

**INTER-AGENCY MEETING ON TRADE FACILITATION
UNCTAD, GENEVA, 5 APRIL 2002**

Summary report

1. The meeting was convened by UNCTAD, following the request from HLCP, as stated in paragraph 42 of the report of its second regular session of 2001 (Geneva, 25-26 October 2001) with a view to identifying Trade Facilitation issues to be addressed in a coordinated manner within the United Nations system.
2. The meeting was attended by representatives of: the International Labor Organization (ILO), the World Trade Organization (WTO), the World Bank (WB), the Food & Agriculture Organization (FAO), the International Monetary Fund (IMF), the United Nations Industrial Development Organization (UNIDO), the Economic Commission for Europe (UNECE) on behalf of the Regional Commissions, the Chief Executives Board Secretariat and the United Nations Conference on Trade and Development (UNCTAD). The International Maritime Organization (IMO), the International Telecommunications Union (ITU) and the United Nations International Drug Control Programme (UNDCP) informed that they could not attend the meeting.
3. The meeting was opened by the Deputy-Secretary-General of UNCTAD who, first, commended the effort undertaken by UNIDO in placing the question of trade facilitation on the agenda of the HLCP. He then presented UNCTAD's views on trade facilitation and suggested some ideas on the substantive issues that the inter-agency meeting could consider.
4. There were many ways to look at international trade transactions in order to understand their mechanisms and make them cost and time efficient. From different perspectives, trade facilitation dealt with the simplification of trade and transport procedures; the monitoring of information and physical flows; and the development of shared and agreed solutions to achieve a safe and secure completion of transactions. The final goal of any trade facilitation action consisted therefore in providing the means to complete an international trade transaction as a one stage operation, as a single, fully monitored and uninterrupted door-to-door flow.
5. Trade facilitation faced major challenges. Not only was it necessary that obstacles to simpler, freer and less onerous regional or global trade disappeared, but also that public administrations responsible for monitoring foreign trade became more effective and more efficient. Another major challenge laid in the fact that, while trade facilitation was unanimously seen as a necessity by all parties concerned, the formulation and implementation of specific measures faced great difficulties because of the need to determine clear cut responsibilities and effective coordinative structures. This dilemma appeared at different levels: in the private international operating sector, among trade and trade related support services operators, at local and national public administrations level, at regional institutional levels, and, finally, at international level, where multilateral agencies dealing with international trade had all embraced the trade facilitation effort.
6. Turning to the purpose of the meeting, he suggested two major categories of issues in which cooperative actions could be identified: a first category related to the design of and agreement on trade facilitation rules as part of the global trading system.
7. Until now, trade facilitation activities had remained mostly the fruit of voluntary efforts from governments or private sector. Mandatory measures were still rare in most international trade facilitation related instruments. Most of these instruments were of a prescriptive rather than of a mandatory nature that were sanctionable in the event of violation. This situation might change radically in the coming years, if recent observed trends materialized and led to the subscription of worldwide trade facilitation rules to be complied with as part of a global compulsory legal environment for the trading system. This would constitute a major development requiring a considerable effort from those countries where trade facilitation

still lagged. The issue had been addressed in such significant documents as the Doha Ministerial Declaration and the recently adopted Monterrey Consensus.

8. The second issue dealt with the modalities of implementation of trade facilitation measures in developing countries at national and regional levels and their implication for the development process. Quoting the Doha Declaration, the Deputy Secretary General of UNCTAD said that, on this issue, UN agencies could cooperate in bringing developing countries “enhanced technical assistance and capacity building” to “further expedite the movement, release and clearance of goods including goods in transit,” and assist these countries in preparing for future negotiations. Furthermore, he recognized that the WTO had an immediate role to play in implementing the mandate on trade facilitation given at Doha.

9. He pointed out however that the requirements of developing countries were going beyond the immediate needs of negotiating assistance. Trade facilitation measures were indispensable tools to reduce transaction cost and to ensure the integration of developing countries in global trade. These measures were consequently a prerequisite for launching or sustaining trade based development processes.

10. He concluded by stressing that the timing was appropriate for the concerned UN agencies to share views and coordinate action on such an important issue, particularly in the post-Doha context.

11. The subsequent proceedings were chaired by the Head of the Trade Logistics Branch of UNCTAD.

Item 1 of the Agenda: *Review of substantive work in the area of trade facilitation, on-going and pipeline technical assistance projects carried out by various agencies.*

12. Under this agenda item, the participating agencies presented their respective analytical work, technical assistance, training and capacity building activities in the area of trade facilitation.

13. The representative of WTO recalled that Trade Facilitation was part of the WTO mandate originating from the Singapore Ministerial Conference (December 1996). She made reference to the work carried out since then: two seminars (trade facilitation, and technical assistance in trade facilitation) and various informal meetings organized before and after the Seattle Conference. She mentioned that the Declaration concluding the Ministerial Conference in Doha included a paragraph (para. 27) on Trade Facilitation that states "In the period until the Fifth Session (of the Ministerial Conference), the Council for Trade in Goods shall review and, as appropriate, clarify and improve relevant aspects of Articles V, VIII and X of the GATT 94 and identify the trade facilitation needs and priorities of Members, in particular developing and least-developed countries". Ministers further stated "We commit ourselves to ensuring adequate technical assistance and support for capacity building".

14. She informed the meeting that a comprehensive technical assistance plan for 2002, which includes trade facilitation, could be found in document WT/COMTD/W/95/Rev.3 of 8 March 2002 called "Coordinated WTO Secretariat Annual Technical Assistance Plan 2002".

15. As a response to this paragraph, she informed that the WTO Council on Trade in Goods (CTG) had decided to call four 1.5-day meetings in May, July, October and December 2002. Each meeting would focus on one of the articles referred to in para. 27 of the Doha Declaration although delegations will be free to address questions related to all these articles in all meetings, as well as on the needs and priorities of Members in the area of Trade Facilitation and the related technical assistance and capacity building. and the organization of work for the future Ministerial Conference.

16. She informed the meeting that the background note on “Work undertaken by International Organizations” in the field of Trade Facilitation was being updated and welcomed contributions from those UN agencies that had not been covered in the earlier publication or that have not yet sent their updates..

17. The representative of ECE took the floor to, first, report, on their behalf, the work carried out by the other regional commissions (ECA, ECLAC, ESCAP and ESCWA) in the area of Trade Facilitation. In particular, he informed the meeting that ESCAP had organized three national workshops in Indo-China and had also developed a training manual on trade facilitation. He mentioned several joint activities such as the ESCAP-ECE special program for Central Asia and the various expert group meetings in Western Asia (ESCWA-ECE) dealing with E-Commerce. Furthermore, the ECE together with ESCAP and ESCWA operated a Website (UNeTrades.net) from where users could download all relevant trade facilitation material such as codes and directories. He informed that both ECA and ECLAC were disseminating information on Trade Facilitation in their respective region and that the regional commissions were considering the joint development of a website on Trade Facilitation.

18. Turning to the work of ECE, he informed the meeting of the establishment of the Centre for Trade Facilitation and Electronic Business (CEFACT) that had taken over the work carried out by Working Party 4 (WP4) and EDIFACT. Over 30 recommendations on trade facilitation measures had been established, and were regularly revisited, by CEFACT. CEFACT members are Governments as well as private sector interests from all around the world, with equal right in the deliberations and decisions. CEFACT is not a technical assistance body, but rather a standard-setting one and, as such, work in close cooperation with other similar organizations (ISO, IEC, etc.) in the framework of memorandums of understanding (MOUs).

19. He informed the meeting that, on 29-30 May 2002, ECE launched a forum where policy debate on issues of Trade Facilitation would take place. This forum was organized by ECE in cooperation with the other Regional Commissions and UNCTAD. One expected outcome of this forum was a set of policy recommendations that would encourage political will of governments to implement existing Trade Facilitation measures.

20. The representative of IMF presented information about IMF's trade-related technical assistance programme for the period 2001-2003. This programme covers three areas: Customs Administration (with 15.9 person-years committed); Tax and Customs Administration (4.9 person-years); and Tax and Customs Policy (0.9 person-years). The representative of IMF also distributed a table containing the aforementioned data broken down by regions and countries.

21. The representative of UNIDO indicated that his organization was working at facilitating the "supply chain side" of developing countries' industrial production by securing the necessary conformity for an efficient and rapid access to international markets. He explained that UNIDO's work was mostly on industrial products standardization and was aimed at establishing agreed levels of quality for the traded goods (food, textile, chemicals, etc.). The requirements for standardization call for testing and certification facilities and for accreditation processes without which trade might be stopped at borders for non-compliance. A summary table describing the on-going UNIDO programs, by regions and countries, in Quality, Standardization, Metrology, and Conformity Assessment (as of December 2001) was distributed. The table also included information on counterpart organizations and institutions, available fund, type of activities and areas of concerns in general.

22. In order to take stock of non-tariff barriers that affected market access, the representative of UNIDO presented a relational map matching the main market access facilitation issues with relevant organizations and their areas of work. The map covers six such issues: Registration; Documentation and Customs; Sanitary and phytosanitary measures; Technical barriers to trade (TBT); Transportation and Transit; Investment and financial-related matters; and International rules for trade. The map listed ITC, WHO, FAO, UNCTAD; UNIDO, ISO, UNEP, ICAO, IMO, IMF, WTO, and WIPO as key players in addressing the aforementioned issues. This map constitutes the backbone of UNIDO's technical assistance projects such as the Trade Facilitation project for Central America that was presented at the meeting. This project was to be launched in a very near future with the participation of ITC and UNCTAD.

23. The representative of FAO reported that, during the period 1999-2001, his Organization implemented an "Umbrella" Programme on trade-related capacity building with a focus on strengthening the participation of developing and transition countries in multilateral trade negotiations. This programme aimed at providing a

deeper understanding of those WTO Agreements that affect agricultural trade, as well as fishery and forestry issues: Agreements on Agriculture, Sanitary and Phytosanitary (SPS) and Technical Barriers to Trade (TBT) Agreements and TRIPS. Fourteen sub-regional workshops were organized to increase awareness on the importance for countries to comply with such agreements in order to participate in international trade. The workshops reached a total of 850 officials from 151 countries. In addition, substantive reference materials were developed and disseminated. The programme was funded largely through extra-budgetary support from a number of FAO Member countries, but also from FAO's regular budget. It is implemented with the participation of various agencies, including WTO, UNCTAD, World Bank, regional organizations and academic institutions. The representative of FAO concluded by confirming his Organization's continued interest and support to UN inter-agency efforts on trade facilitation matters.

24. The representative of the World Bank pointed out that the Global Facilitation Partnership for Transportation and Trade (GFP), launched in 1999, was one of the recent WB initiative in the area of Trade Facilitation. This initiative included a comprehensive facilitation audit framework, which combined qualitative assessment with a simplified set of measurements on the efficiency of trade and transport transactions. The corresponding Methodology: "Trade and Transport Facilitation: A toolkit for Audit, Analysis and Remedial Action", was published in December 2001. It will also establish a Transit Time and Cost Database, which will be monitored and published on a regular basis. A WB website containing related information on Trade Facilitation was also constructed. A distance learning initiative was recently launched, first as a pilot within the TTFSE program (see below) and now as an expanded program under the GFP umbrella, known as the GFP-DLI. The GFP-DLI is organized in cooperation with various professional transport organizations, starting with the IRU. The Caribbean TRAINMAR Center in Trinidad has joined the initiative and is developing additional distance learning modules in cooperation with the Bank.

25. The World Bank had also participated in several regional programs, such as the Trade and Transport Facilitation in Southeast Europe (TTFSE) programme and the APEC Trade Facilitation project. Typical project components included in these programs were: Customs Services Procedure Reforms; Trade Facilitation Development; Support to Integrated Customs Information Systems (ICIS); and Improvement of Roads and Border Crossing Facilities.

26. To reinforce the international competitiveness of the Sub-Saharan Africa economies through more cost-effective services to shippers, the World Bank is managing the Sub-Saharan Africa Transport Policy Programme, a regional initiative funded by a number of multilateral and bilateral donors. The immediate objective of the programme was to develop a better understanding of the difficulties in the whole transport chain in order to outline remedial measures with emphasis on trade facilitation, revision of institutional and regulatory aspects, and organization of regional transport operations.

27. The representative of ILO emphasized that a skilled and highly motivated workforce was essential for safe and efficient port operations and an important reason for ports to invest in high-quality and systemic training. To this end, ILO had developed the Portworker Development Programme (PDP). It contained 30 instructional units, available in several languages. In the context of trade facilitation and documentation, the programme offered also training in systems and procedures for container handling and in the receipt delivery operations of containers, with the objective of improving the overall efficiency of trade flow.

28. As regards to the events of 11 September 2001, ILO had participated in several meetings to find ways to enhance security and safety of personnel working on board of ships, in port areas and on off-shore installations. Measures included revision of existing ILO instruments and the possible development of joint instruments with the IMO. Currently, ILO is working on a proposal for a secure identification system of seafarers and possibly port workers with a view to balance security requirements and the need to facilitate the smooth movement of vessel traffic and goods with basic workers' rights.

29. The representative of UNCTAD stated that his Organization's work on Trade Facilitation aimed at developing a worldwide consistent, transparent and predictable environment for international trade transactions. Such an environment should be based on internationally accepted customs and practices resulting from: the simplification of formalities and procedures; the standardization of documents,

procedures, physical facilities and means; and the harmonization of applicable trade and transport laws and regulations. Currently, UNCTAD's work included: legal aspects of international transport; the use of information technology (IT) in transport operations; the development of a Trade Facilitation handbook; the development of new versions of the ACIS and ASYCUDA software; the convening of groups of experts on E-commerce and international transport services and on Trade Facilitation; and the follow-up of technical assistance proposal on Trade Facilitation in the Post-Doha context. Over the years, UNCTAD had developed a working Trade Facilitation project cycle that served as a model for its technical assistance projects (Nepal, Pakistan and countries belonging to the ECO region). Most projects included the implementation of the ACIS and ASYCUDA systems.

30. The general discussion on Item 1 clearly reflected differing, yet complementary, approaches to trade facilitation and the wide scope of activities carried out by the various agencies in this area.

Item 2 of the Agenda: *Review of existing cooperation arrangements and proposal for an enhanced cooperation scheme among participating agencies to address trade facilitation issues and assist developing countries in this regard.*

31. Introducing this item, the Chairman stressed that, in a situation where available information technologies make it possible to easily establish and operate cooperative networks, it would seem appropriate to consider the establishment of a framework/network, which would ensure exchange of information, sharing of knowledge, best use of UN system competencies and joint initiatives to address trade facilitation issues and assist developing countries in this regard.

32. This would involve provision of information regarding substantive outputs derived from the mandate of each organization through an **open-access** web site that each agency could feed with pertinent Internet links to its official documents. Similarly, provision of access could be envisaged to the database on field activities of each agency. This would be realized through a **restricted-access** web site that each agency would be responsible to feed with pertinent information, on a country basis, regarding its implementation/execution of technical assistance projects. Such information would include a brief description of the projects, national counterparts, contact information of project officers, etc.

33. Based on the morning discussions, the following possible issues were identified as potential areas for information sharing:

- Calendar of agencies' meetings, including date, time, venue, contents;
- Information on products/output from the agencies:
 - reports;
 - software;
 - standards; and
 - any type of output.
- Elements of technical assistance:
 - country-related information;
 - country institutional framework.

34. All participants welcomed the initiative on exchanging information regarding Trade Facilitation. While some recognized that different organizations may have different needs in terms of cooperation, others expressed clearly that they may have particular obligations to their Member countries regarding such an initiative (e.g. need for appropriate clearance). To avoid this problem, a phased approach could be used by developing first the open-access part of the web-site using available information from the existing agencies' web-sites. The restricted-access part of the web-site would only be developed later, as a second phase.

35. One agency (ECE) had no objection to the establishment of a website but in his opinion effective coordination would have to take place before events and documents are published on a Website. He continued by stating that he believed coordination could best be achieved by the establishment of

memoranda of understanding between agencies on trade facilitation and/or inter-agency task forces, as means to set a framework for cooperation. Such means appear to have been effective with intergovernmental organizations (e.g. ISO, WCO) and user groups, generally outside the UN System. Taking into account that most organizations involved in trade facilitation initiatives have already registered with the Global Facilitation Partnership (GFP), the WB offered to use, after possible adaptation to the need of all interested agencies, the existing GFP platform to further develop the common coordination interface being sought.

36. One agency (UNIDO) considered that the cooperation mechanism should be able to respond to the need to share and make available information that is difficult to access by the industry in developing countries (for example, on industrial standards applied in countries to avoid commercial losses resulting from lack of conformity of exported production).

37. Recognizing that many agencies were not represented at country level, there was general agreement that a cooperation scheme should also consider the need of maintaining a better coordination at national/local level. It would give, inter alia, country-teams the appropriate tools in assessing a country's situation.

38. Regarding how the information should be submitted, it was agreed that there should not be any standardization, to avoid difficulty in implementation. Each agency should be able to provide its information in the format that best fits its needs. A standard format could be developed later if deemed appropriate by partner agencies.

39. In designing a reasonable cooperation scheme, one agency (UNCTAD) suggested to set some basic assumptions:

- the scheme should not overstrain the work of the partner organizations;
- it should provide value-added for inside and outside users; and
- it should be a sufficiently flexible scheme so that each organization –fully responsible of its own information- can provide whatever it wants in the format that best fits it.

40. The same agency presented a model web-site that would satisfy most of the requirements discussed earlier at the meeting. This basic web-site takes advantage of existing commercial technology and of UNCTAD experience in developing similar web-sites. Hosted for free, it would contribute actively to and combine sharing of knowledge, exchange of information and synergies between organizations in the field of Trade Facilitation. The main features of the proposed web-site are:

- The hardware would be hosted in the International Computing Center (ICC), with rapid Internet Provider connection (through the European backbone), using proven know-how, methods and tools (e.g. www.gtpnet-e.com and www.empretec.net).
- UNCTAD would not own the service: that is the web-site would not be called "www.unctad.org/subdomain". This site would be owned, shared as well as populated by all partner agencies, so that the information would not belong to UNCTAD. The principles would be interactivity, decentralization, and participative and progressive approach.
- In technical terms, the proposed web-site would be a system that is distributed, Internet-based, database-driven, using a collaborative knowledge approach, with role-based access control.
- As a self-service Web-tool, it would require minimum IT support; it would be easy for users to create, manage and customize, building a real e-team among participating agencies. The service would be activity-oriented and intuitive, and would not require particular training. Among its main features, it would include: User's notification, Chat feature, E-meetings, shared calendar, focused search feature, remote-user management

- Each organization would be responsible for its own data. There might, however, be a need for a code of conduct to ensure agencies' commitment over time.

41. The meeting considered the proposed web-site as an important instrument, very interesting and offering great potential. Most agencies expressed their willingness to participate in such an initiative, recognizing that the proposed web-site would be as good as the input submitted by all its members. Some agencies requested for more information to be provided in order for their respective IT experts to assess the implied investment (manpower, technology).

42. Recognizing that the agencies present had different approaches to trade facilitation, this site would not attempt to standardize or propagate a single common approach in that field. By concentrating information on each agency's approach into a unique platform dedicated to trade facilitation, this site provides a doorway for users to investigate further the work carried out by one or another agency. Responding to the need to coordinate, this site would create a network of "specialists" dealing with trade facilitation.

Conclusions and Follow-up Action

43. The meeting agreed that a detailed proposal be elaborated by UNCTAD and transmitted to potentially interested partners for review. Should a general agreement be reached shortly, UNCTAD would set the process in motion, opening the web-site and letting it develop at each agency's pace. It was also suggested that the Secretary-General of UNCTAD might wish to inform the meeting of the Chief Executives Board (Rome, 10-11 April 2002) regarding the outcome of the present HLCP meeting.

44. The meeting agreed on the following actions:

1. A draft report of the inter-agency meeting on Trade Facilitation would be prepared and circulated among participating organizations for comments;
2. After including the comments received, the final report of the meeting would be prepared and circulated to all members of the HLCP;
3. In the meantime, the web-site would be operating on a restricted trial basis, with those agencies who were willing to participate, and the experience would be used to fine-tune the web-site;
4. This progress report would be presented at the September session of the HLCP;
5. A second inter-agency meeting on trade facilitation could be convened back-to-back with the UNCTAD Expert Meeting on Trade Facilitation (Geneva, 25-27 November 2002) on the basis of the views expressed by various agencies.