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Agenda item 10

**DRAFT REPORT OF THE COMMISSION ON INVESTMENT,
TECHNOLOGY AND RELATED FINANCIAL ISSUES ON
ITS ELEVENTH SESSION**

Held at the Palais des Nations
from 8 to 14 March 2007

Rapporteur: Mr. Edward Brown (United Kingdom)

**REPORT OF THE EXPERT MEETING ON BUILDING PRODUCTIVE
CAPACITIES**
(Agenda item 3)

Chairperson's summary

1. The Commission noted that the Expert Meeting had focused on the development and effective utilization of productive capacities. Experts agreed that it should be at the heart of national and international policies to promote sustained economic growth, wealth creation and poverty reduction in developing countries. In the light of the issues highlighted by the experts, Governments and development partners were encouraged to improve the type and form of aid and how it is administered in order to maximize benefits to developing countries through the Aid for Trade initiative; to create a virtuous circle between trade and domestic capacity development; and to strengthen local institutions in order to support supply capacity programmes. Experts also urged UNCTAD to continue to provide advisory services and country reviews of investment policies, identifying best practices and facilitative measures that would enhance benefits from FDI; to cooperate with development partners within the Aid for Trade initiative; to integrate investment and enterprise development as key components; to enhance South-South cooperation mechanisms in the area of investment and enterprise development; and to implement the five technical assistance projects for Africa prepared by the UNCTAD Insurance Programme.

2. One delegation highlighted the outcome of the work of the WTO Task Force on Aid for Trade. The deliberations of that body underscored the need to enhance developing countries' ability to compete in world markets and to identify gaps beyond market access. The scope of aid for trade should be wide and include measures to strengthen the demand side at the national level and to support the establishment of a positive climate for business and investment, trade policies, trade infrastructure and private-sector development, capacity-building and regional integration. Finally, UNCTAD should take part in efforts to develop a road map for Aid for Trade implementation.

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