



**Economic and Social
Council**

Distr.
GENERAL

TRADE/2003/20
5 March 2003

ORIGINAL: ENGLISH

ECONOMIC COMMISSION FOR EUROPE

COMMITTEE FOR TRADE, INDUSTRY AND
ENTERPRISE DEVELOPMENT
Seventh session, 13 and 16 May 2003
Item 14 of the provisional agenda

**REPORT ON THE INTERREGIONAL SEMINAR
“CAPACITY BUILDING IN TRADE FACILITATION
AND
ELECTRONIC BUSINESS IN THE MEDITERRANEAN”
(E-Med Business)
29-31 January 2003**

DOCUMENT FOR INFORMATION

Note by the secretariat

Further information on this project can be found under the following Internet site:
<http://www.UneMed.org>

OVERVIEW OF THE SEMINAR

Background

1. Globalization and rapidly advancing transport, telecommunications and information technologies are putting increasing pressure on export-oriented countries on the Mediterranean rim. Among the major factors affecting their competitiveness are the costs of goods and the speed at which they respond to market needs. Company costs increase if official procedures are complex, opaque and inefficient and if they are not widely known among the trading community. A quick response to market needs is hampered by not having access to electronic business technologies and an unawareness of how such technologies can make business operations more efficient. Such challenges have proved particularly difficult for small and medium-sized enterprises.
2. A number of Governments have understood the importance of modern information technologies in the management of international trade activities for the competitiveness of local companies. National/bilateral/regional initiatives have been launched, aimed at increasing access of local companies to such technologies and improving their capability to use them effectively. The Euro- Mediterranean Partnership¹, also called the “Barcelona process”, aims at establishing a common Euro-Mediterranean area of peace and stability, creating an area of shared prosperity through the progressive establishment of a free-trade area between the EU and its Partners and among the Mediterranean Partners themselves, and developing human resources, promoting understanding between cultures and rapprochement of the peoples in the Euro-Mediterranean region as well as developing free and flourishing civil societies (social, cultural and human partnership).
3. UNECE, the Economic and Social Commission for Western Asia (ESCWA) and the Economic Commission for Africa (ECA) have developed various programmes in support of small and medium-sized enterprises in their respective regions. UNECE, which is hosting the United Nations Centre for Trade Facilitation and Electronic Business, has accumulated considerable experience in trade facilitation and electronic business. The three regional commissions developed the ‘Capacity-building in trade facilitation and electronic business in the Mediterranean’ project, financed under section 33 of the Development Account, of the proposed programme budget for the biennium 2002-2003 (A/56/6 (Sect. 33)).
4. The objective of the project is to increase the competitiveness of companies in the Mediterranean region in regional and global markets, 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 small and medium-sized enterprises in electronic business. By promoting and implementing an integrated approach for simplifying trade procedures in the region, through internationally agreed recommendations, norms and standards, the project sustains the regional objectives, reinforces intra-regional cooperation and supports the ‘Barcelona Process’.

¹ http://europa.eu.int/comm/external_relations/euromed/

5. The project will also focus on enhancement of trade for each target country, is based on three sub-programmes, which subprogramme 1 will identify the needs and issues regarding barriers to trade in Mediterranean countries, as well as the possibility of overcoming them using UNECE trade facilitation and electronic business measures. It is based on interviews with public officials and representatives of private business sectors or user associations; based on selected criteria of the Trade and Transport facilitation toolkit of the Global Facilitation Partnership (GFP) of the World Bank.

6. Subprogramme 2 objective is to strengthen the institutional capacity of participating governments and their public administrations to simplify and harmonize trade procedures throughout the transaction chain and to implement automated processes and information technology for administration.

7. Subprogramme 3 will provide capacity-building tools so as to increase the competitiveness of companies in the Mediterranean region in regional and global markets through simplifying trade procedures throughout the transaction chain; implementing automated processes and information technology for commerce to facilitate the participation of small and medium-sized enterprises in electronic business.

Objectives

8. The objectives of the Interregional seminar were to assess problems, needs and solutions for the target countries; to have a common understanding among all partners of the project network and its deliverables and to examine the tools that could help alleviate problems and be used and promoted within the project.

9. The Seminar also discussed and agreed on the implementation strategy of the project; examine the needs for capacity building in the region and review the infrastructure, the organization and implementation of the project.

Target audience

10. The Seminar was targeted to the network of Country Managers, the Steering group of the project, and identified experts.

CHAIRMAN'S CONCLUSIONS AND RECOMMENDATIONS

- Basic concepts of trade facilitation and e-business were emphasized including, the multidisciplinary nature of the subject and the wide spectrum of issues involved ranging from private-public partnership to political and technological aspects.
- A comprehensive 'horizontal' view of trade and transport facilitation was presented, based on the supply-chain' model, which includes sustainable development, facilitation and improvement to infrastructure and operations throughout the supply chain and not only procedures at border crossing points or among parties of the transaction chain.
- A comprehensive overview of the objectives and organization of the project and its three sub-programmes was introduced. It was emphasized that the Project is focused on enhancing capacity building in the subject areas and developing a common understanding and commitment among the stakeholders so as to accomplish the activities of the Project and implement trade and transport facilitation measures in the respective countries, taking full benefit of information and communication technologies.
- The seminar considered that, based on the situation in each country, the time frame of the Project implementation might require extension into early 2004 to allow for the accomplishment of the agreed work plan.
- Presentations by country managers were useful and informative and demonstrated the diversity within each region. It was noted that the country managers' questionnaire needs to be limited to the trade facilitation recommendations that would be most relevant to each country and/or region. It was recognized that needs, issues and priorities vary among countries and regions.
- Country presentations revealed good practices and lessons to be learned from existing UNECE² initiatives such as the eTurkey, SECIPRO³ (Southeast European Cooperative Initiative trade promotion body) regional initiative and the 'e-docs in foreign trade' project presented by Turkey. It was noted that the lessons learned and best practices of the SECIPRO approach could be expanded to other regions. For example, ESCWA⁴ may want to consider establishing an Arab MashreqPRO. The same may be considered by the Arab Maghreb.
- Ownership of the Project should shift to the countries involved. Building ownership and commitment was pursued, throughout the activities of the Project, in the formulation of the activity plan by each region and in addressing the long-term process required for the practical implementation of trade facilitation measures.

2 <http://www.unece.org>.

3 <http://www.seciturk.org.tr>.

4 <http://www.escua.org.lb>.

- It is recommended that, based on the above consideration, a new process be formulated that will focus on the establishment of regional PRO committees that may lead, eventually, to an interregional MEDPRO committee. Such a process would strengthen the current capacity building activities in the Mediterranean and contribute to the objectives of reducing trade barriers among the Mediterranean partners, supportive of the ‘Barcelona Process’.
- It is recommended that the conclusion and results of the seminar be presented by ECA⁵ and ESCWA at the second UNECE International Forum on Trade Facilitation to be held in Geneva on 14 and 15 May 2003⁶.
- It was stressed that the follow up project, currently submitted to the UN Development Account for the biennium 2004-2005 under the title ‘Interregional partnership for promoting trade as an engine of growth through knowledge management and taking advantage of information and communication technology’ must build on experiences in the implementation of trade facilitation projects in the respective countries. It is therefore recommended that this new project be guided by the same teams involved in the current Project at the national and regional levels, to ensure the proper, successful, and effective accomplishment of the work plan of the new Project.
- The activities of the Project may benefit from the involvement of UNCTAD Global Trade Points⁷ network and the Association Of the Mediterranean Chambers Of Commerce And Industry (ASCAME⁸). The UNCTAD representative highlighted the active role of the trade point in Egypt.
- The SubProgramme 1 ‘Trade Facilitation needs and issues’ was presented by the Programme Manager. He stressed that the project will, through a set of different activities, build a common language among the partners in the region. Such a common language will make it possible to better address the needs and issues within each region and to establish national priorities for trade facilitation implementation. The seminar reviewed the activities of the sub-programme and defined the priorities and time plan.
- The presentation by the World Customs Organization⁹ (WCO) was useful and informative. The partners recognized the importance of existing tools and the need for promoting their use by including them with the other training tools being developed.

5 <http://www.uneca.org/>.

6 <http://www.unece.org/trade/forums/forum03/index.htm>.

7 <http://www.wtpfed.org>

8 <http://www.ascame.com>

9 <http://www.wcoomd.org>

- The presentation of the audit methodology of the World Bank Trade and Transport Facilitation Toolkit¹⁰ was useful and informative. It has been recognized that the lack of predictability in cost and time and its impact on the cost of trade logistics is a major barrier to trade. It was stressed that the audit methodology addresses the attitudinal and procedural aspects of international trade. It also provides a sound basis for establishing performance measures.
- It is recommended that partner countries evaluate the Global Facilitation Partnership (GFP) audit methodology and forward their interest in and commitment to this methodology to the Regional Focal points, for seeking additional funding by potential donors within the current project.
- The presentation by the International Trade Centre¹¹ (UNCTAD/WTO) on the Sub-Programme 2 'Facilitation of the supply-chain' based on UNECE Recommendation 18 was interesting and useful. The material that will be provided to train trainers in SP2 will address the 'trade' functions of the supply-chain, namely the buy, ship and pay processes. Furthermore, the standardization of the documentary aspects of international trade and the use of Internet technologies and the United Nations Electronic Trade and Transport Document¹² (UneDocs) were presented to the participants. The training material that will be developed will cover the trade facilitation measures of Recommendation 18 but can also provide advanced training on an electronic version of the UN Layout Key (eUNLK) and Internet based digital forms. The countries will evaluate their respective needs to focus the various national and regional training seminars accordingly.
- The presentations by the Grenoble Graduate School of Management - Time-Centre¹³ (ESC-Grenoble) on the Sub-Programme 3 theme 'Understanding the supply-chain from an SME perspective' were useful and interesting. Various issues regarding the training material, the targeted participants and the hands-on case studies were identified. The seminar agreed that SP3 could be disseminated either as an awareness raising and information package or as a training package, depending on the regional requirements and needs.
- The presentation by UNCTAD gave a comprehensive overview of Trade Facilitation from an organizational view emphasizing the cooperative involvement of all private and public actors.
- The Grenoble Graduate School of Management - Time Centre gave an interesting overview of the 'Medforist'¹⁴ project which is funded by the European Union and which provides "training of trainers" in Supply Chain Management among other subjects to interested professors in universities in Mediterranean countries. It showed the synergies and complementarities that can result from cooperation between the e-Med and Medforist networks. Addressing the same issues of Supply Chain Management capacity building, 'Medforist' is a programme targeted to Universities and Research centres while the e-Med Business project addresses Governments and SME

10 <http://www.worldbank.org/>

11 <http://www.intracen.org/ipsms>

12 <http://www.UneDocs.org>

13 <http://www-esc-grenoble.com>

14 <http://www.esc-grenoble.fr/time/time.htm>

representatives within the region. The cooperation between 'Medforist' and 'E-Med Business' will strengthen capacity building in the Mediterranean region.

- The regional workshops played an essential role in arriving at a common understanding among the country managers and the Commissions of how best to benefit from the E-Med Project. The workshops also developed tentative action plans and timetables for the implementation of the future activities of the Project by the respective regional commission, at the national and regional levels (See Annex A, B and C for workshop conclusions).
- The Chairman concluded by expressing appreciation for the strong support of the project that was demonstrated by all regions, during the three-days seminar. He noted that the implementation in each region, while being based on a common language, should be adjusted to reflect the needs and priorities of each region. He thanked all participants for their commitment, hard work and dedication to the seminar and to the objectives of the project.

ANNEX I

Workshop Conclusions ECE

The ECE regional meeting was attended by representatives from Turkey and Israel. Malta was not present but will participate in the project. The country representatives decided on the following approaches to the project implementation in the region:

- Owing to the unique needs and advanced stage of development of the countries in the ECE region, the region will take a different approach to the implementation of the national and regional workshops than that originally envisaged in the project. Specifically, the National workshops will focus on training of SMEs in e-business skills and participation in international supply chains. The regional workshop will focus on developing trade facilitation understanding and implementation.
- The national workshops on electronic business and the international supply chain should take place in September 2003. Focus should be on small and medium-sized enterprises (SMEs) but government representatives should also be invited. The workshop should include a module on trade facilitation in order to sensitise business on the needs for a properly facilitated trade environment, especially in the international supply chain context. It would be up to the national country manager to organize these workshops. The number of invitees would only be limited by space and available budget.
- The Regional Workshop on trade facilitation development should take place in Malta in June 2003. Participants would be from government but the business community should also be invited, at their own expense. Focus would be on the need for Transport Facilitation in a supply chain environment.
- UNECE would work with Turkey to further develop the UneDocs project application to the region.
- There would be an overall objective of working towards a common Single Administrative Document (SAD) for all countries in the project.
- There would be a focus on the establishment of a MEDPRO trade facilitation organisation in the Mediterranean region, modelled on SECIPRO.
- The initial needs assessments would be undertaken by local consultants in each country, drawing on existing studies and information where possible. These needs assessments should construct a matrix of existing work and projects that are already under way or planned to be implemented within the next 2 years and should identify how best the Med Project fits in with and adds value to these projects. The "Medforist" project would be looked at in particular. The analysis should also include reports and studies in TF already undertaken. The needs assessments should be undertaken as soon as possible and no later than March 2003.
- Neither Turkey nor Israel expressed interest in undertaking the World Bank Trade Facilitation Audit, but reserved the right to change this decision.

- UNECE undertook to review the budget and determine the implications of the change in orientation of the national and regional workshops. This information will be communicated to the country representatives.

* * * * *

ANNEX II

Workshop Conclusions ECA

The ECA Regional meeting was attended by representatives from Algeria, Morocco and Tunisia.

- The country representatives underlined the importance of the interregional seminar as the first major activity of the E-Med Business project. This seminar provided them with a comprehensive overview of the project, as well as related training and implementation tools.
- Bearing in mind the plan of activities in other regions, the country representatives stressed the importance of the future ECA workshop, which should:
 - Ensure a better understanding of relevant activities undertaken in each country;
 - Allow the exchange of experience among countries in the region;
 - Build a common language among partners in the region;
 - Focus on the need for harmonization of sub-regional and national regulations;
 - Establish a regional PRO committee.
- At the national level, it was felt necessary to:
 - Adjust Subprogramme 2 “Facilitation of the supply-chain” to take into account the various stages of development of countries in the ECA region;
 - Establish an inter-sectorial committee, which would work in close cooperation with the ECA country manager.
- National workshops will take place in September-October 2003. The regional workshop will take place in Morocco on 8-9 July 2003, involving 15-20 participants. All the documentation should be provided in French. The workshop should be conducted in French.
- The initial needs assessment will be undertaken by each country manager with the assistance of a consultant. The results of this study should lead to a sub-regional approach.
- The ECA countries will provide ECA with proposals for the implementation of the World Bank Facilitation Audit.
- Country representatives recommended to already start planning new financial measures for the follow-up of the programme that was seen interesting but ambitious, in view of the actual funding of the project.

ANNEX III

E-Med Business Project Tentative Timeline and Flowchart - ESCWA

37622 37653 37681 37712 37742 37773 37803 37834 37865 37895 37926 37956 37987 38018 38047 38078 38108

