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**ECONOMIC COMMISSION FOR EUROPE**

COMMITTEE FOR TRADE, INDUSTRY AND  
ENTERPRISE DEVELOPMENT  
Fourth session, 21-23 June 2000

**REPORT OF THE FOURTH SESSION**

**HIGHLIGHTS**

At its fourth session, the Committee for Trade, Industry and Enterprise Development:

- Approved the recommendations of the Forum on Electronic Commerce for Transition Economies in the Digital Age, including the recommendation to establish a Team of Specialists on Internet Enterprise Development (paragraph 17)
- Approved a change of UN/CEFACT's name to "Centre for Trade Facilitation and Electronic Business (UN/CEFACT)" and modified its mandate, terms of reference and procedures (paragraph 27)
- Established a Working Party for Industry and Enterprise Development (WP. 8). The new Working Party will assist in creating more favourable conditions for investment, industrial restructuring and enterprise development in transition economies especially *via* recommendations addressed to Governments in the region (paragraph 65)
- Decided to abolish the ad hoc groups of experts on steel and the chemical industry as of June 2001 (paragraph 65 and annex 1, paragraph 3)
- Endorsed the extension of work on sustainable development and trade in biomass under the activity "Capacity Building to Improve Trade Finance and Investment Prospects for the Russian Timber Sector" (paragraph 71)
- Noted the importance of the regional advisors' contributions to the Committee's work programme (paragraph 75)
- Adopted the programme of work for 2000-2002 and related priorities (paragraphs 78 and 79)
- Established a task team to develop a draft set of strategic policy objectives for the Committee, to recommend changes in the terms of reference of the Committee and propose practical measures to implement these strategic objectives (paragraph 82)
- Approved the topic of the Forum to be held in 2001. This Forum will focus on the service sector in transition economies and its role in stimulating trade, innovation, investment and enterprise development (paragraph 85)

NOTE: Copies of all documents referenced in this report can be found at the following Internet address: <http://www.unece.org/trade> under "Information and Documentation for the Fourth session".

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1. The Committee for Trade, Industry and Enterprise Development (CTIED) held its Forum on 19 and 20 June and its fourth session from 21 to 23 June 2000.
2. Representatives of the following countries participated: Albania, Armenia, Austria, Azerbaijan, Belarus, Belgium, Bosnia and Herzegovina, Bulgaria, Canada, Croatia, Czech Republic, Denmark, Estonia, Finland, France, Georgia, Germany, Greece, Hungary, Israel, Italy, Kazakhstan, Kyrgyzstan, Latvia, Lithuania, Netherlands, Norway, Poland, Portugal, Republic of Moldova, Romania, Russian Federation, Slovakia, Slovenia, Spain, Sweden, Switzerland, Tajikistan, The former Yugoslav Republic of Macedonia, Turkey, Ukraine, United Kingdom of Great Britain and Northern Ireland, United States of America, and Uzbekistan.
3. The session was attended by representatives of the European Community.
4. Also in attendance were representatives of the International Telecommunication Union (ITU), the United Nations Commission on International Trade Law (UNCITRAL), the United Nations Conference on Trade and Development (UNCTAD), the United Nations Industrial Development Organization (UNIDO), the World Intellectual Property Organization (WIPO), the International Trade Centre (ITC), and the following intergovernmental organizations: the European Bank for Reconstruction and Development (EBRD) and the World Trade Organization (WTO).
5. The following non-governmental organizations were represented: the International Chamber of Commerce (ICC); the International Alliance of Women; and the World Federation of United Nations Associations (WFUNA).
6. Representatives of Brazil, China, and the Republic of Korea participated under Article 11 of the terms of reference of the Economic Commission for Europe.
7. Observers present at the invitation of the secretariat included representatives of the Centre for the Advancement of Women, Interfaith International and Zonta International Development.

### **Item 1 - Adoption of the agenda**

#### Documentation:

- ECE/TRADE/250/Rev.1                      Provisional agenda for the fourth session
8. The Committee adopted the provisional agenda (ECE/TRADE/250/Rev.1).

### **Item 2 - Election of officers**

9. Mr. Miguel Vilchez-Barros (Spain) was re-elected Chairman and Ms. Ay e Öktem (Turkey) and Mr. Alexander Safarik-Pstrosz (Czech Republic) were elected vice-chairpersons of the Committee.

### **Introductory remarks**

10. The Executive Secretary of the United Nations Economic Commission for Europe (UN/ECE), Ms. Danuta Hübner, opened the session. She emphasized the important role of the Committee in implementing the UN/ECE's objective of integrating its member transition economies into the European and global economy. She also called attention to the importance of the Committee's contributions to the global issues within the United Nations, the cross-sectoral dimensions of its activities and its collaboration with other organizations, particularly the other regional commissions of the United Nations. With regard to cross-sectoral work she noted the potential for production cooperation with other UN/ECE subsidiary bodies in the trade-related aspects of environment and transport and, in particular, in border-crossing issues

in transport. She welcomed the holding of the Forum on Electronic Commerce for Transition Economies in the Digital Age, which had identified problems and provided guidance to Governments and the private sector on how to achieve sustainable progress towards the knowledge-based network economy in the region. In closing she stressed the need for the Committee to make clear decisions with regard to the directions its work should take during the next year.

### **Item 3 - Matters arising from the fifty-fifth session of the Economic Commission for Europe**

#### Documentation:

- TRADE/2000/INFORMAL/2 Matters arising from the annual session of the Economic Commission for Europe, May 2000

11. The secretariat introduced the above-mentioned document, which highlights the major points from the May 2000 annual session of the Commission which were of direct interest to the Committee. The Committee **noted** this document.

### **Item 4 - Trade analysis**

#### **(a) Review of recent and prospective trade trends, policies and problems**

#### Documentation:

- TRADE/2000/2 Survey of activities of international organizations in the promotion of foreign direct investment in countries with economies in transition
- TRADE/2000/INFORMAL/6 Chapter 4 of "*The International Trade, FDI flows and financing of the transition economies since 1989: A brief overview: Economic Survey of Europe, 2000 N°. 1*"

12. A secretariat member from the Economic Analysis Division provided the Committee with an overview of developments in international trade, foreign direct investment and financing of the transition economies since 1989 based on a chapter devoted to this topic in the *Economic Survey of Europe 2000*, No. 1 (and reproduced in TRADE/2000/Informal/6). The Committee **noted** its appreciation for both the presentation given and the consistently high quality of the *Survey*.

13. The Committee **noted** the survey of recent and prospective activities of international organizations in the promotion of foreign direct investment in countries with economies in transition (TRADE/2000/2).

14. The European Community presented an overview of the current trade situation between the Community and associated countries, as well as with transition economies that are not included in that group.

#### **(b) Matters arising from the 2000 Forum and Proceedings of 1999 Round Table**

#### Documentation:

- TRADE/2000/18 Part I: Forum on electronic commerce: Internet infrastructure development in transition economies: A Survey
- TRADE/2000/18/Add.1 Appendix: Forum on electronic commerce: Internet infrastructure development in transition economies: A Survey
- TRADE/2000/19 Part II: Forum on electronic commerce: Internet infrastructure development in transition economies: A Survey
- TRADE/2000/INFORMAL/5 Recommendations from the Forum

15. Delegations expressed their great satisfaction and thanked the secretariat for organizing the Forum, which had taken place just prior to the Committee session, on 19-20 June, with approximately 400 participants. Particular appreciation was expressed to the many General Service secretariat staff who had put in long hours to ensure the smooth running of this large event.

16. The Committee noted the background papers to the Forum as found in: TRADE/2000/18, TRADE/2000/18/Add.1 and TRADE/2000/19.

17. The Committee then discussed and **approved** the recommendations of the Forum as found in TRADE/2000/Informal/5 and reproduced in annex 2 of the current report. These recommendations include the:

- review of the work programme in order to ascertain where further support for information and communication technologies in transition economies can be incorporated;
- establishment of a Team of Specialists on Internet Enterprise Development [see annex 1];
- intensified efforts to disseminate and implement UN/CEFACT recommendations, particularly in transition economies;
- publication of the proceedings of the Forum.

18. As proposed by the representative of UNCTAD at the Forum, the Committee also **approved** the development of a joint programme with that agency, to be led by the UN/ECE, in order to promote electronic commerce in transition economies.

19. Several delegations underlined the importance of the composition of the Team of Specialists on Internet Enterprise Development. To this end, it was **agreed** that UN/CEFACT should participate in the elaboration of decisions concerning the activities of the Team of Specialists and that its programme of activities should be coordinated with that of UN/CEFACT.

20. The secretariat also indicated that extrabudgetary funding had already been obtained to support much of the work to be done under Internet Enterprise Development

21. The delegation of France indicated its surprise at the absence of a French version of the recommendations of the Forum at the time when they were examined by the Committee. In response, the secretariat indicated that this oversight would be corrected at the time of the approval of the report.

(c) **Review of major aspects of multilateral trade negotiations of special interest to transition economies**

Documentation:

- |   |              |                                                                                                            |
|---|--------------|------------------------------------------------------------------------------------------------------------|
| - | TRADE/2000/3 | Review of major aspects of WTO multilateral trade negotiations of special interest to transition economies |
|---|--------------|------------------------------------------------------------------------------------------------------------|

22. A short discussion took place on document TRADE/2000/3. One delegation queried what was intended by the penultimate paragraph, in which the Committee was requested to “confirm the willingness of the UN/ECE to support its member countries in the process of accession to the WTO, implementation of WTO rules and participation in the next round of multilateral trade negotiations”.

23. The Director of the Trade Division, Ms. Carol Cosgrove-Sacks, explained that the UN/ECE had been approached by the WTO with a proposal for cooperation in capacity building similar to that which the WTO had already done with the Economic and Social Commission for Asia and the Pacific (ESCAP). She stressed that this would not be a major activity and that the secretariat would rely on outside experts associated with the work of the Committee's subsidiary bodies

24. The Committee accepted this explanation and **noted** document TRADE/2000/3.

## **Item 5 - Trade facilitation and electronic business**

### Documentation:

- TRADE/2000/4 Facilitation of International Trade Procedures
- TRADE/2000/17 Report on cooperation with other regional commissions
- TRADE/CEFACT/2000/32 UN/CEFACT, Report of the sixth session
- TRADE/R.650/Rev.2 Mandates, Terms of Reference and Procedures for UN/CEFACT

25. The work of the United Nations Centre for the Facilitation of Procedures and Practices for Administration, Commerce and Transport (UN/CEFACT) during the past year was presented by Mr. Ray Walker, Chair of the UN/CEFACT Steering Group (CSG), Mr. Mike Doran, Chair of the Business Process Analysis Working Group and Mr. Alex De Lijster, Vice-Chair of the International Trade Procedures Working Group. It was agreed that these presentations would be made available to all delegations *via* the Committee's web site (<http://www.unece.org/trade>).

26. The Chair of the UN/CEFACT Steering Group then introduced the report of the sixth session of UN/CEFACT (TRADE/CEFACT/2000/32) and the note by the secretariat on progress achieved and suggestions for closer linkages between UN/CEFACT and other subsidiary bodies (TRADE/2000/4).

27. As requested in document TRADE/2000/4 (paras 13 and 16) the Committee **approved**: a change of the Centre's name to "Centre for Trade Facilitation and Electronic Business (UN/CEFACT)" and changes to UN/CEFACT's mandate, terms of reference and procedures as detailed in annex 1 to TRADE/2000/4 and as incorporated in ECE/TRADE/R.650/Rev.2. These changes had already been approved by UN/CEFACT at its sixth session in March 2000.

28. The Committee then **noted** the remainder of document TRADE/2000/4, as well as all of TRADE/CEFACT/2000/32.

29. The delegation of France noted the potential of the Internet for reducing the cost of document distribution for the work of UN/CEFACT, as well as for that of the Committee's other subsidiary bodies. The secretariat acknowledged this potential while also noting that paper documents would still need to be created until all delegations had access to the World Wide Web.

30. The Chair of the UN/CEFACT Steering Group assured the delegation of the European Community that dropping "Administration" from the Centre's name had not changed the focus of the Centre's work and that the facilitation of administrative procedures and practices remained an essential part of UN/CEFACT's work programme.

31. The secretariat introduced the report on cooperation with other United Nations regional commissions (TRADE/2000/17) and the Director of the Trade Division informed the Committee of the importance placed on this cooperation by the Commission and the Executive Secretary of the UN/ECE. She particularly pointed to trade facilitation work being undertaken jointly in the Mediterranean region by the UN/ECE, the Economic and Social Commission for Western Asia (ESCWA) and the Economic Commission for Africa (ECA). Cooperation was also well developed with UNCTAD. The Deputy Director of the Trade Division, Mr. Hans A. Hansell, updated the Committee on two upcoming cooperation projects: an awareness-raising seminar on trade facilitation (Addis Ababa, October 2000) and a seminar on small and medium-sized enterprises (SMEs) (Beirut, November 2000). The Committee **noted** this report.

## **Item 6 - Agricultural quality standards**

### Documentation:

- TRADE/2000/5 Standardization of perishable produce
- TRADE/WP.7/1999/7 Report of the forty-fifth session of the Working Party on Standardization of Perishable Produce and Quality Development

32. The secretariat introduced the activities of the Working Party on Standardization of Perishable Produce and Quality Development (WP.7) and gave an overview of the work carried out since the last session of the Committee. The Vice-Chairman of WP.7, Mr. David Priester, gave an in-depth explanation of the background and discussions in WP.7 on the elaboration of explanatory material.

33. At the third session of the Committee, the European Community had requested that the secretariat prepare a study on the modalities of preparing explanatory brochures for UN/ECE standards within the framework of WP.7 and its specialized sections. This request had been supported by the United States and agreed by the Committee.

34. The results of this study had shown that the work could be integrated without significantly increasing the number of meeting days but not without increasing existing resources. Specifically, an additional staff member would need to be employed. Because of the 0% growth budget of the UN/ECE this could only be achieved either through the creation of a trust fund with voluntary contributions from countries or through a reallocation of resources within the secretariat.

35. At its last session WP.7 decided to create an ad hoc group to look into this question, while stressing that there should be no duplication of work, i.e. WP.7 would be prepared to take on the preparation of explanatory material only if this work ceased to be done at the Organisation for Economic Co-operation and Development (OECD).

36. Both the delegation of the European Community and that of the United States indicated their interest in seeing this work transferred to the UN/ECE provided that work on explanatory material is discontinued at the OECD and the problem of funding the work at the UN/ECE is solved.

37. The delegation of the European Community stated that while it had taken note of the possibility of funding this activity *via* a trust fund, priority should be given to solving this problem by reallocating resources within the Trade Division. The Committee then **requested** that the secretariat report on possibilities for doing this and provide feedback to the Working Party at its next session in November 2000.

38. The delegation of the Russian Federation said that it placed high priority on the work of WP.7 and its specialized sections, especially Meat and Seed Potatoes. It welcomed the fact that the latter group would discuss genetically modified organisms in the future but requested that work already done by other bodies be taken into account in order to avoid any duplication of work.

39. The Committee then noted documents TRADE/2000/5 and TRADE/WP.7/1999/7, which contain further details of the work done by WP.7 during this period.

## **Item 7 - Standardization policies**

### Documentation:

- TRADE/2000/6 WP.6 - Summary of main activities and developments
- TRADE/2000/6/Add.1/Rev.1 Technical harmonization and standardization policies: START
- TRADE/WP.6/1999/18 Report of the ninth session of the Working Party on Technical Harmonization and Standardization Policies (WP.6)

40. The Secretary to the Working Party made a presentation on the Working Party's most recent activities since its latest session in May 1999 (document TRADE/WP.6/1999/18). A summary of the activities was available as document TRADE/2000/6.

41. Particular emphasis was given to a new project on the harmonization of technical regulations. This project was prepared by an ad hoc Team of Specialists on STandardization and Regulatory Techniques ("START" team), whose establishment had been approved by the Committee at its June 1999 session. Since then, the Team had held a number of meetings and prepared the first draft of a document on an "international model for implementing good regulatory practice for the preparation, adoption and application of technical regulations *via* the use of international standards". This model proposes a mechanism which could be used by countries for the harmonization of technical regulations on a sectoral basis (see TRADE/2000/6/Add.1/Rev.1).

42. The delegation of the European Community stressed the importance it placed on the value added by WP.6 above and beyond that created by the International Organization for Standardization, and the World Trade Organization in this area and, particularly, its support for the activities of the START team. He believed that the international harmonization of technical regulations based upon voluntary standards created great opportunities for stimulating and facilitating trade.

43. The Committee noted documents TRADE/2000/6, TRADE/2000/6/Add.1/Rev.1 and TRADE/WP.6/1999/18, which contained further details of the work and activities of WP.6. It also welcomed the Working Party's initiatives aimed at further cooperation with other UN/ECE working parties and those which develop standards.

## **Item 8 - Trade and investment promotion**

### **(a) Trade Finance**

44. Mr. Beat Haenni, pro bono consultant to the UN/ECE on international trade finance, gave a brief presentation on the importance of trade financing and obstacles to effective trade financing for transition economies. He also reported on the UN/ECE Seminar on "Eliminating Obstacles to Efficient Trade Finance in Transition Economies: Practical Aspects", held in Riga in May, which he had assisted in organizing.

45. The Committee **noted** this report, as well as its full support for and desire to continue with this work. The Committee also **requested** that the proceedings of the Seminar be published.

46. The issue was raised that, while work done on trade finance had always been reported direct to the Committee, perhaps it would be more appropriate to report it to the Working Party on International Legal and Commercial Practice (WP.5). The Committee then **requested** that the secretariat and WP.5 develop a proposal to this effect for consideration by the Committee at its next session.

(b) **International legal and commercial practice**

Documentation:

- TRADE/2000/7 Working Party on International Legal and Commercial Practice (WP.5)
- TRADE/WP.5/1999/4 Background paper to the Forum on new trends in competition law and their implications for business in central and eastern Europe and the CIS
- TRADE/WP.5/1999/13 Report of the forty-eighth session of the Working Party on International Legal and Commercial Practice

47. Mr. David Winter, Chairman of the Working Party on International Legal and Commercial Practice (WP.5), through a written statement to the Committee, informed delegations of the proposal of the Working Party to hold its next Forum on "Public-Private Partnerships for Economic Development, including Infrastructure: the Next Steps" on 4 and 5 December 2000, back to back with the proposed UN/ECE Regional Conference on "Financing for Development" (6 and 7 December). The Chairman also informed delegations of his appointment as special adviser to the United Nations Mission in Kosovo (UNMIK) on property issues related to reconstruction in Kosovo, which, he said, reflected the practical contribution of the UN/ECE to challenging issues in the region.

48. The secretariat presented the work done by WP.5 since its last session. Presentations were also made by the secretariat on the work of the following WP.5 sub-groups: the Build-Operate-Transfer (BOT) Group, which works on public-private partnerships for infrastructure development; the Real Estate Advisory Group (REAG), which assists transition economies in developing efficient and effective real estate markets; and the International Commercial Arbitration Group, which is reviewing the 1961 European Convention on International Commercial Arbitration and promoting the use of international commercial arbitration as an alternative dispute resolution mechanism

49. Many delegations expressed their interest in and appreciation of the work of BOT and other WP.5 sub-groups.

50. The delegation of the Russian Federation expressed particular interest in the work of the BOT and Intellectual Property Rights (IPR) groups and, in this context, stressed the importance of geographical distribution of the activities undertaken by WP.5, its sub-groups and the Committee's other subsidiary bodies.

51. A presentation was also given by Ms. Irina Savelyeva, Chairperson of the WP.5 Advisory Group on the Protection and Implementation of Intellectual Property Rights for Promoting Investment, on the work done by that Group since its establishment in 1999.

52. The Chair of the Committee noted that the IPR Group was an example of how task teams could work under the auspices of a Working Party. Many delegations expressed their interest in and appreciation of the Group's work.

53. The delegation of the Russian Federation informed the meeting that a representative of its country was a candidate for the Steering Group.

54. The delegation of the European Community informed the Committee that the European Union was providing financial support to a number of activities carried out by the Group.



55. The representative of the International Federation of University Women and the International Federation of Business and Professional Women invited the Advisory Group to take part in two events that would be organized this year. The first was a meeting on intellectual property rights and electronic commerce to be held on 30 June 2000 in conjunction with the follow-up to the Social Summit. The second, a general discussion on intellectual property rights, was scheduled for the autumn.

56. In response to an enquiry from the delegation of France, it was **agreed** that lists of the members of both the Advisory Group and its Steering Group would be circulated by e-mail to delegations upon their request. The Committee also **noted** that further information with regard to the Group's work could be found at its web site: <http://www.unece-ipr.org>

57. The Committee also **noted** documents TRADE/2000/7, TRADE/WP.5/1999/4 and TRADE/WP.5/1999/13, which contained further details on the activities of WP.5 during the past year.

### **Item 9 - Industry and enterprise development**

#### (a) Enterprise development activities

##### Documentation:

- TRADE/2000/21 Enterprise development activities: progress report

#### (b) Development of small and medium-sized enterprises

##### Documentation:

- TRADE/2000/9 Report on SME promotion in countries in transition by the Regional Advisor on Entrepreneurship and SMEs

#### (c) Enterprise development activities with an emphasis on the chemical industry

##### Documentation:

- TRADE/CHEM/GE.1/2000/7 Report of the third session of the ad hoc Group of Experts on the Chemical Industry

#### (d) Enterprise development activities with an emphasis on the steel industry

##### Documentation:

- TRADE/STEEL/GE.1/2000/6 Report of the third session of the ad hoc Group of Experts on Steel

58. Agenda items 9(a), (b), (c) and (d) were introduced by the secretariat, with presentations on all of the industry and enterprise development activities which had taken place during the previous year.

59. The Regional Advisor on Entrepreneurship and Small and Medium-sized Enterprises gave a presentation on the activities related to SMEs which had taken place during the previous year. This was followed by comments from various delegations indicating the importance that their countries attach to this activity.

60. The delegation of Turkey made a presentation on related developments in Turkey and indicated Turkey's desire to actively participate in this work through KOSGEB (Small and medium industry development organization, Ministry of Industry and Trade). The delegation was particularly interested in

sharing the experiences of Turkey with regard to development programmes for technology, exports, entrepreneurship and regional development.

61. During the following discussion, the delegations of Kyrgyzstan and Ukraine indicated the interest of their countries in participating in the dissemination centres for information on enterprise development. The delegations of Georgia and the former Yugoslav Republic of Macedonia also indicated that their countries would be interested in organizing sub-regional forums on Internet enterprise development in their countries.

62. In response to a question from the delegation of the European Community, the secretariat indicated that it was participating in the work being done on SMEs by the OECD and was cooperating with the OECD in this area whenever it was appropriate.

63. Following this discussion the Committee **noted** the documents listed under agenda items 9(a), (b), (c) and (d), all of which had been submitted for information.

#### **9(e) Strategic directions for enterprise development**

##### Documentation:

- TRADE/2000/8 Note from the Chairman of the Bureau of the Committee for Trade, Industry and Enterprise Development regarding a new Working Party on Sustainable Development
- E/ECE 1347 (ECE Plan of Action)
- TRADE/2000/INFORMAL/1 Working Party 8 Implementation and Sectoral Migration Plan

66. A large number of delegations took part in the discussion on the above documents and the proposals contained in TRADE/2000/8 and TRADE/2000/Informal/1.

64. Delegations gave their support for the development of cross-sectoral enterprise development work by the UN/ECE. Emphasis was placed on continuing assistance to economies in transition in the development of entrepreneurship and of SMEs, as well as on the development of activities initiated at the Forum on e-commerce and related Internet enterprise development. A number of member countries also expressed a great interest in maintaining work related to the steel and chemical industries.

65. The Committee then **approved** the proposals for an industry and enterprise development work programme and the establishment of a Working Party on Industry and Enterprise Development as set out in documents TRADE/2000/8, TRADE/2000/Informal/1 and annex 1 to this report. In compliance with the UN/ECE Plan of Action, the establishment of the Working Party will be submitted to the Commission for final decision.

66. The delegation of the Russian Federation then indicated that it was pleased with the agreed upon solution and emphasized the importance that it placed upon paragraph 7 of annex 1.

#### **Item 10 - Seminars and workshops**

##### Documentation:

- TRADE/2000/10 Seminars, workshops and meetings organized and attended by the secretariat

67. The Committee **took note** of the report on seminars and workshops organized or attended by the secretariat (TRADE/2000/10) as being for information only.

Item 11 - Operational activities and extrabudgetary activities in support of the work programme

Documentation:

- TRADE/2000/11 Operational activities in support of the work programme
- TRADE/2000/12 Extrabudgetary activities in support of the work programme
- TRADE/2000/20 Report on the Forum on Timber Port Logistics

68. The Committee **noted** the report on operational activities in support of the work programme (TRADE/2000/11) as being for information only.

69. The secretariat reported on extrabudgetary activities undertaken during the last year (TRADE/2000/12) and, in particular, on the ongoing activity “Capacity Building to Improve Trade Finance and Investment Prospects for the Russian Timber Sector” (TRADE/2000/20). It was noted that the many outputs generated by this activity could be applied in other sectors and implemented in other parts of the region covered by the UN/ECE. Particular interest was expressed by delegations in the work being done under this activity in the field of sustainable development and trade in biomass.

70. The delegation of the Russian Federation expressed its gratitude to the Netherlands for the funding of this project. It also pointed out that the project is interesting from the standpoint of the Kyoto Convention, which affects not only the Russian Federation but also other countries with forest resources.

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

**Item 12 - Regional advisory activities**

Documentation:

- TRADE/2000/13 Work of the regional advisors on trade and investment promotion and trade facilitation

72. The Regional Advisor on Trade and Investment Promotion gave a presentation on UN/ECE cooperation with the Economic Dimension of the Organization for Security and Co-operation in Europe (OSCE). A number of delegations indicated their appreciation of this cooperation and the quality of the UN/ECE inputs to the OSCE work in this area.

73. The Regional Advisor on Trade Facilitation then gave a presentation on his work and on the Southeast European Cooperative Initiative (SECI). He also noted that only the Netherlands and Switzerland had nominated experts to the Roster of Experts which had been approved by the Committee at its last meeting and that these two experts had already contributed to the Committee’s operational activities. The Committee then **agreed** that the secretariat should send a reminder to delegations and missions regarding the existence and usefulness of this Roster.

74. The Committee also noted the importance of being able to participate in meetings in transition economies in order to present the work of the UN/ECE to those individuals who are potential users but who are unable to come to Geneva. In this context they **encouraged** member States to consider ways of increasing the travel resources available to the secretariat.

75. The Committee then thanked the regional advisors for their interesting reports, **noted** the importance of their contributions to the Committee’s work programme, and hoped that this close cooperation would continue in the future.

76. The Committee also **noted** the report on the work of the regional advisors on trade and investment promotion and trade facilitation (TRADE/2000/13) as being for information only.

### **Item 13- Activities of the Commission's other principal subsidiary bodies**

#### Documentation:

- TRADE/2000/14 Activities of the Commission's other principal subsidiary bodies related to the work of the CTIED

77. The Committee **noted** the information in this report.

### **Item 14- Programme of work**

#### Documentation:

- TRADE/2000/15 CTIED draft programme of work, June 2000 - June 2001
- TRADE/2000/15/Add.1 CTIED proposed prioritization of activities

78. The Committee **adopted** the programme of work for 2000-2002, as set out in document TRADE/2000/15, taking into account the decisions taken during the Committee session, secretariat resources and the desirability of seeking extrabudgetary contributions.

79. In response to the request from the UN/ECE to provide its priorities in a proforma, the Committee **approved** the priorities found in the proforma in annex 3. Higher, medium and lower priorities for the period 2000-2002 were agreed. It was decided that, with the addition of one extra staff member, the Committee would give highest priority to the elaboration of explanatory material for agricultural quality standards and, with the hypothetical reduction of one staff member, the Committee would consider reducing sectoral activities.

80. The delegation of France indicated that in the hypothetical case raised in the second box under section 2 of the proforma that it would rather see a reduction in the activities given a lower priority under section 1 of this document.

### **Item 15 – Other business**

#### **(a) Role and strategic directions of the Committee**

#### Documentation:

- TRADE/2000/16 Strategic directions for the Committee for Trade, Industry and Enterprise Development

81. The Bureau's discussion paper on Strategic Directions for the Committee (TRADE/2000/16) was introduced by the Chairman, who emphasized the importance of developing and agreeing on strategic directions for the Committee in order for it to operate more effectively and to fully implement the UN/ECE 1997 Plan of Action (as found in E/ECE/1355).

82. After discussion the Committee **approved** this document, including the recommendation found in paragraph 22 to establish a task team which the Committee agreed would be an “enlarged Bureau”. This task team would be responsible for developing, for the June 2001 session, the following:

- Draft set of policy objectives
- Recommendations regarding related strategic objectives
- Recommendations regarding any changes that should be made in the terms of reference of the Committee (see annex II of the current document)
- Recommendations regarding methods for better incorporating policy and strategic discussions into the Committee's annual session and work.

83. The following delegations indicated their interest in participating in this enlarged Bureau: France, Russian Federation, Switzerland and the European Community; and the Chair of the UN/CEFACT Steering Group.

(b) **Dates of the next session and theme of the Forum**

84. The Committee then agreed to hold its next session from 11 to 15 June 2001, devoting 11 and 12 June to a Forum.

85. The Committee welcomed and **approved** the proposal of the delegation of Poland that the next Forum should focus on the service sector in transition economies, on its role in stimulating trade, innovation, investment and enterprise development. It was agreed that the secretariat should seek external resources to support the participation of delegations from central and eastern European countries and the CIS.

(c) **Any other business**

(i) Documentation:

- TRADE/2000/INFORMAL/3 Trade Division - Organigramme

86. The Committee **noted** the information in document TRADE/2000/Informal/3.

(ii) Document submission deadlines:

87. The secretariat then informed delegations of the following deadlines for submitting documents for the next session:

<u>Issuance as an Official Document with Translation</u>	<u>Issuance as an Official Document in the Source Language only</u>	<u>Reproduction as an Informal Document</u>
26 March 2001	23 April 2001	28 May 2001

**Contacts and additional information**

88. The fax number and mailing address for the contacts listed below is:

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89. For matters related to the Committee for Trade, Industry and Enterprise Development, please contact:

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90. For matters related to the United Nations Centre for Trade Facilitation and Electronic Business (UN/CEFACT), please contact:

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91. For matters related to the Working Party on International Legal and Commercial Practice, please contact:

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92. For matters related to the Working Party on Technical Harmonization and Standardization Policies, please contact:

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93. For matters related to the Working Party on Standardization of Perishable Produce and Quality Development, please contact:

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94. For matters related to Industry and Enterprise Development, the proposed Working Party and the ad hoc Group of Experts on Steel, please contact:

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95. For matters related to the ad hoc Group of Experts on the Chemical Industry, please contact:

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#### **Other information**

96. For constantly updated information on the work of the Committee and its subsidiary bodies, delegations may refer to the following Internet address: <http://www.unece.org/trade>

#### **Item 16 - Adoption of the report**

97. The Committee adopted its report on 23 June 2000.

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Annex 1**Revision to TRADE/2000/8 and TRADE/INFORMAL 2000/1**

1. Maintaining the spirit of the Chairman's proposals, but recognizing the importance of both industry and enterprise in member States, the Committee decides to establish a **Working Party for Industry and Enterprise Development**.

2. The Committee invites UN/ECE Governments to nominate delegations to the Working Party by 1 October 2000. Delegates could be from specialized ministries, or other agencies or their representatives. The Working Party should meet later this year and again in 2001 before the next session of the Committee.

3. The Committee decides to abolish the ad hoc groups of experts on steel and the chemical industry as of June 2001.

4. Based on the proposals from the delegations, the Committee immediately authorizes the establishment of task teams on:

1. Internet enterprise development
2. Business incubators and science parks
3. Trade in radioactive metal scrap
4. CHEMISEED (soil decontamination and competitiveness in the chemical industry)

In addition, the Committee requests the ad hoc groups and the secretariat to review the statistics programmes for steel and chemicals and to find ways of working which will enable these statistics to be broadly maintained, with a review in 2002.

5. These task teams and activities should operate under clear conditions which include finding external resources, establishing good collaboration with other international organizations and sub-regional bodies, and professional associations. They should have defined outputs to be achieved in an agreed timetable with a sunset clause.

6. The task teams should report annually to the Working Party. The Working Party should, as a priority, prepare recommendations for Governments to implement throughout the region. The main focus for all the tasks teams should be on promoting partnerships between public authorities and the business community, aiming to create more favourable conditions for investment, industrial restructuring and enterprise development in the transition economies.

7. For a two-year transition period (to June 2002) the Committee requests the secretariat to maintain current staff levels (assuming no substantial changes in the United Nations budget allocation) and to allocate 50% of Professional time within these resources to cross-sectoral programmes and 50% to industrial development activities, including steel and chemicals.

8. The Committee requires joint commitments from the member States and the secretariat to develop innovative ways of working to create more efficiency and flexibility regarding the UN/ECE's work in industry and enterprise development.

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**Annex 2**

**United Nations Economic Commission for Europe**

**Forum on Electronic Commerce for Transition Economies in the Digital Age**

**RECOMMENDATIONS**

The participants in the UN/ECE Forum on Electronic Commerce for Transition Economies in the Digital Age, held on 19 and 20 June 2000 in Geneva in conjunction with the annual session of the Committee for Trade, Industry and Enterprise Development,

Recognizing the ongoing debate in the United Nations regarding information and communication technologies and their contribution to economic development, and the planned High-Level Segment Ministerial Discussion on "Development and international cooperation in the twenty-first century: the role of information technology in a knowledge-based economy" to be held under the auspices of the Economic and Social Council in July 2000,

Recognizing the importance of information and communication technologies, and especially the Internet, for transition economies to build capacity and integrate into international trade chains,

Recognizing that the growth of the Internet and electronic commerce relies on universal and affordable access to information technology and the appropriate infrastructure,

Recognizing that, to facilitate the development of electronic commerce in transition economies, it is necessary to encourage cooperation among all players (Governments, business, consumers, and public institutions), international dialogue, and policy making in an open and competitive environment,

Recognizing the importance of information and communication technologies in the transformation of social organizations and harmonious economic relations between countries through new modes of cooperation,

Recognizing that the UN/ECE, through the UN Centre for Trade Facilitation and Electronic Business (UN/CEFACT), supports activities dedicated to improving the ability of business, trade and administrative organizations, from developed, developing and transitional economies, to exchange products and relevant services effectively,

Reaffirming the importance of the work of the UN/ECE in contributing to the development of Internet-based enterprises and electronic commerce in transition economies,

Recommend that:

- The UN/ECE Committee for Trade, Industry and Enterprise Development should review all aspects of its work programme in order to ascertain where further support for information and communication technologies in transition economies could be incorporated;
- A team of specialists on Internet enterprise development should be established without delay by the UN/ECE Committee for Trade, Industry and Enterprise Development, and be coordinated within the Committee's overall work programme;



- UN/CEFACT Recommendations should be disseminated and implemented in order to ensure open, effective, commercially secure, business and administrative processes; to that end, the Forum encourages the participation of transition economies in UN/CEFACT and the dissemination of UN/CEFACT's work in these countries;
  - The proceedings of the Forum should be summarized for publication as speedily as possible.
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**Annex 3**

**PROFORMA (TRADE/2000/15/Add.1)**  
**ECONOMIC COMMISSION FOR EUROPE**  
**JUNE 2000 – JUNE 2002**

**[Committee for Trade, Industry and Enterprise Development]**

**SECTION 1: PRIORITIZATION**

Please complete the following prioritization table. Each priority level (Higher, Medium or Lower) must contain at least one cluster of activities. The number of regular budget Professional staff (excluding the Divisional Director) must be shown against each cluster of activity eg 0.7, 1.4 etc

No	Clusters (or Main Subject Areas) of Activities	Priority Level (H, M, L)	Regular Budget Professional Staff
1	Trade facilitation	<b>Higher</b>	6.70 P staff
2.	Technical harmonization and standardization policies	<b>Medium</b>	0.80 P staff
3	Standardization of perishable produce and quality development	<b>Higher</b>	1 P staff
4	Trade and investment promotion and analysis of recent and prospective trade and investment trends, policies and problems, including discussion themes for the Committee's annual sessions	<b>Lower</b>	0.50 P staff
5	Preparation and revision of guides relating to international commercial transactions	<b>Medium</b>	2 P staff 1 L staff
6	Cross-sectoral enterprise development	<b>Higher</b>	4 P staff
7	Trade finance	<b>Lower</b>	0.50 P staff
8	Information and capacity building	<b>Medium</b>	0.50 P staff + XB staff

**SECTION 2: ACTIVITY OPTIONS**

With the addition of one extra staff member, what additional activities would the Committee consider? The elaboration of explanatory material for agricultural quality standards.
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With the reduction of one staff member, what activities would the Committee consider reducing? Sectoral activities
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