



GLOBAL FACILITATION PARTNERSHIP FOR TRANSPORTATION AND TRADE

Biannual meeting, 17 February 2006

Palais des Nations, Geneva, 17 February 2006

Meeting report

The first 2006 biannual meeting of the Global Facilitation Partnership for Transportation and Trade (GFP), hosted by United Nations Economic Commission for Europe (UNECE), took place on 17 February 2006 in Geneva, Switzerland. The meeting brought together about 80 representatives of Governments, non-governmental organizations, GFP core partners and private companies.

Welcome addresses by the representatives of UNECE and World Bank emphasized the importance of avoiding duplication and inconsistency in the support provided by United Nations and other international organizations to national trade facilitation activities, particularly, in the light of the current work on an international agreement on trade facilitation at the WTO. They highlighted the role that Global Facilitation Partnership could play in achieving better coordination of the activities of GFP core partners and invited participants to take an active part in the interactive discussions later in the day.

Session One offered an overview of the current state of the WTO Trade facilitation negotiations and of the private sector's perspective on the measures currently discussed. The representative of the WTO secretariat described the result of Hong Kong Ministerial and the ongoing work on a draft agreement. She emphasized the difficult linkage between technical assistance and needs assessment of developing countries, as such countries tended to consider that technical assistance was required already at the needs assessment stage. The speaker for the International Chamber of Commerce noted that the business community considered that donors needed to modernize their methods to avoid duplication and to tailor their support to individual countries. He suggested that the private sector be more actively involved in the discussions at the WTO and invited it to play a more active role in verifying the results of the support programmes.

The participants discussed how to stimulate the public sector's involvement in tackling trade facilitation. They pointed out a number of challenges. These included lack of organization in the private sector, lack of communication between the private sector, governments and donors, difficulties of involving private sector in projects without clear profit prospects, resistance of governments to dialogue with the private sector and inability to precisely assess the implementation costs of needed measures. The advantages of the private sector's involvements were acknowledged, as participants noted that the private sector could help deliver current TF proposals to local customs and other government offices and support public projects on building infrastructure.

During **Session Two**, participants were divided into discussion groups, moderated by GFP core partners, where they considered the priority focus for the GFP's activities in the following four areas: Customs Formalities and Fees, Goods in Transit, Transparency and Availability of Information and Trade and Security. The results of these discussions are reported in Annex A.

The panel discussion of **Session Three** included contributions from core GFP partners, such as ICC, IRU, FIATA, WCO, UNECE, UNCTAD, WB and UNIDO. Panellists shared their views on the current priorities for GFP and commented on the issues raised during the discussion session. The discussion reaffirmed the importance of freedom of transit and non-discrimination against various modes of transport, emphasized the need to adopt a holistic approach to trade (addressing the infrastructure need together with trade facilitation needs) and the necessity to involve customs, business and other governmental agencies in the trade facilitation process. Panellists noted that transparency measures could help government gain the trust of domestic and foreign trade communities and fight corruption. They also addressed the issue of trade and security and referred to the work of the World Customs Organization in this area. The discussion recognized the need to integrate transport security issues into the dialogue and decision-making process on trade and security. In conclusion, panellists noted that while a high-level political will was necessary to reach an international agreement, its successful implementation would be contingent on the availability of standards and benchmarking tools, such as these developed by UN/CEFACT, WCO and other organizations.

Session Four opened the floor to all participants, inviting them to share their views on a possible institutional cooperation mechanism for technical assistance and capacity building. Participants agreed that there was a strong link between technical assistance and binding commitments, especially by developing countries. At the same time, it was also noted that the trade facilitation process had already started in many countries and that in some cases obstacles to trade facilitation were not financial, but political in nature (lack of political will, for instance). Participants acknowledged the need to assess costs and benefits of trade-facilitation measures and to elaborate a simple auditing system. They took note of the work that some GFP core partners (World Bank, UNECE, OECD, UNIDO etc) had already accomplished in this area. Representatives of the private sector attached great importance to comparing current capabilities of customs administrations in developing countries with any eventual WTO standards. They considered that such a gap analysis could help donors develop an adequate support programme and ensure proper monitoring. The meeting concluded that an additional working session on a mechanism for coordinating technical assistance and capacity building was necessary to prepare a concrete proposal and asked the GFP steering committee to consider the possibility of holding such a meeting in April 2006 in Geneva.

ANNEX A: Summary of interactive discussions.

Group A: Customs Formalities and Fees

Group A advised improving and clarifying the wording of the GATT article VIII and identified the following priorities:

For customs formalities

- Reduction/limitation of formalities and documentation requirements
- Establishment of Single Window/one-time submission

For fees and charges:

- Transparency and availability of information on fees/charges and relevant changes
- Maximum reduction of the list of fees/charges (which should be based on the cost of actual services provided)
- Simplification of payments preferably through single collection point and/or automated payment systems

For the release and clearance of goods:

- Pre-arrival clearance
- Risk management/analysis
- Ensure that the system of authorized traders/authorized economic operators is not used as a pretext not to improve general border services

The group strongly supported such trade facilitation initiatives as Single Window facilities and standardized trade documents and noted the importance of using information technologies to facilitate trade.

Group B: Goods in Transit

Group B called upon donors to avoid duplication in aid and to adapt their assistance to national and regional realities. It attached great importance to measures on eliminating corruption and reducing trade risks, such as theft and losses, by ensuring that containers are processed and moved quickly.

The Group identified the following priorities:

- Improving the particularly challenging situation of land-locked countries
- Setting up liability regimes for carriers
- Promoting existing systems, such as the TIR Convention and creating new instruments, if needed
- Speeding up customs clearance by allowing inland clearance and by standardizing data requirements
- Encouraging inter-agency and cross-border cooperation (“Green Corridors”) to facilitate trans-shipment.
- Improving cargo tracking and monitoring
- Facilitating small shipments, important for developing countries.

The Group advised GFP to integrate the following elements into its approach to facilitating transit of goods:

- Corridor approach
- Seeking win/win situations
- Joint research and technical assistance activities with developing countries to identify main obstacles
- Regional focus
- Broader approach in WTO (not only GATT, but also GATS)
- Focus on capacity building.

Group C: “Transparency and Availability of Information”

The Group emphasized that it was crucial to determine how to publish information by addressing the following fundamental issues:

- What to publish: information must be up to date and sufficient to ensure predictability by traders. Snowballs of information must be avoided.
- How much to publish: the quantity of necessary publications might differ from country to country and cultural factors might play an important role.
- How to publish: Internet publications might not be sufficient, especially in less developed countries, where access to Internet is difficult. In this case, public newspapers and bulletins could be used to publish information.

The Group drew attention to the tools already available, such as the revised Kyoto convention and suggested involving the private sector in publishing and translating documents. It emphasized the importance of developing and using international standards

Presentation of group D: Beyond the Doha Agenda: Trade and Security

This group agreed that in this area the GFP should focus on “supply-chain security” and on the WCO’s Framework of Standards to Secure and Facilitate Global Trade (FOS).

Participants felt that GFP could make substantial contribution in this area by:

- Helping to ensure that in the implementation of the FSO account is taken of existing rules and regulations (e.g. revised Kyoto Convention, TIR Convention, UNECE Recommendations and Standards etc) and international security standards, especially, those relating to international transport (e.g. ICAO Annex 17, IMO’s ISPS Code).
- Helping the trade community see tangible benefits of the framework, understand its trade related effects, particularly with respect to Authorized Economic Operator (AEO) status and exchange positive experiences and best practices in adapting to the new standards.
- Encouraging co-operation between customs services (integrated border controls, mutual recognition of AEO status) to maximize both the security and facilitation of the international trade supply chain.
- Helping to avoid a possible security divide resulting from FOS implementation, especially in respect of AEO programmes, by implementing a vigorous capacity-building and technical assistance programme.
- Enhancing public sector/private sector consultation and co-operation, especially at the national level, to ensure efficient and effective FOS implementation.