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**REPORT ON THE PROJECT FOR TECHNICAL ASSISTANCE PROVIDED BY
THE CZECH REPUBLIC IN THE AREA OF TRADE FACILITATION**

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Submitted by the secretariat

The secretariat together with the Czech delegation are reporting to the Plenary on the completion phase of the project on "Support to Trade Facilitation Measures and UN/EDIFACT Implementation in Selected Eastern European Countries". The Government of the Czech Republic has funded the technical cooperation project as part of its Plan for Bilateral Development Assistance for the years 1997-1999. The current extension phase will come to an end in 2002.

TECHNICAL ASSISTANCE PROVIDED BY THE CZECH REPUBLIC IN THE AREA OF TRADE FACILITATION

It has been four years since the Czech delegation started reporting to the UN/CEFACT Plenary on the technical cooperation project “**Support to Trade Facilitation Measures and UN/EDIFACT Implementation in Selected Eastern European Countries.**“ Funding for this project was first approved by the Government of the Czech Republic in 1996 in the framework of its Plan of Bilateral Development Assistance for the years 1997-1999. In view of the positive feedback from both the beneficiary countries and UNECE, the Government was then deciding on annual project extensions in subsequent years. The intention is to complete the project by the end of 2002.

Project objectives

The objectives of the project have remained unchanged and are as follows:

- Bring together representatives of relevant government authorities and institutions, and the business sector in beneficiary countries in order to create an understanding among them of the need for cooperation that is required for the implementation of trade facilitation measures;
- Set up national trade facilitation bodies that will be able to provide relevant services both to the national trading community and in relation to foreign partners;
- Foster the exchange of experience and cooperation among trade facilitation bodies in beneficiary countries;
- Prepare promotional and educational materials;
- Establish new contacts for the development of cooperation with beneficiary countries in trade facilitation and trade in general.

Implementation strategy

Assistance under the project was provided to Ukraine, Belarus, Latvia, Lithuania and in 2001 also to the Republic of Moldova. Seminars, consultations, and exchange of experience and information were organized both in the Czech Republic and in beneficiary countries, targeting government officials and representatives of the private sector in these countries.

The project has been implemented in cooperation between Czech experts (in the framework of the Czech national trade facilitation body, FITPRO), the UNECE expert on Trade Facilitation, and specialists from beneficiary countries. In this regard, it should be stressed that the experts from beneficiary countries, in particular Ukraine and Belarus, were very soon able to substantially contribute not only to the implementation of the project in their own countries, but also to the provision of advice to other countries of the region, especially those that joined the project at a later stage. In line with the project’s objectives, this opened the way for enhanced cooperation among the beneficiary countries and gave them the possibility to learn from one another's experiences.

Progress achieved in the year 2001

The progress achieved in the implementation of the project since the last Plenary session of UN/CEFACT is described below.

- **Ukraine** further advanced in the facilitation of trade and transport, as well as in the creation of conditions for electronic business. The work that had been previously conducted by the Interdepartmental Working Group on Trade Facilitation and Electronic Business (acting as a national trade facilitation body) resulted in the adoption by Parliament of the Law on Electronic Documents (attributing electronic documents the same legal force as their paper equivalents) and the Law on the Comprehensive Transit Programme (aiming to facilitate transit of goods through the territory of Ukraine). These two laws were adopted in February 2002 whereas another law drafted by the Working Group – on electronic digital signature – is ready for approval by Parliament.

The project also participated in the organization, in cooperation with EAN Ukraine, of an international round table on trade facilitation and electronic commerce. This event was held in conjunction with the annual EAN Conference in Sevastopol in August 2001. Among the topics addressed were the status of the legal basis for e-business in Ukraine, EDI applications in trade, transport and customs, EAN standards, and the Czech experience in these areas.

- The main achievement of the project in **Belarus** was a formal establishment (from 1 January 2002) of a national trade facilitation body, BELPRO. The Secretariat of BELPRO is serviced by the National Centre for Marketing and Price Study in Minsk. BELPRO has been modelled after the example of FITPRO and works as a separate department within the above Centre. The first activity undertaken is the development of a web site and dissemination of information about UN/CEFACT recommendations both in English and Russian.

At the same time, good cooperation has developed between the Customs authorities in the Czech Republic and Belarus. In addition to study stays and experience-sharing meetings, the representatives of the Belarusian Customs participated in an international training course delivered by the Directorate General of Customs of the Czech Republic in Prague. Among the topics were the legal framework for Customs, technical solutions used for electronic Customs clearance, the project of electronic transit of goods implemented in the Czech Republic (covering the EU, EFTA and some candidates for EU membership), etc. The training course, as well as the other areas of assistance by the Czech Customs, met with a positive feedback from the Belarusian experts involved. A formal cooperation agreement is also being discussed between the Customs Authorities of Belarus and the Czech Republic.

In the beginning of December 2001, a third international conference about electronic commerce in the CIS and eastern European countries was organized in Minsk. The main topic of the conference was legal aspects of electronic business in economies in transition.

- With regard to **Latvia**, following several meetings organized in previous years both in Riga and Prague, an agreement was signed in 1999 with the Latvian Chamber of Commerce and Industry about cooperation in the establishment of a Latvian national body for the facilitation of trade procedures and electronic business. Owing to financial constraints and insufficient support from the business community it was, however, not possible for the Chamber to establish such a body. An inter-ministerial commission for trade facilitation and electronic commerce issues was nevertheless set up by a Prime Minister's decree, under the responsibility of the Ministry of Economy. The commission subsequently prepared a document outlining the concept of e-commerce development in the country, as well as a plan of action till the year 2003.
- In January 2001, a cooperation agreement was signed between FITPRO and the Confederation of **Lithuanian** Industrialists. In the framework of this project, several activities were conducted during last year, such as: (a) meetings both in Vilnius and Prague aiming to acquaint the Lithuanian counterparts with FITPRO and its work, as well as with ongoing projects in the Czech Republic in the area of transport and Customs, (b) a trade facilitation/electronic business seminar in Vilnius in October 2001, with the participation of 30 experts from both the Government and the private sector and topics such as e-commerce policies in general and experience of the Czech Republic, Ukraine and Belarus in this area in particular, with special emphasis on transport and Customs; and (c) a meeting with the representatives of the newly created Committee for the Creation of the Information Society of the Lithuanian Parliament in Vilnius in October 2001, where issues such as coordination among different government authorities and the private sector, as well as monitoring and measuring of results achieved in the ecommerce/e-government areas were extensively debated.
- **The Republic of Moldova** is the last country so far to have joined the project. Following initial contacts with the Ministry of Economy and Ministry of Transport and Communication, a formal cooperation agreement between FITPRO and the Ministry of Economy was signed in September 2001. Subsequently, several meetings took place involving Moldovan and Czech experts both in Chisinau and Prague and touching upon transport and Customs issues, as well as the experience of FITPRO. Upon a request from the Republic of Moldova, an awareness-raising trade facilitation/electronic business seminar was organized in Chisinau in December 2001, with the participation of more than 60 representatives of various government departments and services, as well as private companies.
- In order to maintain/establish the link with international developments, representatives of the beneficiary countries attended the Conference and Plenary session of UN/CEFACT in March 2001, as well as the UNECE Executive Forum "Trading into the Future: e-Services for Trade, Investment and Enterprise" in June 2001.

Conclusions

All the beneficiary countries expressed their high appreciation of the project which was perceived as a useful contribution to their own national efforts to simplify trade and foster electronic business. In addition to the current beneficiaries, the UNECE and FITPRO were approached by the representatives of Mongolia and Viet Nam who expressed their interest in joining the project. Following the evaluation of the results achieved by the project, the Ministry of Industry and Trade of the Czech Republic decided to submit a proposal to the Government to extend the project till the end of 2002.