

**Second Inter-Agency Meeting on Trade Facilitation**  
**UNCTAD, Geneva, 28 November 2002**

**Summary report**

1. As agreed at the First Inter-Agency Meeting (Geneva, 5 April 2002), this second meeting was convened by UNCTAD, and took place as scheduled to deal with the following agenda:

1. Review of the work accomplished towards the coordination of cooperative actions in the area of trade facilitation, since the First Meeting;
2. Status of the cooperation scheme as of 15 November 2002;
3. Opening participation to concerned institutions;
4. Proposed work programme.

2. The meeting was attended by representatives of seven of the HLCP Member Agencies, i.e. the World Trade Organization (WTO), the World Bank (WB), the United Nations Industrial Development Organization (UNIDO), the Economic Commission for Europe (UNECE), the Economic and Social Commission for Asia and the Pacific (UNESCAP) and the United Nations Conference on Trade and Development (UNCTAD). The UN Chief Executives Board Secretariat was also represented. . Furthermore, the World Customs Organization (WCO), the Organization for Economic Cooperation and Development (OECD), the International Chamber of Commerce (ICC) and the International Federation of Freight Forwarders Associations (FIATA) were invited as Observers. Only WCO was able to attend. .

3. It is also worth mentioning that, for the first time, a representative of the Director-General's Office of the World Health Organization (WHO) attended the meeting. She indicated that WHO is now launching new areas of investigation dealing with cross-border trade of basic pharmaceuticals needed for public health campaign purposes and that removing the operational obstacles to this trade was the reason for WHO's interest in trade facilitation activities.

4. The meeting was opened by the Head of the Trade Logistics Branch of UNCTAD who recalled that this meeting was a follow-up activity to the stepwise and gradual development of a cooperation scheme among UN system agencies.

**Item 1 of the Agenda:** *Review of the work accomplished towards the coordination of cooperative actions in the area of trade facilitation, since the First meeting.*

5. Since April 2002, a number of activities were performed by UNCTAD as agreed at the 1st Inter-Agency meeting. These activities included:

- (a) **The preparation of the report of the 1<sup>st</sup> Inter-Agency meeting.** The report was circulated among the participants to this meeting, amendments were received and included. The final version of the report was then distributed to all participants as well as to all HLCP members through the secretariat of the Chief Executives Board.
- (b) **The launching of the cooperation scheme.** A pilot web site was developed (see details below).
- (c) **The preparation of a progress report.** Mid-September 2002, a progress report was prepared and submitted to the fourth session of the High-Level Committee on Programmes (HLCP) of the United Nations system Chief Executives Board (CEB) held at UNIDO Headquarters in Vienna on 23 and 24 September 2002. The Committee took note with appreciation of the progress report on the trade facilitation initiative (CEB/2002/HLCP/INF.6). It welcomed the

flexible approach adopted for the initiative as a model for operating future issue-driven inter-agency coordination and cooperation. Members welcomed in particular the establishment of the website facilitating the exchange of information of trade-related activities of different agencies, and encouraged agencies who had not done so to nominate managers to collaborate with UNCTAD.

- (d) **The organization of a users' meeting.** An informal meeting with GVA-based users (UNECE, WTO, UNIDO) was convened at UNCTAD on 14 November 2002. Only UNIDO could attend. It resulted in a fruitful exercise to prepare for the 2nd Inter-Agency meeting.

6. Regarding the launching of the cooperation scheme, participants were informed that, since the first meeting, two major stages had been accomplished: **establishment of a web site** and **elaboration of protocols and procedures**.

7. The **first stage** has been completed. A website was established and the common URL address name (www.un-tradefacilitation.net) was given.

8. The structure of the website was summarily described and reference was made to the note entitled "Guide to navigate on the un-tradefacilitation.net website." This note was distributed to all participating agencies in mid-June 2002. In a nutshell, the website has been designed to:

- (a) accommodate self-service input of information from different agencies through secured access,
- (b) facilitate exchange of information through discussion forum / message board,
- (c) keep audience updated on dates and latest activities/ events launched by participating agencies, and
- (d) supply reference of bookmarks and links useful for further research and analysis by interested audience.

9. A brief introduction is also provided on-line in a PowerPoint presentation format on the HTML page entitled "A Tool For A Cooperation Scheme" which is accessible through the aforementioned URL address.

10. The **second stage** is now in progress. Working protocols and procedures have been established and documented for testing. The set of entry instructions was prepared. An invitation to participate was channeled to all concerned agencies through the secretariat of HLCP (mid-June 2002). The invitation called on interested agencies to take some initial, but important steps i.e. (i) nomination of a "Manager" who would be responsible for overseeing the agency's specific inputs into the website and for (ii) the assignment of "Author(s)" who would be responsible for the provision of inputs. The invitation also stressed that the involvement of agencies at this stage was crucial; the accumulated experience at the end of the exercise would be valuable for the improvement of the website and, moreover, for the establishment of the scheme of collaboration that is suitable and robust for all participating agencies. Following the invitation, a note ("Note on the Follow-up to the Inter-Agency Meeting on Trade Facilitation") was produced to provide specific instructions to Managers and Authors. This note was sent to all agencies that had participated in the 5 April meeting.

11. A detailed explanation was given on the main features and possibilities for development offered by the structure of the website. Specific web pages ("rooms") have been made available for each participating agency. It was emphasized that ongoing maintenance of the website was primordial if the site is to live up to the expectations of the cooperation mechanism.

12. An extensive debate followed and accompanied the presentation. The meeting highlighted the risk of making the web site an end in itself, thus overlooking the the fact that it was representing a tool to achieve the unique goal of the cooperation scheme: *"to 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"*.

13. A number of salient issues emerged from the debate:
- (a) A critical issue is the quality of contents: it should be populated by more agencies and regularly maintained to ensure its ongoing relevance/quality.
  - (b) Information submitted by the partners should be substantive and useful so as to attract visitors and users.
  - (c) The development of an agency room can be made on an ad-hoc basis and take advantage of what is readily available. As a start, "keep it simple" by –for example– creating web links to the existing and pertinent trade facilitation related web pages of the agency's web site.
  - (d) The set of links to trade facilitation related web sites should be structured by topics.
  - (e) One participant (UNIDO) indicated that the web site should provide access to an E- mail roster of names of persons potentially interested by trade facilitation related events and activities. Such a roster, properly structured (e.g. by sectors such as Customs, transport, trade, banking, insurance, etc.), would facilitate access to a particular target audience for any event or activity organized by an agency.
  - (f) Other participants (WB and UNCTAD) supported this idea and suggested that the same roster (or another if necessary) could provide basic information on consultants in trade facilitation. Providing the CV of these consultants was not considered appropriate at this stage.
14. Participants were reminded that, while information, regarding substantive outputs derived from the mandate of each organization, could be made available on the existing web site through pertinent Internet links to its official documents, a restricted-access area on the same web site could also be established. In this area, each agency could provide pertinent information, on a country basis, regarding its implementation/execution of technical assistance projects. Such information could include a brief description of the projects, national counterparts, contact information of project officers, etc.

**Item 2 of the Agenda:** *Status of the cooperation scheme as of 15 November 2002.*

15. As of 15 November 2002, three agencies have effectively started to populate their respective room: UNECE, WTO and UNCTAD. Two others (WB and UNIDO) have identified their Managers and will soon start populating the site. Inputs are still missing from agencies playing a major role in trade facilitation: IMF, FAO, ECA, ESCAP, ECLAC and ESCWA. The meeting strongly encouraged these agencies to participate actively in ensuring the success of the cooperation scheme. One participant (UNECE) distributed a paper on behalf of ESCWA (see attachment). This paper presents the main activities carried out by ESCWA in the field of trade facilitation.

**Item 3 of the Agenda:** *Opening participation to concerned institutions.*

16. The Head of the Trade Logistics Branch of UNCTAD referred to the need expressed by different current HLCP Members to invite other organizations (outside HLCP membership) to be part of the cooperation scheme. As a first step in that direction, an informal invitation to the present meeting had been extended to WCO, OECD, ICC and FIATA. There was a general consensus on the necessity of opening the participation to institutions that were not members of the HLCP. The meeting discussed how best to proceed. Rooms could be made available to these new participants but only after agreeing on a set of entry barriers or criteria that would secure the commitment of any new comer. All agencies represented at the meeting agreed that WCO, ITC, ICC and OECD should be part of the cooperation scheme. It was also agreed that the decision on opening participation to other global institutions with interest in trade facilitation (particularly professional associations such as FIATA) should be left to existing members. If considered appropriate, these members could create sub-rooms within their own room on the web site. One participant (UNECE) highlighted the risk of overcrowding the web site with too many institutions. It was also suggested that consideration should also be given to the participation of regional intergovernmental organizations (such as Mercosur, NAFTA, ASEAN, APEC) actively involved in trade facilitation programmes.

**Item 4 of the Agenda:** *Proposed work programme.*

17. To respond to some of the issues raised under Item 1, two possible areas of work were introduced: the elaboration of a marketing strategy and the creation of a restricted area common to all partners of the web site.

**Marketing strategy**

18. The meeting generally agreed that the web site should increasingly be made known not only to public users (that is the population outside the member agencies) but also to the potential users within the member agencies.

19. Various means were suggested to make the web site known externally:

- (a) Elaboration of a pamphlet describing the objectives and contents of the web site. It was suggested, that this pamphlet should also identify the benefits for each potential user;
- (b) Making reference, where appropriate, to the web site in official documents, published by the member agencies. It was mentioned that this might require approval of the Constituents of the agency.
- (c) Providing information on the cooperation scheme on the web site of each member agency. This would include a link, where appropriate, to the web site [www.un-tradefacilitation.net](http://www.un-tradefacilitation.net).
- (d) Establishing reciprocal links between the web site and any institution's web site referred to in the cooperation scheme;
- (e) Initiating a referencing procedure with web search engines.

20. To highlight the efforts of member agencies towards the cooperation scheme, it was suggested that each member agency should take advantage of its respective contribution for the preparation of the annual CEB Overview Report to flag the initiative to all UN Member States. Furthermore, a progress report on the cooperation scheme should be submitted at each session of the HLCP with a view to keep HLCP members informed. This could diffuse a "small political message" to the Chief Executives Board, in providing information on the status of inter-agency cooperation in the area of trade facilitation.

**Development of a restricted-access area**

21. The idea of developing a restricted-access area within the existing web site was further discussed. This area would only be made accessible to existing Managers & Authors.

22. As a start, the area could contain a roster of field contacts and possible consultants. A tentative structure of this roster was proposed, based on the typical structure used in electronic address books (e.g. Lotus Notes address book). A sample of such roster (containing the coordinates of more than 140 national Customs administration headquarters) is presently accessible on the web site. For demonstration purposes, a consultant roster has also been temporarily set-up. It was suggested that any agency willing to add its own roster to these samples should provide the corresponding information to the Web Master, in Excel format.

## Action plan

23. The participants agreed that few simple objectives and their corresponding tasks should be stated for the coming 6 months:

- (a) **Objective I:** Ensure the full active participation from 10 institutions, including new non-HLCP members:
  - i. Task (a)-1: UNCTAD, on behalf of the un-tradefacilitation.net members, will contact and invite WCO, ITC, OECD and ICC to join the cooperation scheme.
  - ii. Task (a)-2: These institutions will be provided with the necessary Guidelines.
  - iii. Task (a)-3: As soon as an invited institution nominates its Manager and Authors, the web site structure will be amended to include the corresponding new room.
  
- (b) **Objective II:** Create visibility of the joint initiative. Each participating agency will do its best to make the cooperation scheme known among its Constituents and partners:
  - i. Task (b)-1: by referencing the cooperation scheme in its publications and web site, as appropriate.
  - ii. Task (b)-2: by mentioning its participation in its contribution for the preparation of the annual CEB Overview Report.
  
- (c) **Objective III:** Keep HLCP members informed of developments regarding the joint initiative:
  - i. Task (c)-1: UNCTAD, on behalf of the un-tradefacilitation.net members, will prepare a progress report to be presented at the next session of HLCP (March 2003). This report will be submitted to the secretariat of HLCP;
  - ii. Task (c)-2: The secretariat of HLCP will include an item on the Agenda of the next session of HLCP, with reference to the progress report and distribution of the report to all HLCP member agencies.

24. Participants agreed that the Third Inter-Agency Meeting on Trade Facilitation would be tentatively held on Friday 16 May 2003 (a.m.), back to back with UNECE event: Second International Forum on Trade Facilitation "Sharing the gains of globalization in the new security environment" (Geneva, 14-15 May 2003). More information on this event can be found under [www.unece.org/forums](http://www.unece.org/forums).

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**THE ROLE OF ESCWA IN PROMOTING TRADE AND TRANSPORT FACILITATION IN THE  
ESCWA REGION**

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**A. INTRODUCTION**

One of the most important issues for regional cooperation and integration in Western Asia is the facilitation of transport and trade between ESCWA member countries. In 1999 the share of ESCWA member countries of their total exports did not exceed 5.5 per cent and their share of imports was 9.3 per cent. Among the main reasons for this weak interaction were the complexity of border formalities, procedures, documentation and tariffs between ESCWA members.

Facilitation of international transport and trade is a multifaceted approach that would involve improvements in the infrastructure as well as the operation of the international transport and trade systems. Below is a brief review of the role of ESCWA in promoting such facilitation in the region.

**B. DEVELOPMENT OF AN INTEGRATED TRANSPORT SYSTEM**

In May 1999 a statement was issued by ESCWA member countries in which they agreed on the start of the development of the Integrated Transport System in the Arab Mashreq (ITSAM), and the adoption of the regional transport network. On the basis of that statement, the first edition of the map of the regional network including the major roads, railways, seaports and airports of international importance in the region, and text of the statement, was issued in June 1999 and updated in May 2001.

Efforts to develop the ITSAM have proceeded in three major tracks, namely the regional transport network, the associated information system and the methodological framework for policy analysis. Such recent developments were presented to experts in the region who agreed that once completed they would contribute significantly to the ability to analyze policies and formulate action plans both at the national and the regional levels.

**C. ADOPTING AN INTERNATIONAL ROAD NETWORK**

Following extensive efforts over the last three years, the ESCWA member countries on 10 May 2001 adopted an Agreement on International Roads in the Arab Mashreq (the "Agreement"). As of end of May 2002 ten out of the thirteen ESCWA members signed the Agreement and one ratified it. This Agreement is the first UN treaty to be negotiated within ESCWA, and therefore, represents a significant landmark in the history of the Commission.

The Agreement is composed of five major elements. The first is a list of technical terms used in Arabic, French, and English; the second is the set of thirteen articles of the Agreement covering the adoption of the international road network; orientation of the routes; technical specifications; signs, signals and markings; signature, ratification, acceptance, approval and accession; entry into force; amendments; withdrawal; termination; dispute settlement; limits of application of the agreement; depositary; and annexes and list of technical terms. The third element is annex I describing the routes and links of the road network. The fourth is annex II including the unified technical specifications to be met on routes in the road network such as the classification of international roads; engineering design considerations; road installations and facilities;

vehicle characteristics; environmental considerations and maintenance. The fifth element is Annex III covering the standard road signs, traffic signals and pavement markings on the routes of the road network.

#### **D. PROMOTING TRADE AND TRANSPORT FACILITATION**

Transport and trade processes across borders are generally complicated in most of the developing nations including the ESCWA members. Whether it being import, export, re-export or transit, several entities interfere in these processes for different purposes such as security, technical controls and statistics. The process generally involves the exchange of information through several documents and forms among the trading partners, government authorities, shipping agents, freight forwarders, custom agents, etc. The number of entities involved could exceed forty as well as the number of steps required to complete the transaction. The number of signatures could easily exceed twenty.

In the context of the present globalization environment, the need to significantly facilitate such transport and trade transactions and processes cannot be overlooked. The existing inefficiencies can only harm national and regional economies. Regional cooperation and integration could be greatly enhanced through such facilitation.

Regional efforts were exerted in this regard since the late seventies. More recently in the year 2000 a major study on the facilitation of international freight transport procedures in the region was completed. The six-volume study<sup>1</sup> included a detailed field review of trade and transport procedures in five member countries, namely Egypt, Jordan, Lebanon, the Syrian Arab Republic and United Arab Emirates. It also involved a comparative analysis among the selected countries, and the identification of obstacles and causes. The study arrived at a set of eleven major recommendations for trade and transport facilitation in the region, namely simplification of formalities, procedures and documentation; transparency; abolishing illegal practices; development of human resources; computerization and Information and Communications Technology (ICT) applications; institutional, legal and administrative reforms; unification of valuation and tariff classification; adoption of non-stop working hours; conclusion of new agreements and accession to existing ones; the implementation of multimodal transport; and the establishment of national trade and transport facilitation committees. These recommendations were endorsed by the twenty-first session of the Commission in May 2001.

Of particular interest is the computerization and the application of ICT. For this purpose two studies were conducted by ESCWA in 1999 and 2001. The first study involved a review of experiences of States outside ESCWA especially in Europe and East Asia, a review of the current status in the ESCWA region, a comparative analysis between both groups, and a discussion and the identification of reasons for the limited applications in the region. The study concluded with a set of recommendations to overcome the obstacles. The second study focused on e-business, internet and supply chain management applications using ICT. Among the major recommendations were the formulation of a legal framework to encourage the implementation of ICT by concerned parties; raising awareness about ICT benefits through alternative means such as conducting seminars and workshops; encourage member States to consider reducing the rates of telecommunications; gradual implementation of computerization and ICT in terms of the number of entities involved, the number of documents and forms to be computerized and exchanged electronically as well as the number of merchants involved; finance such initiatives by the public and the private sector with varying levels of participation as may be deemed appropriate; use the UN standards for electronic data interchange

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<sup>1</sup> Economic and Social Commission for Western Asia, "Facilitation of the international freight transport in the ESCWA region", volume I: summary, results and recommendations (E/ESCWA/TRANS/2000/4); volume II: description of international freight transport procedures in Lebanon (E/ESCWA/TRANS/2000/4/Add.1); volume III: description of international goods transport procedures in Jordan (E/ESCWA/TRANS/2000/4/Add.2); volume IV: description of international freight transport procedures in the Syrian Arab Republic (E/ESCWA/TRANS/2000/4/Add.3); volume V: description of international freight transport procedures in the United Arab Emirates (E/ESCWA/TRANS/2000/4/Add.4); volume VI: description of international freight transport procedures in Egypt (E/ESCWA/TRANS/2000/4/Add.5) (Arabic).

on the internet (e.g., ebXML protocol) to save costs and increase efficiency; support efforts for the Arabization of the UN and internet standards; and monitor the continuous advancements in the field and the improved applications in the region, and benefit from the experiences of others.

## **E. CONCLUSIONS AND LOOKING AHEAD**

The processes, formalities, procedures and documentation of international trade and transport in the region are generally complicated. However, they are expected to witness considerable improvements in the near future. Several countries in the region are in the process of enhancing their computerization and the application of electronic data interchange. New customs laws were recently adopted in Egypt (2000) and Lebanon (began implementation effective 23 April 2001). A limited number of countries in the region are expected to establish national facilitation committees in order to coordinate their national efforts. More countries are expected to accede to existing facilitation conventions. A regional agreement on transport and trade facilitation may be concluded in the near future. Efforts to develop the ITSAM would be continued and enhanced.

The above expected improvements in transport and trade systems analysis, infrastructure, operation, management and planning when implemented, would certainly contribute to an increase in competitiveness of products and services in the region, and hence an increase in exports and inter- and intra-regional transport of goods (trade) of ESCWA member countries. However, the risks in terms of increased worldwide and regional competition on the one hand, and the lack of vision, coordination, funding, public administrative reform and/or political will on the other hand, cannot be underestimated.

Last but not least, efforts to promote trade facilitation at the international level through the development of standards and worldwide recommendations should continue to be enhanced and coordinated. However, promoting the implementation of trade facilitation measures, standards, and recommendations must be done at the regional and sub-regional levels. In other words, the role of ESCWA in promoting trade and transport facilitation in the region, and for that matter the role of sister UN regional commissions in their respective regions, is vital and complementary to the efforts at the international as well as the national levels. Therefore, any future vision in this regard at the international and national levels, in order to be meaningful and successful must incorporate the role of the UN regional commissions at the regional and sub-regional levels.

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