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EXTRABUDGETARY ACTIVITIES IN SUPPORT OF THE WORK PROGRAMME*

Note by the secretariat

1. The UN/ECE Trade Division is currently implementing the extrabudgetary activity "Capacity Building to Improve Trade Finance and Facilitate Trade and Investment Prospects for the Russian Timber Sector". This activity is aimed at improving the ability 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 development of the sector.
2. This activity was initiated at the request of the Russian Federation and is in response to the general request by the member countries to extend UN/ECE expertise to the private sector. Private sector and government organizations participate actively.
3. The focus is on contact promotion activities such as expert meetings and forums designed to benefit the private sector in the Russian Federation by extending UN/ECE norms, standards and recommendations for the benefit of the timber export industry.

* The current note covers the period from the end of February 1999 to the

end of February 2000.

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4. The main activities are:

- sustainable management practices at the enterprise level
- improved trade procedures in the timber industry
- innovative trade finance techniques
- capacity building for improved foreign investment
- timber port operations.

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.

5. The UN/ECE Trade Division actively disseminates its expertise to the project participants through its various sections, as outlined below:

- a. The Trade Facilitation Section assists in implementing improved trade procedures. UN/CEFACT experts 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 customs procedures in the north-western part of the Russian Federation.
- b. The Trade and Investment Promotion Section extends its expertise on trade finance and investment.
- c. The Timber Section contributes expertise on best practices in the timber industries of member countries.
- d. The Enterprise Development Section gives guidance on aspects of small and medium-sized enterprise development in the timber industry.

6. Recent activities include:

- The "International Workshop on Sustainable Development and Certification in the Russian Timber Industry", held in St. Petersburg, 13-14 December 1999. This high-level event gathered together Russian and European experts in the field of forest certification and sustainable development.
- The "Forum on Timber Port Logistics", held in Rotterdam 23-25 February 2000. Official delegations from the St. Petersburg and

Arkhangelsk *oblasts*, together with private entrepreneurs from the timber sector and European business persons, participated in the discussions, which focused on the latest developments in the field of biomass. Concrete proposals for technical assistance in customs cooperation were also presented. A calendar of meetings for 2000 is being established in collaboration with all the partners involved in the project.