

UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

**Report of the Trade and Development Board on its
eighth executive session**

held at the Palais des Nations, Geneva,
on 5 December 1994 and on 29 June 1995



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I. INTRODUCTION

1. Pursuant to paragraph 18 of conclusions and decisions 415 (XL) of the Trade and Development Board, the Board held an executive session - the eighth executive session - to consider such follow-up work as might be needed in the wake of the United Nations International Symposium on Trade Efficiency (Columbus, Ohio, 17-21 October 1994).

2. The eighth executive session held its opening plenary meeting - the 853rd meeting of the Board - on 5 December 1994. After a general discussion of the main agenda item (see section II below), the executive session was suspended and further consideration of the item took place in a series of informal consultations. The eighth executive session was formally resumed - the 860th meeting - on 29 June 1995. At the resumed session, the Board also took action, under "Other business", on the status of the European Community in the Special Committee on Preferences and on the agreed conclusions and recommendations of the Working Party on the Medium-term Plan and the Programme Budget at its twenty-fifth session (see section III below).

3. The agenda of the eighth executive session, as amended at the resumed session, is reproduced in annex II below.

II. FOLLOW-UP TO THE UNITED NATIONS INTERNATIONAL SYMPOSIUM ON
TRADE EFFICIENCY (UNISTE), HELD IN COLUMBUS, OHIO
(17-21 OCTOBER 1994):

- (a) ASSESSMENT OF THE SYMPOSIUM;
- (b) WORK PROGRAMME IMPLICATIONS;
- (c) INSTITUTIONAL ARRANGEMENTS

(Agenda item 2)

4. For its consideration of this agenda item, the Board had before it the following documents:

Summaries of proceedings of the United Nations International Symposium on Trade Efficiency (TD/B/EX(8)/2 - TD/SYMP.TE/7)

Report of the United Nations International Symposium on Trade Efficiency (TD/SYMP.TE/6).

A. Proceedings of the 853rd (opening) meeting, on 5 December 1994

1. Assessment of the Symposium

5. The Officer-in-charge of UNCTAD presented a preliminary assessment of the Symposium which, in his view, had led to highly positive results in terms of participation (both regarding the high level of participants and the quality of their interventions), of the important contribution made by the private sector, and of the active involvement of other actors such as local governments and municipalities. The debates had been specific and action-oriented, taking due account of the situations of developing countries and countries in transition. The format of the Symposium had been particularly innovative; thanks to intensive preparatory work and prior negotiation of the various issues, the Symposium had been almost paperless. Experts and representatives of the private sector had worked in close co-operation with government officials. Finally, the Symposium had taken place in conjunction with other related international events, such as a Chief Executives Summit, a global meeting of Mayors and an exhibition on technology and trade, which had contributed to the overall success of the Symposium. Member Governments had now to decide on the follow-up work concerning in particular the analysis and research work leading to policy formulation in the field of trade efficiency, and technical co-operation activities, particularly regarding the establishment of, and support for, Trade Points. Guidance was also needed on the allocation of resources, in view of the growing number of requests for the creation of new Trade Points. A choice had to be made between consolidation and expansion in that field, and also on the relative emphasis to be placed on research and on technical co-operation. Finally, important lessons had to be drawn from the Columbus experience for the preparation of UNCTAD IX, regarding the possibility of involving non-governmental actors in an intergovernmental structure, or at least the determination of the

type of technical contribution from the private sector that could be brought into the process, the relevance of associating a technical exhibition with the Conference, etc.

6. The UNCTAD secretariat presented a summary of the proceedings of the Ministerial segment of the Symposium in the form of a video presentation.

2. Work programme implications

7. The **Chief of the Special Programme on Trade Efficiency** said that, whereas the Columbus Ministerial Declaration and the Recommendations and Guidelines appended to it had been approved by the Symposium, the summaries of proceedings in TD/B/EX(8)/2 - TD/SYMP.TE/7 had only been agreed by the Bureau and noted by the Symposium. They were submitted to the executive session of the Board to assist it in its discussions on the work programme. Together, these documents should, taking into account available resources, determine the course of action as regards the general policy on trade efficiency, technical co-operation activities, and political issues to be considered by the Board. The secretariat had identified three elements for a possible future programme of work, namely telecommunications and, more particularly, the impact of technical innovation on trade; banking services, including studies on possible solutions for financing international trade activities of micro-enterprises; and transport, including the study and comparison of uses of modern information technologies in transport and their relevance for development. Regarding technical co-operation, future activities should focus on the consolidation and enhancement of ASYCUDA and on the establishment of the Trade Point network. Political issues to be considered by the Board included the reinforcement and institutionalization of the cooperation between UNCTAD, ITC and the United Nations Economic Commission for Europe; the consideration of a proposal by Bangladesh, on behalf of the least developed countries, to send a message to the participants of the meeting which the Group of Seven would hold in February 1995 on telecommunications, which should be considered as a tool for development; and the possible setting up of a Trade Efficiency Review Mechanism - a topic that could be studied in 1995 and reviewed at UNCTAD IX.

3. Institutional arrangements

8. The **Officer-in-charge of UNCTAD** observed that the subject of institutional arrangements was exclusively within the competence of delegations. However, in the opinion of the secretariat, it was obvious that the follow-up work on trade efficiency was intersectoral by nature and that it had an important technical component, as well as a political significance since decisions and orientations would have implications on national policies. These three elements had to be taken into account when deciding on institutional arrangements. Three options were available: to set up an intergovernmental body to work on trade efficiency issues until UNCTAD IX; to assign trade efficiency to an existing subsidiary body of the Board; or to assign the subject to the Board itself, by placing it either as a permanent item on its agenda or on the agenda of executive sessions, or through combining these two possibilities.

9. The spokesman for the Latin American and Caribbean Group (Uruguay) said that the Group attached a great importance to the continuation of UNCTAD work on trade efficiency. The programme of work should be based on the Columbus Ministerial Declaration and the Recommendations and Guidelines attached to it, taking also into account the elements of the summaries of proceedings prepared by the President of the Symposium. In relation to the substantive areas, priorities of the utmost importance concerned technical assistance programmes for training and awareness in the main areas of trade efficiency, integration of trade-efficient measures in Customs and in financial, transportation and telecommunications sectors; and promotion and use of agreed international norms and standards for collecting and transmitting trade-related information and messages. In the area of telecommunications, particular attention should be paid to paragraph 7 of the Columbus Declaration, which made reference to special conditions of access to electronic networks for developing countries. The concept of special conditions also applied in the context of trade information. To achieve these objectives, short-term actions, including technical assistance as required, should be initiated in the following areas:

(a) Support the establishment of new Trade Points, as well as strengthening those which already exist;

(b) Develop and implement programmes to improve the technical capabilities of Trade Point managers;

(c) Promote, on a provisional basis, mechanisms of intercommunication in order to link the different Trade Points;

(d) In co-operation with ITC, strengthen the technical co-operation programme in the field of trade information;

(e) Support the establishment of national associations of Trade Points and/or Trade Efficiency associations.

10. A plan should be elaborated for the medium- and long-terms with a view to the consolidation of the Trade Efficiency Programme. To that effect, the secretariat should prepare a detailed evaluation of the Programme, covering *inter alia* the following aspects:

(a) Development of the Programme to date (positive aspects, shortcomings, objectives achieved, obstacles to the implementation, suggestions for overcoming difficulties and statistical analysis of the work of the Trade Points);

(b) Definition of the technical aspects and institutional and legal framework needed for the consolidation of the Programme;

(c) Definition of the future role of each of the participants in the work of the Programme (UNCTAD, ITC, other relevant international organizations, Member States, managers of Trade Points, private associations, etc.);

(d) Guidelines for a programme on long-term technical co-operation. Definition of priorities and availability of financial resources.

This evaluation should be presented by the secretariat at the beginning of February 1995. A resumed session of the eighth executive session of the Board could take place in late March or early April 1995, so that delegations could take the necessary decisions in this matter.

11. The spokesman for the Asian Group (Yemen) said that certain problems, including telecommunications, financing of trade, computer data exchange, creation of a network of Trade Points, coordination of resources, had to be given greater attention before a decision could be taken on follow-up work. The existing structure of intergovernmental cooperation, supported by expert groups, could be used for that purpose.

12. The representative of Switzerland said that the outcome of the Symposium had been very positive, both regarding the contents and the innovative format. In his view, the follow-up work for trade efficiency should take into account three priorities: first the awareness of the political dimension of the micro-economic aspects of development, which was essential if developing countries were to derive full benefits from the results of the Uruguay Round. UNCTAD was particularly well-suited to deal with questions where the macro and micro-economic levels came together; however the proposal to set up a Trade Efficiency Review Mechanism, interesting as it might be, had to be studied further. The second priority concerned an in-depth revision of the cooperation for development, taking into account the world realities as they now stood and the progressive disengagement by governments from economic sectors: the emergence of the private sector should be reflected in the intergovernmental machinery. Finally, in view of the scarcity of available resources, efforts should be integrated to avoid duplication and to create synergies. For example, in the field of business information for trade, the secretariat should review with ITC its technical co-operation activities in order to determine which organization was best suited to carry out follow-up work; a report on the subject could be presented at a Spring 1995 executive session of the Board. In view of the limited time left until UNCTAD IX, all efforts should concentrate on a restricted number of well-defined topics. There was no need for a new structure to that effect, as the Board could deal with these issues, with the assistance of short expert sessions as required.

13. The representative of India said that the broad lines for the follow up work on trade efficiency had been defined by the Ministerial Declaration, the identification of relevant issues in the Ministerial and Senior Officials segments of the Symposium and the guidelines and recommendations on trade efficiency. UNCTAD should concentrate its activities in areas for which it had a mandate and expertise, and focus on a few key issues, within available resources. The Trade Point network should remain the centre for trade efficiency work, in particular regarding access to technology by developing countries, ensuring in particular that "information highways" were a truly global instrument at the service of trade and development; also important would be the support for Trade Points in terms of training and organization, including the promotion of globally accepted norms and standards and EDI. Packages of software should be developed for Trade Efficiency and India would be prepared to participate in that effort. Annual meetings of Trade Point Directors would be useful, as well as the setting up of regional trade efficiency development centres. Emphasis should be placed on small- and micro-enterprises. In the field of transport, systems like ACIS should be further developed. Regarding business information, ITC

systems should be accessible from Trade Points. A limited number of executive sessions of the Board would suffice to deal with these issues before UNCTAD IX. The concept of a Trade Efficiency Review Mechanism would have to be further defined and clarified before a decision could be taken. It should in any case be confined to an evaluation of technical assistance needs.

14. The representative of Algeria reported on the recent creation of a Trade Facilitation Committee and on plans to create two additional Trade Points in his country. He felt that further work on trade efficiency should concentrate on trade information, in close co-operation with ITC, transport, financial services, telecommunications, and simplified trade practices. He supported the concept of an Infrastructure Fund for Africa. Finally, he said that UNCTAD should support the development of Trade Points, but the latter should be free to organize themselves in the form of an independent, self-supported federation.

15. The representative of Argentina supported the statement made by the spokesman for the Latin American and Caribbean Group which he felt contained the basis for future work on trade efficiency, having in mind that the cornerstone of the trade efficiency programme was the Trade Point network. The different stages of development of Trade Points and the various policies followed by countries in this regard made necessary an evaluation of the current situation of the Trade Point network. There were two different kinds of problems currently affecting that network. The first was the need to clarify whether National Trade Efficiency Associations or Trade Point Associations should be established, and what would be their role and that of the different actors involved in them. The second set of problems concerned technical aspects, as the interconnection of Trade Points was essential for their future; long-term solutions in this field should be implemented promptly. In this regard, the secretariat should be asked to prepare a document which could be the basis for a decision by member States. The substantive issues proposed by the secretariat as areas for analysis and debate were of great interest; nevertheless this debate would only make sense as long as it was integrated in a practical initiative that could attract the private sector and that was part of national policies involving all agents, within an institutional framework clearly defined in the light of substantive debates in UNCTAD. Finally, it was necessary to study special formats of partnership between UNCTAD and the private sector in order to satisfy the telecommunications needs of Trade Points.

16. The representative of the United Republic of Tanzania said that his country endorsed the conclusions and proposals coming out of the Symposium and was in the process of establishing a Trade Point. He supported the view that UNCTAD should be the focal point for the follow-up work on trade efficiency. In his view, telecommunications and transport were key factors in building up trade efficiency. Further discussions should take place in the existing UNCTAD bodies to work out the modalities of implementation of the recommendations. The donor community had a crucial role to play for infrastructure and capacity building in developing countries. In this connection, the setting up of an Infrastructure Fund for Africa deserved particular attention. Finally, he supported the proposal by Bangladesh to send a message to the meeting of the Group of Seven on telecommunications.

17. The representative of China said that UNCTAD should continue to play an active role in the trade efficiency field, guided by the Columbus Ministerial

Declaration. The summaries in TD/B/EX(8)/2 - TD/SYMP.TE/7 would serve as a basis for the further consideration of future work. The policy issues should continue to figure in UNCTAD deliberations. Developing countries should receive the necessary assistance to establish and operate their Trade Points and to maximize the use of technology and trade information. UNCTAD would provide assistance to a mechanism for cooperation between Trade Points. The trade efficiency issues should continue to be considered by the UNCTAD intergovernmental machinery. Finally, he supported the proposal by Bangladesh to send a message to the meeting on telecommunications of the Group of Seven.

18. The representative of Japan said that the Symposium had pointed to the right direction for future UNCTAD work on action-oriented projects such as the Trade Efficiency Programme, which involved Governments and the private sector for actions at the micro-economic level, with the objective of facilitating the integration of developing countries in a global economy. The Columbus Symposium was a first step, and the Trade Efficiency Programme should be further developed.

19. The representative of Australia said that the work programme should focus on research and analysis regarding the progress made by Governments in implementing the recommendations and guidelines agreed upon in Columbus, and the identification of problems encountered. She felt that a Trade Efficiency Review Mechanism would be useful in this respect, but the GATT model was expensive and time-consuming and it would be preferable to develop a specific UNCTAD model. Any future mechanism would need accountability and transparency. Although participation by the private sector was important, the focal role should remain with UNCTAD. In the interim period until UNCTAD IX, the Board could continue to oversee trade efficiency activities.

20. The representative of Germany, speaking on behalf of the European Union expressed his continuing commitment to the work on trade efficiency, an area in which much remained to be done. Important decisions had to be taken concerning the status of the Trade Points and their networking. Efficient, flexible action was needed in this respect.

21. The representative of Egypt said that the priority given to micro-economic issues of development and to action in favour of small- and medium-sized enterprises was still more important after the completion of the Uruguay Round, since enabling developing countries to derive the full benefit from the results of these negotiations was essential. He stressed the continued determination of his country to participate in the follow-up of the Symposium. Priority should be given to the establishment and backstopping of Trade Points and the Trade Point network. Trade information should be made available at the least possible cost. Technical assistance projects aimed at expanding trade opportunities should be given priority, and co-ordination should be ensured with ITC in this respect. The secretariat suggestion to study export financing for micro-enterprises was worthy of serious consideration. Regarding institutional arrangements for the follow-up work, this could be the subject of a permanent item on the agenda for the Board's regular sessions and also part of the agenda for its executive sessions.

22. The representative of the United States of America expressed the satisfaction of his Government at the success of the Symposium and his gratitude for the words of appreciation voiced by delegations. He said that the

Ministerial Declaration offered a solid base from which to proceed, keeping in mind the focus of the trade efficiency concept, i.e. to enhance participation in world trade. There was real work at hand, in the short, medium and long term, to determine the proper roles of UNCTAD, the private sector, and the governments, to organize the Trade Points and to pursue the technical co-operation efforts. A number of practical issues had to be addressed and the suggestions made by the secretariat included most elements for future discussions.

23. The representative of Tunisia said that there was a need to reinforce the technical assistance for the setting up and backstopping of the Trade Point network. She supported the concept of an international federation of national Trade Point associations. Stating that Tunisia was organizing a seminar on Trade Points, including training, for French-speaking African countries, she appealed for support by the secretariat for that endeavour.

24. The representative of Hungary said that the momentum provided by the Symposium should be kept up and the high priority ascribed to trade efficiency should be maintained within UNCTAD and in the preparatory work for UNCTAD IX. He supported the proposals made by the Latin American Group regarding the institutional framework for the follow-up work. In the short and medium term, he believed that the tasks of UNCTAD were to develop the framework for cooperation among all organizations involved, particularly the Economic Commission for Europe, ITC and the World Customs Organization and to assist in the establishment and operation of national trade points. An assessment had to be made by the secretariat of the work already done in that field. He expressed the view that creating a Trade Efficiency Review Mechanism would fall outside UNCTAD's mandate and should not be undertaken. Absolute priority should be given to technical assistance as a means for implementing trade efficiency measures. The required human and financial resources should be made available to that end.

25. The representative of Cuba supported the proposals made by the Latin American and Caribbean Group concerning the work to be done and the suggested methodology. He was concerned however about the capacity of the secretariat to provide the required technical assistance in the field of trade efficiency if adequate resources were not made available for that purpose. In view of the great importance attached by his country to the modernization of the transport system, in particular through the introduction of cargo and rolling equipment tracking, he requested that UNCTAD provide technical assistance for the establishment of ACIS and the introduction of EDIFACT based EDI systems. As this could be beneficial also for other developing countries, he suggested that this topic be included in the agenda for the next session of the Board and for the Permanent Committee on Shipping to be held in June 1995.

26. The representative of Brazil said that two questions had to be considered as a matter of priority, namely the trade information network, which was the backbone of trade efficiency and had to be made effective, and technical co-operation for development. Other areas of interest concerned regional networks and their connectivity, for which funding possibilities would have to be explored, including from developing countries themselves which were cost-sharing 80 per cent of UNDP projects. Compatibility and standardization of Electronic Trading Opportunities (ETOs) was also a question to be studied, as well as the relationship between trade promotion and trade efficiency. An ad hoc working group could be set up to deal with these subjects in cooperation with

the countries concerned. Finally, although the involvement of the private sector in the intergovernmental work was essential, its modalities had to be considered with extreme caution.

27. The representative of Norway said that lessons had to be derived from the format of the Columbus Symposium. In the field of trade efficiency, analysis and research work, deliberations for policy formulation and technical cooperation should cross-fertilize one another. In this process, close cooperation had to continue with other competent organizations. A flexible solution would have to be worked out for the follow-up work.

28. The representative of Finland said that the Ministerial Declaration was the basis for follow-up work and that the establishment of the Trade Point network was the first step. The Trade Point concept had to be expanded in a truly open network for trade, based on agreed standards and guidelines. A framework had to be established for the implementation of these standards. Informal consultations involving ITC and the Economic Commission for Europe should be conducted on these subjects prior to an executive session of the Board early in 1995.

29. The representative of Sri Lanka said that his country had not been in a position to be represented at a high level at the Symposium. In his view, the setting up of a global Trade Point network required efficient technical cooperation. Of particular relevance for his country was the priority given to technical assistance in the field of business information, as referred to in paragraphs 22 and 23 of document TD/SYMP.TE/7 - TD/B/EX(8)/2. Finally, he did not support the idea of setting up a Trade Efficiency Review Mechanism.

30. The representative of Mexico said that UNCTAD should play a central role in the consolidation of the trade efficiency programme, having in mind the importance of the private sector in that field of activities. The Trade Point Directors had an important role to play in defining the work to be done. Follow-up work could be steered by executive sessions of the Board. Supporting the views expressed by the Latin American Group, he said that the action programme should cover the interconnection of Trade Points, the training of human resources, and the use of trade information based on what was available, in particular in ITC. The assessment to be made by the secretariat would give a good picture of the current situation and form the basis for decisions on future actions.

31. The representative of the secretariat of the United Nations Economic Commission for Europe said that the Commission noted with satisfaction the positive outcome of the Symposium and was pleased to see the emphasis placed on Trade Facilitation and UN/EDIFACT. It was important that close cooperation continued among UNCTAD, ITC and ECE to ensure a coordinated and consistent approach in implementing the trade efficiency programme and promoting trade facilitation. The existing Joint Inter-secretariat Task Force would see its role reinforced to that effect. ECE was in a position to assist in starting up Trade Points in central and Eastern Europe. EDI messages developed for use by Trade Points should be processed through the ECE Working Party 4 to ensure that they were in full conformity with the EDIFACT Standards.

B. Proceedings of the 860th (closing) meeting, on 29 June 1995

32. The Officer-in-charge of UNCTAD, reporting on the outcome of the Informal Working Group on Trade Efficiency, said that, regarding institutional matters, the Informal Working Group had agreed on a set of criteria for the establishment and operation of Trade Points. However, on the issue of the proposed international federation of Trade Points, further work was needed and the Board would have to decide on the framework for discussions and on the ways to involve Trade Points in them. In the secretariat's view, the federation was an important element for the success of the Global Trade Point Network. On technical cooperation aspects, the Informal Working Group had agreed on priorities for action. Regarding the interconnection of Trade Points, the Informal Working Group had agreed that, given the technical nature of the issues, it was advisable to set up a reduced group of experts for its consideration. Concerning the analytical and policy inputs for the furtherance of work on Trade Efficiency, he said that the Columbus Declaration on Trade Efficiency called for focusing work on telecommunications, banking and insurance, and transport. A more concrete proposal was needed. He then enumerated the areas for further work in which UNCTAD was in a position to make a relevant contribution, namely: (i) telecommunications/GII (global information infrastructure) and participation in trade; (ii) participation of SMMEs (small, micro and medium-sized enterprises) in Trade Points; and (iii) transport and efficient trade. It would be for the Board to decide on the best intergovernmental framework for dealing with these issues in UNCTAD. In this respect, the secretariat would circulate a paper with a detailed proposal. He hoped that, at its eighth executive session, the Board would prepare the ground for a decision to be taken at its next session.

33. The representative of India said that his country was implementing the trade efficiency programme in accordance with the Columbus Declaration. A Trade Point had been inaugurated in India in August 1994 and progress had been made since then. He thanked UNCTAD for the valuable technical support it had provided for the establishment of the New Delhi Trade Point and its connection to the Global Trade Point Network. He felt that the adoption of criteria for the establishment and operation of Trade Points would be a landmark in the development of Trade Points. The impressive participation at the Ministerial level in UNISTE left no doubt of the fullest commitment of Governments to the Trade Point concept. No efforts should be spared to make budgetary and extra-budgetary resources available so that UNCTAD could respond quickly to developing countries that required assistance in pursuit of any aspect of the Trade Point programme. India regarded the establishment, operationalization and interconnectivity of Trade Points as the bedrock of the Trade Efficiency programme. Ways should be sought to promote coordination in this area between UNCTAD and other bodies such as the International Trade Centre UNCTAD/GATT, the Economic Commission for Europe and the United Nations regional commissions. Concerning the establishment of the international federation of Trade Points, it was necessary to hold experts meetings, particularly at the level of Trade Point Directors. These meetings could take place once a year for three or four days and should have a clearly defined agenda. The setting-up of the international federation of Trade Points would be very helpful in the promotion of cooperation among Trade Points and therefore India supported the decision outlined in TD/B/EX(8)/L.2.

34. The Officer-in-charge of UNCTAD said that high-quality cooperation had been established between UNCTAD's Special Programme on Trade Efficiency and other agencies and international bodies working in related fields, in particular with the International Trade Centre UNCTAD/GATT in technical assistance issues. He also stressed the fruitful cooperation existing with Working Party 4 of the United Nations Economic Commission for Europe, particularly in the adaptation of the Electronic Trade Opportunities used by the Trade Points to the United Nations/EDIFACT standards.

35. The representative of Finland announced that the Trade Point in the city of Tampere (Finland) was planning to organize an international meeting of Trade Point managers in cooperation with UNCTAD's Special Programme for Trade Efficiency, in order to exchange experiences and discuss issues of common interest. If an agreement could be reached concerning the details of this initiative, the meeting would take place at the Tampere Convention Centre. The invitations and detailed programme would be sent to all Trade Points in due course.

Action by the Board

36. At its 860th meeting, on 29 June 1995, the Trade and Development Board adopted the following texts which had been submitted by the Informal Working Group on Trade Efficiency: ^{1/}

- "An international federation of Trade Points: proposals for a decision" (TD/B/EX(8)/L.2)
- "Conclusions on technical cooperation" (TD/B/EX(8)/L.3) ^{2/}
- "Draft criteria for the establishment and operation of Trade Points" (TD/B/EX(8)/L.4).

37. At the same meeting, the Board requested the UNCTAD secretariat to focus its future work on the following three work areas:

- (i) Telecommunications/GII (global information infrastructure) and participation in trade;
- (ii) Participation of SMMEs (small, micro and medium-sized enterprises) in Trade Points;
- (iii) Transport and efficient trade.

Regarding the establishment by the Board of an intergovernmental group of experts to be responsible for the implementation of the work programme and to establish a timetable for its completion, the Board noted that the Officer-in-charge of UNCTAD would circulate an appropriate document at his forthcoming monthly consultations. This document would include a suggested timetable and terms of

^{1/} For the texts as adopted, see annex I, decision 427 (EX-8).

^{2/} The title of TD/B/EX(8)/L.3 was amended by the Board at the time of adoption.

reference for the consideration of the Board at its session in September 1995. Finally, the Board took note of the statement by the Officer-in-charge of UNCTAD on the subject of cooperation with other relevant institutions, including the International Trade Centre UNCTAD/GATT and the Economic Commission for Europe (see para. 34 above).

III. OTHER BUSINESS

(Agenda item 3)

(a) Status of the European Community in the Special Committee on Preferences

38. The President of the Board at its fortieth session (Mr. Al Sherif Fawaz Al Sharaf of Jordan), reporting on the outcome of the consultations which he had been mandated to conduct on this issue by the Board, recalled that, at the second part of the fortieth session of the Board (835th plenary meeting on 19 April 1994), the then spokesman for the European Union (Greece) had referred to a proposal set forth in an explanatory memorandum circulated in TD/B/40(2)/22 to upgrade the status of the European Community in the Special Committee on Preferences, and called on the Board to examine the proposal. He had pointed out that the European Community had been participating in UNCTAD proceedings with observer status since 1964. The Community had its own competence on restrictive business practices and on trade preferences. This power was exclusive and he had affirmed that the Community, in order to exercise its responsibilities, should have been granted in the Special Committee on Preferences the same status as the one it currently enjoyed in the Intergovernmental Group of Experts on Restrictive Business Practices. At the same session of the Board, the Chairman of the Group of 77 in Geneva had circulated a written communication (TD/B/40(2)/CRP.3) expressing the need for further consultations among delegations. The Board had consequently requested him, as the President of its fortieth session, in consultation with the UNCTAD Senior Legal Adviser, to conduct informal consultations on this item.

39. The progress of his consultations had been reported to the resumed fortieth session of the Board in May 1994, to the sixth executive session of the Board on 14 September 1994 and the monthly consultations of the Officer-in-charge of UNCTAD on 4 November 1994. Subsequently, in response to a request from interested delegations, he had circulated an informal explanatory note on the Status of the European Community in the Special Committee on Preferences, communicated to him by Mr. Michel de Bonnecorse of France and Mr. Jean-Pierre Leng of the European Commission. In the course of the intensive consultations which he had chaired, all parties had demonstrated goodwill to reach a consensus. At the last consultations, held with coordinators and interested delegations on 14 June 1994, consensus had been reached which had enabled him to report on the outcome in writing to the Board. That consensus was accurately reflected in the document now circulated for the approval of the Board (TD/B/EX(8)/L.5).

40. He added that, in joining this consensus, the delegation of the United States of America had communicated to him in writing that the United States delegation reserved the right to make further comments on this issue in the Board or in other appropriate forums and had requested him to report to the Board that the United States would not regard any decision which the Board might take to enhance the participatory status of the European Commission as a precedent with respect to any other body.

Action by the Board

41. At its 860th meeting, on 29 July 1995, the Trade and Development Board took note of the oral report by the President of the fortieth session and adopted the draft decision entitled "Status of the European Community in the Special Committee on Preferences" submitted by the current President of the Board (TD/B/EX(8)/L.5).^{3/}

42. The representative of Japan welcomed the adoption of decision 428 (EX-8). His delegation had joined in the consensus adoption of the decision after reviewing the legal ramifications of this issue and taking into account the Economic and Social Council decision of 3 February 1995 concerning "Full participation by the European Community in the Commission on Sustainable Development", as well as the European Community's valuable contributions to the Special Committee on Preferences to date. It was the understanding of the Japanese delegation that the status provided for in decision 428 (EX-8) applied only to the Special Committee on Preferences and did not set a precedent for a possible arrangement in future in other intergovernmental forums of the United Nations.

43. The representative of France, speaking on behalf of the European Union, expressed the European Union's sincere thanks to the President of the fortieth session of the Board for the long and fruitful consultations he had conducted with a view to enabling the European Community to obtain the status conferred by the decision just adopted. In chairing the consultations, the President had displayed his usual patience and diplomatic skill and had spared no effort to achieve a successful outcome. His appreciation went also to all delegations, who had well understood the spirit in which this request for status had been made. He gave an assurance that the European Community would do everything possible to serve even better the development cause of the developing countries in the framework of the Special Committee on Preferences. Finally, he thanked the secretariat for its valuable contribution to the preparation of this decision.

(b) Report of the Working Party on the Medium-term Plan and the Programme Budget on its twenty-fifth session (26-28 June 1995)

44. The Chairman of the Working Party, reporting on the work of the twenty-fifth session, recalled that the Working Party had reviewed the UNCTAD section of the proposed programme budget for the biennium 1996-1997 in document A/50/6 (Sect. 10A). Since the Working Party had concluded its work only the day before (i.e. 28 June 1995), the proceedings of the final plenary meeting were not yet available in written form, and the final version of the report would be issued in due course. In submitting for adoption by the Board the agreed conclusions and recommendations adopted by the Working Party (TD/B/EX(8)/L.6) and in requesting the Board to take note of the draft report of the Working Party on its twenty-fifth session (TD/B/WP/L.71), he wished to place on record his appreciation to all members of the Working Party and other delegations for their

^{3/} For the text of the decision, see annex I, decision 428 (EX-8).

constructive and cooperative spirit in facilitating his task of reaching consensus on the agreed conclusions and recommendations.

Action by the Board

45. At its 860th meeting, on 29 June 1995, the Trade and Development Board adopted the agreed conclusions and recommendations of the Working Party on the Medium-term Plan and the Programme Budget (TD/B/EX(8)/L.6) ^{4/} and took note of the draft report of the Working Party on its twenty-fifth session (TD/B/WP/L.71) on the understanding that the final report would be issued in due course.

(c) General Assembly resolution 49/28 on the law of the sea

46. The **President** stated that, in a letter dated 13 March 1995 to the Officer-in-charge of UNCTAD, the Under-Secretary-General for Legal Affairs in New York had requested that General Assembly resolution 49/28, concerning Law of the Sea, be brought to the attention of the Trade and Development Board and its appropriate subsidiary bodies. Accordingly, copies of the resolution had been made available to participants in the Board.

^{4/} For the text of the agreed conclusions and recommendations, see annex I, decision 429 (EX-8).

IV. ORGANIZATIONAL MATTERS

A. Opening of the session

47. The eighth executive session of the Trade and Development Board was opened on 5 December 1994 by Mr. Richard A. Pierce (Jamaica), the President of the Board at its forty-first session. The eighth executive session was resumed and concluded on 29 June 1995.

B. Bureau of the eighth executive session

48. There being no change in the officers elected to serve on the Bureau of the Board throughout the forty-first session, the Bureau of the eighth executive session was as follows:

<u>President:</u>	Mr. Richard A. Pierce (Jamaica)
<u>Vice-Presidents:</u>	Mr. Youri Afanassiev (Russian Federation) Mr. Phabien Raphaël Edefe (Madagascar) Mr. Rüdiger Lemp (Germany) Mr. Shohei Naito (Japan) Mr. Jose Luis Perez Gabilondo (Argentina) Mr. Stephen A. Schlaikjer (United States of America) Mr. Adian Silalahi (Indonesia) Mr. Björn Skogmo (Norway) Mr. Jamaluddin Syed (Bangladesh) H.E. Zdenek Venera (Czech Republic)
<u>Rapporteur:</u>	Mr. Calson Mbegabolawe (Zimbabwe)

C. Adoption of the agenda

(Agenda item 1)

49. At the 853rd (opening) meeting, on 5 December 1994, the Board adopted the provisional agenda for its eighth executive session as circulated in TD/B/EX(8)/1. At its 860th meeting, on 29 June 1995, the Board amended the agenda to include two formal sub-items under item 3 (Other business), as follows:

- (a) Status of the European Community in the Special Committee on Preferences;
- (b) Report of the Working Party on the Medium-term Plan and the Programme Budget on its twenty-fifth session (26-28 June 1995). ^{5/}

^{5/} For the agenda of the session, see annex II below.

D. Report of the eighth executive session of the Board

(Agenda item 4)

50. At its 860th (closing) meeting, on 29 June 1995, the Board adopted the draft report reflecting the 853rd meeting (5 December 1994) (TD/B/EX(8)/L.1), with minor amendments, and authorized the Rapporteur, under the authority of the President, to complete the report of the Board on its eighth executive session with the proceedings of the 860th (closing) meeting.

ANNEXES

Annex I

**DECISIONS ADOPTED BY THE TRADE AND DEVELOPMENT BOARD
AT ITS RESUMED EIGHTH EXECUTIVE SESSION**

**Decision 427 (EX-8): Follow-up to the United Nations International Symposium
on Trade Efficiency**

The Trade and Development Board

Decides to adopt the texts annexed to this decision.

860th meeting
29 June 1995

Annex

A. AN INTERNATIONAL FEDERATION OF TRADE POINTS

1. The feasibility of establishing an international federation of Trade Points, i.e. a non-governmental and a non-profit-making organization affiliated with the United Nations Conference on Trade and Development (UNCTAD), should be examined.

2. The UNCTAD secretariat should prepare proposals for the articles of association of such an international federation and should circulate them, for comments, to States members of UNCTAD, to established Trade Points and to competent international organizations.

3. The Intergovernmental Meeting of Trade Point Officials and Experts should be convened in order to examine the feasibility of establishing an international federation of Trade Points on the basis of the revised proposals of the secretariat and the comments received.

B. CONCLUSIONS ON TECHNICAL COOPERATION

1. Support for the establishment/strengthening of Trade Points and their interconnections has been and should continue to be an important part of

technical cooperation work in trade efficiency. */ Since its inception, the Trade Point programme has followed a two-phase strategy. In the first phase, which does not involve any transfer of physical or financial resources, the objective is to introduce the Trade Point concept and to obtain the fullest commitment of governments and of the private sector. This is being done through a demand-driven process of advice on the setting-up of Trade Points.

2. A large number of countries have requested technical cooperation for the setting-up of Trade Points. Requests made by least developed countries should receive the highest priority. The secretariat's ability to respond to these demands and to those of other developing countries will depend on the availability of extra-budgetary resources. Consequently, fund raising should be an area for rapid action by the secretariat.

3. In those countries where phase one is completed, a second phase should start. In this phase technical cooperation should focus on reducing transaction-costs by developing and implementing practical solutions for trade-related services like transport, banking and insurance or telecommunications and by introducing advanced services through the Global Trade Point Network (GTPN). This complex task requires a step-by-step approach.

4. Urgent action is particularly required in telecommunications. The effective interconnection of the Trade Points is critical for the long-term success of the initiative. Connectivity is also vital for the financial self-sustainability of Trade Points, as it will allow them to offer commercially valuable services to traders. The need now is one of financial resources: technical solutions exist and are available. For all these reasons, network interconnectivity is a priority for technical cooperation.

5. Technical cooperation should also incorporate an important element of training. Human resource development is necessary for Trade Point managers and operators as well as for Trade Point users. The improvement of traders' awareness of efficient business practices, electronic trade, or modern financial instruments for international trade also requires the development of training material and courses. Most of this technical cooperation should be developed in coordination with the TRAINFORTRADE programme and jointly with the International Trade Centre UNCTAD/GATT.

6. Coordination with the International Trade Centre UNCTAD/GATT, the United Nations Economic Commission for Europe, and other international and national bodies should continue, in order to avoid duplication of efforts and to take advantage of available expertise.

*/ This decision does not address the question of customs reform/ASYCUDA which is also part of UNCTAD's Special Programme on Trade Efficiency.

C. CRITERIA FOR THE ESTABLISHMENT AND OPERATION OF TRADE POINTS

1. Trade Points are set up as part of the Trade Efficiency initiative launched by UNCTAD VIII, to foster greater participation in international trade, in particular of small and medium-sized enterprises, giving special attention to least developed countries and other countries less advanced in the area of trade efficiency. This, as Ministers stated in the Columbus Declaration on Trade Efficiency, is a prerequisite for development. The reduction of transaction costs in international trade is another important aim of Trade Points. The combination of these two objectives will allow Trade Points to make an important contribution to economic growth and sustainable development, poverty alleviation and employment creation on a worldwide basis.

2. A Trade Point is the result of the combination of three elements, namely:

- (a) A source of trade-related information which provides actual and potential traders with data about business and market opportunities, potential clients and suppliers, trade regulations and requirements, etc.
- (b) A gateway to global networking. All Trade Points will be interconnected in a worldwide electronic network, and equipped with efficient telecommunication tools to link up with other global networks.
- (c) A centre for facilitating trade, where participants in foreign trade transactions (e.g. Customs, foreign trade institutes, Chambers of Commerce, freight forwarders, transport companies, banks, insurance companies, etc.) are together under a single physical roof or linked virtually.

3. Where feasible, Trade Points shall develop virtual links with participants in international trade, thus allowing them to access to Trade Point services from their own premises.

1. Basic services

4. When fully established, Trade Points shall provide the following services:

- (a) Advisory services on internationally agreed recommendations on trade facilitation and better business practices;
- (b) Assistance in conducting import and export formalities;
- (c) Information on foreign trade regulations, both local and of trading partners;
- (d) Information on bodies that can give further assistance.

5. Trade Points, according to local conditions, shall develop their capacity to provide:

- (a) Electronic access to a wide range of market information;
- (b) A physical or virtual "one-stop" centre for trade related services, including Customs, import and export licences procedures, transport, banking and insurance, etc.;
- (c) Assistance in the electronic connection of traders to the above-mentioned services and advice on electronic trade.

2. Operative principles

6. The local economic, technological, legal, and institutional environment will be a determinant factor in the way Trade Points operate. However, compliance with the following agreed basic principles is necessary for the effectiveness of the Global Trade Point Network:

- (a) Trade Points will conduct their operations with strict respect for the highest standards of conduct, e.g. confidentiality of information, where requested, and the principle of the non-use of privileged information for personal financial gain.
- (b) Trade Points and the Global Trade Point Network will endeavour to ensure the accuracy and impartiality of the information that is made available to users or to other Trade Points. However, Trade Points and the Global Trade Point Network will not accept legal responsibility for information obtained from third parties. Users will always be informed of this policy.
- (c) Trade Points will guarantee equal treatment to all their partners and users, and they will actively avoid any monopoly or exclusive position in relation to service providers and other Trade Points.
- (d) Trade Points will respect the principle of universality, and endeavour to ensure that technical solutions for Trade Points and services available at them be of use to all types of users in all types of environments. This will require, *inter alia*, special efforts in favour of least developed countries and smaller firms (including micro-enterprises) in all countries.
- (e) Solutions and systems developed by/for Trade Points will be interconnectible and interoperable. This implies respect for internationally agreed standards, in particular those promoted by the United Nations (e.g. UN-EDIFACT) and the use of standard international product classification systems and of open telecommunications systems operating under agreed international technical standards.

- (f) Trade Points have permanent freedom to select equipment and services on a non-exclusivity basis to achieve the best quality-price ratio.
- (g) Trade Points will develop a framework allowing the freest possible exchange of information among themselves.

3. Organization

- 7. (a) Trade Points are encouraged to develop close cooperative links with the relevant national trade facilitation and/or trade promotion bodies, where such bodies exist.
- (b) It is suggested that local Trade Point associations may be created, along the lines described in the appendix below.
- (c) Trade Points established in the same country are encouraged to cooperate and coordinate their activities as appropriate. For this purpose, they may create a national body entrusted with this co-ordination work.

Appendix

LOCAL TRADE POINT ASSOCIATIONS

1. It is suggested that local Trade Point or Trade Efficiency associations may be created for Trade Points. The objectives of such associations are to facilitate international trade and to foster greater participation in international trade, in particular of small and medium-sized enterprises. The association leads in the creation of the Trade Point and provides advice and guidance thereafter.

2. The membership of the local association should consist of representatives of the main categories of managers, users, and service-providers (participants). It may include, *inter alia*, the following:

- Relevant Ministries (trade, small and medium-sized enterprises, etc.)
- Customs administrations
- Chambers of Commerce, trade promotion organizations, or trade facilitation committees
- Banks and, where applicable, lending institutions specializing in financing small and medium-sized enterprises and the informal sector, insurance companies, freight forwarders, etc.
- Local non-governmental organizations
- Universities
- Importers
- Exporters.

**Decision 428 (EX-8): Status of the European Community in the
Special Committee on Preferences**

The Trade and Development Board

Decides:

1. With respect to the application of the rules of procedure of the Standing Committees by the Special Committee on Preferences, intergovernmental organizations which have competence in the area of the generalized system of preferences (GSP) shall be accorded the same participation rights as those accorded to States except for the right to vote;

2. This principle will be applied *mutatis mutandis* in accordance with Economic and Social Council decision 1995/201, of 8 February 1995, entitled "Full participation of the European Community in the Commission on Sustainable Development".

860th meeting
29 June 1995

**Decision 429 (EX-8): Review of the UNCTAD section of the proposed
United Nations programme budget for the
biennium 1996-1997**

The Trade and Development Board

Decides to endorse the agreed conclusions and recommendations adopted by the Working Party on the Medium-term Plan and the Programme Budget at its twenty-fifth session, as annexed to this decision.

860th meeting
29 June 1995

Annex

Agreed conclusions and recommendations of the Working Party */

At its twenty-fifth session (26 - 28 June 1995), the Working Party on the Medium-term Plan and the Programme Budget, having reviewed the proposed programme budget for the biennium 1996-1997 (A/50/6 (Section 10A), decided to recommend to the Trade and Development Board, at its resumed eighth executive session, to approve its agreed conclusions and recommendations and to:

*/ As adopted by the Working Party on the Medium-term Plan and the Programme Budget at its 109th plenary meeting on 28 June 1995.

- (i) transmit Part A of the agreed conclusions and recommendations to the ACABQ and request that the comments contained therein be given due attention in the consideration of Section 10A of the proposed programme budget;
- (ii) consider Part B of the agreed conclusions and recommendations at the special session of the Trade and Development Board in preparation for UNCTAD IX.

Part A

1. It was agreed that the proposed programme budget provided a satisfactory basis for UNCTAD to carry out its mandate. However, it was noted that the narratives could have been improved to reflect a better balance between the components of each subprogramme.

2. Since the ninth session of the Conference, scheduled to be held in 1996, was likely to affect the content and the orientation of the work programme of UNCTAD during the biennium 1996-1997, it was felt that it would be necessary to review the programme budget as soon as possible after the Conference in order to assess the budgetary implications of the decisions taken at UNCTAD IX.

3. It was appreciated that the UNCTAD secretariat had made efforts to redeploy resources to programmes designated as high priority. However, it was noted that the setting of priorities was a complex process and that the correlation between the allocation of resources and designated priority areas in some cases was not totally satisfactory and needed further examination.

4. Concern was voiced that there appear to be duplications among various subprogrammes. While keeping in mind the secretariat's assurance that coordination takes place among programme managers on the activities under their responsibility, it was noted in this context that the presentation of the budget by subprogrammes should reflect the cross-sectoral approach needed in dealing with these issues.

5. It experienced difficulty in reviewing Programme 17, as the Commission on Science and Technology for Development remains a subsidiary body of Economic and Social Council and consequently outside the jurisdiction of the intergovernmental machinery of UNCTAD (cf. TD/B/EX(9)/2, paras. 21 - 22).

Part B

1. In view of the high number of subprogrammes designated as high priority, it was recalled that the Working Party, at its twenty-third session, had asked for guidance on the handling of this matter. It welcomed a decision by the Board at its ninth (pre-sessional) executive session to review the matter thoroughly after the ninth session of the Conference.

2. Where feasible, more comprehensive information on the demand for and usage of various UNCTAD products and services (e.g. publications) would facilitate consideration of the work programmes.

3. Further efforts were recommended to implement a recommendation by the Board as contained in its agreed conclusions of 14 October 1994 regarding the policy review of technical cooperation in UNCTAD (TD/B/41(1)14 (Vol. I)) relating to transparent and equitable allocation of support costs.

4. It was also recommended that the Board review the role and functioning of the Working Party as appropriate.

Annex II

AGENDA FOR THE EIGHTH EXECUTIVE SESSION OF THE
TRADE AND DEVELOPMENT BOARD */

1. Adoption of the agenda
2. Follow-up to the United Nations International Symposium on Trade Efficiency (UNISTE), held in Columbus, Ohio (17-21 October 1994):
 - (a) Assessment of the Symposium;
 - (b) Work programme implications;
 - (c) Institutional arrangements
3. Other business
 - (a) Status of the European Community in the Special Committee on Preferences;
 - (b) Report of the Working Party on the Medium-term Plan and the Programme Budget on its twenty-fifth session (26-28 June 1995)
4. Report of the eighth executive session of the Board.

*/ As adopted by the Board at its 853rd (opening) meeting and amended at its 860th (closing) meeting. (See para. 49 above).

Annex III

MEMBERSHIP AND ATTENDANCE */

1. The following States members of UNCTAD, members of the Trade and Development Board, were represented at the session:

Algeria	Libyan Arab Jamahiriya
Angola	Madagascar
Argentina	Malta
Australia	Mexico
Austria	Mongolia
Bangladesh	Morocco
Bolivia	Myanmar
Brazil	Nepal
Bulgaria	Netherlands
Cameroon	Nicaragua
Chile	Norway
China	Pakistan
Colombia	Paraguay
Congo	Poland
Costa Rica	Portugal
Côte d'Ivoire	Republic of Korea
Cuba	Romania
Czech Republic	Russian Federation
Denmark	Slovakia
Ecuador	South Africa
Egypt	Spain
El Salvador	Switzerland
Ethiopia	Syrian Arab Republic
Finland	Thailand
France	Trinidad and Tobago
Germany	Tunisia
Ghana	Turkey
Greece	Ukraine
Honduras	United Arab Emirates
Hungary	United Kingdom of Great Britain and Northern Ireland
India	United Republic of Tanzania
Indonesia	United States of America
Iran (Islamic Republic of)	Uruguay
Iraq	Venezuela
Ireland	Yemen
Italy	Zambia
Jamaica	Zimbabwe
Japan	
Jordan	

*/ For the list of participants, see TD/B/EX(8)/INF.1.

2. The Economic Commission for Europe was represented at the session.

The International Trade Centre UNCTAD/GATT was also represented.

3. The following specialized agencies were represented at the session:

Food and Agriculture Organization of the United Nations
International Monetary Fund.

The World Trade Organization was also represented at the session.

4. The following intergovernmental organization was represented at the session:

European Community