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Trade and Development Board

Commission on Enterprise, Business Facilitation and Development

Twelfth session

Geneva, 4–5 February 2008

Item 2 of the provisional agenda

Provisional agenda and annotations

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Introduction

1. The Trade and Development Board approved the provisional agenda for the twelfth session of the Commission on Enterprise, Business Facilitation and Development during consultations of the President of the Board in July 2007.
2. It is recalled that at the second part of its twenty-third special session, in June 2006, the Board recommended that UNCTAD's consensus-building pillar be strengthened inter alia by ensuring that the agendas of the commissions are topical and focused and that the commissions take into account the work of expert meetings in their substantive policy dialogues. The Board also recommended that, in order to advance the consensus-building process, efforts

* Reissued for technical reasons.

should be made to ensure that intergovernmental meetings resulted in development-oriented outcomes, including policy options.

3. To this end, the Commission will have before it a background document on the substantive item on its agenda, the reports of the relevant expert meetings held during the past year and a progress report on the implementation of the recommendations made by the Commission at its eleventh session.

Item 1. Election of officers

4. In accordance with rule 18 of the rules of procedure of the main committees of the Trade and Development Board, the Commission shall elect a chair, five vice-chairs and a rapporteur from among the representatives of its members, taking due account of the need to ensure equitable geographical distribution. In accordance with rule 19 of the rules of procedure, the bureau of the Commission shall consist of seven members: four members from lists A and C combined, two from list B and one from list D, referred to in the annex to General Assembly resolution 1995 (XIX) as amended.

5. Accordingly, following the cycle of rotation established after UNCTAD IX, the bureau for the twelfth session of the Commission will be as follows: Chair from an African country in list A; Rapporteur from an Asian country in list A; two vice-chairs from lists A and C combined; two vice-chairs from list B; and one vice-chair from list D.

Item 2. Adoption of the agenda and organization of work

6. The twelfth session of the Commission is scheduled for 4–5 February 2008. It is suggested that the first plenary meeting, on the morning of Monday, 4 February, be devoted to procedural matters and introductory statements: the agenda items would be taken up in the order in which they are listed on the provisional agenda. The secretariat will prepare a detailed programme, which it will make available on the first day of the session.

Documentation

TD/B/COM.3/83 Provisional agenda and annotations

Item 3. Transport, logistics and global value chains

7. The substantive item is the joint responsibility of the Investment and Enterprise Competitiveness Branch (Division on Investment, Technology and Enterprise Development) and the Trade Logistics Branch (Division for Services Infrastructure for Development and Trade Efficiency). The objectives of the discussions on this item are:

- (a) To review recent trends in the area of enhancing the competitiveness of small and medium-sized enterprise (SME) value chains and improving cooperation in trade logistics, as core elements of building competitiveness in international trade and a productive and supply capacity in developing countries and countries with economies in transition; and, in particular, to consider the experience in Africa, in the lead-up to UNCTAD XII;
- (b) To consider the issue of global value chains and interrelated production activities performed by firms at different geographic locations. While several aspects of global value chains are now largely understood, notably their main drivers and governance structure, their impact on SMEs, in both developed and developing countries, has not yet been thoroughly explored. Raising awareness and sharing best practices on policies that favour the

integration of SMEs into global value chains would complement UNCTAD's work on policy formulation and analysis of SME development, and increase technical cooperation in the context of building productive capacities, as called for by the Aid for Trade initiative;

- (c) To consider the issue of transport and trade facilitation and their crucial role in improving a country's competitiveness and its SMEs' integration into global value chains. Trade logistics remains a critical element when it comes to attracting investment and overcoming barriers to trade. The participation of developing and especially landlocked countries in global value chains depends on improvements in this area as well as on the creation of an enabling investment environment, a clear and predictable legal and institutional framework, effective public-private partnerships and close regional collaboration;
- (d) To debate the value chain concept and the role of policies in building supply capacities based on integrated forms of production and distribution networks, and to identify policy recommendations for reforms aimed at facilitating trade and transport operations through linkages between infrastructure development, capacity-building, institutional and legal reforms, private sector participation and strong regional cooperation.

8. There are many facets and policy implications of enhancing the participation of SMEs in global value chains. While policy measures may vary at the national level and by industry, the case studies conducted by UNCTAD confirm the need to develop the supply capacity of SMEs and to upgrade their activities in order to maximize benefits from integrating into international production systems. They also highlight the need for the Governments of developing countries to review existing SME and export promotion strategies to ensure that they are adapted to the new realities and requirements of global markets. UNCTAD argues that an enabling business environment is a necessary precondition for SMEs to compete successfully on a global scale. Obstacles faced by SMEs include the need to upgrade technology and innovation capacity; the lack of adequate finance and human capital for this process; the lack of capabilities to meet standards and certification requirements; the need to better manage intellectual assets, including the protection of intellectual property rights where appropriate; the difficult bargaining position SMEs face with large contractors; and the need for diversification to reduce dependence on one or a few customers.

9. Governments, business communities and international donors can play a role in assisting developing countries increase their productive capacities through the adoption of targeted global value chains assistance programmes, preferably within public-private sector partnerships. The role of Governments also extends from private sector development and competitiveness to specific interventions to train and nurture entrepreneurs. Some specific programmes – such as the UNCTAD EMPRETEC programme – also aim at developing specific kinds of entrepreneurs. The EMPRETEC programme trains a select group of promising entrepreneurs, encouraging an entrepreneurial culture and the building of successful enterprises. Comprehensive enterprise development programmes may include incubators for start-ups, high-tech parks and technology centres, export processing zones, multi-facility economic zones, cluster development for value-chain development and upgrading to global production patterns.

10. In an interconnected global trading scenario where duties and import quotas are decreasing, the share of international transport costs in the total costs

are more important than ever. In addition, the growing complexity of global value chains places high demands on a country's transport and service infrastructure. Therefore bottlenecks need to be tackled in a comprehensive manner by public services and their private partners. There is now no choice but to adapt policy frameworks to today's trade and transport practices, to upgrade the working of transport-related institutions and regulatory frameworks, to improve the management of procedures and practices and to systematically make use of information technology and the transfer of know-how. Measures to improve trade logistics should therefore take into consideration the need for speed and nimbleness in production, the seamless flow of goods across borders and an open attitude to information sharing.

Documentation

TD/B/COM.3/84 Transport, logistics and global value chains

Item 4. Reports of expert meetings

11. The Commission will consider the reports of the expert meetings held during the previous year, with reference to the background or issue papers prepared for the meetings by the UNCTAD secretariat. These will be reviewed in the context of the mandates of the São Paulo Consensus and the Bangkok Plan of Action on strengthening the competitiveness of developing countries' enterprises, including SMEs, and with a view to enabling developing countries to participate more effectively in the globalization process through efficient transport and trade facilitation.

Documentation

TD/B/COM.3/EM.30/2	Regional cooperation in transit transport: solutions for landlocked and transit developing countries
TD/B/COM.3/EM.30/3	Report of the expert meeting on regional cooperation in transit transport: solutions for landlocked and transit developing countries
TD/B/COM.3/EM.31/2	Enhancing the participation of small and medium-sized enterprises in global value chains
TD/B/COM.3/EM.31/3	Report of the expert meeting on increasing the participation of developing countries' SMEs into global value chains

Item 5. Implementation of agreed conclusions and recommendations of the Commission at its eleventh session, including assessment of the work of the Commission since UNCTAD XI

12. 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, which contains information on the implementation of decisions and agreed conclusions adopted at the eleventh session of the Commission and addressed to the secretariat. The report will also include a brief summary overview for the entire 2004–2008 cycle.

Documentation

TD/B/COM.3/85 Progress report on the implementation of the agreed recommendations of the Commission at its eleventh

session including a summary overview of the 2004–2008
Commission work cycle

Item 6. Other business

**Item 7. Adoption of the report of the Commission to the Trade and
Development Board**

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