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COMMITTEE ON TRADE

Third session  
Geneva, 25-26 February 2009

**REPORT OF THE COMMITTEE ON TRADE ON ITS THIRD SESSION**

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## **I. ATTENDANCE**

1. The Committee on Trade held its third session on 25 and 26 February 2009. A joint Trade Committee and Inland Transport Committee Conference on Trade and Transport Facilitation in the UNECE region was held on 24 February.
2. Representatives of the following countries participated in the meeting: Austria, Belgium, Bulgaria, Czech Republic, Finland, France, Germany, Greece, Hungary, Kazakhstan, Kyrgyzstan, Netherlands, Poland, Romania, Russian Federation, Serbia, Spain, Sweden, Switzerland, Turkey, United Kingdom and United States of America.
3. A representative of Mexico participated in the sessions under Article 11 of the Terms of Reference of the United Nations Economic Commission for Europe (UNECE).
4. A representative of the World Trade Organization (WTO) was present at the meeting.
5. The European Union was also represented.
6. More than 20 representatives from intergovernmental organizations, the business community and civil society participated at the invitation of the secretariat.

## **II. ADOPTION OF THE AGENDA (agenda item 1)**

Documentation: ECE/TRADE/C/2009/1 - Provisional agenda

7. The Committee adopted the agenda as proposed (Decision 1).
8. The Committee appointed Mr. Vitaly Aristov (Russian Federation) and Mr. Frédéric Million (France) as Rapporteurs.

## **III. FUTURE OPTIONS FOR THE COMMITTEE ON TRADE (agenda item 2)**

Documentation: ECE/TRADE/C/2007/2 - Future options for the Committee on Trade

9. The Chairman briefly reviewed the issues at stake, noting that although the future of the Committee had been questioned there was no doubt about the usefulness of its subsidiary bodies (SBs). He said that the Committee had been faced with difficult conditions since the 1997 reform. Too many disparate elements and topics made it demanding for delegations to follow the discussions. Should the decision be taken to revive the Committee, the Bureau recommended that its mandate be refocused. A revived Committee could serve as a platform for general policy discussions in areas concerning all subsidiary bodies and could raise specific technical issues to a more general level. It could, for example, study the range of technical barriers to trade not dealt with by other organizations.

10. During the ensuing debate, various points were raised in favour of and against the revival of the Committee. The following section recalls the arguments of the delegations, starting with those that spoke in favour of maintaining it, followed by those in favour of its dissolution, then some neutral remarks by delegations, and conclusions by the Chairman.

#### **A. Interventions in support of maintaining the Committee on Trade**

11. The Russian representative said that the Committee was needed to discuss how barriers to trade could be reduced and trade increased. He suggested refocusing the Committee to make it more effective, more operational, and quick to respond to new challenges. Economic cooperation could not take place without discussing trade. He also suggested strengthening the work within the secretariat to support the Committee's future work.

12. The representative of Kyrgyzstan supported the arguments of the Russian Federation and pointed out the usefulness of the Committee for a small country such as Kyrgyzstan, with limited experiences with WTO issues and in need of assistance in its transition process. The representative of Turkey also supported the continuation of the Committee but with a focus on broader policy discussions of a non-technical nature. Turkey also pointed to the uniqueness of the current situation, with all three subsidiary bodies considered successful while their parent body faced failure.

13. The representative of the Netherlands added that he was also concerned about the impact of abolishing the Committee on the subsidiary bodies, especially on their reporting procedures. But he also agreed that the Committee in its present form could not continue, as it added no value to its subsidiary bodies. In brief, he identified the main points as: (a) a need for a drastic change; (b) a need for reflection on the reporting lines of the subsidiary bodies and (c) continuing the Committee only if real issues could be identified to justify its existence.

14. For the representative of Belarus, it was better to rethink the Committee's role in terms of functions and reflect on which of these should be kept, changed or added. He stressed that support for the subsidiary bodies and oversight of their work was still required. However, in his view, most functions currently fulfilled by the subsidiary bodies fell under the category of "production", i.e. setting standards; and that there were gaps in strategic thinking and analysis; promotion, policies and implementation. He therefore suggested developing a substantive programme of work and subsequently deciding on the organizational structure, a renewed role and mandate. He saw one of the UNECE goals as being the creation of an economic space free of bottlenecks for all member States. The Committee's contribution was fundamental through developing, implementing and promoting standards and regulations that facilitate such a barrier-free space.

15. The representative of the United Kingdom, speaking as Vice-chairman of the Committee, pointed to the great potential a Committee could have at this moment of time when trade and the areas covered by the three subsidiary bodies were gaining importance at the international policy level. However, he said that efforts needed to be made to clearly identify the substantial issues a revived Committee should address and how the Committee could respond to urgent matters of international concern. The Committee needed to discuss issues that were of importance to all

delegations, including those in favour of its abolition. The representative of Slovakia, speaking as a member of the Bureau of the Working Party on Agricultural Quality Standards, agreed that if the Committee were to be maintained it needed a more attractive programme of work that would address the needs of the transition economies in the changed economic environment.

16. The Chairman explained that the Committee's Bureau had reflected on how issues for new work could be identified and had proposed holding a Conference in the autumn of 2009 to bring together Member States and stakeholders to assess, among other broader issues, their needs, priorities and visions for the Committee.

#### **B. Interventions in support of dissolving the Committee**

17. The representative of the Czech Republic and the European Commission presented the position of the European Union and its 27 Member States that the EU had taken the Committee's review process very seriously and had concluded that the Committee should be dissolved.

18. The representative of the European Commission thanked the secretariat and the Bureau for their report and survey. He said that the EU had carefully considered the matter and had concluded that the Committee should not have its own programme. Despite numerous efforts over many years, cross-cutting issues had not been found for the Committee and no value-added had been identified during the existing revival process. He also noted the lack of topics and the low interest of member States in answering the recently circulated questionnaire on their needs and priorities for the Committee. He reiterated EU support for the subsidiary bodies and stated that the EU would give priority to the development and implementation of new standards. He therefore proposed that the Committee should be abolished, alternative arrangements found for the subsidiary bodies and resources reallocated to strengthen their activities. He pointed in particular to paragraph 18 of the Chairman's report (document ECE/TRADE/C/2009/2) that lists possible options should the Committee be dissolved.

19. The representative of the United States agreed that all countries were interested in trade issues and therefore suggested that concentrating on work with WTO, might make better use of the limited resources available.

20. The representative of Switzerland informed the meeting that Switzerland did not have sufficient resources to follow the work of the Committee and therefore did not attach particular priority to maintaining it. However, he also drew attention to the fact that certain countries had expressed their need for a Committee. Should the Committee be maintained, he suggested holding back-to-back sessions with the Inland Transport Committee and, if possible, arranging for joint policy sessions. Reporting and other administrative functions should then take up no more than one day of meeting time.

#### **C. Neutral remarks and conclusions**

21. The Chairman agreed that trade and transport issues, as well as the work of the three subsidiary bodies, needed to be discussed together, for instance by focusing on case studies and practical issues. That would also help analyse the subsidiary bodies' contribution or lack thereof to the development of trade in the region.

22. The representative of Belarus stressed the importance of a holistic approach at the country level as well as at regional levels; for example, on how the whole system should be managed and organized when discussing trade or WTO issues; or how barriers to trade should be removed at the regional level. He also stressed the need to identify cross-cutting issues, including some that had been identified during the joint session with the Inland Transport Committee.

23. Summing up the discussions, the Chairman noted that no consensus had been found on the options for the future of the Committee. He informed delegations that he would transmit all arguments in favour and against maintaining the Committee to the meeting of the Executive Committee of UNECE (EXCOM) on 27 February. He also said that he would ask EXCOM to initiate work on possible ways forward. Should EXCOM ask for the identification of a new mandate, work would have to begin very soon. He would inform the EXCOM about the proposal to hold a conference in autumn 2009 to identify issues for a renewed Committee. But he also pointed out that, during the Joint Trade-Transport Conference, in the Survey as well as during the presentations under agenda item 3, timely and important topics had already been identified. To summarize, he recalled that reforming the Committee would entail defining a new mandate, formulating clearer rules of procedure (identifying the competencies of the subsidiary bodies and the Committee) and ways of promoting the work of the Committee (decision 3).

#### **IV. POLICY DISCUSSION (agenda item 3)**

Documentation: ECE/TRADE/C/2009/INF.1 - Survey of member State priorities for the Committee on Trade

24. The policy discussion was held before the completion of discussions on the future of the Committee on Trade (item 2 of the agenda). Member States agreed it was necessary to hear all the proposals for new priorities for the Committee's programme of work before they could make an informed decision.

25. The delegations of Kyrgyzstan, the former Yugoslav Republic of Macedonia and the Czech Republic presented some ongoing projects in their countries, and other delegations seized the opportunity to expand on the opinions they had expressed in the survey on member States priorities for the Committee.

26. A general comment was made about adopting a holistic approach if the revitalization of the mandate of the Committee was to succeed. It was not enough to think about the production of recommendations or standards. It was crucial to think about how they were marketed, distributed and implemented by the authorities in member States.

27. The concrete proposals made for the programme of work of the Committee can be summarized as follows:

(a) To be a forum to discuss trade policy and other topical issues, with special attention given to issues related to trade promotion and lowering barriers to trade in the UNECE region;

(b) To conduct the political analysis needed to help both to bring its recommendations to Governments and to facilitate their implementation;

(c) To conduct, or at least encourage, assessment of needs in member States and help set up capacity-building projects, which would include the implementation of UNECE tools for the facilitation and promotion of trade. Presentations given by certain countries perfectly illustrated the demand for such activities to help member States, especially countries in transition, bring their legislation into line with international standards and eliminate old standards;

(d) To continue to work with the Inland Transport Committee. A thorough analysis of the results of the Joint Conference on Trade and Transport Facilitation in a Global Economy should be conducted to identify possible fields of cooperation and benefit from synergies. Both Committee sessions could be held back-to-back again next year;

(e) To invest more resources in work with other organizations in cluster activities (Interagency Cluster on Trade and Productive Capacities, Executive Committee on Economic and Social Affairs Trade Cluster) to raise the profile of its activities.

28. To expand this list, further proposals were made:

(a) Organize at the UNECE a Conference on the future of trade, where member States would express what they expected from the Committee;

(b) Hold consultations with representatives participating in WTO activities, to identify cross-cutting issues and issues not discussed at WTO. Such an investigation could contribute to better defining responsibilities and the role of the Committee.

29. Note: proposals made in the survey are not mentioned in this report, unless they were requested by delegations.

30. The Committee took note of the discussion (decision 4).

## **V. SUBSIDIARY BODY REPORTS (agenda item 4)**

### **A. Trade facilitation and electronic business (agenda item 4(a))**

Documentation: ECE/TRADE/C/CEFACT/2008/40 - Report of the 2008 UN/CEFACT Plenary session  
ECE/TRADE/C/2009/4 - Priorities and challenges for UN/CEFACT  
ECE/TRADE/C/CEFACT/2008/16 - Programme of work of UN/CEFACT 2010-2011

31. The Chairman of the UN/CEFACT Forum Management Group presented the achievements of UN/CEFACT since the last meeting of the Committee, as well as the challenges for the coming year. He reported on discussions that the EXCOM had had on UN/CEFACT and

the informal consultations with delegations from the permanent missions in Geneva prior to the UN/CEFACT Plenary session in September 2008.

32. The Committee endorsed the report of the 2008 UN/CEFACT plenary session (ECE/TRADE/C/CEFACT/2008/40) ([decision 5](#)).

33. He said UN/CEFACT was open to suggestions from member States and welcomed the additions to its programme of work. The priorities that UN/CEFACT had adopted as a result of the EXCOM review included the development and launch of a new website with more information on the initiators and expected users of standards. A “Trade Facilitation Implementation Guide” was being developed and would eventually result in capacity-building train-the-trainers programmes in all regions.

34. The Committee endorsed the programme of work of UN/CEFACT for 2010-2011 as contained in document ECE/TRADE/C/CEFACT/2008/16 ([decision 6](#)).

35. The Chairperson briefly described the outcome of the UN/CEFACT Forum which had taken place in Saly, Senegal, the first Forum to be held in the African region. A “single window” conference had preceded the Forum.

36. The representative of Switzerland expressed his appreciation for the UN/CEFACT work and thanked the UN/CEFACT management and Bureau for their cooperation in the development of the recommendations to be adopted by EXCOM (ECE/EX/2009/L.5).

37. The Chairman of the Committee suggested that the “Trade Facilitation Implementation Guide” be presented at the proposed autumn 2009 Conference.

38. The Committee noted the document “Priorities and challenges for UN/CEFACT” (ECE/TRADE/C/2009/4) ([decision 7](#)).

#### **B. Regulatory cooperation and standardization policies (agenda item 4(b))**

Documentation: ECE/TRADE/C/WP.6/2008/18 - Report of the 2006 session of WP.6  
ECE/TRADE/C/2009/5 - Priorities and challenges for WP.6  
ECE/TRADE/C/2009/11 - Renewal of the mandate of the two sub-groups:  
the “MARS” Group and the “START” Team  
ECE/TRADE/C/WP.6/2008/14/Rev.1 - Programme of work and priorities of  
WP.6 2010-2011

39. In the absence of the Chairperson of the Working Party on Regulatory Cooperation and Standardization Policies, the Secretariat introduced the agenda item.

40. The Committee endorsed the report of the 2008 session of the Working Party (ECE/TRADE/C/WP.6/2008/18) ([decision 8](#)).

41. The secretariat noted the continued interest and active participation in the work of the Working Party, which one Member State had identified in the Survey as their first priority for the work of the Committee.



42. The secretariat summarized the main initiatives under way. These included:

(a) Projects aimed at reinforcing regulatory cooperation in the sectors of earth-moving machinery and equipment for use in environments with an explosive atmosphere. A third project concerning the safety of pipelines was also being established;

(b) A draft “General Model for General Market Surveillance Procedure”, which would provide guidance for authorities in setting up and maintaining an effective market surveillance system and to assist in the decision-making process from planning inspections to product.

43. The November 2009 session of the Working Party would be preceded by a conference on risk assessment and management. The conference could be enriched by contributions from other subsidiary bodies of the Committee or other UNECE bodies for which risk management was an important topic.

44. In developing its activities, WP.6 was reinforcing cooperation with partner organizations, in particular the International Standards Organization (ISO) and the International Organization for Legal Metrology (OIML) regarding conformity assessment and metrology respectively. The representative of OIML briefly introduced his organization and expressed support for the forthcoming conference on risk assessment and management.

45. The Committee endorsed the programme of work and priorities of WP.6 for 2010-2011 as contained in document ECE/TRADE/C/2008/14/Rev.1 ([decision 9](#)).

46. The Committee noted the document “Priorities and challenges for WP.6” (ECE/TRADE/C/2009/5) ([decision 10](#)).

47. The Committee approved the renewal of the mandates and terms of reference (document ECE/TRADE/C/2009/11) of the following two subgroups, subject to final approval by the EXCOM:

- (a) Advisory Group on Market Surveillance;
- (b) Ad hoc Team of Specialists on Standardization and Regulatory Techniques ([decision 11](#)).

**C. Commercial agricultural quality standards (agenda item 4(c))**

Documentation: ECE/TRADE/C/WP.7/2008/25 - Report of the 2008 session of WP.7  
ECE/TRADE/C/2009/6 - Priorities and challenges for WP.7  
ECE/TRADE/C/2009/7 - Programme of work and priorities of WP.7  
2010-2011

48. The Chairperson of the Working Party on Agricultural Quality Standards presented the activities and main outputs of that body in the previous year. She pointed out that the Working

Party had a global remit and that any Member State of the United Nations could participate in its activities on an equal footing.

49. The Committee endorsed the report of the 2008 session of the Working Party (ECE/TRADE/C/WP.7/2008/25) ([decision 12](#)).

50. Particular attention was drawn to the transfer of the activities of the Organisation for Economic Co-operation and Development (OECD) Scheme to UNECE. The final decision on the transfer should be taken by the Scheme in December 2009. To take that decision, its member countries still needed to identify sources of financing for the production of the explanatory brochures in the UNECE secretariat and find ways of incorporating all of the activities into the UNECE meeting structure.

51. The secretariat completed the Chairperson's presentation by providing information on the Working Party's capacity-building activities. A strong demand existed in many countries of the world for assistance in building legal and technical infrastructures for the practical application of internationally agreed standards. To meet that demand, the Working Party and the secretariat organized workshops and hands-on training courses in different regions of the world. The activities are financed from the United Nations Development Account and the Russian Voluntary Contribution Fund.

52. The Committee endorsed the programme of work of WP.7 for 2010-2011, as contained in document ECE/TRADE/C/2009/7 ([decision 13](#)), and noted the document "Priorities and challenges for WP.7" (ECE/TRADE/C/2009/6) ([decision 14](#)).

## **VI. ACTIVITIES DIRECTLY UNDER THE COMMITTEE (agenda item 5)**

Documentation: ECE/TRADE/C/2009/8 - Report on activities directly under the Committee

53. Belarus proposed to devote more resources to cluster activities to boost UNECE work on trade.

54. The Committee noted the "Report on activities directly under the Committee" (ECE/TRADE/C/2009/8) ([decision 15](#)).

## **VII. CONCLUSIONS OF THE JOINT CONFERENCE ON TRADE AND TRANSPORT FACILITATION (agenda item 6)**

55. The Chairman gave a brief overview of the recent joint Conference with the UNECE Inland Transport Committee on Trade and Transport facilitation. A large number of delegations noted with great satisfaction the high attendance and the high quality of the topics, some of which could be interesting for the work of a renewed Committee. In the future, a more structured approach and a better time management should be envisaged to allow for longer discussions and in-depth analysis. More scope for cooperation in the area of trade and transport was clearly apparent, and the conference should also be seen as the beginning of more cooperation and discussion among the subsidiary bodies. Further back-to-back sessions with the Inland Transport Committee and other joint events should be organized in the future.

56. The Committee noted the background paper and the outcome paper of the joint Trade-Transport Conference held on 24 February (decision 16).

57. The Committee expressed its satisfaction with the Conference. The Committee also expressed its intention to continue close cooperation with the Inland Transport Committee (decision 17).

### **VIII. CAPACITY-BUILDING (agenda item 7)**

Documentation: ECE/TRADE/C/2009/9 - Report on capacity-building and implementation activities

58. The Committee noted the document: "Report on capacity building and implementation activities" (ECE/TRADE/C/2009/9) (decision 18).

### **IX. PROGRAMME OF WORK (agenda item 8)**

Documentation: ECE/TRADE/C/2009/10 - Programme of Work of the Committee on Trade, 2010-2011

59. The Committee approved its programme of work as contained in document ECE/TRADE/C/2009/10, subject to any changes that may be requested by the EXCOM (decision 19).

### **X. ELECTION OF OFFICERS (agenda item 9)**

60. The Committee elected Ms. Anna Sidoruk (Russian Federation) as Vice-chairperson to replace Mr. Mikhail Antipov, who was unable to continue as vice-chair for the remainder of his term of office (i.e. until the end of the fourth session).

### **XI. OTHER BUSINESS (agenda item 10)**

61. The Committee would hold its fourth session on 25 and 26 February 2010, subject to the decision by the UNECE Executive Committee on the future of the Committee (decision 20).

### **XII. ADOPTION OF THE DECISIONS (agenda item 11)**

Documentation: ECE/TRADE/C/2007/15 - Committee on Trade: guidelines and procedures  
ECE/TRADE/C/2009/12 - Report of the Committee on Trade on its third session

62. The Committee approved its decisions and asked the secretariat to produce the final report of the session according to the Committee's procedures, as found in document ECE/TRADE/C/2007/15 (decision 21).

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