essential to the development of agriculture.

65. It was also noted that international investments in agriculture in recent years had been driven by food security concerns, often involving the acquisition of large swathes of farmland, which had given rise to political concern in a number of host countries. It was emphasized that the activities of investors needed to be transparent and properly regulated. In that regard, the initiatives to establish a set of principles and best practices in international investment in agriculture were noted.

66. The Commission was also informed of the specific policy options proposed at the expert meeting. These included the following: (a) that countries should provide a conducive investment environment for agricultural production; (b) that viable projects in agriculture should be established, through – among other measures – mechanization and better marketing; (c) that public investment should be directed towards the development of infrastructure to improve the overall farming environment; (d) that contract farming without ownership of land should be considered as an alternative to investment in farmland; (e) that investing countries could provide financial assistance to help improve the agricultural production facilities of developing countries; (f) that developing countries with high input costs should look into approaches to reducing such costs; (g) that the capacity of farmers should be strengthened, for example through training and provision of the necessary tools; (h) that the United Nations, in particular UNCTAD, should facilitate the sharing of experiences between countries by organizing meetings and by providing technical cooperation to developing economies.

### **3. Report of the Multi-year Expert Meeting on Investment for Development** (Agenda item 3 (a)(iii))

67. The second Multi-year Expert Meeting on Investment for Development, the theme of which was “Foreign direct investment, domestic investment and development: enhancing productive capacities”, had discussed key elements of synergies between domestic investment and foreign direct investment from a development perspective in the areas of macroeconomic interaction, and two concrete cases – agriculture, and climate change.

68. It was reported that positive impacts from foreign direct investment (FDI) were contingent on a number of conditions, and that those inflows of foreign capital may not always result in positive development outcomes. However, since domestic investment levels were low, particularly in the least developed countries, FDI could contribute to the capital stock and introduce new technologies, which could benefit countries’ long-term and strategic development objectives. FDI may substitute for, complement or even strengthen the formation of capital by domestically-owned firms.

69. However, some experts had maintained that differences in the effects of FDI on domestic investment among countries and regions suggested that national development strategies and investment policies should be coordinated to ensure the maximization of



synergies between FDI and domestic investment. The perceived roles of FDI and local investment, and their relationship within the framework of the development process, were being reconsidered in light of the financial crisis. There was a need to promote an enabling environment for attracting investment for development and for the transfer of technology.

70. There was a strong and urgent need to invest more in agriculture in developing countries. Both domestic and foreign investment could contribute. Experts had explored the potential for the creation and enhancement of synergies between the two, and had discussed policy options and examples in that regard. Experts had discussed both the positive effects and the concerns associated with FDI in agriculture. The concerns raised about investments in agriculture included reduced access to water and land for domestic farmers, the destabilizing impact on society, and the possible loss of jobs in the agricultural sector due to efficiency gains. Problems related to land ownership, access to land, and “land grab” were highlighted, and some possible solutions to address those problems were discussed.

71. Experts had recognized that TNCs could participate in agricultural production not only through FDI but also via non-equity modes of entry, such as contract farming arrangements. Furthermore, they had discussed some specific measures to promote contract farming arrangements and to make them beneficial to local farmers.

72. It was reported that several experts had highlighted reasons for the low amount of FDI in agriculture, which was partly due to subsidies and land ownership restrictions including land accessibility. The importance of TNCs in agricultural development had been stressed, and the need to introduce principles of responsible international investment in agriculture had been suggested.

73. With regard to climate change, experts had stated that close interaction between foreign and domestic investors would be crucial, as the investment needs for climate change mitigation and adaptation over the next few decades would be colossal. In addition, the critical question would be how to incentivize domestic and foreign private investors to develop or spread the necessary technologies or expertise. The experts had noted that climate-change-induced investments, both domestic and foreign, were relatively new, and that countries were still developing the specific policy frameworks associated with them. They had further noted that the problems related to the Clean Development Mechanism had been discussed. In addition to the international mechanisms, developing countries could move ahead with the creation of markets for low-carbon technologies, as indeed some were already doing. Low-carbon FDI could play a role in mitigating and adapting to climate change in developing countries, and in meeting the challenges posed by climate change.

#### **4. Report of the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting**

(Agenda item 3 (b))

74. For its consideration of this agenda item, the Commission had before it the Report of the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting on its twenty-sixth session (TD/B/C.II/ISAR/54).

75. Mr. Syed Asad Ali Shah (Pakistan), Chair of the twenty-sixth session of the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting (ISAR), presented the report of ISAR to the Commission. Mr. Shah highlighted a number of activities that ISAR had undertaken since the previous meeting of the Commission, including (a) the twenty-sixth session; (b) a workshop on International Public Sector Accounting Standards (IPSAS); (c) a conference on the financial crisis and its implications for the international financial reporting architecture and financial stability; and (d) liaison activities of the UNCTAD secretariat with other international organizations, the private sector and civil society. With respect to the twenty-sixth session of ISAR, the Chair noted that the session had been a success in many respects. It had contributed to addressing

the capacity-building needs of developing countries and countries with economies in transition with a view to strengthening their accounting systems and the quality of corporate reporting in their respective jurisdictions. He further noted that feedback obtained from participants through questionnaires had indicated a high level of satisfaction in respect of the substance, attendance and organization of the twenty-sixth session of ISAR. The Chair of the ISAR session highlighted the growing interest of member States in IPSAS, and reiterated the request of the twenty-sixth session of ISAR for UNCTAD to consider ways and means of incorporating discussion on practical implementation of IPSAS in future ISAR sessions.

## **5. Report of the Expert Meeting on Green and Renewable Technologies as Energy Solutions for Rural Development**

(Agenda item 3 (c)(i))

76. For its consideration of this agenda item, the Commission had before it the Report of the Expert Meeting on Green and Renewable Technologies as Energy Solutions for Rural Development (TD/B/C.I/EM.3/3). The meeting had been held from 9 to 11 February 2010.

77. Mr. Khondker Talha (Bangladesh), who had chaired the single-year expert meeting, presented the report to the Commission. He commended UNCTAD for the success of the meeting, both in terms of attendance (130 participants from 53 countries) and for its innovative structure, which had allowed participants to engage more fully and constructively in identifying key areas for action at the local, national, and regional/international levels, as well as possible roles for UNCTAD. He highlighted the agreement among experts that any strategy related to the deployment of renewable energy technologies (RETs) for rural development should be integrated into wider rural development plans and national investment plans. Experts had also stressed that deployment of RETs must be tailored to the needs and priorities of local communities, and must involve full stakeholder participation. South–South and North–South cooperation partnerships for technology transfer – including the setting-up of local manufacturing and service operations and capacity-building and training – should be promoted much more actively, and mechanisms should be established for financial support to start such activities.

78. Experts had made a number of recommendations for action by UNCTAD. Firstly, there was a clear role for UNCTAD in carrying out independent research on integrated approaches to RETs as a tool for pro-poor development. Based upon this, it was felt that UNCTAD should analyse best practices in promoting the research, development and deployment of RETs for sustainable rural development, particularly focusing on incentive structures and strengthening enterprise development, and should facilitate exchanges of experiences and best practices between countries and communities. Secondly, UNCTAD should promote South–South cooperation in the area of RETs for rural development consistent with the Accra Accord. UNCTAD could play a coordinating role in disseminating knowledge about different experiences of and approaches to the transfer of RETs, and about the development of associated local innovation capabilities. Thirdly, UNCTAD should continue to expand its cooperation with other relevant international and regional organizations and United Nations bodies. Such cooperation included areas of common interest, such as the interface between RETs, food security and sustainable agriculture.

**6. Report of the Expert Meeting on the Contribution and Effective Use of External Resources for Development, in Particular for Productive Capacity-building**  
(Agenda item 3 (c)(ii))

79. The Commission took note of the Report of the Expert Meeting on the Contribution and Effective Use of External Resources for Development, in Particular for Productive Capacity-building (TD/B/C.II/EM.1/3), which was presented by the Chair of the expert meeting. The expert meeting had been held from 22 to 24 February 2010. Two of the expert meeting's six sessions, namely "Foreign direct investment for productive capacity-building" and "Building productive capacities in developing countries" were of particular relevance to the work of the Commission.

80. The Commission was informed that among other issues, the expert meeting had discussed the link between FDI and productive capacity-building, particularly with regard to the potential role of FDI as a transmitter of capital, technology, know-how and access to markets.

81. A number of different perspectives on the role of FDI had been expressed at the expert meeting. Experts had observed that a number of developing countries had had difficulty in attracting FDI, and that the absence of domestic capacity could limit FDI inflows and their impact on development. The role of FDI should be seen as that of a catalyst for development, which could enhance local productive capacity by promoting greater utilization and a more efficient allocation of resources.

82. It was noted that different views had been expressed with regard to the need for an industrial policy to identify priorities and set an industrial strategy prior to investment liberalization. As for the policies needed to maximize the contribution of FDI to productive capacity-building, the experts had proposed – among other potential sources of investment – that diaspora FDI as well as FDI from TNCs from the South should be targeted.

## **IV. Organizational matters**

### **A. Opening of the session**

1. The second session of the Investment, Enterprise and Development Commission was opened at the Palais des Nations, Geneva, on 26 April 2010, by Mr. Maurice Peter Kagimu Kiwanuka (Uganda), Chair of the Commission at its second session.

### **B. Election of officers**

(Agenda item 1)

2. At its opening plenary meeting on 26 April 2010, the Commission elected the following officers to serve on its Bureau:

<b>Chair:</b>	Mr. Maurice Peter Kagimu Kiwanuka (Uganda)
<b>Vice-Chairs:</b>	Mr. Hrvoje Curko (Croatia) Mr. Mauricio Alfredo Pérez Zepeda (Honduras) Mr. Hamid Baeidi Nejad (Islamic Republic of Iran) Mr. Kenichi Suganuma (Japan) Mr. Wesley Scholz (United States of America)
<b>Rapporteur:</b>	Ms. Martha Moreno (Paraguay)

**C. Adoption of the agenda and organization of work**

(Agenda item 2)

3. At its opening plenary meeting, the Commission adopted its provisional agenda (TD/B/C.II/6). The agenda was thus as follows:

1. Election of officers
2. Adoption of the agenda and organization of work
3. Reports of expert meetings:
  - (a) Reports of the multi-year expert meetings:
    - (i) Multi-year Expert Meeting on Enterprise Development Policies and Capacity-building in Science, Technology and Innovation (STI)
    - (ii) Multi-year Expert Meeting on International Cooperation: South–South Cooperation and Regional Integration
    - (iii) Multi-year Expert Meeting on Investment for Development
  - (b) Report of the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting
  - (c) Reports of the single-year expert meetings:
    - (i) Expert Meeting on Green and Renewable Technologies as Energy Solutions for Rural Development
    - (ii) Expert Meeting on the Contribution and Effective Use of External Resources for Development, in Particular for Productive Capacity-building
4. The role of States: efficiency in public investment for development – sharing best practices
5. Investment in the agricultural sector with a view to building productive capacities
6. Promoting and strengthening synergies among the three pillars<sup>4</sup>
7. Other business
8. Adoption of the report of the Commission to the Trade and Development Board

**D. Adoption of the report of the Commission to the Trade and Development Board**

(Agenda item 8)

4. At its closing plenary meeting, the Commission authorized the Rapporteur, under the authority of the Chair, to finalize the report after the conclusion of the meeting.

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<sup>4</sup> Item 6 was not discussed at the Commission meeting due to time constraints.

## Annex

### Attendance<sup>\*</sup>

1. Representatives of the following States members of UNCTAD attended the Commission meeting:

Albania	Iraq
Algeria	Israel
Angola	Japan
Argentina	Jordan
Austria	Kazakhstan
Bangladesh	Kenya
Belarus	Lao People's Democratic Republic
Bhutan	Lesotho
Botswana	Lithuania
Brazil	Madagascar
Bulgaria	Malaysia
Burkina Faso	Mali
Cameroon	Mauritania
Canada	Mauritius
Cape Verde	Mexico
China	Mongolia
Colombia	Morocco
Comoros	Mozambique
Côte d'Ivoire	Myanmar
Croatia	Nepal
Cuba	Nicaragua
Cyprus	Nigeria
Czech Republic	Oman
Democratic Republic of the Congo	Pakistan
Djibouti	Panama
Dominican Republic	Paraguay
El Salvador	Peru
Fiji	Philippines
Finland	Poland
France	Portugal
Germany	Qatar
Ghana	Romania
Greece	Russian Federation
Guinea-Bissau	Rwanda
Haiti	Samoa
Honduras	Saudi Arabia
Hungary	Serbia
India	Singapore
Indonesia	South Africa
Iran (Islamic Republic of)	Spain
	Sri Lanka

<sup>\*</sup> For the list of participants, see TD/B/C.II/Inf.2.

Switzerland	Uganda
Syrian Arab Republic	Ukraine
Thailand	United Arab Emirates
The former Yugoslav Republic of Macedonia	United States of America
Togo	Uruguay
Trinidad and Tobago	Yemen
Turkey	Zambia
	Zimbabwe

2. The following observer attended the session:  
Palestine
  
  3. The following intergovernmental organizations were represented at the session:  
African, Caribbean and Pacific Group of States  
African Union  
European Union  
Eurasian Development Bank  
Organization for Economic Cooperation and Development
  
  4. The following United Nations organs, programmes or bodies were represented at the session:  
United Nations Development Programme
  
  5. The following specialized agencies or related organizations were represented at the session:  
United Nations Industrial Development Organization  
World Trade Organization
  
  6. The following non-governmental organizations were represented at the session:  
*General category*  
International Centre for Trade and Sustainable Development  
International Federation of Business and Professional Women  
Ingénieurs du monde
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