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COMMITTEE FOR TRADE, INDUSTRY AND ENTERPRISE DEVELOPMENT

Centre for Trade Facilitation and Electronic Business (UN/CEFACT)

Item 4 of the provisional agenda

Eighth session, 27-30 May 2002

**Proposal for the Future Structure and Organisation of the UN/CEFACT
Permanent Working Groups**

Comments of the International Trade Procedures Working Group (ITPWG)

Submitted by the Chairman of ITPWG

The present report is being submitted to the Plenary for information.

At its session from 8 to 10 April 2002, the International Trade Procedures Working Group (ITPWG) studied the proposal on the future structure and organization of the UN/CEFACT permanent working groups (TRADE/CEFACT/2002/8).

From its analysis of the proposed structures, as presented, it is the ITPWG's understanding that such structures will:

- Lead to the creation of several additional decision layers;
- Have the potential to launch a never-ending process;
- Result in lack of clear ownership of trade facilitation proposals and reduce the present possibilities of following them up through the decision-making process;
- Contain the inherent danger that persons who are not specialists in trade facilitation could have the prerogative to decide on the contents of proposals;
- Lead to the scattering of expertise over various groups;
- Dilute the sense of community within the ITPWG, which is an essential ingredient in an international working environment.

While the set-up of the proposed organizational structure is a very positive step towards the enhancing of technological standards in the area of e-business, the ITPWG holds the view that this structure will lead to a diversion of focus away from the simplification and harmonization of rules, regulations and practices in international trade.

The ITPWG also wishes to express its concern that various organizations and representatives of developing countries will not be able to participate in the work of the groups, as there is an excessive focus on technological issues.

Furthermore, the proposal is considered to be of a very bureaucratic nature. A number of extra decision layers are suggested and, should they be introduced, recommendations on trade facilitation issues will have to go through them before coming to fruition. This will lead to a loss of empowerment, and consequently to an erosion of expertise.

Trade facilitation is central to the remit of the UNECE; and it is of crucial importance for the development of world trade. ITPWG members have always borne those two considerations in mind, and their extensive contribution to the UN/CEFACT work programme and deliverables in the past has always been guided by them. As a reminder, ITPWG contributions have included the development of a range of internationally accepted recommendations, which have had a major impact on facilitating international trade.

The main activities of the ITPWG must remain the promotion and maintenance of Trade Facilitation instruments and recommended practices, coupled with the ongoing research into the needs of the modern economy and the development of appropriate recommendations.

The proposal states that UN/CEFACT is built upon the three pillars of trade procedures and processes, information, and technology. However, it is obvious that the application of such proposed structures would put a clear emphasis on the technology aspect of international trade at the expense of trade procedures.

Therefore, ITPWG would like to strongly suggest that the new organization continue to support all three of the aforementioned aspects of UN/CEFACT's work in equal measure, through a rational and appropriate organizational set-up that adequately caters both for technological standards and for simplification and harmonization of trade procedures, meant to remove barriers to trade. The ITPWG is convinced that the pursuance of its mission rests to a determinant extent on the preservation of its present identity and on the possibility for it to continue to report directly to the UN/CEFACT Plenary.

With the above considerations in mind, ITPWG urges the UN/CEFACT Plenary to ensure that the Working Group continues its work within the new organizational structure, through the maintenance of its present set-up, identity, mission and functions.

Finally, ITPWG would like to make an appeal in favour of maintaining the present venue for its meetings. Indeed, many countries and organizations have clearly indicated that it will not be possible for their delegates to participate in meetings, should they be held outside Geneva in the future.
