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**TECHNICAL COOPERATION IN SUPPORT OF
TRADE-RELATED NORMS, STANDARDS AND RECOMMENDATIONS
[March 2001 – February 2002]**

Note by the secretariat

This document has been submitted to the Committee **for information only**

Introduction

1. In a recent reorganization of the Trade Division, the secretariat established a Global Trade Solutions Branch to strengthen cross-sectoral links and develop potential synergies among the various activities of the Committee for Trade, Industry and Enterprise Development (CTIED). In that Branch, the Technical Cooperation and Projects Team provides a platform for coordinating the development and funding for technical cooperation and project activities coordinated, within the Division and with outside donors, the goal being to provide realistic, meaningful and efficient technical assistance to those in need of it.
2. The present document reports on progress in the implementation of the following three projects:
 1. Capacity-building to Improve Trade Finance and Investment Prospects for the Russian Timber Sector
 2. Capacity-building in Trade Facilitation and Electronic Business in the Mediterranean (Economic Commission for Europe, Economic and Social Commission for Western Asia, and Economic Commission for Africa)
 3. United Nations extensions for aligned electronic trade Documents (UNEDocs)
3. All projects and relevant information will be available on the Internet at: <http://www.UNeTrades.Net>

1. Project title: Capacity-Building to Improve Trade Finance and Investment Prospects for the Russian Timber Sector

Location: Russian Federation

4. The UNECE Trade Division is currently implementing the extrabudgetary activity “Capacity-Building to Improve Trade Finance and Investment Prospects for the Russian Timber Sector”. The project aims at strengthening the capacity of participating enterprises to obtain trade finance and to attract investment. The long-term objective is to improve the trade performance of the Russian forest sector by contributing specific trade facilitation, export finance and investment components for the sustainable development of the sector.

5. The activity was initiated at the request of the Russian Federation and is in response to the general request by the member countries to extend UNECE expertise to the private sector. Private sector and government organizations participate actively.

6. The focus is on capacity-building activities such as expert meetings and forums designed to benefit the private sector in the Russian Federation by extending UNECE norms, standards and recommendations for the benefit of the timber export industry.

7. The key elements of the project are:

- sustainable development and certification;
- cross-sectoral work: the project is a good example of a practical approach to linking trade and environment, in particular the development of improved trade logistics for the sustainable use of biomass;
- cooperation with the private sector: all major forest enterprises in the target area are participating;
- implementation at the regional level: all major forest and trade institutions in the Leningrad and Arkhangelsk Oblast are actively involved.

8. The project is open to participation from government institutions and private-sector enterprises who are willing to share their expertise with the Russian timber sector.

9. The UNECE Trade Division actively disseminates its expertise to the project participants in the areas listed below:

- Trade Facilitation, i.e. implementing improved trade procedures. Experts from the United Nations Centre for Trade Facilitation and Electronic Business (UN/CEFACT) have contributed to the establishment of a working group in St. Petersburg that examines existing trade procedures in the export of timber and makes recommendations to simplify these procedures. In the past year the focus has been on improved trade logistics for the sustainable use of biomass and on sustainable development and certification in the Russian forest industry.

- Timber, where the UNECE Timber Committee contributes expertise on best practices in the timber industries of member countries for the benefit of timber enterprises in North West Russia.

10. The UNECE Trade Division actively disseminates its expertise to the project participants in the areas listed below:

Recent activities include:

- Forum on Sustainable Forest Management, Rotterdam, 17-18 September 2001
- Workshop at St.-Petersburg State Technological University of Plant Polymers, 10-12 December, 2001
- Publication of bilingual Russian/English guidelines entitled, "Sustainable Development and Certification in the Russian Forest Sector".

Milestones for 2002

11. A calendar of activities for 2002 has been drawn up in collaboration with all project partners as follows:

- Seminar "Wood waste – a potential substitute for fossil fuel", 20-22 February, St. Petersburg
- "Conference on Sustainable Development and Certification in the Forest Industry of North West Russia", 1-3 July, St. Petersburg
- "Forum on Improved Trade Logistics for the Sustainable Use of Biomass", 16–18 September, Rotterdam
- "Conference on Sustainable Development Strategies at the Enterprise Level", 9-11 December, St. Petersburg.

2. Project title: **Capacity-Building in Trade Facilitation and Electronic Business in the Mediterranean (Economic Commission for Europe, Economic and Social Commission for Western Asia, and Economic Commission for Africa)**

Location: **Non-European Union Mediterranean countries, members of UNECE, ESCWA and ECA**

Overview of progress

12. In January 2002, the UNECE secretariat was informed that the above project (hereafter referred to as the "Mediterranean Project") was accepted by the Development Account, which is Section 33 of the Programme Budget for the biennium 2002-2003 (US\$ 600,000). On that basis, the Project Review Form will be prepared and agreed among the regional commissions of the United Nations. Project operations are expected to start in May this year and an interregional seminar is targeted for September 2002.

13. During the preparatory phase, discussions and consultations took place based upon recommendations from the UNECE member Countries. Additional guidance and comments from selected permanent missions and concerned organizations was also received and taken into account. It is worth noting that, during the General Segment of the substantive session of the Economic and Social Council in July 2000, the usefulness of such consultations was highlighted in the statement delivered by the French presidency on behalf of the European Union members and associated countries. The statement drew attention to the definite advantage of coordinated action by the regional commissions in a "contact" region such as the Mediterranean, and to the benefits of closer cooperation between the European Union and the regional commissions.

14. ECA has designated its sub-regional Centre (SRDC-NA) in Tangier, Morocco, as its lead unit for the implementation of the inter-regional Mediterranean initiative. The Centre is concerned with the North African, and Maghreb countries. UNECE, the leading organisation for the implementation of the project has had preliminary discussions with representatives of the École supérieure de commerce-de Grenoble (ESC) TIME Centre. The Centre is dedicated to the study of the impact of technology on the management of a company. The Centre is carrying out a number of EU/MEDA funded projects and aims at developing an EU-Mediterranean network for capacity-building in an e-business for enterprise development. The Centre's projects display complementary elements with the Mediterranean Project in the small and medium-sized enterprise (SME) sector.

Highlights

15. The objectives of the Mediterranean project are to improve competitiveness in regional and global markets of companies from non-EU countries in the Mediterranean region. This is to be accomplished through simplifying and harmonizing trade procedures throughout the transaction chain; implementing automated processes and information technology for administration and commerce; and facilitating the participation of SMEs in electronic business.

16. A two-fold process is contemplated for its implementation: First, technical assistance to Governments in the areas of simplification and harmonization and, second, the automation of official procedures affecting or regulating trade and capacity-building of SMEs in the area of electronic business. A regional sensitization and stakeholder seminar along with interviews to be conducted using an established methodology on behalf of the three regional commissions will identify needs and issues for the enhancement of trade among the non-EU Mediterranean countries. Potential barriers to trade as well as the possibility of overcoming them using UNECE trade facilitation and electronic business measures will be assessed.

Results: Under each Goal, a number of activities will be developed by the partners of the project, as highlighted below:

Goal One: Identification and assessment

- 1.1 Conducting interviews in target countries with public officials, representatives of private business sector and user associations
- 1.2 Establishing a network of expertise among national bodies and the private sector, as well as an interregional web site
- 1.3 Identifying modalities of cooperation with existing programmes within the region
- 1.4 Organizing one interregional seminar assessing problems, needs and solutions

Goal Two: Technical assistance to Governments

- 2.1 Activities related to official controls
- 2.2 Activities related to documentary requirements
- 2.3 Activities related to information technology
- 2.4 Activities related to international payments

Goal Three: Capacity building for SMEs in the area of electronic business

- 3.1 Activities related to auditing capacity for e-business
- 3.2 Activities related to supply-chain management
- 3.3 Activities related to information technology and the Internet

17. From a UNECE perspective, the project has had the following principal success since the development of the proposal:

Modalities of cooperation with existing programmes within the UNECE region have been progressed, especially with projects funded by the European Union. The discussions between the UNECE and ESC Grenoble showed that the UNECE project and the activities of the ESC-TIME Centre could mutually benefit and enhance each other. The area of cooperations that would be most complementary concerns Goal 3 'Capacity building for SMEs in the area of electronic business' of the project:

- Activity related to auditing capacity for e-business: This activity could make use of the results of the E-Trade project of ESC-Grenoble and promote this methodological tool among new partners in the UNECE project;
- Activities related to supply-chain management: Here the expertise of UNECE and its Centre for Trade Facilitation and Electronic Business could provide useful and high-level expertise to complement the ESC Formation (Training) project.
- E-learning approach and experience, also envisaged in the projects of the ESC-Grenoble project could be shared.

18. It was further agreed that the well proven and established network of the EU funded Med-ITN project, established by ESC could be used for Goal 3 of the project and enhanced as required.

Telling the UN Story

19. In October 2001, at the invitation of the Management and Enterprise Networks (CIMRE), the UNECE made a presentation of the project at the 5th International Workshop on the Management of Firms' Networks "Cross National Boundaries ECommerce & Communications", Mahdia, Tunisia. In February 2002, Ms. Beatrice Labonne, Senior Advisor, United Nations Department of Economic and Social Affairs (UNDESA) presented the project at the 'Forum sur l'investissement en Afrique du Nord', Rabat, Morocco.

Milestones for 2002

20. The project requires an extensive preparatory phase because of the interregional coordination requirements and these issues are being resolved.

21. The following milestones for the project activities have to be agreed among the three regional commissions:

- Development of the Review form of project implementation
- Development of a cooperation agreement between UNECE and ESC-Grenoble
- Establishment of the project Steering Group and the project web site
- Organization of the Interregional seminar

3. Project title: United Nations extensions for aligned trade Documents (UNeDocs)

Location: Global and international

Overview of progress

22. The United Nations electronic Trade Documents (UNeDocs) project is a trade facilitation project that combines and implements trade standards relating to trade documentation and electronic business in an integrated concept. It defines the layout and data content of the most important trade documents and the electronic equivalent of those paper documents in UN/EDIFACT and XML syntaxes. In the framework of this project, the UNECE is studying the feasibility of an international standard for aligned electronic trade documents. The project does not target the elimination of paper documents but rather the opening of a migration path from paper to electronic documents by defining electronic document layouts that are equivalent to their paper-based peers. The results will be made available on the Internet in the form of standard layouts and data definitions both for paper and electronic documents. They will then be available for use by traders and software suppliers to use for the interface between their proprietary systems.

23. The project consists of three phases:

- **Draft Standardization** (UNeDocs Demonstrator and UNeDocs Draft Schema) This phase includes the conceptual and design components for the electronic specification of trade documents and an R&D application of XML technologies to trade documents conducted in cooperation with research institutes and the private sector.
- **Standardization** (UNeDocs best Practice and UNeDocs Repository). This phase will pass the outcome of phase 1 into the standardization process and transform the draft standards into a recognized standard for international use.
- **Implementation** (UNeDocs.Net). This phase will promote the UNeDocs standard supported by a software system

24. In June 2001, the Secrétariat d'Etat à l'économie (SECO) of Switzerland, decided to fund (for CHF 303,00) the UNeDocs Draft Schema of phase 1. In July 2001, the École polytechnique fédérale de Lausanne (EPFL) informed us that the Office fédéral de la formation professionnelle et de la technologie' decided to fund (for CHF 97,500) the UNeDocs Demonstrator R&D phase of Goal 1 under a CTI contract between EPFL, TATIS and Panalpina. The UNECE will be an associated partner in charge of providing the requirements for the Demonstrator.

25. The United Kingdom based Simpler Trade Procedures Board (SITPRO) has proposed, as a contribution in kind, the WEB ElecTra software to support Goal 3 of the project, under the name of UNeDocs.Net. This offer has developed into a MoU between UNECE and SITPRO to be signed in spring 2002. It will allow the United Nations, through the UNECE, to license and implement an Internet-based solution for electronic Trade documents to SMEs, transition economies and developing countries.

26. During the preparatory phase, a video conference was held between UNECE and ESCAP. The purpose of the exchange of views was to introduce the UNeDocs proposed project and find out whether the project was of interest to ESCAP for cooperation. The decisions of the meeting were that there is an interest in Goal 3 of the project and in the principle of creating a standard for Internet-based electronic documents for international trade; and ESCAP would consult its constituencies on the possibility of participating in the project. The exchange of views is recorded in an aide-mémoire.

27. On 21 June 2001, UNECE called a meeting with the donors and representatives of the UN/CEFACT EDIFACT Working Group. The meeting discussed the technical aspects of the project and organizational and administrative issues. The meeting agreed to launch the UNeDocs project and established an Advisory Board of Experts, composed of representatives of the Department of Economic and Social Affairs (DESA), the participating regional commissions, the United Nations Conference on Trade and Development (UNCTAD), the Secrétariat d'Etat à l'économie, the École polytechnique fédérale de Lausanne and SITPRO. The next meeting of the Advisory Board is planned for June 2002.

28. During 2001, UNECE undertook a detailed consultation process with major organizations to analyse the existing documents and define the documents that should be supported by the draft release of UNeDocs. The organizations consulted were the European Article Numbering Association (EAN) for the supply chain; the International Federation of Freight Forwarders Associations (FIATA) for the maritime transport sector, the World Customs Organization (WCO) and the European Commission (EC) for the Single Administrative Document; the International Computing Centre (ICC) and the Society for Worldwide Interbank Financial Telecommunication (SWIFT) for the banking sector. A review of existing, relevant projects was also done, including TIR, Bolero, and ASYCUDA.

Highlights

Results: Under each Goal, a number of activities will be developed by the partners of the project:

Goal One: Draft Standardization

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|-----|-----------------------|---|
| 1.1 | UNeDocs Demonstrator | First meeting with CTI partner held in September 2001 |
| 1.2 | UNeDocs Draft Schemas | Documents under review, one document completed |

Goal Two: Standardization

- 2.1 Definition of the standardization process

Goal Three: Implementation

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|-----|--|--|
| 3.1 | Definition of the MoU between SITPRO and UNECE | Completed for signing by the partner |
| 3.2 | Request by the Federal Republic Yugoslavia | Funding request for a "Feasibility Study for the Implementation of electronic trade documents" under process |

29. From a UNECE perspective, the project has had the following principal successes since the development of the proposal:

- (a) UNECE has received strong interest from the Government of Yugoslavia, the Yugoslav customs authorities and the Yugoslav Chamber of Industry and Commerce for the pilot implementation of UNeDocs. After having conducted preliminary discussions with Yugoslav officials, UNECE intends to conduct a Feasibility Study and the Secrétariat d'État à l'économie was approached for the funding of that feasibility study.
- (b) Strong interest was expressed by a representative of ICC and further cooperation will be addressed between UNECE and ICC.

30. However, there have been some difficulties in raising private sector contributions to the project, which the secretariat is working to overcome.

Telling the UN Story

31. The project was presented at the UNCTAD expert meeting on Electronic Commerce and International Transport Services: Best Practices for Enhancing the Competitiveness of Developing Countries, 26-28 September 2001 in Geneva. In December 2001, SITPRO and UNECE presented WebElectra and UNeDocs at an international conference on "Online and Electronic Processing for Standard Customs Services", e-Customs in Brussels.

Milestones in 2002

32. A milestone in 2002 will be the presentation of a detailed draft UNeDocs document structure concept to the Advisory Board meeting in June 2002. The meeting will address the technical issues to be resolved and define the standardization process for Goal 2, standardization.

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