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#### **ECONOMIC COMMISSION FOR EUROPE**

**COMMITTEE ON TRADE** 

Second session Geneva, 22-25 October 2007 Item 4 of the provisional agenda

#### ACTIVITIES DIRECTLY UNDER THE COMMITTEE

#### REPORT ON COOPERATION WITH THE INLAND TRANSPORT COMMITTEE

Note by the secretariat

#### Summary

The Committee on Trade, in its draft terms of reference, requested at its first session that the Committee regularly review its programme of work and that of its subsidiary bodies, to ensure coherence of its activities and to "develop synergies and joint projects both among its subsidiary bodies and with other UNECE subprogrammes" (see document ECE/TRADE/C/2006/10, para. 3(e)).

In keeping with this, and with the "Work plan on ECE Reform" adopted by UNECE members states, the Chairpersons of the Inland Transport Committee and the Committee on Trade have initiated a process of inter-sectoral cooperation. The current note summarizes possible areas of cooperation between the Inland Transport Committee and the Committee on Trade.

#### I. BACKGROUND

1. Following a major review of the role, the mandate and functions of the UNECE, the Commission adopted a "Work Plan on ECE Reform" (document E/ECE/1434/Rev.1). In the work plan, member States agreed on a new mission statement, governance structure and direction of the work of the sectoral committees. In reviewing the work of those committees, the Commission emphasized the importance of inter-sectoral cooperation. In particular, the transport subprogramme states that "The Committee on Inland Transport shall strengthen activities in the field of border crossing and trade facilitation in cooperation with the Committee on Trade and submit proposals thereon to the Executive Committee" (para. 35).

#### II. INTERSECTORAL COOPERATION

- 2. The chairpersons of the Inland Transport Committee (ITC) and the Committee on Trade (CT) met on 24 April 2007 to discuss modalities for future cooperation. To facilitate the discussion, the secretariat had prepared a note detailing possible areas of cooperation between the two committees. The two chairpersons welcomed the opportunity to review areas of common interest and several possible projects were suggested. Furthermore, in order to inform the ITC on modern trade facilitation tools that could be applied in transport, they agreed to brief the ITC Bureau. During the Bureau meeting on 6 April 2007, the Director of the Trade and Timber Division gave a presentation on activities under the CT that could be of interest to the ITC. The Bureau welcomed the presentation and recognized that there were many opportunities for cooperation.
- 3. It was agreed that the secretariat of the Trade and Timber Division, jointly with the Transport Division, would prepare a proposal on joint activities for review at the next sessions of the CT and the ITC.

# III. POSSIBLE AREAS OF COOPERATION BETWEEN THE INLAND TRANSPORT COMMITTEE AND THE COMMITTEE ON TRADE

## A. Summary

4. The possibilities of cooperation are highlighted primarily between the ITC and the United Nations Centre for Electronic Business and Trade Facilitation (UN/CEFACT). However, when relevant, reference has also been made to possible synergies between the Working Party on Regulatory Cooperation and Standardization Policies (WP.6) and the Working Party on Agricultural Quality Standards (WP.7).

#### **B.** Introduction

5. The ITC is the UNECE Principal Subsidiary Body in the field of transport. It is assisted by a number of subsidiary bodies, among which the most relevant for UN/CEFACT are: the Working Party on Customs Questions affecting Transport (WP.30); the Working Party on the Transport of Dangerous Goods (WP.15); and the Working Party on the Transport of Perishable Foodstuffs (WP.11). The ITC aims at facilitating transport in the ECE region and increasing its level of efficiency, safety, security and protection of the environment, thereby contributing efficiently to sustainable development.

- 6. The ITC and its subsidiary bodies are responsible for drawing up, updating and administrating many legally binding, international conventions and agreements for countries which are contracting Parties (and which may be UNECE or non-UNECE countries). These conventions and agreements provide the international legal and technical framework for national and international transport in and between such countries, and several of the agreements and conventions govern the international transport of goods. They also play a key role in trade facilitation by imposing mandatory compliance with standardized procedures and norms and the standards contained therein.
- 7. The UN/CEFACT mission is to improve the ability of business, trade and administrative organizations, from developed, developing and transitional economies, to exchange products and relevant services effectively. Its principal focus is on facilitating national and international transactions through the simplification and harmonization of processes, procedures and information flows, and so contribute to the growth of global commerce. Through participation of government and business representatives from around the world, UN/CEFACT has developed a range of trade facilitation and e-business standards, recommendations and tools that are approved by a broad intergovernmental process and implemented globally.
- 8. Among the UN/CEFACT working groups and projects most relevant to the Inland Transport Committee are TBG3 transport, TBG4 customs and TBG18- agriculture.

#### C. Potential synergies between the UNECE Transport and Trade Activities

#### 1. Convention on the Harmonization of Frontier Controls of Goods

9. The International Convention on the Harmonization of Frontier Controls of Goods has a number of technical annexes. It would be useful for experts responsible for this Convention and experts from UN/CEFACT to explore the possibilities of using the relevant UN/CEFACT recommendations to provide practical guidance in the implementation of this framework Convention.

## 2. Agriculture

- 10. The UN/CEFACT TBG18 Group on Agriculture, the experts supporting the ITC Working Party on the Transport of Perishable Foodstuffs (WP.11) and experts from the Working Party on Agricultural Quality Standards (WP.7) could examine issues related to tracking and tracing and the development of business requirement specifications for trade in agriculture (for use in the development of information exchange standards in this sector).
- 11. WP.11 is responsible for the Agreement on the International Carriage of Perishable Foodstuffs and on the Special Equipment to Be Used for Such Carriage (ATP). During its annual sessions, WP.11 is informed about the relevant activities of the Working Party on Agricultural Quality Standards (WP.7), in particular the revision of certain standards relating to meats. One Member State proposed that a new annex to ATP be drawn up on the transport of fresh fruit and vegetables. If this is acceptable to the other contracting parties, it could be a potential project of cooperation between WP.11 and WP.7, which drew up the UNECE standards for fresh fruit and vegetables.

# 3. <u>Border-crossing facilitation</u>

- 12. The TIR Convention for goods in transit, which came into force in 1978 is one of the most successful international transport conventions and is currently the only universal Customs transit system in existence.
- 13. The Transport Division, within the e-TIR project for transit road shipments, is implementing Version N90 of the UN/CEFACT UMM methodology. Further cooperation between UN/CEFACT and the Transport Division could be explored within that project.
- 14. UN/CEFACT TBG15 (International Trade Procedures Working Group) is also working on a number of related issues where input from experts from the ITC could be useful. The issues include:
  - (a) Cooperating with the Transport Division, which is playing the leading role with regard to the inclusion of TIR data in the context of the development of the WCO transit data model.
  - (b) Continuing the update of Recommendation 11 on Documentary Aspects of Dangerous Goods Transport, based on the recommendations made by the United Nations Economic and Social Council (ECOSOC) Subcommittee of Experts on the Transport of Dangerous Goods and legal instruments under the responsibility of the ITC Working Party on the Transport of Dangerous Goods.
- 15. The Working Party on Regulatory Cooperation and Standardization Policies (WP.6) has developed a recommendation for regulatory cooperation (Recommendation L). The recommendation provides a model for how regulatory barriers to trade can be reduced, while still achieving common regulatory objectives, through the identification of mutually agreed upon requirements and norms and standards (such as those developed by the UNECE) that meet those requirements. It is suggested that ITC or its subsidiary bodies be consulted in order to identify whether or not member States would find it useful to develop one or more multi-lateral agreements based on Recommendation L, and make reference to the transport—related norms and standards developed by the UNECE which have currently a non-binding character (recommendations). For those norms and standards, which are of mandatory application through legally-binding legal instruments, synergies could be explored on questions of conformity assessment and market surveillance, if deemed appropriate by the Bodies responsible for these instruments.

#### 4. Replacement of required paper documents with electronic equivalents

16. Some ITC conventions, such as the Convention on the Contract for the International Carriage of Goods by Road (CMR), require the use of documents. The CMR contains a list of particulars to be entered into the consignment note, but does not prescribe a standardized format for this note, although IRU has developed a standardized form which may be used for meeting the requirements of the Convention. The Working Party on Road Transport (SC.1) is in the process of finalizing the text of a protocol which would allow the use of electronic consignment notes instead of paper documentation, but which would not contain standardized procedures for

such use. This could be an excellent project for cooperation between SC.1, UN/CEFACT and TBG3-Transport and TBG2 (for UNeDocs).

- 17. In addition to the CMR consignment note, the ITC Bureau might also find it useful to have a presentation made at its June meeting on UN/CEFACT recommendations and work related to documents, including the United Nations Layout Key and United Nations electronic Trade Documents (UNeDocs). Then, in light of the information presented, the ITC Bureau, in consultation with its appropriate subsidiary bodies, could consider how to take this CT documents—related work into consideration within relevant areas of the transport programme of work and make proposals to the ITC at its 70th session, in February 2008.
- 18. UN/CEFACT work on UNeDocs and related legal issues included the question of using EDI for documentation purposes (in the context of transport of dangerous goods).

## 5. <u>Development of proposals for implementation</u>

19. In view of the various possible areas of cooperation between the CT and ITC, the Bureaux of CT and ITC might wish to ask the secretariat to explore further cooperation between the two sectoral committees, develop concrete proposals and report to them at their next sessions.

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