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COMMITTEE ON TRADE

First session
Geneva, 21-23 June 2006

REPORT OF THE FIRST SESSION OF THE COMMITTEE ON TRADE

1. The Committee on Trade held its first session from 21 to 23 June 2006. It took place back-to-back with the sixteenth session of the Working Party on Regulatory Cooperation and Standardization Policies (WP.6) (19 and 20 June) and the Committee's annual International Forum: "A Common Regulatory Language for Global Trade" (20 and 21 June). The report on WP.6 and the Forum can be found in documents ECE/TRADE/C/WP.6/13 and Add.1.
2. Representatives of the following countries participated in the session: Austria, Belarus, Czech Republic, Estonia, France, Georgia, Russian Federation, Serbia, Slovakia, Spain, Sweden, Switzerland, Turkey and United States of America.
3. Representatives of the European Community also participated.
4. In attendance were representatives from the following United Nations organizations and specialized agencies: International Trade Centre/UNCTAD/WTO.
5. The following intergovernmental organization also attended: Organisation for Economic Co-operation and Development (OECD).
6. Several representatives from the business community and civil society participated at the invitation of the secretariat.

Item 1. Adoption of the agenda

Documentation:

ECE/TRADE/C/2006/1 Provisional agenda

7. *Decisions taken*

Decision 1: The Committee adopted the agenda, with proposed changes in the order of the items.

Item 2. Election of officers

8. *Decisions taken*

Decision 2: The Committee elected Mr. Alexander Šafařík-Pštrosz (Czech Republic) as Chairperson and Mr. Dimitri Japaridze (Georgia), Mr. Zoran Jolevski (The former Yugoslav Republic of Macedonia), Ms. Christina Rahlén (Sweden) and Mr. José Luis Sanz-Benito (Spain) as Vice-chairpersons. The Committee thanked Mr. Mario W. Cardullo (United States of America), the outgoing Vice-chairperson, for his work.

Item 3. Joint CT/WP.6 policy segment on the UNECE contribution to regulatory convergence

Documentation:

ECE/TRADE/C/WP.6/2006/CRP.2 Chairman's conclusions from the Forum
ECE/TRADE/C/WP.6/2006/2 Background paper for the Forum

9. Mr. Christer Arvius, Chairman of WP.6, presented the conclusions from the Forum. The Committee discussed the use of standards in the context of technical regulations. Best practice consists in using voluntary standards to underpin regulations without making them part of the legal text. The underlying concept being that of giving priority to regulatory objectives (rather than the means of achieving them) and then defining "equivalent" standards that can be used to prove compliance with these regulatory objectives. This approach is widely used in the European Union. The participants felt that a similar approach, if properly explained and promoted in other UNECE member countries, could help improve the regulatory and trading environment in the region.

10. The Committee noted the presentation on "International Trade Agreements" by Mr. Jean-François Bourque and Mr. Massimo Vittori of the International Trade Centre UNCTAD/WTO.

11. *Decisions taken*

Decision 3: The Committee noted the conclusions of the Forum and requested its subsidiary bodies, particularly WP.6, to take them into consideration in reviewing their programmes of

work. More specifically, the Committee asked WP.6 to prepare follow-up activities related to issues of standards in connection with technical regulations and associated issues.

Decision 4: The Committee requested the secretariat to publish the proceedings of the Forum with a view to disseminating information to interested parties at the national level.

Item 4. The implementation of the UNECE reform and follow-up to the 2006 session of the Commission

Documentation:

ECE/TRADE/C/2006/17	Implementation of the UNECE reform and follow-up to the sixty-first session of UNECE
ECE/TRADE/C/2006/10	Revised terms of reference for the Committee on Trade
ECE/TRADE/C/2006/3	Strengthening the UNECE Committee on Trade
ECE/TRADE/C/2006/9	2008-2009 strategic framework for Subprogramme 6 - Trade
ECE/TRADE/C/NONE/2006/4	2005 activities under the Industry and enterprise development programme

12. The secretariat and the Chairman presented the above documents. During the discussion the need for sectoral committees to follow the strategic decisions adopted by the Commission was stressed. The terms of reference for the Committee should be general enough to remain stable over time. They should not include references to the Committee's subsidiary bodies, which may change without affecting the terms of reference. The text of document ECE/TRADE/C/2006/10 was modified accordingly. Action points from document ECE/TRADE/C/2006/3 requiring follow-up are reflected in decision 5 below.

13. The Committee noted documents ECE/TRADE/C/2006/17, ECE/TRADE/C/2006/9 and ECE/TRADE/C/NONE/2006/4.

14. *Decisions taken*

Decision 5: The Committee endorsed document ECE/TRADE/C/2006/3 and requested the secretariat, the Bureau and the Committee's subsidiary bodies to:

- (i) Undertake a cooperative mapping both at the level of the Committee and that of its subsidiary bodies to identify links and synergies with partner organizations and to lay out clearly how UNECE contributes to work in other forums, and vice versa (the Committee and each of its subsidiary bodies).
- (ii) Strengthen cooperation with the Committee on Inland Transport on border crossing and trade facilitation issues and jointly submit proposals to the Executive Committee (the Committee and its Bureau).
- (iii) Select policy issues to be studied in depth as part of the Committee's biennial programme of work and to be discussed at its annual sessions (the Committee and its Bureau).

- (iv) Develop a framework for exchanging information and identifying common areas of interest among the Committee's subsidiary bodies (the Bureau).
- (v) Define priority activities and corresponding methods to improve communications, paying particular attention to the website of the Committee (the Bureau and the secretariat).
- (vi) Develop and support capacity-building activities and partnerships (the Committee and its subsidiary bodies).
- (vii) Implement the evaluation plan for the next three to four years, as reflected in the expected accomplishments and indicators from the strategic frameworks for 2006-2007 and 2008-2009 (the Bureau and the secretariat).
- (viii) Clearly define a role for itself that is distinct from the roles of its subsidiary bodies (the Bureau and the Committee).

Decision 6: The Committee adopted its revised terms of reference, as contained in document ECE/TRADE/C/2006/10 with agreed changes. The revised version will be published as Rev.1 of this document.

Item 5.1. Regulatory cooperation and standardization policies

Documentation:

TRADE/WP.6/2005/15	Report of the 2005 session of WP.6
ECE/TRADE/C/2006/7	Recent developments under WP.6
ECE/TRADE/C/2006/16	Request for renewal of the MARS group
ECE/TRADE/C/2006/14	Changes to the programme of work 2006-2007
ECE/TRADE/C/2006/12	Draft programme of work 2008-2009: work items
ECE/TRADE/C/WP.6/2006/12	Vision and strategic directions of WP.6

15. The Chairman of WP.6 highlighted the main outcomes of the October 2005 and June 2006 sessions of the Working Party. The latest deliverables included: a revised recommendation "J" on definitions; a new programme of work (including the Working Party's vision, mission and strategic directions); and a draft recommendation on the use of market surveillance against counterfeit goods.

16. In the regulatory cooperation area, the Working Party had worked on a project on pipeline safety. This project will require close cooperation with the UNECE Environment and Energy Divisions. The Working Party has also started to discuss a new proposal on equipment for use in an explosive environment.

17. In view of the limited secretariat resources assigned to this area, the Working Party relies on rapporteurs to carry out its programme of work. The meeting suggested that the question of resources should be regarded within the broader context of the allocation of resources across all activities of the Committee.

18. The Committee noted the document on "Recent developments under WP.6" (ECE/TRADE/C/2006/7) and took note of the information given on the main outcomes of the

WP.6 session that took place immediately prior to the Committee session from 19 to 21 June 2006.

19. *Decisions taken*

Decision 7: The Committee endorsed the report of the 2005 session of WP.6 (TRADE/WP.6/2005/15).

Decision 8: The Committee approved the proposals contained in the document “WP.6 Vision, Mission, Strategic Directions for 2006-2009 and Work Plan for 2006-2007” (ECE/TRADE/C/WP.6/2006/12/Rev.1) and requested that the revised version of this document be published in the three official languages.

Decision 9: The Committee approved, as requested in document ECE/TRADE/C/2006/16, the renewal of the mandate of the MARS group for a further two years.

Item 5.2. Trade facilitation and electronic business

Documentation:

ECE/TRADE/C/NONE/2006/5	Summary of Decisions adopted at the 12th UN/CEFACT Plenary Session
ECE/TRADE/C/NONE/2006/8	Report of the 12th UN/CEFACT Plenary Session
ECE/TRADE/C/2006/6	Recent developments under UN/CEFACT
ECE/TRADE/CEFACT/2006/9 and Add.1	Revision of the UN/CEFACT draft programme of work 2005-2006
ECE/TRADE/C/2006/12/Add.1	Draft Programme of work, 2008-2009: work items: UN/CEFACT Programme of Work
TRADE/R.650/Rev. 4 Add. 1, 2, 3 and 4	Addenda to the Mandate and terms of reference for UN/CEFACT
ECE/TRADE/CEFACT/2006/11	UN/CEFACT Intellectual property rights policy
ECE/TRANS/2006/4	Areas and activities of mutual interest between the Committee for Trade, Industry and Enterprise Development and the Inland Transport Committee
ECE/TRADE/C/NONE/2006/9	Forum on paperless trade

20. Mr. Mike Doran, UN/CEFACT Vice-Chairperson, presented the results of the twelfth Plenary session of UN/CEFACT. The session had approved a set of addenda to the mandate and terms of reference of the Centre, its integrated strategy and programme of work, and an intellectual property rights policy, as well as making progress on a number of other issues.

21. The Committee invited UN/CEFACT to cooperate more closely with the working groups of the UNECE Inland Transport Committee.

22. The Committee noted the documents on “Recent developments under UN/CEFACT” (ECE/TRADE/C/2006/6), the “UN/CEFACT Intellectual property rights policy” (ECE/TRADE/CEFACT/2006/11 and Add.1 – “Executive Summary”) and the addenda to the

“Mandate and terms of reference for UN/CEFACT” (TRADE/R.650/Rev.4, Add. 1, 2, 3 and 4), which contain internal procedures.

23. *Decisions taken*

Decision 10: The Committee endorsed the “Summary of Decisions adopted at the 12th UN/CEFACT Plenary Session” (ECE/TRADE/C/NONE/2006/5).

Decision 11: The Committee approved the changes in the UN/CEFACT programme of work as contained in the documents “Revision of the UN/CEFACT draft programme of work 2005-2006” (ECE/TRADE/CEFACT/2006/9 and Add.1).

Decision 12: The Committee approved the Programme of work of UN/CEFACT for 2007-2008, as contained in document “Draft Programme of work, 2008- 2009: work items: UN/CEFACT Programme of Work” (ECE/TRADE/C/2006/12/Add.1).

Decision 13: The Committee noted the document “Areas and activities of mutual interest between the Committee for Trade, Industry and Enterprise Development and the Inland Transport Committee” (ECE/TRANS/2006/4) and:

- requested the Bureau and the secretariat to approach the Bureau of the Inland Transport Committee with a proposal to organize a joint meeting to further strengthen cooperation with active participation from UN/CEFACT;
- invited member States to send to the secretariat any suggestions they may have for further cooperation between the two Committees by 1 September 2006.

Decision 14: The Committee requested UN/CEFACT to align its programme of work, in terms of dates and presentation of outputs, to that of the Committee.

Decision 15: The Committee requested UN/CEFACT to submit its programme of work for the period 2008-2009 to the Bureau by 15 October 2006.

Item 5.3. Commercial agricultural quality standards

Documentation:

TRADE/WP.7/2005/9	Report of the 2005 session of WP.7
ECE/TRADE/C/2006/8	Recent developments under WP.7
ECE/TRADE/C/2006/14	Changes to the programme of work 2006-2007
ECE/TRADE/C/2006/12	Draft programme of work 2008-2009: work items
ECE/TRADE/C/NONE/2006/1	Strengthening agricultural quality standards work in the UNECE: draft transition plan

24. The Committee noted the report on “Recent developments under the Working Party on Agricultural Quality Standards (WP.7)” presented by Ms. Kristina Mattsson, Vice-Chairparson of the Specialized Section on Fresh Fruit and Vegetables under WP.7.

25. The Director of the UNECE Trade and Timber Division introduced the draft transition plan drawn up by the secretariat following the request in the UNECE Reform Plan (document E/ECE/1434/Rev.1, paragraph 56) for concentrating the work on agricultural quality standards in the UNECE. The plan had been prepared in consultation with the Bureau of the Committee, discussed in detail at the sessions of the Specialized Sections on Standardization of Fresh Fruit and Vegetables and of Dry and Dried Produce, and revised following those discussions. The Committee strongly supported this possibility to rationalize the work of international organizations. It urged the OECD secretariat to provide its comments on the text of the draft transition plan so that a final version could be considered in 2006 by the OECD Scheme for the Application of International Standards for Fruit and Vegetables and by the Council.

26. The Committee expressed concern about possible overlapping in the work by WP.7 and the Codex Alimentarius Commission and requested the Bureau and secretariat to review the relationship between the two organizations.

27. *Decisions taken*

Decision 16: The Committee endorsed the “Report of the 2005 session of WP.7” (TRADE/WP.7/2005/9).

Decision 17: The Committee approved the proposed transition procedures as contained in Section 1, paras. 2, 3, 4 of the document “Strengthening agricultural quality standards work in the UNECE: draft transition plan” (ECE/TRADE/C/NONE/2006/1) and requested the secretariat to revise in cooperation with OECD and the Bureau the document for approval in the intersessional procedure by 20 July and in due time for submission to the OECD Scheme meeting in November 2006. [The approved transition procedures can be found in the annex.]

Decision 18: The Committee requested the secretariat to prepare for the autumn 2006 Bureau meeting a briefing on the relationship between Codex Alimentarius and WP.7.

Item 5.4. Activities directly under the Committee

Documentation:

ECE/TRADE/C/2006/5	Report on activities directly under the Committee
ECE/TRADE/C/NONE/2006/2	UNECE chapter of the UNU/CRIS report on regional integration
ECE/TRADE/C/NONE/2006/10	Additional items for the 2006-2007 programme of work: extrabudgetary projects

28. The Committee noted the “Report on activities directly under the Committee” and the excerpt of the “UNU/CRIS Report on Regional Trade Agreements” introduced by the secretariat. The secretariat also presented a new CD-Rom, containing an updated compendium of all the publications, norms, standards and recommendations prepared under the Committee and with full-text search functions in the three official languages (ISBN number 92-1-016369-9).

29. The Director of the Trade and Timber Division introduced document ECE/TRADE/C/NONE/2006/10 describing two extrabudgetary projects for addition to the Committee's 2006-2007 programme of work, subject to the availability of adequate funding.

30. *Decisions taken*

Decision 19: The Committee approved the addition of the outputs from the extrabudgetary project concerning "On-line Russian language resources for WTO negotiations and agreements" as described in document ECE/TRADE/C/NONE/2006/10 to its 2006-2007 programme of work, provided that adequate funding is obtained for its implementation. The Committee requested the Bureau to deal with the other project, on "Cross-border trade facilitation in Ferghana Valley", if appropriate.

Item 6. Capacity-building

Documentation:

ECE/TRADE/C/2006/15	Report on capacity-building and implementation activities
ECE/TRADE/C/ 2006/11 and Add.1	Trade facilitation strategy for SPECA countries

31. The Committee noted the "Report on capacity-building and implementation activities" and the "Trade facilitation strategy for SPECA countries", presented by the UNECE Regional Advisor on Trade Facilitation. The participants stressed the usefulness of this work for Eastern Europe, the Caucasus and Central Asia (EECCA).

Item 7. Cooperation with other organizations

Documentation:

ECE/TRADE/C/2006/4	Cooperation with other organizations
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32. The Committee noted the report on "Cooperation with other organizations", introduced by the secretariat.

Item 8. Approval of programme of work for 2008-2009 and of changes to programme of work for 2006-2007

Documentation:

ECE/TRADE/C/2006/13 and Add.1	Accomplishment accounts for the 2004-2005 biennium
ECE/TRADE/C/2006/14	Changes to the programme of work 2006-2007
ECE/TRADE/C/2006/9	2008-2009 Strategic Framework for Subprogramme 6 – Trade
ECE/TRADE/C/2006/12	Draft programme of work 2008-2009: work items

ECE/TRADE/C/NONE/2006/11 Self Evaluation 2004-2005: Review of the Work of the Working Party on Agricultural Quality Standards

33. The Committee noted the “Accomplishment accounts for the 2004-2005 biennium”, the “Self Evaluation 2004-2005: Review of the Work of the Working Party on Agricultural Quality Standards” and the “2008-2009 Strategic Framework for Subprogramme 6 - Trade”, presented by the secretariat.

34. *Decisions taken*

Decision 20: The Committee requested member States to present any comments on the 2004-2005 evaluation by 1 September 2006.

Decision 21: The Committee requested member States to submit any further areas or indicators that they would like to have evaluated during 2006-2007 to the Bureau by 1 October 2006. The Committee further requests the Bureau to make recommendations based on the resource implications of the requests.

Decision 22: The Committee decided to use the “Accomplishment Accounts” for the purpose of the evaluation of the Committee’s work.

Decision 23: The Committee approved the changes to its programme of work for the current biennium as contained in document “Changes to the 2006-2007 programme of work” (ECE/TRADE/C/2006/14) as modified during the session. It did so taking note that the activities to be carried out by UN/CEFACT had been approved under agenda item 5.2 in documents ECE/TRADE/CEFACT/2006/9 and Add.1 (for 2006) and ECE/TRADE/C/2006/12/Add.1 (for 2007).

Decision 24: The Committee approved its programme of work for the next biennium as contained in the “Draft programme of work 2008-2009: work items” (ECE/TRADE/C/2006/12). It did so taking note that the 2008 activities to be carried out by UN/CEFACT were approved under agenda item 5.2 in document ECE/TRADE/C/2006/12/Add.1 (for 2008) and that the UN/CEFACT programme of work for 2008-2009 would be submitted to the Bureau by 15 October 2006.

Item 9. Other business

Decision 25: The Committee will hold its second session from 22 to 26 October 2007.

Decision 26: The Committee requested the Bureau to develop an improved structure for Committee sessions.

Item 10. Adoption of the decisions

Decision 27: 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 TRADE/2005/19.

ANNEX

As referenced in Decision 17, Paragraph 27

Section 1, paragraphs 2, 3, 4

Document ECE/TRADE/C/NONE/2006/1

“Strengthening agricultural quality standards work in the UNECE: draft transition plan”

1. TRANSITION TASK FORCE

2. To ensure a smooth transition it is proposed that an OECD/UNECE task force be set up. WP.7 and the OECD Scheme will elect an equal number of task force members with the chair being appointed separately by the Bureau of the UNECE Committee on Trade, the parent body of WP.7. This group would be serviced by the UNECE secretariat. Representatives from both the UNECE and OECD secretariats would be invited to participate.

3. All outputs of the transition task force, such as detailed plans and joint programmes of work, would be approved by annual joint meetings of the UNECE Working Party on Agricultural Quality Standards and the OECD Scheme for the Application of International Standards for Fruit and Vegetables, and where appropriate, by their parent organizations.

4. The transition task force should be established as soon as possible, and no later than early 2007. It would then be responsible for:

- (a) Drafting a memorandum of understanding (MoU) between UNECE and OECD covering the transition period.
- (b) Proposing a joint programme of work for the transition period, to be revised annually during the transition.
- (c) Drawing up a realistic timetable for the transition, including the timing, length and organization of joint meetings. Discussions seem to indicate that a two-year period with the possibility of annual extensions for a maximum of two additional years should be adequate to guarantee a smooth transition.
- (d) Developing a draft revised Geneva Protocol, as the underlying legal document for the work.
- (e) Evaluating and reporting annually on the progress of the transition.
- (f) Communicating the benefits of the consolidation and progress on its implementation to concerned national administrations and experts.
- (g) Developing strategies for financing activities not covered by the United Nations regular budget, for example by identifying sources for contributions in kind or donations.
- (h) Assisting, where needed, in the transfer of technical relationships that OECD has already established to the UNECE.

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