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TRADE AND DEVELOPMENT BOARD  
Commission on Investment, Technology  
and Related Financial Issues  
Fifth session  
Geneva, 12-16 February 2001  
Item 2 of the provisional agenda

**PROVISIONAL AGENDA AND ANNOTATIONS**

**I. PROVISIONAL AGENDA**

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2. Adoption of the agenda and organization of work
3. Impact of international investment flows on development: mergers and acquisitions - policies aimed at maximizing the positive and minimizing the possible negative impact of international investment
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## II. ANNOTATIONS TO THE PROVISIONAL AGENDA

### Introduction

1. As mandated by UNCTAD IX, the Commission on Investment, Technology and Related Financial Issues deals with the areas defined in paragraphs 87-91 of “A Partnership for Growth and Development”. Its broad mandate was reconfirmed and further elaborated by UNCTAD X (paras. 114-128 of the Plan of Action). In accordance with the Plan of Action, UNCTAD will continue to build on its comparative advantage in dealing with international investment issues. The overarching objectives are to improve the understanding of developing countries and economies in transition of policy choices in international investment, to strengthen their capabilities to formulate and implement policies, measures and action programmes and to promote understanding of emerging issues.

2. The functioning of UNCTAD Commissions is laid out in the document entitled “Improving the functioning and the structure of the intergovernmental machinery of UNCTAD” (TD/B/EX(24)/L.1). Accordingly, the Commission should place the results of Expert Meetings within the appropriate policy context and framework, and, on the basis of the technical advice of the experts as contained in the reports of the Expert Meetings, engage in its own policy dialogue. It should make recommendations on actions to be taken by member States, UNCTAD or other bodies.

### Item 1 Election of officers

3. In accordance with rule 18 of the rules of procedure of the main Commissions of the Trade and Development Board, the Commission shall 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).

4. Accordingly, following the cycle of rotation established after UNCTAD IX, the bureau for the fifth session of the Commission will be as follows: Chairperson from List B; Rapporteur from List A (Africa); and five Vice-Chairpersons (3 from lists A and C combined, 1 from List B and 1 from List D).

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

5. The fifth session of the Commission, the first one after UNCTAD, is scheduled for 12-16 February 2001. The consultations of the President of the Trade and Development Board approved on 31 March 2000 the agenda items for that session and the related Expert Meetings.

6. In order to enrich international discussions with the concrete experience of countries and regions, UNCTAD provides a forum for exchange of experiences on the formulation of policies favourable to the development and on investment environments through investment policy reviews (para. 127 of the Plan of Action). The Commission on Investment, Technology and Related Financial Issues has been serving as such a forum since its fourth session (see TD/B/46/12-TD/B/COM.2/24).

Documentation

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Provisional agenda and annotations

7. With regard to the organization of the work of the session, the Commission has five days available to it. It is suggested that the agenda items be taken up sequentially, with the first plenary meeting, on Monday, 12 February, being devoted to procedural matters and introductory statements.

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

Item 3      Impact of international investment flows on development: mergers and acquisitions - policies aimed at maximizing the positive and minimizing the possible negative impact of international investment

9. Mergers and acquisitions (M&As) have become a driving force of FDI, accounting for a large share of annual world FDI flows. As with globalization generally, the impact of M&As on development can be double-edged and uneven. Indeed, cross-border M&As have given rise to questions regarding the balance of their benefits and costs for host countries, as well as policy responses. As the importance of M&As in FDI inflows increases, developing countries and countries in transition face questions related to the impact of M&As as a form of FDI entry on their development process, and the implications for policy. The growing incidence of cross-border M&As highlights the need for a clearer understanding of the impact of M&As on development.

10. To deepen the understanding of those issues, item 3 will review cross-border M&A trends, motivations and development impact. In this connection, the secretariat has prepared a note on the policy considerations raised by experts in the Expert Meeting on Mergers and Acquisitions: Policies Aimed at Maximizing the Positive and Minimizing the Possible Negative Impact of International Investment". The focus will be on various policy issues related to cross-border M&As, in particular policy implications at national, regional and subregional levels.

11. In addition to the notes by the secretariat, the issues paper and the final report of the Expert Meeting on Mergers and Acquisitions, held from 19-21 June 2000, the Commission will have before it the Overview of the *World Investment Report 2000*. That report was finalized in the light of the outcome of the Expert Meeting, as well as of views expressed by policymakers in the field through regional seminars.

Documentation

TD/B/COM.2/29

Impact of International Investment Flows on Development:  
Outcome of the Expert Meeting on Mergers and Acquisitions  
Note by the UNCTAD secretariat

TD/B/COM.2/EM.7/2

Impact of Cross-border Mergers and Acquisitions on  
Development and Policy Issues for Consideration

TD/B/COM.2/26 TD/B/COM.2/EM.7/3	Report of the Expert Meeting on Mergers and Acquisitions: Policies Aimed at Maximizing the Positive and Minimizing the Possible Negative Impact of International Investment
UNCTAD/WIR/2000 (Overview)	World Investment Report 2000, Cross-border Mergers and Acquisitions and Development, Overview.
TD/RBP/CONF.5/15	Resolution of the Fourth United Nations Conference to Review All Aspects of the Set of Multilaterally Agreed Principles and Rules for the Control of Restrictive Business Practices

Item 4            International policy issues: home country measures

12. The Bangkok Plan of Action requested UNCTAD, *inter alia*, to study existing home country measures that could be considered in programmes to support efforts of developing countries to attract FDI and benefit from it" (Plan of Action, para. 123); and to "identify and disseminate information concerning existing home country measures that encourage transfer of technology in various modes to developing countries, in particular least developed countries" (Plan of Action, para. 118). Discussion of this item is expected to focus on the policy implications of the outcome of the Expert Meeting on Home Country Measures (8-10 November 2000), in particular the recommendations contained therein (TD/B/COM.2/EM.8/L.1). The outcome of the Meeting will be presented by its Chairperson. To further and deepen the discussion, the Commission will consider home country measures from the viewpoint of the overall context of international investment arrangements.

13. To facilitate the deliberations, the Commission will have before it (i) a Note by the UNCTAD secretariat on the outcome of the Expert Meeting; (ii) the issues note for the Expert Meeting; (iii) the Report of the Expert Meeting.

Documentation

TD/B/COM.2/30	Home Country Measures : Note by the secretariat
TD/B/COM.2/EM.8/2	Home Country Measures: Note by the UNCTAD secretariat
TD/B/COM.2/27 TD/B/COM.2/EM.8/3	Report of the Expert Meeting on Home Country Measures

Item 5            Investment policy reviews: exchange of national experience

14. UNCTAD undertakes investment policy reviews (IPRs) with member States that so desire and considers the main findings of those reviews in the Commission. The rationale for such a process is to exchange national experiences in attracting and utilizing FDI in an effective and efficient manner through in-depth policy reviews in individual countries and peer review at the intergovernmental level. Three reviews relating to (Egypt, Uganda and Uzbekistan) were considered at the previous

session of the Commission. The Commission confirmed the usefulness and the effectiveness of the mechanism for exchanging national experiences in the area of investment policies. The outcome of that session led to the formulation of some concrete elements of the work programme of the Commission beyond UNCTAD X. Furthermore, UNCTAD X mandated continuation of the IPRs at both the secretariat and intergovernmental levels (para. 127 of the Plan of Action). Since the last session of the Commission, four more reviews have been conducted for Ecuador, Ethiopia, Mauritius and Peru.

15. The Commission will have before it those four reviews. The general introduction by the secretariat will cover the follow-up activities at the national level of the first round of reviews the major findings derived from all reviews conducted so far and the implications for national policies. It will be followed by a peer review (country by country) in the form of panel discussions. Each review panel will consist of a high-level representative from the Government concerned, an international expert, and representatives from the domestic private sector and the international private sector. The secretariat and the high-level representative will introduce each country report, and this will be followed by the comments of the panellists and a general discussion.

#### Documentation

UNCTAD/ITE/IPC/Misc.4	Investment Policy Review of Ethiopia
UNCTAD/ITE/IPC/Misc.2	Investment Policy Review of Ecuador
UNCTAD/ITE/IPC/Misc.1	Investment Policy Reviews of Mauritius
UNCTAD/ITE/IIP/Misc.19	Investment Policy Reviews of Peru

#### Item 6      Reports of the subsidiary bodies of the Commission

16. Under this item, the Commission will consider the report of the seventeenth session of the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting (ISAR), held from 3 to 5 July 2000. The Chairperson of that session will present the report, highlighting the substantive results and the future work programme as agreed by ISAR. The Commission may wish to consider endorsing the report and the work programme contained therein.

#### Documentation

TD/B/COM.2/25	Report of the Intergovernmental Working Group of Experts
TD/B/COM.2/ISAR/10	on International Standards of Accounting and Reporting on
	its Seventeenth Session

#### Item 7      Other business

17. Under this item, the Division on Investment, Technology and Enterprise Development will make a presentation on its activities, covering the period between the two Sessions of the Commission. The Commission will have before it an update on the previously produced *Activities Report*.

18. To inform the Commission about the ongoing work of the Commission on Science and Technology for Development (CSTD), a briefing will be organized to highlight activities carried out within the framework of that Commission.

Item 8            Adoption of the report

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