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**REPORT ON THE PROJECT FOR TECHNICAL ASSISTANCE
PROVIDED BY THE CZECH REPUBLIC AND UNECE
IN THE AREA OF TRADE FACILITATION**

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Submitted by the secretariat

The secretariat together with the Czech delegation are reporting to the Plenary on the completion phase of the project on “Support to Trade Facilitation Measures and UN/EDIFACT Implementation in Selected Eastern European Countries”. The Government of the Czech Republic had funded the technical cooperation project as part of its Plan for Bilateral Development Assistance for the years 1997-1999. The Ministry of Industry and Trade of the Czech Republic and UNECE have proposed to extend the project till 2005.

1. Purpose

UNECE has over years built considerable competence in the area of trade facilitation, reflected among others in its internationally accepted trade facilitation and electronic business recommendations and standards. Countries in transition have had limited exposure to modern concepts and techniques to simplify international trade procedures and thus ease access to international trade. For this reason, the Czech Republic, in cooperation with UNECE, decided to assist interested countries in Eastern Europe to introduce these recommendations and standards, as well as other trade facilitation techniques, into their policies and methods of work. Consequently, the government of the Czech Republic, since 1997, has been funding a technical cooperation project in this area on the basis of annual allocations.

The objectives of the project are as follows:

- To bring together representatives of relevant government authorities and institutions and the business sector in beneficiary countries in order to create an understanding among them of the need for cooperation that is required for the implementation of trade facilitation measures.
- To set up national trade facilitation bodies that will be able to provide relevant services both to the national trading community and in relation to foreign partners.
- To contribute to the implementation of trade facilitation measures in beneficiary countries and foster cooperation among them.

2. Partners

The project has been jointly implemented by UNECE and the national trade facilitation body of the Czech Republic, FITPRO. As the required competency was gradually built in the beneficiary countries as a result of the project, national experts from these countries also started to substantively contribute to the implementation of project activities.

Assistance under the project was provided to Ukraine, Belarus, Latvia, Lithuania and the Republic of Moldova and, in 2002, first contacts have also been established with Uzbekistan.

Best results have so far been achieved by the project in Ukraine and Belarus, due to a truly team effort of specialists from the Czech Republic, UNECE and the beneficiary countries. A considerable progress has also been made in Moldova that joined the project in 2001. After a good start, Latvia and Lithuania decided to suspend their participation but to keep the possibility to join in again when the conditions in their countries allow for this.

The impact of the project on the beneficiary countries can be documented in all the three areas listed in point 1 above:

- Awareness-raising with regard to trade facilitation and electronic business

Five international conferences have been organized under the auspices of the project, namely in Odessa, Ukraine (November 1999), Minsk, Belarus (October 2000, December 2001), Kiev (October 2002) and Minsk (November 2002). Awareness-raising seminars for policy-makers and representatives of the private sector were held in Ukraine (Kiev, November 1998), Lithuania (Vilnius, October 2001) and Moldova (Chisinau, December 2001), and a seminar on electronic business for SMEs was organized in Moldova (Chisinau, September 2002). The project has also been associated with round tables on trade facilitation and electronic business organized by the Economic Chamber of Latvia (Riga, December 1998), the Ministry of Foreign Affairs of Belarus (Minsk, February 2000 and May 2001), the Czech Embassy in Lithuania (Vilnius, December 2000), EAN Ukraine (Sevastopol, August 2001), the

Association of Lithuanian Industrialists (Vilnius, October 2001) and the UNECE Round Table on Trade Facilitation in Transition Countries (Geneva, May 2002).

- Setting up of national trade facilitation bodies in beneficiary countries

To-date, such bodies have been established in Ukraine and Belarus and concrete steps in this direction are also being taken in Moldova.

- Implementation of trade facilitation measures in beneficiary countries

One of the results of the project has been increased cooperation between customs, freight forwarding and transport experts from the Czech Republic and Ukraine; a similar initiative has been started in relation to Belarus where focus is proposed to be on customs issues. A study has been conducted and recommendations made on transport facilitation in the region, in particular as it relates to the North-South transport corridor covering Moldova, Ukraine, Belarus and the Baltic countries. This has resulted into the adoption in Ukraine of a law on “Strategy for Ukraine as a transit country”. In order to speed up the movement of documents and ensure equivalency of paper and electronic documents, the national trade facilitation body in Ukraine has prepared laws on electronic documents and electronic signature. The former has already been adopted by the Parliament. UNECE's trade facilitation and electronic business recommendations and standards have also become an integral part of the export promotion strategy adopted by the government of Belarus.

3. Conclusions

The project has contributed to the trade facilitation/e-business work of UNECE in several areas:

- It has made it possible to provide practical assistance to several Eastern European countries in an area in which UNECE has traditional competence.
- It served as a complement and extension of UNECE's technical work on trade facilitation and electronic business recommendations and standards that became subsequently more widely known and accepted in beneficiary countries.
- It helped increase the involvement of beneficiary countries in UNECE's trade facilitation and electronic business work, among others through their active participation in annual sessions of UN/CEFACT and the related events.

Given the positive results attained in the framework of the project, its positive evaluation by the beneficiaries, as well as the unmet demand for trade facilitation in the region, the Ministry of Industry and Trade of the Czech Republic and UNECE proposed to extend the project till 2005. A formal request in this regard has already been submitted to the Czech government.

The proposed extension of the project would make it possible to pass to the implementation of more specific and focused cooperation projects (such as electronic transit systems) in Ukraine and Belarus, to advance with the establishment of trade facilitation bodies in Moldova and Lithuania and to provide assistance to new beneficiary countries that have expressed interest in participating in the project. In addition to the already covered North-South corridor, the unifying element of the upcoming phase of the project in relation to new countries could be the facilitation of trade along the East-West corridor of the “silk road” which would include Ukraine, the countries of the Caucasus area, central Asia, and Mongolia.
