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ECONOMIC COMMISSION FOR EUROPE

COMMITTEE FOR TRADE, INDUSTRY AND
ENTERPRISE DEVELOPMENT
Fifth session, 13-15 June 2001

REPORT OF THE FIFTH SESSION

HIGHLIGHTS

At its fifth session, the Committee for Trade, Industry and Enterprise Development (CTIED):

Approved a number of activities in support of greater policy coherence and cross-sectoral activities, including a request to subsidiary bodies to explore cross-sectoral activities in the areas of trade and transport facilitation as well as sustainable trade in timber (paragraphs 15 and 16).

Adopted the recommendations of its Round Table on Services in Transition Economies, as well as those of its Forum on e-Services for Trade, Investment and Enterprise (paragraphs 23, 26 and annexes 1-2).

Approved new terms of reference for the Committee, as well as policy objectives and strategic goals (paragraph 36, annexes 3-4).

Requested that a task force to be established to make preliminary plans for a Forum on Trade Facilitation to take place in Geneva in May 2002 (paragraph 49).

Approved the establishment of ad hoc teams of specialists on Metrology; Business advisory, counselling and information services; Gender and entrepreneurship; and Poverty alleviation through enterprise and entrepreneurship development (paragraphs 63 and 67).

Requested that the secretariat follow-up with other subsidiary bodies of the Economic Commission for Europe on the possibility of their using the WP.6, "International Model for Technical Harmonization" and of requesting member States to inform the secretariat of the national transposition of international legal instruments, norms and recommendations (paragraph 64).

Approved a programme of work for 2001-2002 (paragraph 97), the development of a Trade, Industry and Enterprise Development Directory (paragraph 98) and the holding of a formal preparatory meeting to finalize the text and final act for an optional protocol revising the 1961 European Convention on International Commercial Arbitration (paragraph 100).

NOTE: Copies of all documents referenced in this report can be found at the following Internet address:
<http://www.unece.org/trade>

1. The Committee for Trade, Industry and Enterprise Development held its fifth session from 13 to 15 June 2001, which was preceded by the annual Forum on “Trading into the Future: E-Services for Trade,
2. Representatives of the following countries participated: Albania, Armenia, Austria, Azerbaijan, Belarus, Belgium, Bulgaria, Czech Republic, Finland, France, Georgia, Germany, Italy, Kazakhstan, Kyrgyzstan, Latvia, Netherlands, Poland, Portugal, Romania, Russian Federation, Slovakia, Slovenia, Spain, Sweden, Switzerland, The former Yugoslav Republic of Macedonia, Turkey, Ukraine, United Kingdom of Great Britain and Northern Ireland, United States of America and Uzbekistan.
3. Representatives of the European Community also participated.
4. Also in attendance were representatives of the United Nations Conference on Trade and Development (UNCTAD) and the World Trade Organization (WTO).
5. The following non-governmental organization was represented: the International Organization for Standardization (ISO).
6. A representatives of Morocco participated under Article 11 of the terms of reference of the Economic Commission for Europe.
7. Representatives of 1Point Commerce, Applied Service Economics Centre (ASEC), Bulgarian Industrial Association (BIA), Commerce One GmbH (Russia), Consortium, Europe Partner Consulting, Consultant and Partners C.V., Global Links Network (Canada), Industry Canada (Service Industries Branch), International Multimodal Transport Association (IMMTA), Lucky Net Ltd. (ISP), National Agency for Enterprise Development, Romanian Foreign Trade Centre, ROSVELECOM (Russian Federation), Belarusian State University, Swiss Reinsurance Company, Tambov Innovation Business (Centre) Incubator (Russia), Webforce International (Spain), and Organization for the Advancement of Structured Information Standards (OASIS) attended the Forum as well as the Round Table on Services organized during the fifth session.

Item 1 - Adoption of the agenda

Documentation:

ECE/TRADE/269/Rev.1

Provisional agenda for the fifth session

8. The Committee adopted the provisional agenda.

Item 2 - Election of officers

9. Mr. A. Safarik-Pstrosz (Czech Republic) was elected as Chair of the Committee, and Ms. A. Öktem (Turkey), Ms. S. Aisagaliyeva (Kazakhstan) and Mr. M. Vilchez-Barros (Spain) as vice-chairs.

15. In that connection, the Committee requested UN/CEFACT to develop a list of trade and transport facilitation instruments and recommendations in liaison with the Inland Transport Committee and the Group of Experts on the Transport of Dangerous Goods. Furthermore, the Committee requested the Working Party on Technical Harmonization and Standardization Policies (WP.6), in the context of its concern for technical harmonization and certification, to participate in discussions with the Timber Committee to determine how to

make progress on intersectoral cooperation regarding sustainable trade in timber. It was also agreed that the Bureau would consider other measures to promote trade and environment issues.

16. Taking note of the Commission's request for PSBs to help alleviate the consequences of the Chernobyl disaster, the Committee requested the Working Party on Enterprise Development (WP.8) and its Team of Specialists on Radioactive Metal Scrap to consider initiating special actions for the affected region.

17. Document TRADE/2001/Informal/6 was then **approved** for implementation and publication as an official document.

18. The Committee welcomed the work done by the secretariat regarding information and communication technology for development as reported in TRADE/2001/INFORMAL/3. There were some requests for specific revisions to the document in connection with the joint development of new electronic business standards by UN/CEFACT, OASIS and the private sector. These will be incorporated in the document when it is next revised.

Item 4 – Round Table on Services in Transition Economies

Documentation:

TRADE/2001/1	Important features of the service sector and trade in transition economies
TRADE/2001/1/Add.1	Important features of the service sector and trade in transition economies: financial services in transition economies
TRADE/2001/1/Add.2	Important features of the service sector and trade in transition economies: transport sector
TRADE/2001/15	The economic importance of insurance in central and eastern Europe and the impact of globalization and e-business

19. In the Round Table on Services in Transition Economies, presentations were made on different aspects of the service sector in order to stimulate policy discussions on this topic and to seek recommendations and advice with regard to any future work by the Committee in this area. The Round Table was chaired by Mr. Safarik-Pstrosz (President of the Czech Office for Standards, Metrology and Testing, Ministry of Industry and Trade, and Chairman of FITPRO – the Czech national trade facilitation body). Presentations were made by Mr. Julian Arkell (Director Insurance Outlook, ASEC/Geneva Association), Dr. Rumen Dobrinsky (Economic Affairs Officer, Economic Analysis Division), Mr. Jaroslaw Pietras (Undersecretary of State, Office of the Committee for European Integration, Poland), Mr. Alexandre V. Volokitin (Deputy Minister, Ministry of Communication and Information, Russian Federation) and Mr. Thomas Hess (Chief Economist, Swiss Re)

20. It was generally acknowledged that while, in transition economies, the service sectors had previously been somewhat neglected in favour of heavy industries, much progress had been made during the transition period. The service sectors were growing rapidly in most transition economies and the modernization of these economies had laid the groundwork for proper utilization of modern infrastructures, such as information technologies and the new financial facilities that have been developed.

21. It was agreed that in the most advanced of these countries the transition process is close to being completed, but there are still problems that need to be addressed. In particular, transition economies still lag behind in terms of service exports and participation in the global service markets, but the gap is closing quickly as

Documentation:

TRADE/2001/12

TRADE/2001/INFORMAL/8

ECE/TRADE/268

Information Bulletin N° 1 Programme of the Forum

Recommendations from the Forum

Forum Proceedings: Electronic commerce for transition economies in the Digital age

26. After having listened to a brief presentation on the Forum and its recommendations, delegations emphasized that such high-level discussions on trade in services were of great importance for all countries in the region. The Committee congratulated the secretariat on the quality of the Forum and **adopted** its recommendations (see annex 1) for further action. The Committee then asked the Bureau, together with the secretariat, to follow-up on their implementation and report back to the Committee in 2002.

27. The Committee also requested that the secretariat publish the proceedings of the Forum as speedily as possible in order to forward them as an input to the United Nations High-Level Information and Communications Technology (ICT) Task Force in New York.

28. With regard to the recommendation for the speedy publication of the proceedings and their forwarding to the ICT task force, the delegation of France emphasized that, in general, the work on norms and standards of the UNECE in the field of electronic business should be promoted more actively, given the importance of this work for e-services

29. In response to a question from the delegation of the European Commission regarding the recommendation on involving “ad hoc global policy networks”, it was noted that this reflects the request in the

United Nations Millennium Declaration for a greater involvement of civil society.

Item 6 – Review of recent and prospective trade trends, policies and problems

Documentation:

ECE/EAD/01/1

Economic Survey of Europe 2001 N°. 1

30. A presentation by the UNECE Economic Analysis Division highlighted two studies by the secretariat, the first on savings and investment trends and the second on spillover effects of foreign direct investment in transition economies. Both of these studies can be found in the *Economic Survey of Europe 2001*, No. 1. The Committee congratulated the Economic Analysis Division on the high quality of these analyses.

31. The European Commission presented an overview of the current trade situation between the Community, the associated countries and other transition economies. They then highlighted the assistance programmes developed by the European Union for countries of southeast Europe.

Item 7 – Role and strategic direction of the Committee

Documentation:

TRADE/2001/2

Committee for Trade, Industry and Enterprise Development: Terms of Reference, Policy Objectives and Strategic Goals

32. The Chair reminded the Committee that at its June 2000 session it had established an “enlarged Bureau” with a mandate to develop, for the June 2001 session, revised terms of reference to replace those from 1991 and recommendations for policy objectives and strategy. This enlarged Bureau had met three times and, as the result of its work, presented to the Committee document TRADE/2001/2.

33. The Chairman noted that this document contained the overall objectives and goals for the Committee for the next five to ten years and, therefore, needed by its nature to reflect the interests of member States within a somewhat wider scope than the programme of work for any one year.

34. Several delegations thanked the “enlarged” Bureau for its comprehensive work on the drafts. Editorial changes were proposed and accepted in order to more clearly delineate the actual scope of the Committee’s activities.

35. The delegation of the Russian Federation supported the revised terms of reference, which it believed adequately reflected the interests of transition economies. It proposed that for a more efficient, practical implementation of the Committee’s Policy Objectives and Strategic Goals the secretariat should continue its efforts to attract extrabudgetary resources; reinforce the experts’ support to transition economies in areas of its competence; ensure a wider dissemination of information on the Committee’s activities; and broaden its cooperation with business circles in both developed market and transition economies.

36. After discussion the Committee **approved** the revised terms of reference, as well as the Policy Objectives and Strategic Goals with the proposed changes, as reflected in annexes 3 and 4 to this report.

Item 8 – Reports of the subsidiary bodies: Trade facilitation**Documentation:**

TRADE/CEFACT/2001/27	Trade Facilitation in Transition Economies: Current Aspects and Issues
TRADE/CEFACT/2001/35	Report on the UN/CEFACT Plenary Session, March 2001
TRADE/2001/3	United Nations Centre for Trade Facilitation and Electronic Business, UN/CEFACT, Summary of Main Activities and Developments
TRADE/INFORMAL/2001/7	UN/CEFACT's E-Business work

37. Mr. Ray Walker, Chairman of the UN/CEFACT Steering Group (CSG), introduced documents TRADE/CEFACT/2001/27, TRADE/CEFACT/2001/35, TRADE/2001/3 and TRADE/INFORMAL/2001/7 and reported to the Committee on work undertaken by UN/CEFACT and its Steering Group. He noted that the Centre had made a considerable contribution during the last year to a better understanding of trade facilitation. This had been done through the revision of some fundamental trade facilitation recommendations, such as Recommendation 1: the UN Layout Key for Trade Documents, Recommendation 18: Facilitation Measures Related to International Trade Procedures, and the Compendium of Trade Facilitation Recommendations. It had also adopted new Recommendations on Self-Regulatory Instruments in Electronic Commerce, Model Codes of Conduct and on Codes for Types of Means of Transport. UN/CEFACT had also prepared a Memorandum of Understanding between the UNECE and the World Customs Organization, which had been signed in April and now laid a solid basis for cooperation between the two organizations.

38. UN/CEFACT had also prepared a Memorandum on technical cooperation with the Organization for the Advancement of Structured Information Standards (OASIS). Responding to a question from the delegation of Switzerland, the CSG Chairman explained that the text of this Memorandum was subject to review by the United Nations secretariat and the final text would be made publicly available as soon as possible.

39. In addition, Mr. Ray Walker informed the Committee that the UN/CEFACT Steering Group (CSG) had agreed to propose the creation of a new working group for electronic business (e-business), which would incorporate several existing groups, thus reducing their overall number and streamlining procedures. He further provided information to the Committee regarding the CSG's plans to obtain extrabudgetary resources to support UN/CEFACT's work on e-business. The UN/CEFACT Chairman and the CSG Chairman had expressed their readiness to work closely with the secretariat on the implementation of these plans.

40. The Committee **noted** documents TRADE/CEFACT/2001/35 (Report on the UN/CEFACT Plenary Session, March 2001) and TRADE/2001/3 (United Nations Centre for Trade Facilitation and Electronic Business, UN/CEFACT, Summary of Main Activities and Developments). The Committee also **requested** that the Extended Bureau of the Committee and the secretariat, working closely with the CSG, follow up on the proposals presented for extrabudgetary resources to support UN/CEFACT's work on e-business

41. The delegation of the Russian Federation commended Mr. Ray Walker on his work with UN/CEFACT and reported that Russia was considering the establishment of a national trade facilitation body, in compliance with UNECE Recommendation 4. It requested the secretariat to provide a consolidated paper on the basic principles

of establishing such a body. In addition, that delegation suggested the establishment of subregional forums (e.g. in the transition economies of eastern Europe and the CIS) under the umbrella of UN/CEFACT. It also stressed the importance of attracting extrabudgetary resources for such activities.

42. A member of the secretariat introduced document Trade/CEFACT/2001/27 (Trade Facilitation in Transition Economies: Current aspects and issues). He mentioned that a more active stance of UN/CEFACT in promoting trade facilitation in the transition economies would correspond to the regional mission of the UNECE and the global remit of UN/CEFACT

43. The Committee **took note of** the document and **requested** UN/CEFACT to report back to the Committee in 2002.

44. The delegation of the United Kingdom introduced document Trade/Informal/2001/5 (Proposal for a High-level meeting on trade facilitation to take place in the United Nations in May 2002).

45. In introducing the document the delegate said that after the reduction of trade tariffs and non-tariff barriers, trade facilitation constituted an important area where further significant gains in efficiency of the trading process could be achieved.

46. The Chairman explained that the initiative was in line with the Committee's strategic interest and said that the proposal had been well received during UN/CEFACT's seventh session in March 2001.

47. The Committee **agreed** on the importance of trade facilitation to all countries and all their economic stakeholders and reaffirmed its commitment to the issue.

48. The Committee **recognized** the benefits of holding such a meeting in bringing together all international organizations concerned and the business community in the debate on trade facilitation and was in general favourably disposed to such a meeting. Several delegations expressed support for the proposal. However, several other delegations also said that they needed more time to study the proposal and to consult with capitals before they could take a definite decision. They sought clarification on how it would relate to the WTO process and the proposed timing and content of the meeting.

49. The Committee therefore **requested** the secretariat to set up a task force to make preliminary plans and to consult further with delegations regarding the meeting, and to request the UN/CEFACT Steering Group to put this item on its agenda at its 3-6 September 2001 meeting.

Item 9 - Agricultural quality standards

Documentation:

TRADE/WP.7/2000/11

Report of the 56th session of WP.7

TRADE/2001/4

Summary of main activities and developments of the Working Party on Standardization of Perishable Produce and Quality Development (WP.7)

50. The secretariat gave an overview of the work carried out by the Working Party on Standardization of Perishable Produce and Quality Development (WP.7) and its specialized sections since the last session of the Committee.

51. The following items were highlighted:

- The successful meeting of rapporteurs on Seed Potatoes held in Moscow at the invitation of the Ministry of Industry, Science and Technology. In this respect the secretariat thanked the Russian authorities and the Permanent Mission of the Russian Federation to the United Nations Office at Geneva for their assistance in organizing this meeting.
- The adoption and publication of a UNECE Standard for Bovine Carcasses and Cuts.

52. The Committee, at its last session, had requested the secretariat to evaluate possibilities for reallocating resources within the Trade Division to the agricultural standards unit for the development of explanatory material (see ECE/TRADE/262, paragraph 37).

53. In response to this request, at the last session of WP.7, the Director of the Trade Division reported that additional resources had been requested for the work on agricultural standards but that the zero growth budget of UNECE made it unlikely that a new post would be created in the near future. She also emphasized that the secretariat would be prepared to support this work, provided that the required additional staff member could be obtained, either via extrabudgetary resources, or via a decision by member States as to which lower priority activities should be discontinued in order to free the required resources. (see TRADE/WP.7/2000/11, para. 89).

54. The delegation of the Russian Federation emphasized the high priority that it attached to this work and its global impact, as seen from the number of countries from outside the UNECE region participating actively in the work. He also stressed that it was important for UNECE standards to be applied to a greater extent in Russia and the CIS in order to encourage the production of high quality produce and to facilitate trade. He also suggested achieving this by using the UNECE experience in this area to organize training courses for quality inspectors as well as for national standard-setting bodies.

55. The Committee **endorsed** the report of the fifty-sixth session of the Working Party on Standardization of Perishable Produce and Quality Development (TRADE/WP.7/2000/11) and **noted** the summary of main activities and developments (TRADE/2001/4).

Item 10 – Standardization policies

Documentation:

TRADE/WP.6/2000/20

Report of the 10th session of Working Party 6

TRADE/2001/5

Summary of main activities and developments of Working Party 6

56. The secretary of the Working Party on Technical Harmonization and Standardization Policies (WP.6) made a presentation on behalf of Mr. C. Arvius, Chairman of the Working Party, on recent projects launched by

the Working Party and activities undertaken since its latest session in November 2000. A summary of these activities and WP.6 proposals for consideration by the Committee were available as document TRADE/2001/5.

57. A number of delegations stressed the importance of WP.6 activities, noting in particular, the project on an “International Model for Technical Harmonization” (see TRADE/WP.6/2000/8) prepared by the ad hoc team of specialists on standardization and regulatory techniques (the “START” team).

58. The delegation of Turkey expressed its appreciation of the work of WP.6 and informed the Committee that the relevant administration in Turkey would take all the necessary measures for the realization of a workshop on technical harmonization matters in Turkey in 2002 in cooperation with WP.6.

59. With reference to WP.6’s work regarding quality assurance, a proposal was made to establish a quality centre to promote quality assurance standards and UNECE legal instruments and standards based on the existing CIS Information Centre on Standards in Minsk. The Committee **requested** the secretariat to explore how this proposal could be implemented in practical terms.

60. The Committee praised the Working Party’s experience in reaching out to regional groupings, in particular the CIS, thus establishing an active interface between the secretariat and interested Governments.

61. The delegation of the European Commission expressed its continued support to WP.6 as one of the most useful UNECE activities both for Governments and the private sector. Particular backing was given to the work supporting technical harmonization through the use of international standards.

62. The Committee then **noted** document TRADE/2001/5 containing the summary of main activities and developments.

63. The Committee **approved** the establishment of an ad hoc team of specialists on metrology under WP.6.

64. The Committee also **approved** the following WP.6 proposals and **requested** the secretariat to ensure the necessary follow-up to them within the UNECE:

- asking other PSBs to explore the possibilities of using the principles and concept of the “International Model for Technical Harmonization” in their areas of competence with the goal of identifying potential pilot projects;
- calling on UNECE member Governments to accept an obligation of informing the secretariat on the national transposition/use of legal instruments, recommendations, and standards elaborated at UNECE.

65. The Committee then **endorsed** the report of the tenth session of the Working Party on Technical Harmonization and Standardization Policies (TRADE/WP.6/2000/20).

Item 12 – Industry and enterprise development

Documentation:

TRADE/WP.8/2000/12	Report of the first session of Working Party 8
TRADE/WP.8/2001/5	Report of the second session of Working Party 8
TRADE/2001/7	Summary of main activities and developments of Working Party 8

66. The Committee welcomed the report on work carried out since the establishment of the Working Party on Industry and Enterprise Development (WP.8). It was noted that, as requested by the Committee in June 2000, the two ad hoc groups of experts, on the chemical industry and on steel, had been abolished and that the remaining parts of their programmes of work had been transferred to the new Teams of Specialists under the Working Party.

67. The Committee **approved** the creation of the three new teams of specialists set up by WP.8 at its second session. These teams of specialists are those on:

- Business Advisory, Counselling and Information Services
- Gender and Entrepreneurship
- Poverty Alleviation through Enterprise and Entrepreneurship Development

68. Mr. Patrick Gannon, Chairman of the Team of Specialists on Internet Enterprise Development, presented the work and achievements of the Team. He further emphasized that the UNECE Forum on e-Services for Trade, Investment and Enterprise, on 11 and 12 June 2001, had recommended that the work of the Team be expanded and given high priority.

69. The Committee noted the very productive efforts of this Team. It also agreed that more coordination should be established between the work of the Team and UN/CEFACT and requested that a report on progress in such coordination be made to the next session of the Committee.

70. The Committee also heard a report on the work related to WP.8 that is carried out by the UNECE Coordinating Unit for Operational Activities. This includes regional advisory services (particularly on small and medium-sized enterprises, entrepreneurship, gender and the economy, international legal and commercial practice, and investment promotion) as well as the support for the Teams of Specialists on Gender and Entrepreneurship and on Poverty Alleviation through Enterprise and Entrepreneurship Development.

71. A report was received from Ms. Ewa Zimny, Regional Advisor for Gender and the Economy, who encouraged the Committee to look at how it could mainstream gender issues in the area of e-commerce. Mr. Antal Szabó, Regional Advisor on SMEs and Entrepreneurship, also reported on a wide range of workshops and missions for which he had been responsible. A number of delegations expressed their particular appreciation of the impressive work programme of the regional advisor on SMEs and entrepreneurship.

72. The Committee **endorsed** the programme of work of WP.8 in its present structure with elements on (a) Industrial restructuring, (b) Entrepreneurship, and (c) Sustainable development, as reflected in the reports of the first and second sessions of the Working Party, which were held on 31 October and 1 November 2000 and

10 and 11 March 2001. Also **endorsed** were the reports of these two sessions (documents TRADE/WP.8/2000/12 and TRADE/WP.8/2001/5). The Committee **noted** the document, “Summary of main activities and developments” (TRADE/2001/7).

Item 11 – Trade and investment promotion

Documentation:

OPA/AC.23/1	Report of the 49 th session of the Working Party on International Legal and Commercial Practice (WP.5)
TRADE/INFORMAL/2001/1	Dialogue and partnership for development: the UNECE Public-Private Partnership Alliance
TRADE/INFORMAL/2001/2	Public/Private Partnership for Infrastructure Development: Next Steps

73. The secretariat delivered a written statement from the Chairman of the Working Party on International Legal and Commercial Practice (WP.5), Mr. David Winter, informing the Committee of the progress achieved since the last session of the Committee by the Build-Operate-Transfer Group (BOT), the Real Estate Advisory Group (REAG), the Intellectual Property Rights for Investment (IPR) Group and the International Commercial Arbitration Advisory Group, all of which report to WP.5.

74. One of the highlights of the past year had been the release of the BOT Guidelines and the launching of a Private/Public Partnership (PPP) initiative in December 2000 to help the countries of the region with legal and regulatory advice, capacity building and project support in this area.

75. With regard to future events, the Committee’s attention was drawn to a REAG seminar on land issues and the creation of a framework that will allow land to make its necessary contribution to economic development (to be held in Geneva in September 2001).

76. The Committee was also informed of consultative visits to Moscow by the IPR Advisory Group, planned visits to Ukraine and Poland and the signing of an agreement between the United States Patent Office and the UNECE, which would provide financing for training and seminar activities under this activity.

77. The Committee welcomed the excellent progress that had been made in revising the 1961 International Convention on Commercial Arbitration.

78. The delegations of the Russian Federation and Belarus thanked the Working Party for its very useful work and expressed their interest in its continued activities. The Russian Federation also expressed the hope that the International Commercial Arbitration Advisory Group would have its mandate extended in order to enable it to successfully finalize its revision of the 1961 Convention on International Commercial Arbitration and thanked the secretariat for its support in this work. It was their hope that this revision could be completed as expeditiously as possible, since it would represent a very useful contribution to the legal environment for business in member States.

79. The Committee then **endorsed** the Report of the forty-ninth session of Working Party 5 (OPA/AC.23/1).

Item 15 – Operational and regional advisory activities in support of the work programme**Documentation:**

OPA/AC.20/2	Regional advisory services on entrepreneurship and small and medium-sized enterprise
TRADE/2001/10	Operational activities

80. Ms. Larissa Kapitsa, Director of the Coordinating Unit for Operational Activities, presented document OPA/AC.20/2 on regional advisory services on entrepreneurship and small and medium-sized enterprise. She also informed the meeting about the signature of a Memorandum of Understanding between the UNECE and the Black Sea Economic Cooperation and about the activities of the Southeast European Cooperative Initiative (SECI) which could serve as a model for other conflict-stricken areas in the world. She also touched upon a number of important activities concerning support for SMEs, women in enterprise development (including the idea to create a foundation to support women entrepreneurs), youth entrepreneurial projects, notably in the transition economies, and the Public-Private-Partnership Alliance.

81. The Committee was also informed of a number of upcoming events in 2001 of potential interest to delegations, including a women entrepreneurs forum (22 October), a SME national experience forum covering Belarus (23 October) and Poland (on 24 October) and a workshop on youth entrepreneurship (21-24 November) in Trieste, Italy.

82. The Chair of the Committee thanked Ms. Kapitsa for this information and noted the importance of close cooperation between the Bureau and the Coordinating Unit for Operational Activities.

83. The Committee **noted** document OPA/AC.20/2.

84. The Secretary of the Committee then presented document TRADE/2001/10, which summarizes the operational activities undertaken by the Committee's subsidiary bodies, these being primarily seminars and workshops. The Committee also **noted** this document.

Item 13 – Liaison with other organizations**Documentation:**

TRADE/2001/8	Cooperation with other international organizations
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85. A member of the secretariat introduced the above document and explained the ongoing cooperation between the UNECE and other international organizations. The Committee **noted** this document.

Item 14 – Extrabudgetary activities in support of the work programme**Documentation:**

TRADE/2001/9	Extrabudgetary activities in support of the work programme
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86. The secretariat reported on extrabudgetary activities undertaken during the last year (TRADE/ 2001/9) and, in particular, on the ongoing activity “Capacity Building to Improve Trade Finance and Investment Prospects for the Russian Timber Sector”. It was noted that the many outputs generated by this activity could be applied in other sectors and implemented in other parts of the region. Particular interest was expressed by delegations in the work being done in the field of sustainable development, timber port logistics and trade in biomass.

87. The Committee indicated its interest in seeing these valuable activities continued and **noted** the above report.

88. Reports were also made on two new projects led by UNECE and being undertaken in cooperation with other regional commissions of the United Nations, these being: Capacity building in trade facilitation and electronic business in the Mediterranean region and the United Nations extensions for aligned electronic trade Documents (UNeDocs). The latter project is a component of the former one.

89. The focus of these two projects will be trade among the UNECE, Economic Commission for Africa (ECA) and Economic and Social Commission for Western Asia (ESCWA) Mediterranean countries that are not members of the European Union. The objective is to increase the competitiveness of Mediterranean companies 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;
- facilitating the participation of small and medium-sized enterprises (SMEs) in electronic business.

90. Feedback from the United Nations Conference on Trade and Development (UNCTAD), the European Commission and European Free Trade Association (EFTA) (as well as from UNECE partners in the other regional commissions) had been taken into account in designing the project.

91. The project, with a budget of US\$600,000 over two years, has been accepted in the list of proposals for Development Account funding (biennium 2002-2003) and is in the approval process by the Department of Economic and Social Affairs (DESA). It is in the final stages of review and the secretariat seeks support for this project from UNECE member State representatives in New York within the UN Committee for Programme and Coordination for 2001.

92. The secretariat has also developed a supporting project called UNeDocs to assist micro, mini and SMEs in this subregion to join the global network in order to access international markets. This supporting project will provide a migration path for SMEs of developing and transition economies into the digital economy by effectively linking electronic and paper documents and enabling new technologies to increase the efficiency and security of the supply chain.

93. The UNeDocs project is based on important trade standards and recommendations that have been developed by the UNECE, notably the United Nations Layout Key (UNLK), United Nations Rules for Electronic Data Interchange for Administration, Commerce and for Transport (UN/EDIFACT) and the UN Trade Data

Element Directory. The project attempts to put these standards into the context of the new information and communications technologies and the Internet.

94. Strong interest had been expressed in this ambitious project and the secretariat was thus pleased to be able to announce to the Committee that the Government of Switzerland had approved the concept of the project "UNeDocs Draft Schema - United Nations extension for aligned electronic Trade Documents" through its 'Secrétariat d'État à l'économie' and that the Government of the United Kingdom had informed the secretariat of its intention to contribute a major Internet-based software system to this project which will allow implementation of electronic trade documents.

95. Given the global nature of international trade and information and communication technologies, the Committee gave its support to UNECE and its partner regional commissions and UNCTAD to further cooperation in the development and implementation of this project and congratulated the secretariat on this important initiative.

Item 16 – Activities of the Commission’s other principal subsidiary bodies**Documentation:**

TRADE/2001/13	Activities of the Commission’s other principal subsidiary bodies related to the work of the CTIED
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96. The Committee **noted** document TRADE/2001/13, which contains a very short description of the activities of other UNECE principal subsidiary bodies (PSBs) related to the work of the Committee. In the light of the limited usefulness of this document and the request from the Commission for more in-depth intersectoral cooperation, the Committee **requested** that this document be **replaced** at future sessions. The Committee proposed that there should be a report on ongoing work between it and other PSBs in support of intersectoral cooperation. The content of the report would be determined by the Bureau of the Committee, in consultation with the secretariat.

Item 17 – Programme of work**Documentation:**

TRADE/2001/14	Draft Programme of work, 2001-2002
TRADE/2001/16	Revision of the 1961 European Convention on International Commercial Arbitration
TRADE/2001/17	Proposal for a Trade, Industry and Enterprise Development Directory
TRADE/2001/17/Add.1	Proposal for a Trade, Industry and Enterprise Development Directory: Examples from the Russian Federation, Turkey and Yugoslavia

97. The Committee **approved** the programme of work for 2001-2002, as set out in document TRADE/2001/14, taking into account the decisions taken during the current session, the allocation of secretariat resources and the desirability of seeking extrabudgetary contributions. The Committee also accepted from the delegation of France an amendment to the text in document TRADE/2001/14 on the fourth seminar on Analysis, Methodology of Treatment and Remediation of Contaminated Soils and Groundwater that would add the following sentence to the end of paragraph 83: “This seminar will take place in 2003 in France at the invitation of the French

98. The Committee discussed the establishment of a Trade, Industry and Enterprise Development Directory intended to facilitate access to information on relevant institutions in transition economies by foreign investors, and small and medium-sized enterprises. The secretariat requested assistance from the European Commission in identifying the relevant European Union offices in transition economies to be included in the Directory. The proposal to create the above-mentioned Directory, as contained in document TRADE/2001/17 and TRADE/2001/17/Add.1, was **approved** by the Committee.

105. The Committee adopted its report on 15 June 2001.

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Recognizing the following:

- that services, especially e-services, depend in large measure on the introduction of new information and communication technologies, the opening in many countries of monopolies (e.g. voice telephony and Internet services) and gradual liberalization of sectors such as banking and insurance and the implementation of internationally accepted regulatory frameworks;
- that the service infrastructure layer relies on the physical infrastructure and that a prerequisite for a prosperous services sector must include adequate telecom services; efficient banking, insurance, securities markets, financial information and insurance intermediation services; well-functioning road, rail, sea and air transport and logistics; adequate harbour and airport services; a wide range of business and professional services such as engineering and information technology and management consultancy, advertising, market research and legal and auditing services and crucial intermediate inputs for production, trade and intermediation which increase efficiency in all parts of the economy;
- that Governments have a central role to play in successfully managing globalization and that the international public domain must open up further to the participation of many actors, local and global whose contributions are essential to ensure legitimacy and sustainability and that the path of globalization contributes to prosperity for all;
- that a country's image abroad is especially important for its services production and export policy to succeed, and that the image depends on the overall macro-regulatory framework and efficiency of the economy, including the level of education, service orientation, civic security and trust, the quality of the public facilities as well as standard and reliable services;
- that consumer and international business community confidence in a market or sector is highly based on a fair and transparent activity based regulatory framework which ensures a competitive level playing field for e-operators and non-virtual operators;

- that an efficient service sector is increasingly viewed as a prerequisite for economic growth and social development, and this is particularly true for knowledge-based services with high value placed on the intellectual capital, the transition to knowledge-intensive service-oriented economies gives a powerful impetus to upgrading the educational level and skills of people, and that the member States are encouraged to make sure that they are not denying their population the opportunities offered by the potential for e-services;

Recommend that the Committee take the following action:

1. Draw the attention of governments throughout the region to promote links between the public and private sectors to develop and operate a high-standard e-services infrastructure, particularly the telecommunications, and provide attractive terms for investment in it;
2. Explore ways to involve ad hoc global policy networks, using the potential offered by technology, that cut across national, institutional and disciplinary lines to build coalitions for change to promote e-services throughout the region;
3. Develop, in cooperation with relevant international organizations and private partners, recommendations on standards and norms for formal governance in e-services and compliance monitoring;
4. Promote, in close cooperation with international and national sector bodies, the development of National activity based, transparent regulations in compliance with international regulatory and market practices and standards;
5. Seek to mobilize the will, imagination and resources of key decision makers and officials from the partners of the Forum and all the UNECE region to foster a capacity building and human resources development programme, particularly for small and medium-size enterprises (SMEs), by defining and promoting, in cooperation with relevant international organizations, sectoral trade bodies and private partners, a UNECE distance learning project to prepare people and business to seize the opportunities offered by e-services;
6. Assure the future work of the Team of Specialists on Internet Enterprise Development, established at the conclusion of the UNECE 2000 Forum on E-Commerce for Transition Economies in the Digital Age, and give high priority to it with the necessary secretariat resources to support the implementation of its E-Transition programme, especially those activities which promote best practices for the e-services Internet infrastructure;
7. Ask the relevant subsidiary bodies to further promote the adoption of trade facilitation measures, including international harmonization of electronic signatures, in order to reduce barriers to trade and to foster international exchanges of e-services and to assist Governments in the region with e-procurement;
8. Invite the UNECE Conference of European Statisticians to promote the implementation of the

recommendations as contained in the forthcoming manual on the Statistics of International Trade in Services in view of the statistical needs of the GATS;

9. Call on Governments to ensure respect for the diversity of cultures, languages, creeds, and social structures in promoting the development of e-services, and the safeguarding of consumer rights and rights of the citizen;
10. Coordinate with the relevant bodies to ensure that trade in e-services respects the principles of sustainable development and encourage relevant actors to develop equivalent standards for assessment of ecological and ethical factors in e-services;
11. Promote special means for assisting transition and Mediterranean economies to develop e-services for trade, investment and enterprise development;
12. Publish the proceedings of the Forum as speedily as possible and forward them as an input to the United Nations High-level Information and Communication Technology (ICT) Task Force in New York.

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Annex 2

**ROUND TABLE ON
SERVICES IN TRANSITION ECONOMIES**

RECOMMENDATIONS

Based upon the information presented during its Round Table on Services in Transition Economies, the Committee recommends:

1. that the subsidiary bodies of the Committee review their programmes of work to ensure more integrated activities in support of the development of services and trade in services, especially in transition and Mediterranean countries and report back to the Committee at its next session on progress made.
2. that the Working Party on Industry and Enterprise Development (WP.8) review its work programme so that activities related to services as a means of industrial and enterprise restructuring can be initiated, including a possible seminar on the role of services in industrial restructuring if resources are available.
3. that the secretariat publish the proceedings of the round-table discussions in the three working languages of the UNECE, i.e. English, French and Russian.

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Annex 3

**REVISED TERMS OF REFERENCE
OF THE
COMMITTEE FOR TRADE, INDUSTRY AND ENTERPRISE DEVELOPMENT**

The Committee shall serve as a forum for discussion and a platform for multilateral assistance in the form of recommendations, norms and standards, and legal instruments in the areas of: trade facilitation, trade related norms and standards and the re-structuring and development of industry and enterprise.

The Committee shall study, consult on and submit recommendations on practical measures that will:

- (a) result in the facilitation, expansion and diversification of trade for countries in the UNECE region (taking into consideration that, to be effective, these practical measures may need to involve the larger international and global communities with whom this trade takes place);
- (b) promote trade facilitation on a regional and international level;
- (c) promote the further integration of all UNECE member States into the European and global economy;
- (d) result in the creation of a clear, predictable and supportive environment for the sustainable development of industry and new enterprises in the countries of the UNECE region and, particularly, in those countries with transition economies;

The Committee shall, as appropriate, coordinate with, actively involve, and develop joint activities with other principal subsidiary bodies of the UNECE in its work.

In the region, the Committee shall endeavour to contribute to the transition of countries which formerly had planned economies to market economy principles and methods and their integration into the European and global economy.

In its work, the Committee will involve representatives of civil society, including the business community, and will seek to develop ongoing dialogues between the public and private sectors in its member countries.

The Committee shall provide input to global United Nations' programmes and take its cross-sectoral themes (such as gender mainstreaming, sustainable development, and involvement of the business community) into consideration when developing its work programme and that of its subsidiary bodies.

The Committee shall, whenever necessary, approach other United Nations organizations and agencies with requests for assistance in achieving its tasks, in accordance with any agreements between United Nations organizations and agencies;

The Committee shall review regularly the current and future activities of its subsidiary bodies and shall keep informed of the relevant work done and planned by other United Nations bodies and by other institutions and international organizations. It shall take appropriate steps to coordinate its activities with respect to these bodies in order to avoid duplication and to ensure the maximum effectiveness of its work.

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Annex 4

**POLICY OBJECTIVES
AND SUPPORTING STRATEGIC GOALS
OF THE COMMITTEE FOR TRADE, INDUSTRY AND ENTERPRISE DEVELOPMENT**

(as set out in the 1997 Plan of Action)

The overall objectives for the work of the Committee, which were set out in the UNECE 1997 Plan of Action, are the following:

- a) “to support the UNECE objective of “facilitating and strengthening the involvement of all member
- b) “to assist in the integration of all countries, in particular countries in transition, into the European and global economy, and to work to prevent the development of new barriers to trade within the region”.
- c) “to contribute to the creation of a clear, predictable and supportive environment for industrial and

Short to Medium-Term Policy Objectives and Supporting Strategic Goals

Given the very broad and ambitious nature of its longer-term policy objectives, the Committee must determine narrower policy objectives for the short to medium-term. In addition, the Committee needs to make strategic decisions with regard to how to use its available resources in support of these short to medium-term policy objectives. It needs to set strategic goals in terms of the specific areas where it will undertake work.

In this context, the Bureau of the Committee would like to make the following proposals for policy objectives and strategic goals. These have been developed taking into consideration the programme of work for 2001 to 2002. The policy objectives are set out in bold italics and the supporting strategic goals in normal text.

1. To improve the environment for regional and world trade by:

(a) Assisting in reducing technical barriers to trade and market access

Supporting Strategic Goals:

- To develop trade facilitation recommendations
- To develop a close partnership with the World Trade Organization and other international bodies in the area of trade facilitation
- To develop an international agreement on technical harmonization and develop sectoral protocols in selected trade areas
- To develop a recommended process for the harmonization of technical regulations affecting trade
- To support the development of Information and Communications Technologies (ICT) based upon open, interoperable standards for use in trade, and particularly in transition economies

(b) Developing and promoting standards, common procedures and best practices for trade*Supporting Strategic Goals:*

- To develop, maintain and update standards and tools used to support international trade and e-business
- To develop, maintain and update commercial standards pertaining to selected agricultural produce moving in international trade
- To identify areas where standardization work needs to be done by international standardization organizations in order to support trade
- To promote access to international processes for harmonization and standardization on a transparent and equitable basis

(c) Developing regional/international contact networks for national ministries and business communities*Supporting Strategic Goals:*

- To establish and maintain a network of promotion points in transition economies
- To publish a directory of national contact points
- To develop guidelines and recommendations that assist government administrations to better understand the needs of the private sector both in their own countries and, in the context of trade, internationally.

2. To improve the investment and business environment within member States¹ by:***(a) Encouraging adoption of international and, if appropriate, regional standards and norms related to trade and business****Supporting Strategic Goals:*

To promote the implementation of:

- Recommendations and instruments to harmonize standards, technical regulations and conformity assessment procedures including quality control procedures in the region
- To develop a close partnership with UNCTAD and other international bodies in the area of improved business environments
- International standards and norms for data used in administration commerce and transport
- Commercial standards pertaining to selected agricultural produce moving in international trade and their harmonized implementation.

(b) Identifying ways of developing trade and investment finance possibilities*Supporting Strategic Goals:*

- To develop recommendations, guides, training and advice that contribute to improving the capacity of transition economies to negotiate and effectively use concession contracts in public-private partnership projects
- To monitor trends in trade finance in transition economies
- To organize, on a demand basis, seminars on export and trade financing

¹ This policy objective corresponds to the 1997 Action Plan objective of contributing to the “the creation of a clear, predictable and supportive environment for industrial and enterprise development activities”. This prompts a policy objective oriented towards assisting member States by improving their domestic environments for trade and investment.

- To develop guidelines and/or recommendations for governments with regard to improving the ability of enterprises in the region to develop their trade and investment financing capacities

(c) Improving commercial dispute resolution

Supporting Strategic Goals:

- To provide recommendations to Governments as to the possible revision of the European Convention on International Commercial Arbitration
- To facilitate and promote the use of international commercial arbitration, and other alternative dispute resolution systems, in the region

3. To assist member States to develop more robust, stable and diversified economies² via:

(a) Promoting the development of new economic sectors based upon innovation and new technologies

Supporting Strategic Goals:

- To identify the impact of Internet and electronic commerce on the development of enterprises and recommend best practices in this area;
- To consult with member States and develop recommendations aimed at the sustainable enforcement of Intellectual Property Rights in the region and the development of knowledge-based industries

(b) Facilitation of the restructuring and development of industry and enterprises

Supporting Strategic Goals:

- To collect, process and disseminate information on best practices related to the restructuring and development of industry and enterprises
- To study economic, technical and regulatory issues related to industry and enterprise development and make recommendations for government action
- To study the competitiveness of basic industries in transition economies and promote measures to overcome barriers to industrial restructuring
- To provide advice and recommendations to Governments on the sustainable development of industry with emphasis on the steel and chemical industries
- To promote the implementation of all recommendations and guides developed under the Committee which are relevant to industry and enterprise development.

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2 This policy objective corresponds to the 1997 Action Plan objective of contributing to, “the integration of all countries, in particular countries in transition, into the European and global economy”. This could also be seen as a policy objective oriented toward assisting member States to take better advantage of the opportunities available to them within the regional and global environments for trade and investment.

Annex 5

Contacts for additional information

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