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ECONOMIC COMMISSION FOR EUROPE

COMMITTEE FOR TRADE, INDUSTRY AND
ENTERPRISE DEVELOPMENT
Sixth session, 28 and 31 May 2002
Item 18 of the provisional agenda

PROPOSED PRIORITIZATION OF ACTIVITIES

Note by the secretariat

The United Nations Economic Commission for Europe, at its fifty-fourth session in May 1999, requested (see E/ECE/1374) that all its subsidiary bodies prioritize their activities on a biennial basis (i.e. every two years) based on a standard form (see annex I) and the instructions found in its accompanying explanatory note (see annex II).

Therefore, the Bureau, after consultations among its members has developed a proposed set of priorities for consideration by the Committee for Trade, Industry and Enterprise Development (CTIED) (see annex I).

In developing these priorities the Bureau has taken into account the restructuring of the work programme into thematic areas based around "trade" on the one hand and "industry and enterprise development" on the other hand.

Committee members are reminded that according to the explanatory note (paragraph. 3.2) at least one activity cluster must be assigned to each category ("higher", "medium" and "lower"). Because of the new organization of the work programme into two elements ("trade", "industry and enterprise development") and their servicing by different divisions this rule was applied separately to each programme element.

Both of the areas that the Bureau has recommended in the following form as being rated "lower" ("trade promotion and policy", and the "digital economy") were rated so because it was felt that they were cross-sectoral issues that, while very important, could, if absolutely necessary, be incorporated across the issues addressed under other work elements.

The Committee itself will have to determine, for each programme element, the entries to be made in the form under Section 2, Activity Options, as the Bureau believed this to be more appropriate.

This document is for approval.

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Introduction

To assist the discussion, the secretariat has prepared the following explanations in order to help delegations identify which work items belong under which thematic areas.

TRADE ELEMENT

Trade facilitation and e-business

Trade facilitation and e-business activities focus on defining simple, transparent and effective procedures and solutions for international trade. The secretariat works with the United Nations Centre for Trade Facilitation and Electronic Business (UN/CEFACT) and its working groups of experts to: analyse and negotiate best practice guidelines for trade and business processes, e.g. value chain analysis and the role of international supply chains; and agree and maintain United Nations e-business standards such as UN/EDIFACT (United Nations Electronic Data Interchange for Administration, Commerce and Transport) and the twice-yearly review of UN/EDIFACT Directories. In addition, UN/CEFACT is currently giving highest priority to the development of new international standards for electronic business – known as *ebXML*.

Also in this context, the secretariat participates in the Trade Facilitation Task Force (with UNCTAD, ITC and WTO) and in the management of the Memorandum of Understanding on International Standardization regarding e-business with the International Organization for Standardization (ISO), the International Electro-technical Commission (IEC), the International Telecommunication Union (ITU) and several major user communities. In addition, special projects are in the process of development, including one on the feasibility of aligned electronic trade documents (UNeDOCS), and a project to promote the implementation of trade facilitation in the Mediterranean region, jointly with the Economic and Social Commission for Western Asia (ESCWA) and the Economic Commission for Africa (ECA).

Standards and technical harmonization

Standards and technical harmonization focus on reducing the impact of technical barriers to trade and contribute significantly to the international standardization process. To support this part of the programme, the secretariat works with the Working Party on Technical Harmonization and Standardization Policies (WP.6), the Working Party on Standardization of Perishable Produce and Quality Development (WP.7) and the United Nations Centre for Trade Facilitation and Electronic Business (UN/CEFACT). Outputs from these activities include: work on reducing technical barriers to trade through policy guidance such as the WP.6 "International Model for Technical Harmonization" and the UNECE Standardization List; in cooperation with the Food and Agriculture Organization of the United Nations (FAO) and the Organization for Economic Co-operation and Development (OECD), the development of agricultural quality standards for (a) fresh fruits and vegetables; (b) dry and dried produce [mainly fruit and nuts]; (c) meat; (d) seed potatoes; and (e) early potatoes; the maintenance of a variety of trade facilitation and trade-related norms and standards including international trade codes such as UN/LOCODE and codes for units of measure.

Trade policy and promotion

Trade policy and promotion activities focus on: linking global and regional processes; providing a broader policy dimension within which member States can assess the impact of the Committee's technical work; promoting an inclusive region-wide response to globalization; and supporting inter-sectoral activities. This work is carried out directly under the Committee with the exception of the work linked to International Commercial Arbitration, which is managed by the Arbitration Advisory Group. Activities in this area also provide a channel for Committee input into United Nations system-wide initiatives, such as sustainable development and trade, gender mainstreaming, ICT for development and the World Summit on the Information Society (WSIS). An example is the Regional Workshop on ICT for Development and the WSIS organized by the UNECE in April 2002 as input to the regional preparatory meeting for the 2003 World Summit on the Information Society, for which the Trade Division is the UNECE Focal Point.

The Committee's work programme for trade promotion focuses on *implementation* and *capacity building*. It includes: the development of a network of "multiplier points" to encourage the implementation of CTIED standards, recommendations and best practices and the production of a comprehensive guide to current CTIED instruments for trade promotion and export development. In addition, the secretariat produces a range of books under the title "Trade and Investment Guides" and a UNECE Trade Directory of national trade and investment related agencies in addition to developing cross-sectoral initiatives regarding trade and environment issues. Support is also provided to the Committee's International Commercial Arbitration Advisory Group and to the arbitration activities of the Southeast European Cooperative Initiative.

The trade policy and promotion activities service intergovernmental cooperation and support measures to strengthen policy coherence between the CTIED and other UNECE bodies and directly contribute to making the policy orientation of UNECE work regarding trade more visible throughout the region.

INDUSTRY AND ENTERPRISE DEVELOPMENT ELEMENT

Industrial restructuring

Industrial restructuring activities cover the facilitation of industrial restructuring and modernization, taking into account the socioeconomic impact of industrial restructuring. They are primarily carried out under the Working Party on Industry and Enterprise Development (WP.8) and include: industrial restructuring, digital restructuring, the e-regulatory framework, vocational training, the implementation of quality management systems, competitiveness, turnaround management systems, and financing.

Enterprise development

Enterprise development work is also primarily managed by the above-mentioned Working Party and includes activities to support the promotion of entrepreneurial activities, including entrepreneurship for women and youth; virtual SME development, cyber marketplaces, advisory councils on the digital economy, e-business centres, ICT virtual training for women, youth entrepreneurship, youth info net, youth E-training centres, micro-credit, industry specific incubation, the development of outsourcing, technology parks, new job creation and the implementation of quality assurance systems by enterprises.

Through these activities, the UNECE will facilitate, with a particular focus on countries with economies in transition, the development of an institutional environment conducive to sustainable industrial and entrepreneurial activities, and promote sound and socially responsible corporate management, technological innovation, efficient allocation and effective utilization of resources, and, hence, enhanced competitiveness of national producers.

Legal and Commercial Practice

This is a work area supported primarily by the Working Party on International Legal and Commercial Practice (WP.5), which is responsible for the following operational programmes, each of which is supported by an Advisory Group that reports to the Working Party:

- Promotion of public-private partnerships for infrastructure development - UNECE Build -Operate - Transfer (BOT) Group

   Specifically, the Group assists Governments in identifying appropriate projects that can serve as models and in building their capacity to develop, manage and implement PPPs.

- The Protection and Implementation of Intellectual Property Rights for Investment- the IP Group

   The IP Group has a dual mandate: to improve the enforcement of intellectual property rights; and to make intellectual property rights more accessible to domestic enterprises and entrepreneurs. The Group does this by well-prepared consultative meetings, training of enforcement officials; and the training of SMEs on the procedures and practices required to make their intellectual property (IP) valuable. Recently, it has begun helping to train enterprises on methodologies for valuing their IP assets.

- Improvement of real property rights and real estate markets for financing development. - Real Estate Advisory Group (REAG)

   The objective of REAG is to make property rights work for the economy. Critical objectives are : Enforceable mortgage regimes; improving mortgage capacity financing and the elaboration of valuation standards in cooperation with RICS, TEGOVA and other international chartered surveyor organizations.

In response to the tragedy of 11 September 2001, WP.5 has been encouraged by its sub-groups and public private partnerships to develop practical programmes for conflict prevention. In 2001 the Working Party contributed to the International colloquium organized by UNECE and the Organization for Security and Cooperation in Europe (OSCE), with the cooperation of experts from the North Atlantic Treaty Organization (NATO) on the "Economic Aspects to Conflict Prevention " (also referred to as the Villars Symposium). The International Colloquium recommended, among other things, that WP.5 and the OSCE work together to develop a programme of PPPs for conflict prevention, targeting those regions that are prone to conflict.

The e-Economy

Work on the e-economy is led by the Internet Enterprise Development Team of Specialists under the Working Party on Industry and Enterprise Development (WP.8). It examines issues and makes recommendations in the areas of: e-business development and management; e-government; e-commerce; e-payment; e-work (telework); e-procurement and e-learning.

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ANNEX I

PROFORMA

ECONOMIC COMMISSION FOR EUROPE
[Committee for Trade, Industry and Enterprise Development]

SECTION 1: PRIORITIZATION

Please complete the following prioritization table. Each priority level (Higher, Medium or Lower) must contain at least one cluster of activities. The number of regular budget Professional staff (excluding the Divisional Director) must be shown against each cluster of activity e.g. 0.7, 1.4 etc. Because of the operational nature of most of the work under Enterprise Development and Legal & Commercial Practice we have also noted under these entries the number of regional advisors working in each area.

No	Clusters (or Main Subject Areas) of Activities	Priority Level (H, M, L)	Regular Budget Professional Staff
	Trade Programme Element		
1	Trade facilitation and e-business	H	7 P staff
2	Standards and technical harmonization	M	4 P staff
3	Trade promotion and policy	L	3 P staff
	Industry and Enterprise Development Programme Element		
4	Industrial Restructuring	H	2 P staff
5	Enterprise Development	M	2 Regional Advisors
6	e-Economy	L	1 P staff
7	Legal and Commercial Practice	M	½ P staff + 1 Regional Advisor

SECTION 2: ACTIVITY OPTIONS

F**OR THE TRADE PROGRAMME ELEMENT**

With the addition of one extra staff member, what additional activities would the Committee consider?
TO BE AGREED IN THE COMMITTEE

With the reduction of one staff member, what activities would the Committee consider reducing?
TO BE AGREED IN THE COMMITTEE

FOR THE INDUSTRY AND ENTERPRISE DEVELOPMENT PROGRAMME ELEMENT

With the addition of one extra staff member, what additional activities would the Committee consider?
TO BE AGREED IN THE COMMITTEE

With the reduction of one staff member, what activities would the Committee consider reducing?
TO BE AGREED IN THE COMMITTEE

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ANNEX II

(as found in Annex to E/ECE/1372)

PRIORITIZATION: EXPLANATORY NOTE

1.   Background

1.1   The Commission agreed, at its fifty-fourth session in May 1999, to revise the system of prioritization. It was also agreed that PSBs should prioritize their activities using a proforma, in preparation for the biennial programme budget submission. This would allow the Group of Experts on the Programme of Work to compare the activities of PSBs on a cross-sectoral basis, with information provided in similar formats.

1.2   This note explains the revised system, and offers guidance to PSBs for future reference. It outlines the roles and responsibilities of the Group of Experts, the secretariat and the PSBs in the prioritization process; describes the individual sections of the proforma; and explains the procedure for preparing and completing the proforma.

2.   Roles and Responsibilities

2.1   There are three main groups involved in the prioritization exercise: the Group of Experts on the Programme of Work, the UNECE secretariat (including the Office of the Executive Secretary and the Divisional Directors) and the individual PSBs (and their Bureaux). Each plays a specific and significant part in ensuring the effectiveness of the new system, which is designed to ensure that all three groups work together rather than individually.

Group of Experts on the Programme of Work

2.2   The Group of Experts on the Programme of Work was established in accordance with the ECE Plan of Action, which was adopted by the Commission at its fifty-second session in 1997. The Group's mandate is

> (a)   to examine the programmes of work of the PSBs and to advise on arbitration between the competing additional demands from PSBs when they imply significant shifts among these programmes;

> (b)   to advise on how to adjust the programme of work according to possible changes in orientation, to anticipated changes in the level of resources for the next biennium or, in respect of the current biennium, to unexpected changes of such a magnitude that there would be a significant impact on the existing programme of work.

2.3   The Group of Experts is responsible for ensuring that the direction of UNECE work concurs with the wishes of the member States. The overall orientation of UNECE's activities can be altered by changing, as necessary, the resource allocation to each PSB. This may follow an increase or decrease in the total budgetary allocation. It may also follow a consensus among the member States to place more or less emphasis on individual areas of activity, with no impact on the total UNECE resource base.

2.4   The Group not established to supervise or to micro-manage the work of individual PSBs. It has no remit to make arbitrary decisions on resource allocations between PSBs. Any recommendation to redistribute resources between PSBs would only be put to the Commission after having consulted the relevant Divisional Directors. The Commission would then need to adopt formally the recommendations of the Group. Even then, it would be for the PSBs themselves to determine how a change in the level of their resources should be most effectively applied, since the experts on each Committee are best placed to decide which activities would benefit from, or be least harmed by, a change in the PSB resource allocation.

2.5   In consultation with the respective PSBs through Divisional Directors and PSB Secretaries (who would in turn consult the PSB Bureaux), the Group will determine the clusters of activities to be prioritized for each PSB.

2.6   The Group will meet in the autumn preceding the submission of the budget narrative by the Executive Secretary. This meeting will determine, in the light of information contained in the proformas and any supplementary information submitted, whether it is necessary to recommend the allocation or redistribution of resources to or between the PSBs. The Group may also be convened on an ad hoc basis at the request of the Bureau of the Commission, the Chairman of the Group or the Executive Secretary. Individual member States may also formally request the Bureau or the Chairman of the Group to convene a meeting of the Group to discuss any other issues relevant to the mandate of the Group.

ECE secretariat

2.7   Divisional Directors and PSB Secretaries will be consulted on the clusters of activity to be prioritized on the proforma, which will be based on the structure of the programme of work established by the PSB. Divisional Directors will also be responsible for overseeing the prioritization exercise in the Committees for which they are responsible.

2.8   The Office of the Executive Secretary will supervise the prioritization exercise as a whole. It will also collate the completed proformas (with supplementary information if submitted) for consideration by the Group. It will advise the Group on budgetary and administrative matters in UNECE that are relevant to the work of the Group, and it will convene and attend meetings between the Group and other parties (Bureaux of PSBs, Divisional Directors, PSB Chairpersons) as necessary.

PSBs and their Bureaux

2.9   The PSB Bureau should aim to present the Committee with a draft completed proforma for discussion and agreement at its annual session. It may request an informal meeting with the Chairman or a representative of the Group if any further clarification is required.

2.10   The PSB should ensure that the completed proforma meets the requirements of the Group. In addition, it may submit any supplementary information which the PSB wishes to draw to the attention of the Group.

3.   <u>The proforma</u>

3.1   An example of the proforma is attached [See annex I to this document]. It consists of two main sections: a prioritization <u>table</u> listing the clusters(or main subject areas) of activity for each PSB; and two <u>boxes</u> relating to the impact of a change in the level of staff resources.

3.2   On the prioritization table, PSBs should allocate a level of priority (Higher, Medium or Lower) to each cluster of activities identified on the proforma. Given their limited size, PSBs which account for less than 5% of total UNECE resources (Human Settlements, Timber and Sustainable Energy) may, if necessary, prioritize on a two-tier basis (Higher or Lower). Each priority level must contain at least one cluster of activities. PSBs should also identify the number of regular budget Professional staff (excluding Divisional Directors) for each cluster of activities. This need not be a round number: a cluster of activities may, for example, cover 1.3 or 2.7 staff.

3.3   The two additional boxes on the proforma will ask the PSBs to consider the impact on their activities in the event of an addition or a reduction of one staff member. This will help the PSB to consider potential new areas of activity and the impact of a budget reduction. PSBs are encouraged to consider carrying out new activities from within their existing resource allocation, in which case prior reference to the Group of Experts. The Group need only be consulted if additional resources were required

4.   <u>Procedures in preparing and completing the Proforma</u>

4.1   For each PSB, the Chairman of the Group would discuss the clusters of activity to be prioritized (and therefore placed in the proforma), with the PSB Secretary and the Divisional Director who would, in turn, consult their respective PSB Bureau.

4.2   Once the clusters of activities have been determined, the PSB will be asked to complete the proforma. Ideally, the Bureau of the PSB should complete the proforma in draft before submitting it to the Committee at its annual session in the budget submission year.

4.3   The prioritization table must be discussed and agreed by the Committee as a whole. For the boxes, in the absence of consensus, the Committee can submit (on supplementary pages if necessary) the different options expressed by member States.

4.4   The completed proforma, once agreed by the Committee, should be passed to the Office of the Executive

Secretary for collation on behalf of the Group in advance of the submission by the Executive Secretary of the budget narrative.

5.   Conclusion

5.1   The revised prioritization process is intended to be both cooperative and consultative. Any problems that are identified during the process should be discussed and resolved as soon as possible, to ensure that the end result is not affected. For that purpose, the Group will be available for consultation, and would welcome the opportunity to discuss or clarify the concerns of PSBs as necessary.

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