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**APPROVAL OF PROGRAMME OF WORK FOR 2008-2009
AND OF CHANGES TO PROGRAMME OF WORK FOR 2006-2007**

Implementation of the Trade Programme of Work for 2004-2005:
Accomplishment Accounts

Note by the secretariat for information and discussion

Prior to 2004-2005 a strategic framework was agreed for the work under the Trade Subprogramme during that biennium. The strategic framework included an objective, four “expected accomplishments” and “indicators of achievement”.

At the end of 2005, using the data it had collected for the indicators of achievement, the secretariat wrote accomplishment accounts that evaluate how well the subprogramme’s objectives were met and what could be done better in the future. This document contains the following expected accomplishments: (i) Adoption of new recommendations on trade facilitation and electronic business; (ii) Agreement by member States on simpler and more effective trade practices and procedures; (iii) Enhanced policy dialogue on the development of trade; (iv) New and updated international standards and recommendations on agricultural produce in accordance with WTO regulations.

These four accomplishment accounts, together with similar reports from throughout the system, will be used by the United Nations Secretariat to put together the Secretary General’s report to the General Assembly on the, “Programme performance of the United Nations”.

Within the 2004-2005 budget there was also a more detailed table of all the expected outputs to be generated in support of the expected accomplishments. A detailed table listing these expected outputs and their status can be found in document ECE/TRADE/C/2006/13/Add.1.

A. ADOPTION OF NEW RECOMMENDATIONS ON TRADE FACILITATION AND UN/EDIFACT STANDARDS

1. The goal of trade facilitation recommendations and electronic business standards developed by the UNECE is to reduce technical and procedural barriers to trade among UNECE member States and between UNECE member States and the rest of the world. UN/EDIFACT is the most well known of the electronic business standards as it is the most-used standard for communicating trade and administrative data outside of the Internet. By reducing technical and procedural barriers to trade, the UNECE aims to facilitate and strengthen the integration of member States, and especially countries in transition, into the European and global economy, thus supporting UN Millennium Development Goal 8 – “to develop further an open trading and financial system that is rule-based, predictable and non-discriminatory.” Work on trade facilitation and electronic business standards is done by the Centre for Trade Facilitation and Electronic Business Standards (UN/CEFACT).

2. The users of UNECE trade facilitation recommendations and standards include government administrations and policy makers as well as private sector participants in trade. Many of the UNECE’s trade facilitation standards have come into global use because two thirds of world trade is generated by UNECE member States. As a result of this global user community, the UNECE has encouraged the widest possible input by opening participation to all United Nations member States and by close cooperation with other United Nations and international organizations including, in particular, the other UN regional commissions: UNCTAD; UNCITRAL; the World Customs Organization (WCO); the World Trade Organization (WTO); and the International Organization for Standardization (ISO).

3. In addition, these participants, together with organizations like the World Bank and national trade facilitation organizations, promote the implementation of UNECE trade facilitation recommendations and standards through different projects and activities at national and regional levels.

4. Development work is done in five UN/CEFACT Groups that meet together twice a year at Forums in different regions of the world with up to 350 participants per Forum. Individual meetings of the Groups and their project teams are held between the Forums. The outcomes of the work, as well as plans for future work are presented to annual UN/CEFACT plenary sessions for approval.

5. In addition to working on the development of recommendations, during 2004-2005, the secretariat was heavily involved in the revision of UN/CEFACT’s Mandate and Terms of Reference as well as in negotiations aimed at creating an Intellectual Property Rights Policy for UN/CEFACT that would both cover the needs of the United Nations and encourage the participation of all member States and the private sector.

6. The expected accomplishment for the 2004-2005 biennium was, "The agreement by member States on simpler and more effective trade practices and procedures" as evidenced by the number of new and/or updated ECE recommendations on trade facilitation and e-business accepted by countries. A review of the number of new or updated recommendations and standards approved by the UN/CEFACT Plenary provided the following results: for 2004-2005: 21 (ten in 2004 and eleven in 2005) and this was compared to the result for 2002-2003, which was 10 (five in 2002 and five in 2003).

7. The recommendations approved during this biennium can be divided into two kinds: trade facilitation and electronic business.

8. The electronic business recommendations include: a set of six Business Requirements Specifications for use as the basis for messages in different electronic business standards; the UN/CEFACT XML (eXtensible Mark-up Language) Naming and Design Rules (NDR) and the Transformation Rules from UN/CEFACT Uniform Modelling Language (UML) to UN/EDIFACT. Two issues of the United Nations Location Code for Trade and Transport (UN/LOCODE) and UN/EDIFACT directories each were also issued. A new message included in the Spring 2005 UN/EDIFACT directory resulted in a ten-fold increase in downloads from the UNECE website.

9. In trade facilitation, the most significant highlight was a new Recommendation 33 on a Single Window for export and import clearance, which was formally approved in October 2004 and has resulted in many requests for capacity building and further information. A third, extensive revision of Recommendation 20 on codes for Units of measurement used in international trade was also published.

10. The number of new and updated recommendations increased, thanks to the completion of organizational changes within UN/CEFACT. The programmes of work of the five UN/CEFACT Groups have also progressed, thus allowing the finalization of more recommendations and standards. In addition, some countries and partners have increased their resources allocated to this work due to the increased political profile of trade facilitation since it has become part of the WTO "Singapore issues" and the only one of these issues to be included in the Doha round of WTO negotiations.

11. In addition, UN/CEFACT has developed an innovative, open and transparent process for testing and initial approval of its work called the Open Development Process of UN/CEFACT. This process involves the publication of draft versions on the Internet with agreed upon periods for comments and responses. In addition to speeding up the work in-between regular meetings, this has resulted in increased participation.

12. In addition to the substantive work described above, the biggest challenge for UNECE's work in trade facilitation during this biennium has remained the acquisition of additional extra-budgetary funding to secure an adequate level of support for UN/CEFACT meetings and particularly its semi-annual forums which involve a large number of meetings and significant support.

B. IMPLEMENTATION OF RECOMMENDATIONS ON TRADE FACILITATION AND E-BUSINESS

13. Indicator of achievement:

"The extent to which the ECE recommendations on trade facilitation and e-business are implemented in the countries"

14. A study was undertaken at the end of the 2004-2005 biennium to measure implementation based upon five selected key recommendations and standards and a cross sample of 11 countries. The results of this study are shown and discussed below.

15. The 2004-2005 study was based on a restricted number of recommendations and countries because a study undertaken during 2002-2003 had shown that it was too resource intensive to try to measure the implementation of 31 recommendations across 51 countries, and that the variety of information sources, as well as the inability to verify the data (due to the large quantity) also resulted in the data not always being reliable nor comparable across biennia. For this same reason, (the inadequacy of the 2002-2003 data), there is not baseline data available for this biennium, although we have given some limited comparison data in the table.

16. The implementation of these recommendations was surveyed in a sample of 10 countries, representing a cross-section of types of economies: Azerbaijan, Bulgaria, the Czech Republic, Kazakhstan, the Russian Federation, Sweden, Ukraine and the United Kingdom as well as two non-UNECE member States that participate in the work of UN/CEFACT: the Islamic Republic of Iran and the Republic of Korea. A full description of the study can be found in document TRADE/CEFACT/2005/34.

17. As reflected in the table above, the 2004-2005 study demonstrated higher values. The rate of implementation of the selected UN/CEFACT trade facilitation recommendations was, on average, just over 66 per cent in the selected countries. The global downloads of the UN/LOCODE (Table 1 above) rose from 17,092 in 2003 to 23,108 in 2005 and those of the UN/EDIFACT standards rose from 83,635 in 2003 to 373,177 in 2005, largely thanks to the fact that a new message was included in the Spring 2005 UN/EDIFACT directory. A more detailed evaluation of the 2002-2003 downloads for Recommendation 15 (UN/LOCODE) and Recommendation 25 (UN/EDIFACT) can be found in documents TRADE/CEFACT/2004/32 and TRADE/CEFACT/2004/33.

18. In view of the lack of baseline data, there are also no target values for the 2004-2005 biennium.

19. As a general observation, those countries that have participated in UNECE's work on harmonizing trade procedures also reported significant levels of implementation and those transition economies, where advisory services had been delivered reported systematically higher levels of implementation than countries where implementation had been based on national efforts only. While the majority of reporting countries had undertaken implementation of the

Table
Implementation of UN/CEFACT Recommendations

Recommendation Number & Title	Indicator: Number of countries having implemented (1-5 for 2002-2003 and 1-10 for 2004-2005 – see footnotes)			Objective
	2002–2003 ¹	2004–2005 ²	2004–2005 ³	
1 – UN Layout Key	3	10	74 %	Trade Facilitation
4 – National Trade Facilitation Organs	5	8	80 %	Trade Facilitation
16 – UN/LOCODE	5	8	80 %	e-Business
25 – UN/EDIFACT	3	8	49 %	e-Business
33 – Single Window	N/A (not yet approved)	10	43 %	Trade Facilitation
Average 2005 level of implementation for recommendations = 66.34 %				
16 – UN/LOCODE	Indicator – Number of Downloads			e-Business
	2003	2004	2005 ⁴	
Total number of downloads	17,092	36,585	23,108	
Average downloads per month	1,709	3,049	3,301	
25 – UN/EDIFACT	Indicator – Number of Downloads			e-Business
	2003	2004	2005 ⁴	
Total number of downloads	83,635	117,048	373,177	
Average downloads per month	8,364	11,705	53,311	

¹ Of the 10 countries that replied to the 2004 – 2005 survey, 5 had replied to the 2002 – 2003 survey even though all 10 received the survey questionnaire.

² Number of countries in the sample having implemented the recommendation partially or completely.

³ Average level of implementation by countries.

⁴ Up to 20 July 2005.

recommendations, in a few countries implementation of some of the standards was largely based on the spirit of the recommendation without following the detailed provisions. Another significant finding was that the UN Location Code (UN/LOCODE) was used much less frequently in countries that do not use the Latin alphabet.

20. In summary, while implementation levels for some standards are reaching a maturity level in the majority of developed industrial economies, transition economies and developing countries still have a lot of benefits to gain from implementing trade facilitation tools and instruments. The improved implementation since 2003 of the UN Layout Key and the growing interest in the Single Window Recommendation showed the continuing interest and relevance of the work. In addition, the differences in implementation between countries where capacity

building had taken place and other countries reconfirmed the need for providing implementation support in the transition economies. Increased cooperation among the Regional Commissions as well as the UN Development Account Projects in Eastern Europe, the Mediterranean and Central Asia have made a significant contribution towards increasing the use of UN/CEFACT recommendations.

21. Furthermore, the newly implemented Open Development Process of UN/CEFACT for the development of new recommendations and the maintenance of existing ones has increased the participation of the business community and implementers in the development process, resulting in better implementation levels.

22. The secretariat recommends fine tuning the questions regarding UN/LOCODE (Recommendation 15) and the Single Window (Recommendation 33) for the 2006- 2007 implementation study. An analysis of the level of implementation by business areas and transport sectors would provide better data that would assist in identifying areas where further work is needed including promotion and implementation support.

23. In addition to the substantive work described above, the biggest challenge for UNECE work in trade facilitation during this biennium has remained the acquisition of additional extra-budgetary funding for implementation support in the countries where significant work is still required, and particularly in poorer, landlocked countries such as Bosnia and Herzegovina, Moldova and the Central Asian Republics.

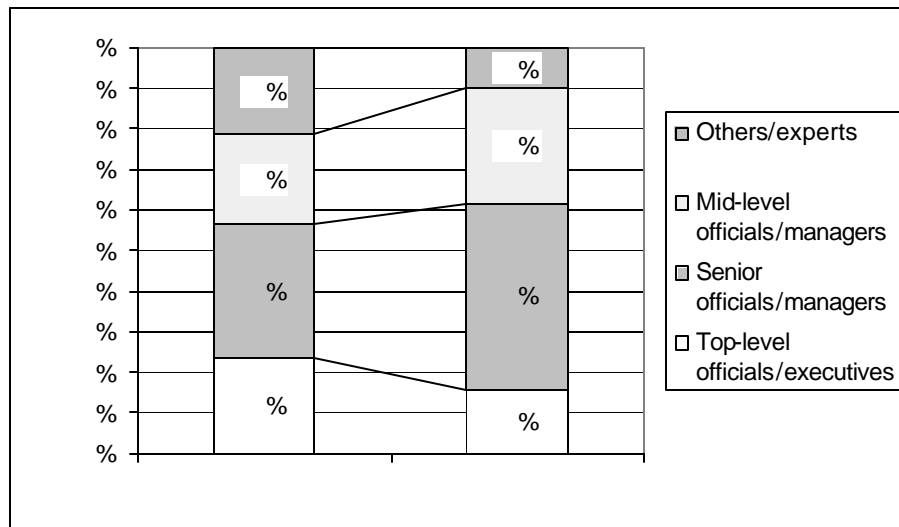
C. ENHANCED POLICY DIALOGUE ON PRACTICES AND REGULATORY FRAMEWORKS FOR TRADE COOPERATION, TRADE AND ENVIRONMENT AND TRADE FACILITATION AND SECURITY

24. For 2004-2005, two performance indicators were chosen to evaluate the sub-programme's accomplishments in terms of enhanced policy dialogue.

25. The first performance indicator was: the strengthened participation of Member States in terms of the number of participants and their level of authority in policy dialogue on issues related to development of trade. This indicator was measured for the 2004 CTIED Forum on "Competing in a changing Europe" and in the 2005 UN/CEFACT Forum on "Paperless Trade in International Supply Chains".

26. As regards the number of participants, the 2004 event was attended by 333 delegates from 42 countries, whereas the 2005 event was attended by 299 delegates from 71 countries. The total number of participants was therefore slightly higher than the target of 600 participants. It is also important to consider that the 2004 and 2005 events were attended by 67 per cent and 58 per cent of the Member States of UNECE, respectively. Also in attendance were participants from a number of countries outside the region (respectively 5 and 39 for the two events).

27. It is also important to consider the high level of authority of the participants in the two events, which, as shown in the chart, were for the majority top level and senior officials and managers. The chart also shows that the level of authority has significantly increased from 2004 to 2005.



N.B. A definition of the categories used in the chart is provided herewith: Top-level officials and executives – ambassadors, ministers, deputy ministers, chiefs, heads, chairmen, directors, presidents, vice-presidents, chairs of various organizations, mission representatives, heads of delegation; Senior officials and managers – senior officers, ministry counsellors, deputy mission representatives, first secretaries of missions, deputy directors general, unit/branch chiefs, deputy heads, senior managers; Mid-level officials and managers – programme managers, ministry mid-level managers, advisors and consultants, second and third secretaries of missions; and Others/experts – academicians, interns, legal and economic experts, analysts.

28. Instrumental in achieving these results were the following factors: choice of a timely topic; reliance on a network of experts that regularly participate in the CTIED work; preparation of quality background material. The main lesson learned was the importance of keeping Missions and Capitals well informed of the objective and the programme of important events: the meetings of the CTIED Bureau offer an important occasion for dialogue with delegations. While we consider these to be good results, a number of factors – beyond the Secretariat's control – prevented us from achieving even better results, including:

- Limited resources for countries to pay for the travel of officials to participate in the meetings;
- Insufficient coordination between the line ministries – that attend the more technical meetings of the subsidiary bodies of the CTIED – and the foreign affairs departments that attend the meetings of the Committee itself;
- Limited secretariat resources for the promotion of the events.

29. The second performance indicator was: the number and scope of policy conclusions reached at the two Forums.

30. The 2004 CTIED Forum included two discussion sessions during which the participants were divided into small groups to answer questions that had been prepared and given to them in advance. The discussions resulted in a policy document that was circulated to the CTIED Annual Session in 2005 (TRADE/2005/9). The document was widely referred to and praised by Member

States at the CTIED Bureau Meeting. It was also used by the CTIED Bureau as a concrete input in reviewing the Trade Development Sub-programme 2004-2005 programme of work.

31. In 2005, the UN/CEFACT Forum on Paperless Trade resulted in the development of a "Roadmap Towards Paperless Trade". The Roadmap sets out a list of the key issues involved in paperless trade; offers recommendations and policy-oriented suggestions regarding the elements needed to move towards this target; and identifies the concrete steps that Governments and business might need to take. The Forum is a thematic event under the WSIS and the Forum conclusions was reported to the World Summit on the Information Society (WSIS) meeting in Tunis, November 2005.

32. The target of the two substantive policy outputs which had been set for the biennium was therefore fully met. This was possible, thanks to the careful preparation of the two events. In the case of the 2004 interactive policy discussion, the secretariat shared the question with participants in advance and professionally moderated the meeting. In the case of the 2005 Forum, the Secretariat prepared the "Roadmap Towards Paperless Trade" and presented it to participants. The document was then screened for discussion and comments item by item. The main lesson learned was the importance of a creative use of information technology in meetings, especially when there is a large audience, in order to enable an effective interaction on complex documents.

D. NEW AND UPDATED INTERNATIONAL STANDARDS AND RECOMMENDATIONS ON AGRICULTURAL PRODUCE

33. The UNECE Working Party on Agricultural Quality Standards and its four Specialized Sections work within the framework of the UNECE Committee for Trade, Industry and Enterprise Development and contribute directly to the Committee's overall trade facilitation objectives by setting internationally harmonized commercial quality standards for fresh fruit and vegetables (including early and ware potatoes), dry and dried produce, seed potatoes, meat, eggs and egg products and cut flowers.

34. The standards are created in intergovernmental bodies with contributions from representatives of: importing and exporting countries (particularly ministries of agriculture, economy and trade); international trade, producer and consumer associations; and intergovernmental organisations.

35. These standards: serve as a common trading language for buyers and sellers; facilitate the establishment of contracts; allow comparison of prices; indicate to producers which products and which quality are acceptable on international markets; serve as a basis for governments to control the quality of produce entering or leaving their countries; and ensure that consumers get relevant information about the produce they purchase.

36. This work is of great relevance to the operation of the international food supply chain because the standards have been widely implemented: The European Union has based 36 of its standards on UNECE standards and is now in the process of completely aligning its standards with those of the UNECE. OECD has adopted 52 UNECE standards and promotes them internationally through their Fruit and Vegetables Scheme. UNECE agricultural quality

standards also continue to be used as the basis for Codex Alimentarius work on commodity standards, which include additional health and sanitary requirements. The UNECE Secretariat actively promotes the application of the standards and also offers assistance to countries wishing to apply the standards through the organization of seminars and training.

37. There are a number of external factors influencing the success of this work which include: commercial and technological developments; the number of requests for creating/updating standards; the degree of agreement of participants on the contents of the standards; the limited resources available for many countries to participate; and the level of resources available to the secretariat for the work and its promotion.

38. The expected accomplishment for the 2004-2005 biennium was “new and updated international standards and recommendations on agricultural produce”. The related indicator of achievement was “the number of ECE recommendations and standards accepted and implemented by countries as evidenced by the number of agreed new or revised international standards and recommendations on agricultural produce”.

39. A review of the work accomplished shows the following number of agreed new or revised international standards and recommendations and for comparison, we have included the figures for the previous 2 biennia.

2004-2005: 32 (12 revised standards, 1 new standard and 19 recommendations.)

2002-2003: 38 (21 revised standards, 5 new standards and 12 recommendations)

2000-2001: 32 (29 revised standards, 1 new standard and 2 recommendations).

40. As stated in the last achievement account, this indicator is only a rough measure of the level of activity of the intergovernmental bodies in this work area and the active interest that countries and organisations take in it. It is not very precise because standards differ in their complexity and their importance in trade, e.g. updating one standard on meat can be as much work as updating five standards for fresh fruit and vegetables. The expectation that this parameter would remain stable as this is the maximum amount of work to be done with present secretariat and delegation resources seems to be correct. It would be difficult to do more without either sacrificing the quality of the work or decreasing work on promoting the standards.

41. The secretariat recommended in the last achievement account to continue collecting statistics on the national implementation of the standards, which is one possibility for directly measuring the use of the standards: There are currently 88 standards. Some countries use some standards but not others, however 98 per cent of the standards are implemented in at least one country.

42. The statistics also show that the cumulative total of standard implementations in UNECE member States is now 1352 or 28 per cent out of a total number of implementations possible 4840. This last number is arrived at by multiplying the total number of standards (88) by the total number of UNECE member States (55). When the number was last evaluated in 2003 the result was 1097 out of a maximum possible number of 4675 (23 per cent). The figures on national implementation will also assist the secretariat in orienting implementation assistance to less advantaged member States.