



**Economic and Social  
Council**

Distr.  
GENERAL

TRADE/2005/1  
14 March 2005

ORIGINAL: ENGLISH

**ECONOMIC COMMISSION FOR EUROPE**

COMMITTEE FOR TRADE, INDUSTRY AND  
ENTERPRISE DEVELOPMENT

Ninth session, 23, 26 and 27 May 2005

Item 4 of the provisional agenda

**MATTERS ARISING FROM THE SIXTIETH SESSION OF THE  
UNITED NATIONS ECONOMIC COMMISSION FOR EUROPE OF PARTICULAR  
RELEVANCE TO THE COMMITTEE FOR TRADE, INDUSTRY  
AND ENTERPRISE DEVELOPMENT**

**DOCUMENT FOR DISCUSSION**

This document contains a summary of decisions made during the February 2005 session of the Economic Commission for Europe (UNECE), which may affect the work of the Committee for Trade, Industry and Enterprise Development.

## **Summary of Relevant Decisions and Actions taken by the Economic Commission for Europe at its 60<sup>th</sup> Annual Session**

1. This document reviews each of the substantive agenda items discussed during the 2005 session of the Economic Commission for Europe which took place from 21 – 25 February. For each of the agenda items the discussion on decisions of relevance to the Committee for Trade, Industry and Enterprise Development (CTIED) are highlighted. This is then followed, where appropriate, by comments on relevant work or activities of the CTIED.

2. The CTIED Bureau discussed many of these issues at its 25 February 2005 meeting, which took place immediately after the Commission Session. At the request of the Bureau, a report of their discussion can be found in annex to this document.

### **Financing for Development: Follow-up to the International Conference on Financing for Development (ICFfD) in the UNECE region (Agenda item 3)**

3. In the course of their discussions during the Round Table on “The role of regional cooperation in financing for development in the UNECE region” panellists made the following points:

- Regional cooperation initiatives can play an important role in improving the business climate and hence is making countries an attractive spot for investment<sup>1</sup>.
- Cooperation at regional level can take different, complementary forms: free trade agreements, harmonization of legislations and standards, coordination of customs procedures, realization of regional infrastructures, creation of common financial institutions and markets, sharing of knowledge and experiences. Hence, regional cooperation appears to be an important strategy that countries in the UNECE region can use to mobilize resources for development. Regional institutions (including regional economic agreements, development banks and sub-regional groupings) can be an important catalyst of the integration process<sup>2</sup>.
- However, for the regional cooperation to be successful, participating countries must credibly and unambiguously commit to it. Furthermore, whilst the contribution of regional initiatives to economic development can be significant, individual countries will remain the owner of the development and reform agenda. In this sense, regional initiatives do not substitute for, but rather complement and support, coherent national development strategies<sup>3</sup>.

4. The Commission recognized the need for follow-up to the ICFfD in the UNECE region and the need to pursue implementation of the commitments made at the Conference.

5. **Comments:** As a follow-up to the ICFfD, under the auspices of the CTIED, a regional forum on “Building Partnerships in the UNECE region” will be held on 27 and 28 October. The Forum will give concrete inputs to advance integration efforts in the different UNECE sub-regions, by showing which specific barriers concerning trade and transit are yet to be removed and how the specific instruments developed by UNECE regarding trade facilitation and harmonization of technical standards can be concretely put to use.

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<sup>1</sup> Annual Report, paragraph 5

<sup>2</sup> Annual Report, paragraph 5

<sup>3</sup> Annual Report, paragraph 5

### **UNECE cooperation with the OSCE (Agenda item 5)**

6. In the course of the discussion of this item, the Executive Secretary emphasized the successful conclusion of negotiations between the UNECE and OSCE as reflected in the signing of the Memorandum of Understanding (MOU) between the two organizations in December 2004. The Executive Secretary briefed the Commission on the work underway in preparation for review of the OSCE commitments under the cluster of Integration, trade and transport which will be taken up at the OSCE Economic Forum in May 2005.

7. The Commission welcomed the signature of the MOU in the hope that this would enhance the effectiveness, the spirit of cooperation and the transparency between the two organizations as well as between them and their member States. It was also emphasized that support to the OSCE should not be undertaken to the detriment of other UNECE activities.

8. **Comments:** The Trade Development and Timber Division will provide a contribution to the trade component of the "Review of OSCE commitments" which will be presented at the OSCE's 2005 Economic Forum as well as assisting with the organization of the trade related segment of the Economic Forum, as part of a team including staff from the Economic Analysis Division and the Transport Division.

### **The UNECE reform (Agenda item 6)**

9. A team of external evaluators had been selected to undertake a comprehensive report on the state of the UNECE. Member States stressed that the comprehensive review was not a budget cutting exercise but a timely opportunity to refocus and ensure the best use of available resources and expertise of UNECE, taking into account the work of other organizations also active in the region, and the value added that the UNECE could provide. Member States requested the secretariat to make any necessary modifications to the 2006-2007 programme of work to take into account the outcome of the comprehensive review<sup>4</sup>.

10. Also covered under this agenda item was the development of an E-strategy for the UNECE. Delegations noted that UNECE activities at the sectoral level should be demand driven with the Principal Subsidiary Bodies (PSBs) responding to the needs of member States. In this respect, ICT should not be considered as a goal in itself but rather each PSB should determine which ICT applications are most suitable for their activities. In this connection the Commission encouraged PSBs to further strengthen their efforts to develop and use appropriate e-applications in a cost-efficient manner and agreed to evaluate progress that had been made at its next annual session.

11. The secretariat was urged to put all materials available in the three languages of the Commission on its website. For some countries improving the multilingual character of the UNECE website would greatly facilitate the dissemination of parliamentary documentation<sup>5</sup>.

12. **Comments:** The CTIED and its subsidiary bodies make extensive use of new technologies in order to conduct their work efficiently and make it widely accessible to the general public, as well as to their counterparts in the missions and in the capitals of the UNECE Member States. In particular, extensive use is made of the Internet and e-mail list-servers (which allow participants on the list to send a message to one address and then to have the message automatically forwarded to everyone on the list). Currently, the secretariat is migrating the list-servers to a service that will allow list server participants to go to an Internet web address in order to review earlier messages. The Secretariat will also strive to make its website and those of its subsidiary bodies completely tri-lingual (English, French and Russian). The

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<sup>4</sup> Annual Report, paragraph 2

<sup>5</sup> Annual Report, paragraph 2

CTIED Bureau may also decide to update the report on ICT use by the CTIED and its subsidiary bodies that the secretariat prepared for it in October 2004 as input to the Commission's review of progress made on the use of ICT by principal subsidiary bodies.

**Proposed programme budget for the biennium 2006-2007 and matters relating to the programme of work planning and evaluation processes (Agenda item 7)**

13. The Commission was informed that the 2006-2007 budget submission was still awaiting the final decision of the Secretary General and the General Assembly and reiterated the importance of the full implementation of the recommendations on the Programme Budget Narratives (E/ECE/1430/Add.1). It also adopted the recommendations of the Group of Experts on the Programme of Work (GEPW) concerning programme planning processes (E/ECE/1423/Add.1).

14. **Comments:** Implementing the recommendations of the GEPW concerning programme planning processes will require several inputs from the Committee. The CTIED Bureau will have to discuss and provide input to the draft biennial programme plan for 2008-2009 in the autumn of 2005, as indicated in the flow chart accompanying the recommendations. The Committee itself will be able to approve the programme of work to be reflected in the 2008-2009 budget since the decision making processes for its programme of work have already been aligned with the UN budgeting process (See the Committee's Procedures and Guidelines as found in document TRADE/2004/2).

**Achieving the internationally agreed development goals, including those contained in the Millennium Declaration, as well as implementing the outcomes of the major United Nations conferences and summits (Agenda item 8)**

15. Member States underlined the importance of the internationally agreed development goals in the UNECE region and support was expressed for the activities of the UNECE that contribute to the achievement of these goals at the sub-regional and regional levels. 16. In September 2005, the General Assembly will meet at the level of Heads of States for a review of the goals contained in the Millennium Declaration. As part of the preparatory process for this Summit, the theme of the high-level segment of the substantive session of ECOSOC in June 2005 will be: "Achieving the internationally agreed development goals, including those contained in the Millennium Declaration, as well as implementing the outcomes of the major United Nations conferences and summits". Like the other regional commissions, the UNECE will be providing a regional contribution to this process.

16. **Comments:** As concrete contributions to the implementation of the MDGs and in particular, Goal 8: Target 12: "Develop an open, equitable, rule-based, predictable and non-discriminatory multilateral trading system." several important activities are being organized under the auspices of the CTIED in 2005. In particular, the High-Level Policy Segment of the CTIED, on 26 May 2005 will deal with "Trade Facilitation in the WTO context" while the 3<sup>rd</sup> Executive Forum on Trade Facilitation, titled "Paperless Trade in the International Supply Chain: Enhancing security and efficiency" will be held from 20 to 21 June. Under the auspices of the CTIED, two capacity building workshops will also be organized, one jointly with the Economic Commission for Africa (ECA) and one for countries with economies in transition. These workshops, targeted for the WTO delegations of the Geneva-based missions of developing countries, aim at familiarizing the audience with the technical aspects of relevant GATT articles in relation with the Doha Work Programme.

17. Also covered under this agenda item was the promotion of gender equality. "The Commission expressed its view that UNECE should continue to mainstream gender into its work, as well as continuing to serve as a platform for the exchange of good practices".<sup>6</sup>

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<sup>6</sup> Annual Report, Decision 9.

18. **Comments:** The Committee will continue its ongoing work as a platform for the exchange of best practices. In addition, it will take into consideration the specific needs of women in the areas of its work programme where this is relevant, such as entrepreneurship.

**Major policy issues of the UNECE and their impact on the UNECE programme of work  
(Agenda item 9)**

19. The Commission discussed how it should respond to the global and regional challenges within its mandated areas of work, including the opportunities but also the threats related to globalization. In particular, the Commission expressed support for the work aiming at integrating the economies in transition into the European and global economy.

20. **Comments:** One of the principal goals of the Committee is the greater integration of transition economies into the regional and global economy. In particular, the CTIED's work on trade facilitation, regulatory cooperation and standards implementation supports integration processes. One example of such an activity is the high level session, titled "Trade facilitation: Building block of a market economy" that the Committee will organize within the context of the April 2005 WTO Public Symposium. The meeting will discuss the special concerns of countries with economies in transition regarding the use of trade facilitation for integration into the world economy.

**The work of the UNECE – Achievements, constraints and perspectives  
(Agenda item 10)**

21. The Commission discussed various problems, including issues with possible relevance to trade facilitation in the region, coming from the work of all relevant PSBs and their subsidiary bodies. The Commission attached high value to the work of the PSBs. It stressed the importance of the UNECE continuing to produce tangible and concrete results in keeping with the challenges and priorities of its member States. The Commission noted the description of the resource constraints faced in implementing the programme of work, and expressed its appreciation for the efforts to cope with these. In responding to resource constraints the Commission asked the Executive Secretary to work with member States to ensure that resource distribution reflects the priorities set by the Commission.

22. **Comments:** None

**Technical cooperation activities of the UNECE (Agenda item 11)**

23. The Commission reiterated the importance of the UNECE's technical cooperation activities, which should be demand-driven and results oriented. It welcomed action taken by the secretariat to implement the Technical Cooperation Strategy endorsed at its 2004 annual meeting. The Commission stressed the need to increase assistance to low-income countries in a targeted and systematic manner. The Commission welcomed the efforts of the UNECE secretariat carried out in close partnership with UNESCAP to strengthen its support to economic cooperation and development in Central Asia, in particular work aimed at strengthening the UN Special Programme for the Economies of Central Asia (SPECA).

24. The Commission also encouraged the development of joint technical cooperation projects in cooperation with other organizations. It emphasized the importance of the work of the Regional Advisers in supporting technical cooperation activities in the fields of environment, transport, statistics, energy, trade, entrepreneurship and SMEs, and development policy.

25. The Commission recognized UNECE's potential in delivering technical assistance in those areas where it has expertise and comparative advantages, and encouraged OECD and other donor organizations to better utilize this potential in their development aid efforts.

26. **Comments:** All the CTIED subsidiary bodies conduct technical cooperation activities to promote implementation of their respective areas of work. In particular:

- Trade facilitation: Two seminars on trade facilitation, trade policy and WTO accession issues have recently been organized in Sarajevo (June 2004) and Moscow (November 2004). Since then, Georgia, Serbia and Montenegro and Ukraine have requested seminars based on the same model
- Agricultural quality standards: A seminar was held in Moldova in April 2004 to discuss the potential for developing international trade in Moldovan agricultural products and the obstacles to such development, including the adoption of UNECE agricultural quality standards.
- Technical harmonization: A "Meeting of regulators from south-east European countries" (funded under the UNECE/SIDA "South-East Europe Regulatory Project") was held in June 2004, in Ljubljana, Slovenia to discuss how the countries of the sub-region can receive the full benefit from free trade agreements, by not only liberalizing trade, but also facilitating it, through bilateral cooperation agreements in other fields such as standardization, conformity, metrology and accreditation.
- Industrial restructuring: A Forum on "Public-Private Co-operation in Industrial Restructuring" was held from 2-3 November 2004 in Almaty, Kazakhstan, in order to assist member States, especially the economies in transition, in their efforts to create an institutional environment conducive to the re-allocation of resources from old inefficient enterprises to new activities.
- Trade Policy: The Trade Development and Timber Divisions collaborates with other UNECE Divisions and the Government of Kazakhstan in the organization of an International Conference on Strengthening Sub-regional Economic Cooperation in Central Asia and the Future Role of the UN Special Programme for the Economies of Central Asia (SPECA) in Astana on 25-27 May 2005.

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ANNEX

**EXCERPT OF THE REPORT OF THE CTIED BUREAU MEETING OF 25 FEBRUARY 2005**

1. As requested by the Bureau, the report of the discussion on matters arising from the Annual Session for the CTIED, that took place during the Bureau meeting of 25 February 2005, is reproduced here as an Annex.
2. The Chairperson started the discussion by summarizing the Annual Session's most important implications for the Committee, as follows:
  - Transport and environment were identified as priority areas, but there was also support for activities where the contribution of UNECE was unique or brought added value to Member States and/or countries outside of the UNECE region, including Trade.
  - The CTIED and its subsidiary bodies should devise tailor made activities that reflect the changing needs of the different sub-regions of UNECE and promote regional integration.
  - The CTIED and its subsidiary bodies needed to identify parts of their work programmes where technical cooperation activities are under-funded.
3. Other participants made the following points:
  - There was no hope of obtaining new funds for the UNECE. However, the Member States did not support further cuts and therefore expected a reallocation of resources towards those activities where UNECE is unique or adds special value.
  - The CTIED had an impressive set of instruments – such as standards, recommendations and record of best practice – that needed to be kept up-to date, maintained and implemented, as this was its most important capital. The majority of these instruments were relevant to all Member States, but not all of them had the capacity to implement them. As regards implementation activities, the focus was therefore on less-advantaged economies.
  - At the same time, the CTIED should not rely on general prescriptions but needed to give countries at different levels of development recommendations that suit their developmental needs and strategies. In this respect, due account should be taken of nationally agreed action plans as well as of the Millennium Development Goals, so as to check how the CTIED's programme of work supports these objectives and agreed strategies.
  - The CTIED could start identifying areas of strength and tailoring its activities more closely to the changing needs of Member States as an input to the external evaluation and as a response to the new situation in the region. However, it was still necessary, in the view of many participants, to wait for the recommendations from the team of evaluators and for the reactions of member states to their report.
  - There is a need for a coordinated approach to fund-raising so as to avoid having member States approached by too many sides. In this light cooperation between the divisions and the Technical Cooperation Unit (TCU) was important. It also allowed a more effective response to the requests from Member States and a more efficient use of the resources of the secretariat. However, the TCU was too small to either directly raise funds or implement activities, and this remained the job of the regional advisers. The TCU complemented their efforts by providing guidance and coordination.
  - It is important to strengthen cooperation with the OSCE and the Council of Europe and to make effective use of the new possibilities that the Memorandum of Understanding that was signed in December 2004 by UNECE and OSCE offers. In particular, cooperation was important in order to implement the recent report by the UN Secretary-General on streamlining security in the work of the organization.
  - There was a need to take into account the needs and priorities of all member States.

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