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Foreword

Trade Points, set up in 91 countries around the world under a pioneering UNCTAD technical assistance programme, are trade facilitation centres aimed at providing small- and medium-sized enterprises with better access to trade-related information, services and global electronic commerce networks while at the same time reducing transaction costs. In all these respects, the Trade Point Programme is in the mainstream of new trends in current trade practices. The programme is unique by virtue of its global coverage, encompassing developed and developing countries and economies in transition. It is unique by virtue of its development nature, with the strong assisting the weak. And it is unique because it represents not only a technical network, but also a community whose members work towards common objectives.

The electronic marketplace is and will continue to be a competitive one. Trade Points have been introducing small- and medium-sized enterprises in their countries to the newly emerging world of electronic commerce and have contributed to the critical mass of initial experience that will be required for developing countries to take advantage of the potential of electronic commerce in the future.

The Trade Point Review 1999-2000 takes a close look at the challenges ahead both for Trade Points and for the UNCTAD secretariat, which supports the Trade Point Programme, as the new strategy adopted by member States of UNCTAD in October 1999 is implemented. Services offered within the programme need to be further enhanced so as to withstand the ever-growing international competition. Trade Points need to be further consolidated in order to be able gradually to take over the management of the programme as UNCTAD is redefining its role. The external environment faced by the programme will become more competitive, and internal operational constraints may persevere. The Trade Point community, however, is well equipped to meet these challenges.

Chapter 1: Electronic commerce and the Trade Point Programme

1.1 International trends

During the past several years, electronic commerce has undisputedly become a well-established feature of the international trade scene. Even though estimates of its growth rates and expected share in international trade vary from one forecasting institution to another, several conclusions can clearly be drawn:

- The speed of technological change induced by the proliferation of the Internet is unprecedented – it took only 3 years for the Internet to attract the first million users worldwide (with estimates for current users ranging from 100 to 200 million), compared with 9 years for the mobile phone and 40 years for the classical telephone;
- It has become obvious that electronic commerce is not only a matter of technology, but above all a change in the way companies, institutions and entire societies operate. It implies profound changes in company business strategies,

government methods of work, as well as ways in which all members of society interact with each other;

- Both governments and businesses have been making consistent efforts to remain competitive in this new environment. Many governments have adopted ambitious programmes aimed at encouraging the use of the Internet in their countries, and many businesses have been re-thinking their strategies so as to reach a wider clientele and to reduce transaction costs by using the Internet;
- A new economic model based on the extensive use of the most advanced information and communication technologies - the “new economy” - seems to emerge which could contribute to the generation of employment and to long-term growth.

However, electronic commerce has so far been concentrated mainly in developed countries, in particular in North America, and to a lesser extent, in the European Union. These two regions together account for 88 per cent of the world total of Internet hosts compared with only 6 per cent for developing countries as a whole¹. Despite the currently low penetration of electronic commerce in developing countries it is undeniable that it presents both a potential challenge and a potential opportunity for them. The “democratic” nature of the Internet offers opportunities for the participation of smaller, less financially strong, but innovative players, enabling them to bypass traditional intermediaries. The challenge for developing countries is to seize any window of opportunity for their enterprises and at the same time to systematically work for the creation of conditions that will enable them to participate fully in electronic commerce in the future.

1.2 Trade Point Programme response

The accelerating pace of technological developments in the world and the emergence of the new economy have led to growing interest in the creation of Trade Points, both in developing and developed countries. At the same time, it has become increasingly obvious that a greater involvement of external partners is required in order to be able to keep pace with these developments. Partnerships with the private sector should, however, not impair the development nature of the Programme and its mission to assist less developed countries and small- and medium-sized enterprises (SMEs). During the period 1998-2000 therefore there has been considerable reflection about the future orientation of the Programme leading to the elaboration of a new strategy, and its initial stages of implementation. This process has naturally given rise to new questions and to a search for the best means to address them. Trade Points from around the world have been associated with defining the shape of the Programme within the new strategic framework.

1998-1999: Defining a new strategy

Since the last adjustment of the Trade Point Programme strategy adopted during the UNCTAD IX Conference in Midrand (May 1996), the conditions in which the

¹ ITU (1999). Challenges to the Network: Internet for Development, quoted in UNCTAD, Building confidence: Electronic commerce and development”, UNCTAD/SDTE/Misc.11, Geneva, 2000: 74

Programme operated had changed to an extent that warranted another review of the strategy. To this end, a number of events and activities were undertaken in 1998 and 1999 with the aim of assisting this process. The following were among the most significant:

- ***Fifth World Trade Point Meeting (Lyon, France, 10-13 November 1998)***

Over 140 participants from 63 developed and developing countries and countries with economies in transition attended this meeting. The main topics presented by international organizations and Trade Points themselves, as well as interested partners, included training opportunities for Trade Points, and both pre-transactional and transactional phases of electronic commerce, with a particular emphasis on successful examples of income-generating services for Trade Points. Extensive discussions took place with regard to future orientations of the Programme. The emphasis was on quality of services provided, creation of trust among customers and enhancement of cooperation among Trade Points within the framework of regional and national Trade Point forums.

- ***In-depth evaluation of UNCTAD's Trade Point Programme (December 1998)***

All major technical assistance programmes carried out by UNCTAD undergo periodic external evaluations. In 1998, the Trade Point Programme was selected for evaluation by an independent team led by PriceWaterhouseCoopers. In their report², the evaluators concluded that based on the surveys and interviews conducted, the Programme appeared to be valued quite highly by governments, Trade Point managers and users of Trade Point services, and that it offered tangible benefits to SMEs wishing to access international markets. They stated that the original concept of the Programme continued to be valid. Suggestions were made in a number of areas relating to both the concept of the Programme and its implementation, including the Global Trade Point Network (GTPNet), the ETO (Electronic Trading Opportunity) system, product and service development, Trade Point certification, a Trade Point federation and fundraising activities. Some of the suggestions were already being implemented when the report was submitted, others were taken into account during the subsequent elaboration of the Programme's new strategy. The evaluation report was submitted to the thirty-third session of UNCTAD's Working Party on the Medium-term Plan and the Programme Budget (December 1998-January 1999).

- ***Expert Meeting on the Trade Point Programme (Geneva, 26-28 May 1999)***

The Working Party decided, among others³, to invite the Secretary-General of UNCTAD to consider convening a meeting of Trade Point managers and users to

² UNCTAD. In-depth evaluation of UNCTAD's Trade Point Programme, TD/B/WP/110, UNCTAD, Geneva, 5 October 1998, and background annexes TD/B/WP/110/Add.1.

³ For a full account of the Working Party decisions see UNCTAD Report of the Working Party on the Medium-term Plan and the Programme Budget on its thirty-third session", TD/B/46/2, TD/B/WP/115 UNCTAD, Geneva, 16 March 1999, 8-9.

advise him on future action with regard to the implementation of the Trade Point Programme.

Twenty experts representing Trade Point managers, users of their services, policy makers and international organizations met in Geneva in May 1999. They reviewed the evaluation report, as well as member States' views thereon that had been expressed in the Working Party⁴. It was suggested that value-added services, including in the area of trade facilitation, should be further developed, as well as capacity building to assist in bringing Trade Points to the operational stage. In addition, existing experience accumulated in more advanced Trade Points should be used more extensively for the benefit of other Trade Points and the Programme as a whole. The need to focus on quality in the further development of the ETO system was also stressed as a matter of priority.

- ***Trade Point Programme strategy (September 1999)***

The thirty-third session of the Working Party on the Medium-term Plan and the Programme Budget also invited the secretariat to prepare a Trade Point Programme strategy to be considered by the Working Party at its next session. In response to this request, the secretariat prepared the document *Follow-up to the evaluation of the Trade Point Programme: Trade Point Programme Strategy*⁵, accompanied by an annex⁶ outlining modalities for the implementation of the proposed strategy.

The strategy draws on the findings of the evaluation report, the views of member States and experts participating in the Trade Point Programme meeting, and on the experiences gained by the secretariat in the course of implementation of the Programme. As an exit strategy, it aims to reduce the dependence of the Programme on UNCTAD resources. In order to make this possible, it focuses on a limited number of objectives which aim essentially at consolidating the core services of the Programme, and strengthening individual Trade Points as well as the Trade Point community so that they can take over the Programme at a later stage.

Consolidation of the services would be achieved by renovating the GTPNet in line with the latest technological and market trends. The prime consideration in this regard is to enhance the quality and trustworthiness of information provided through the network and hence its value for users. Strengthening the Trade Point Community would be done through capacity-building programmes developed with the help of interested donors, a combination of standardized guidelines and personalized assistance from the secretariat, and increased cooperation among Trade Points, including in the framework of regional Trade Point forums.

⁴ UNCTAD. In-depth evaluation of the Trade Point Programme: Follow-up to the decision adopted by the Working Party on the Medium-term Plan and the Programme Budget at its thirty-third session, TD/B/COM.3/24, Geneva, 14 June 1999.

⁵ UNCTAD. TD/B/WP/120, Geneva, 9 August 1999.

⁶ UNCTAD. TD/B/WP/120/Add. 1, UNCTAD, Geneva, 16 August 1999.

The thirty-fourth session of the Working Party meeting in September-October 1999 approved the strategy submitted by the secretariat⁷ thus opening the way for its implementation over the proposed three-year period.

1999-2000: First results of implementation

- ***Renovation of the GTPNet***

During the first year of implementation of the new Trade Point Programme strategy⁸, progress has been achieved in the enhancement of GTPNet services. The new GTPNet now contains structured information stored in searchable databases. Confidentiality and integrity of this information are guaranteed by password-protected access for different categories of users and through differentiated rights to update/change the information posted on the site. Authorized Trade Points are able to directly upload and update information relating to their country on the GTPNet, consequently, taking over the responsibility for its quality. The main service provided by the GTPNet is an enhanced system of ETOs linked to a GTPNet company database where additional information can be found about companies that have posted their business opportunities on the Network. Cooperation among Trade Points is facilitated through the provision of real-time discussion forums on the GTPNet. The objective is to gradually create a sense of ownership of the Network among the Trade Points.

- ***Capacity building***

UNCTAD has been using existing internal and external resources to help build capacity in Trade Points to become operational and to intensify their mutual cooperation within regional/national forums.

Trade Point guidelines have been updated so as to reflect new developments, the requirements for the Trade Point legal framework have been made more flexible and models of legal documents for establishing a Trade Point have been prepared for every possible legal setting. Consequently, the time period for compliance with formal UNCTAD requirements to establish a Trade Point has been significantly reduced.

The process of setting up regional or national Trade Point forums has continued. In order to facilitate this, UNCTAD prepared model forum statutes and internal rules. To date, regional forums have been established in the Americas - the Inter-American Trade Point Forum - and in member countries of the North American Free Trade Agreement countries (the NAFTA Trade Point Network). The creation of a regional Trade Point forum is under way in Asia and the Arab/Mediterranean region has expressed interest in creating one as well. The establishment of Trade Point forums is being considered by the G15 countries

⁷ UNCTAD. Evaluation of technical cooperation programmes: Agreed conclusions, TD/B/WP/L.93, Geneva, 6 October 1999.

⁸ For a full overview see UNCTAD., "Implementation of the Trade Point Programme strategy: progress report. TD/B/WP/128, UNCTAD, Geneva, 25 July 2000.

(Summit Level Group of Developing Countries, currently consisting of 17 members) and by countries in Africa. National forums have been created in Argentina and Spain and one is being set up in Brazil.

Trade Points were also invited to participate in regional electronic commerce seminars organized by UNCTAD, in Peru (4-5 August 1999), Kenya (7-8 October 1999) and Sri Lanka (25-27 October 1999). The first seminar of this type had been organized earlier in Egypt on 26-28 September 1998.

However, the implementation of capacity-building activities envisaged in the Trade Point Programme strategy has been hampered by the lack of additional external funding. For this reason, it has not been possible to develop the training packages outlined in the strategy nor to deliver the planned courses.

2000-2001: What next?

The secretariat prepared two reports, one summarizing the results achieved during the first year of implementation of the new Trade Point Programme strategy and the second, describing the activities to be undertaken over the next two years, including options for the transfer of the ETO system to a suitable non-profit entity⁹. These reports were submitted for consideration to the thirty-sixth session of the Working Party on the Medium-term Plan and the Programme Budget, held from 11 to 15 September 2000 in Geneva.

The reports build on the underlying concept of the new Trade Point Programme strategy, i.e. that, as with any other technical cooperation programme, the ground needs to be prepared gradually for reducing UNCTAD's involvement and for eventual takeover of the Programme by Trade Points themselves. In order to make this possible, the services provided by the Programme need to be consolidated and the Trade Points strengthened to a level where they will be able to run the Programme on their own. As for the transfer of the ETO system to a suitable non-profit entity, the documents submitted to the Working Party provided options for such a transfer both within and outside the Trade Point community. The Working Party then requested the secretariat to begin the tendering process.

- ***Sixth World Trade Point Meeting***

It is indispensable that any important decision having an impact on the future of the Trade Point Programme be endorsed by UNCTAD member States, in consultation with the Trade Point community. The creation of an international Trade Point federation and the definition of its role, as well as the role of UNCTAD in the Trade Point Programme, will be among the key issues to be addressed at the forthcoming Sixth World Trade Point Meeting in Geneva on 6- 10 November 2000.

⁹ UNCTAD. Implementation of the Trade Point Programme strategy: progress report. TD/B/WP/128, Geneva, 25 July 2000.

UNCTAD. TD/B/WP(XXXVI)/CRP.1, Transfer of the ETO system to a non-profit entity. Geneva, 11 September 2000.

Chapter 2: New strategy of the Trade Point Programme

2.1 Global Trade Point Network

Evidence shows that the proliferation of new sites and information services on the Internet often does not make it easier for users to find the right information. And there is no guarantee that information providers will find customers. There seems to be a growing demand for: (a) quality instead of quantity of information; (b) complete, not rudimentary, information; (c) reliable information; and (d) user-friendly access to information. This general trend also applies to services provided by the Trade Point Programme, as evidenced by the results of regularly conducted surveys of users of Electronic Trading Opportunities (ETOs)¹⁰. The new GTPNet (<http://www.GTPNet-e.com>) has been developed taking these trends into account.

Interactivity and decentralization are key elements of the new GTPNet architecture. It uses the most advanced tools for dynamic and secure updating of information on the GTPNet website by its main actors – UNCTAD, Trade Points and eventually their member companies. The ultimate objective is to empower these actors to eventually become true owners of the system.

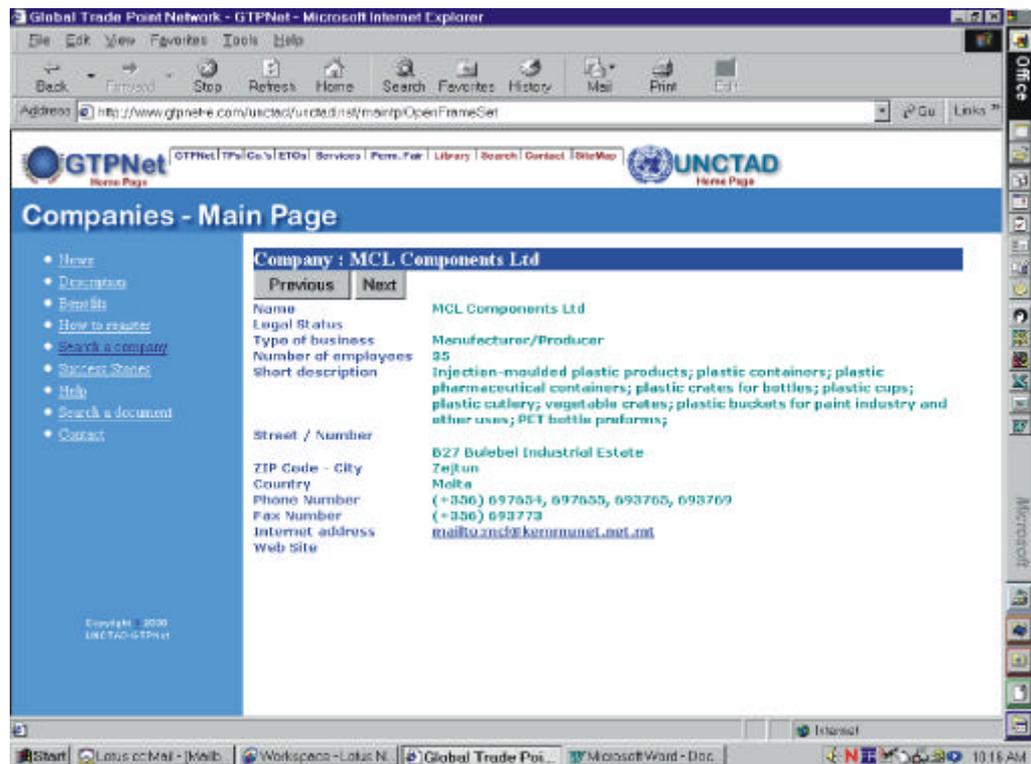
Services

- *Worldwide company database*

The GTPNet company database is a precious source of information for those who are looking for business partners all over the world. As of mid-September 2000, it contained data for over 16,000 companies supplied by about 30 Trade Points from different parts of the world. The number of companies registered is increasing every day. This information is structured so that a minimum set of data about each company is always available. A criteria-based search engine enables users to identify suitable business partners listed on the database.

¹⁰ According to the 1999 ETO survey, more than half of the ETO users (compared with 45 per cent in 1998) expressed their interest in moving from free format ETOs to a standard structured format containing specified elements of information and capable of further electronic processing.

Example of a record in the company database



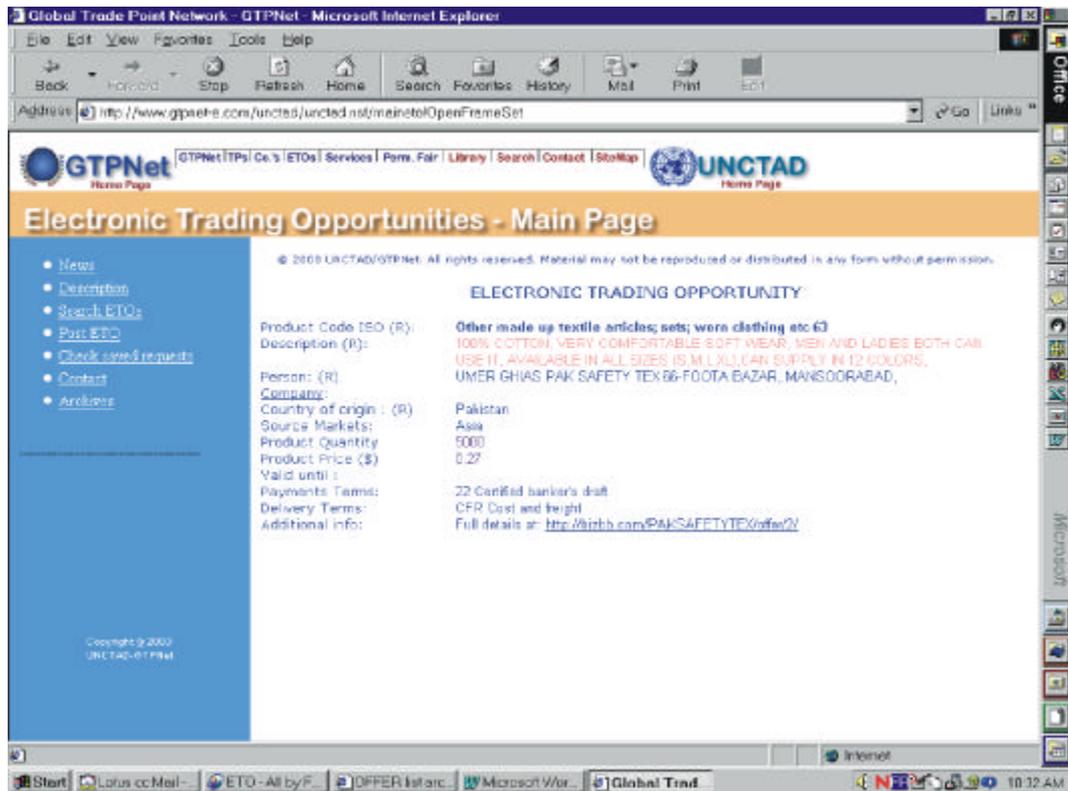
- ***System of business opportunities (Electronic Trading Opportunity System)***

The advanced Electronic Trading Opportunity (ETO) system is the core component of the new GTPNet. As with the records in the company database, ETOs are structured and contain minimum mandatory information about each business opportunity. This saves users time since they do not have to solicit additional information that they would need for taking a decision, and it eliminates unsubstantiated postings. Individual business opportunities are linked to corresponding records in the GTPNet company database. The provision of additional background information about companies thus enhances the value of ETOs for users, while the search engine makes it easier for them to locate business opportunities that best correspond to their needs. The credibility of ETOs is significantly enhanced by the fact that only pre-qualified (operational) Trade Points can post ETOs on the GTPNet. Trade Points can grant this right to their registered member companies, possibly against a fee.

Only Trade Points and their registered clients can access newly-posted ETOs (so-called "hot" ETOs). In addition to accessing and searching ETOs online, they can benefit from a GTPNet service which automatically forwards to them by e-mail all ETOs that correspond to the criteria that they have themselves specified in their user profile. This value-added service, which saves time and costs, may act as an incentive for companies to become Trade Point clients.

After an initial period of a few days, in order to reach as wide a trading community as possible, ETOs become universally accessible (so-called “cold” ETOs) and interested users can search for them online on the ETO database.

Example of an Electronic Trading Opportunity



- **Real-time discussion forums**

A discussion forum with access restricted to Trade Point directors has been set up for the Trade Point community. It aims to provide Trade Points with a tool for discussing mutual cooperation, thereby stimulating the creation of regional Trade Point forums, and ultimately, an international Trade Point federation. Another such forum, open to public access, will be created in order to facilitate communication with users of GTPNet services and consequently, to enhance these services in line with user needs.

Technical framework

From the technical point of view, the GTPNet is a distributed, Internet-based and database-driven collaborative knowledge system with role-based access control.

- **Distributed system** means that both UNCTAD - which administers the central site - and the Trade Points can update the content of those parts of the site for

which they are responsible offline and then upload the changes onto the central site at their convenience.

- **Internet-based system** means that the GTPNet is publicly accessible through the Internet at <http://www.gtpnet-e.com> using standard Internet browsers (such as Internet Explorer, Netscape Navigator) and that all the communications among the components of the system are based on Internet communications standards (TCP/IP).
- **Database-driven system** means that all information posted on the GTPNet is stored in a database format and that access control and e-mail subscription to ETOs for Trade Point member companies use a database system software - Lotus Domino.
- **Collaborative knowledge system** means that the GTPNet is a collective and shared effort integrating the know-how and information of Trade Points world wide and those of UNCTAD and creating mutual synergies. The purpose is to provide a coherent core body of knowledge that will trigger further growth of the system.
- **Role-based access control** means that there are different levels of user rights in the system accorded to different groups of users depending upon their roles in its functioning. Users of the GTPNet have “read access” rights which allow them to consult publicly accessible information and to participate in discussions and communications open to the public. Trade Points have the right to post ETOs and to update the information concerning their country/Trade Point/member companies. Registered Trade Point client companies may be authorized to post ETOs on the network. Finally, UNCTAD has the right to manage the whole system. The access control mechanism used in the GTPNet is flexible enough to specify access rights at different levels starting from the entire web site down to the level of data fields. As a result, for example, certain data fields in company records could be set as publicly accessible whereas others could be password protected and hence users could be charged for access to them.

The GTPNet is technically an open system in the sense that its components can work on a wide range of computer hardware and operating systems. The absence of technical restrictions makes it possible to fully use the individual strengths of the largest possible number of contributors for its technical development and deployment.

Operational framework

Operational rules, and the underlying legal provisions have been set up so as to ensure that the new GTPNet provides users with quality and trustworthy information that is secure and easily accessible. They are also designed to help create a sense of ownership of the GTPNet among Trade Points and their member companies. The new GTPNet will start to operate as Trade Points will sign the relevant legal

documents (see below under legal framework) allowing them to use all the features of the GTPNet.

- **Quality and reliability** of information on the GTPNet are substantially enhanced by giving Trade Points direct responsibility for the information they post on the Network. Since UNCTAD assigns Trade Points, and potentially also their registered members, personalized confidential passwords for access to the GTPNet, anonymous postings of ETOs are no longer possible. In addition, the validity of passwords is limited in time, with a possibility of non-extension if the Terms and conditions described in the section below are not observed. Trade Points also have to verify information about their member companies before uploading these records onto the GTPNet company database or authorizing member companies to post their ETOs directly on the Network.
- **Integrity and confidentiality** of information on the GTPNet are secured by granting differentiated password-protected access only to those parts of the central site that contain information directly pertaining to the holder of a particular access right. Consequently, each Trade Point can only update information about itself, its country and member companies.
- The system has been made **user-friendly** by organizing data into databases that can be searched using specifically developed customized search engines. This enables easy location of the “right” information by users. The system does not accept any free-format postings, but only information that contains all the mandatory fields and that is structured in a standardized way, common for all entries. The use of international standards for designating goods or other elements of information (such as country codes) facilitates the rapid location of the required information.
- **Decentralization** of the management of the GTPNet will allow all the participating partners (UNCTAD, Trade Points, Trade Point member companies) to exercise control over “their” part of the website through password-protected access with differentiated rights to change/post information. Tools will be made available to Trade Points that will allow them to manage their user base locally. Trade Points may decide to further decentralize the management of information to the level of their member companies to which they can assign passwords authorizing them to post ETOs directly on the Network. Such a participatory approach is intended to enhance the management capabilities of Trade Points in relation to the site and to facilitate the potential transfer of the GTPNet to an eventual international Trade Point federation.

Once a Trade Point has signed the legal documents for access to the GTPNet, it will receive the following from UNCTAD:

- A personalized password for the Trade Point and passwords for all the companies that are registered with the Trade Point and whose data have been uploaded on

the GTPNet company database. Using this password, its holders will be able to log onto the central website and access “restricted” information, such as “hot ETOs”. They will also be able to post business opportunities on the GTPNet.

- A Trade Point configuration kit. This kit is a tool specifically developed by UNCTAD on the basis of Lotus Notes. It enables offline updating of Trade Point company databases and templates with country information (these are planned to be made available on the central site), and subsequent replication of locally made changes to the GTPNet central site. The design of databases contained in the kit will be automatically updated from the central site any time it is modified.
- An encrypted file with a certificate, which will allow the Trade Point to connect its local database (pre-configured in the kit) to the central website database and replicate the information that has been previously updated in the local database.

Legal framework

As noted earlier, the launching of the new GTPNet, with its focus on quality and integrity of information necessitated the development of a comprehensive legal document defining the rights and obligations of all parties involved in the Programme. This is particularly relevant for defining the rights and liabilities relating to the information posted on the GTPNet.

For this reason, as well as to ensure consistency in the rules for all Trade Points, UNCTAD has prepared “Terms and conditions applicable to technical assistance provided to Trade Points established in accordance with the Trade Point Programme of UNCTAD” (hereafter referred to as Terms and conditions). The Terms and conditions provide the legal basis of the relationship between the Trade Points and UNCTAD, and access to the full features of the renovated GTPNet is conditional upon Trade Points’ signing them.

The Terms and conditions clearly define the rights and duties of each of the parties involved in the Trade Point Programme, namely: (i) the entity that is setting up the Trade Point; (ii) the Trade Point itself once it has established its legal framework, and (iii) UNCTAD. This document, which is being submitted for signature to Trade Points or the entities that are creating a Trade Point, consists of the following three parts:

- Part I is signed when UNCTAD has received a government request for the creation of a Trade Point, and the name of the entity that will take the lead in its establishment. After the signature of Part I, the *feasibility stage* starts when the entity setting up the Trade Point is expected to put in place a legal framework for the Trade Point (Trade Point statutes) and to prepare its business plan.
- Once UNCTAD has received and approved Trade Point statutes and the business plan, the Trade Point signs Part II of the Terms and conditions and enters into the *development stage*. At this stage the Trade Point is already legally established. As such, it is entitled to use the Trade Point name and logo, as well as the names and logos of the Trade Point Programme, such as the GTPNet and ETO, and can start operating as a Trade Point. During this stage, the Trade Point will develop a

minimum range of trade information and trade facilitation services¹¹ and will start participating in the GTPNet.

- Part III of the Terms and conditions is applicable once the Trade Point starts to offer the minimum set of Trade Point services, that is to say, when it has reached the *operational stage*. The Trade Point then sends UNCTAD a request for full participation in the GTPNet, whereby it gets access to all services and features of the new GTPNet. In order to maintain the level of quality of the service and the focus on the Programme's objectives, Trade Points are requested to submit short annual activity reports to UNCTAD.

In addition to the above Terms and conditions that apply to the relationship between the Trade Point and UNCTAD, model terms and conditions have also been prepared defining the relation between a Trade Point and its clients/users of the GTPNet.

Challenges for the future

The main challenge facing the Trade Point Programme in relation to the GTPNet is to define and put in place a framework that will make it possible to:

- Generate a critical mass of information flows on the GTPNet, and consolidate a community of users of GTPNet services (traders) and regular visitors to the website. To this end, UNCTAD will concentrate its short-term efforts on the effective launching of the new GTPNet, on attaining a significant growth in the volume of information stored and flowing through the site and on increasing the site's user base. These efforts will be accompanied by an intensive transfer of GTPNet-related knowledge, skills and tools to Trade Points that will make it possible for them to effectively take over the GTPNet in accordance with the provisions of the new strategy.
- Develop complementary non-transactional value-added services for the GTPNet that would take advantage of the existing GTPNet potential and infrastructure and have revenue-generating potential. An example of such a service, which responds to an expressed request from Trade Points, is a proposal to facilitate the participation of small- and medium-sized enterprises (SMEs) - particularly from developing countries - in international public procurement. This project intends to enable Trade Points to offer links to international agency procurement offices. Trade Points would pre-screen SMEs in their countries for participation in international procurement, and also notify companies in their countries of procurement opportunities that match their company profile. Initial discussions have taken place both with the United Nations Office at Geneva for advice on relevant issues in connection with international agency procurement and with a potential donor. Preparation of a project document is currently under way.

¹¹ Details on the minimum range of services can be found in the Work Plan for the establishment and operation of a Trade Point, and in the Trade Point Guide.

- Enhance the existing services and develop new ones allowing the GTPNet to compete in the fast evolving international trade environment and particularly in the emerging electronic commerce marketplace. A medium-term option that could help achieve this objective is to transfer the management of the GTPNet to a suitable non-profit entity, that would be in a position to conclude partnerships with the private sector and to develop the services required by the business community, in particular those allowing transactions over the GTPNet. The new GTPNet is already technically conceived in a way that, in principle, allows for outsourcing of management of its individual components.
- Transfer the ETO system. The UNCTAD secretariat, in accordance with the September 2000 decision of the Working Party, will begin immediately the tendering process, in conformity with the United Nations Financial Regulations and Rules, for the transfer of the ETO system to a suitable non-profit entity, specifying the possibility of a transfer of the ETO system to an international Trade Point federation when it is established. Trade Points will be further consulted with regard to the transfer of the ETO system at the World Trade Point Meeting in November 2000.

2.2 Capacity building

The Trade Point Programme strategy has identified strengthening of Trade Points through capacity building as one of the top priorities for the Programme, specifying that the development of courses and their delivery are subject to the availability of external funding from donors. Since external funding has not been available, UNCTAD has concentrated on capacity-building activities that could be conducted using existing resources. The underlying objective has been to consolidate the Trade Point community, and to prepare the ground for it to ultimately take over the management of the Programme in accordance with the decisions of UNCTAD's member States.

For this reason, UNCTAD has provided support to both individual Trade Points and to their formal associations – regional Trade Point forums. The main activities conducted with a view to assisting individual Trade Points are outlined in this section. Action to encourage cooperation among Trade Points through regional forums is discussed in the section dealing with the international Trade Point federation.

Main areas of assistance

- **Guidelines for the establishment of a Trade Point**

Guidelines for those who wish to set up a Trade Point¹², as well as the Work plan for the establishment and operation of a Trade Point¹³ have been updated in order to reflect the developments in the Programme. In addition, a model Trade Point business plan accompanied by a template of a financial plan, has been prepared

¹² UNCTAD. Trade Point Guide. UNCTAD/SDTE/MISC.33. Geneva, September 2000.

¹³ UNCTAD/SDTE/MISC.34, UNCTAD, Geneva, September 2000.

drawing on available Trade Point experience. This should help in making an appropriate feasibility assessment and in proper planning of all steps involved in the establishment and operation of the Trade Point. In addition to the original English version, all these documents are being translated into the other five official languages of the United Nations and will be made available on the GTPNet.

- **Model Trade Point statutes**

Taking into account the recommendation of the external evaluation of UNCTAD's Trade Point Programme, and the views of member States, as well as Trade Points, and drawing on UNCTAD's experience, the requirements for the Trade Point legal framework were made more flexible. Besides the possibility of creating a Trade Point as a separate legal entity, two other options could be setting it up within an existing "hosting" institution or within a government department/ministry. The objective was for the legal framework for the Trade Point to pose as few constraints as possible while placing emphasis on an effective delivery of Trade Point services to local business communities. Models of Trade Point statutes (i.e. legal documents by which Trade Points are set up),¹⁴ based on existing Trade Point legal frameworks, were prepared in order to address these three different legal contexts. In addition, since some Trade Points expand their services beyond their countries' capital cities, and therefore need to have a legally clear relationship with their branch offices/subsidiary Trade Points in other parts of the country, model statutes were developed for a Trade Point with regional offices. Models of Trade Point statutes have been translated into all the official languages of the United Nations and are now available on the GTPNet.

- **Copyright guidelines**

In response to numerous requests, specific guidelines were also prepared with regard to the protection of the Trade Point, ETO and GTPNet names and logos. These guidelines were distributed to all Trade Points accompanied by a note from the Secretary-General of UNCTAD inviting Governments to assist Trade Points in protecting those names and logos.

The standardized guidelines have helped UNCTAD respond more rapidly and in a uniform manner to Trade Point requests. In addition, they have facilitated Trade Points' compliance with UNCTAD requirements, as well as a more rapid development of their services.

- **Technical cooperation projects**

UNCTAD has also continued to provide technical assistance to Trade Points within the existing donor-funded projects. The beneficiaries of these projects include: Trade Points in Bulgaria, Egypt, Ethiopia, Hungary, Jordan, Lebanon, Morocco, Mozambique, the Palestinian territory, Romania, Tunisia, the United Republic of Tanzania and Zambia. A specific training course on the development of the Trade Point website was conducted by UNCTAD for Trade Points in

¹⁴ Statutes represent a legal document by which a Trade Point is set up.

Ethiopia, Zambia, Morocco and the Palestinian territory. In some cases (e.g. Egypt and Morocco), UNCTAD's assistance has helped strengthen already operational Trade Points so that they can provide better assistance to other Trade Points. Two Trade Points (in Romania and the Palestinian territory) established through donor-funded projects became operational, while others (as in Hungary or Ethiopia) are very close to achieving this objective. Some other countries received funding that has only allowed for an initial assessment mission and additional resources are needed to implement the recommended follow-up action.

Challenges for the future

The main challenge in capacity building for Trade Points is to develop and implement a suitable capacity-building model providing assistance through:

- **Training courses specific to the Trade Point context** (such as Establishment and management of a Trade Point; and Development of GTPNet services)

These courses would be developed and delivered by experts having relevant Trade Point knowledge/experience. The intention is to use a model which would not be excessively dependent on UNCTAD staff and resources, but rather would make use of the existing Trade Point expertise and take training closer to clients and their specific national situations. Based on the TRAINFORTRADE methodology (training of trainers), courses developed by UNCTAD could then be adapted to the specific national contexts by local course developers/trainers who could also conduct training sessions in their respective country/region. To this end, the existing Trade Point consultant roster should be further consolidated in order to provide a solid pool of potential trainers.

- **Generic training courses** (such as information management, web development, use of the Internet as a business tool, income-generating services, introduction to electronic commerce for SMEs, and marketing)

In this area, preference would be given to the use of courses already available in other institutions, such as the International Trade Centre UNCTAD/WTO (ITC) or universities, with which partnerships could be concluded. Expertise available at ITC should be fully used for extension of their existing courses on information management to adjacent issues identified by Trade Points.

It is however important to bear in mind that these plans can only materialize if additional funds for the development/delivery of courses are made available by donors, which in itself represents an important additional challenge.

2.3 An International Trade Point federation

The idea of strengthening cooperation among Trade Points through their association into a formal grouping, an international Trade Point federation, was discussed several

years ago. At that time, however, it was felt that Trade Points were not yet strong enough to be able to set up and effectively run a worldwide Trade Point body. For this reason, preference was given to the development of cooperation initially on a regional basis.

During the past few years, a number of factors have emerged that have changed the overall picture. First, Trade Points in some regions have gained experience in mutual cooperation within regional Trade Point forums. Second, Trade Points on the whole have become stronger and they now have the potential and interest to cooperate on a worldwide basis. Third, with the launching of the new GTPNet, it has become obvious that there is a need to externalize the technical component of the Programme to a suitable non-profit institution outside UNCTAD.

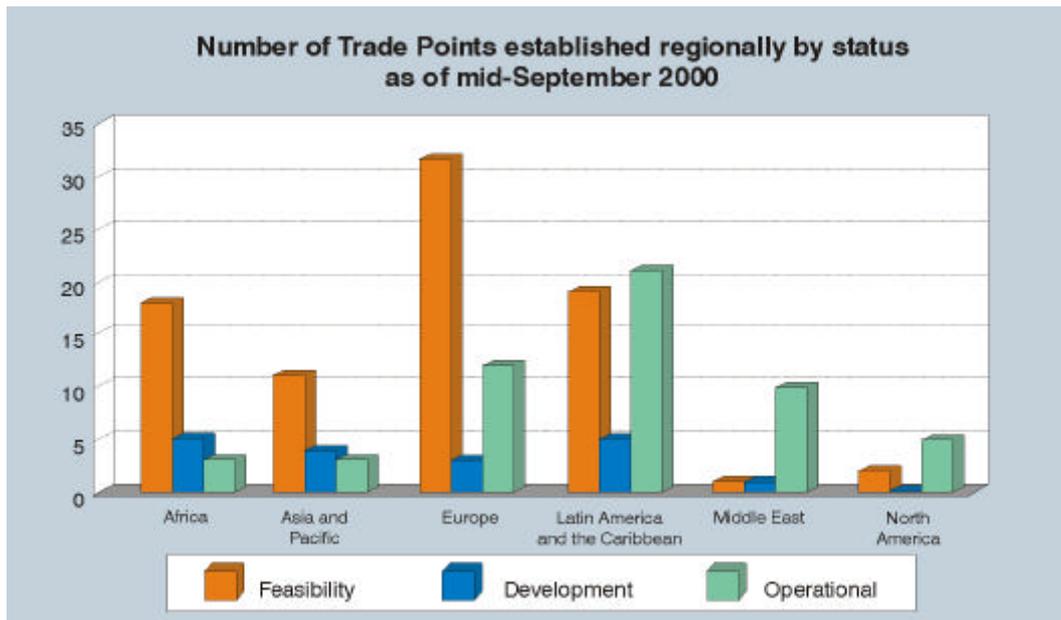
UNCTAD member States expressed their support to this approach in October 1999 when they approved the new Trade Point Programme strategy. The strategy states that in the short to medium term, the ETO system should be transferred to a suitable non-profit entity. An international Trade Point federation, representing the user community of the ETO system, could be one option in the light of the decision by UNCTAD member States. In the longer term, the Programme should be developed in a way that would allow for a gradual reduction in UNCTAD's involvement. This implies that more functions currently fulfilled by UNCTAD would be externalized. An international Trade Point federation would be a potential entity to take over these additional functions.

Chapter 3: Development of the Trade Point Programme in regions

Following the first survey of Trade Points published in 1997, UNCTAD is currently preparing another study of Trade Points across the regions, coordinated through an initiative by Trade Point Perth, Australia. The objective is to get a standardized set of information about the current status of Trade Points, and developments that have occurred since the last survey. Questionnaires will be sent to all Trade Points in order to gather data about Trade Point services and clients, modes of operation and financial sustainability, among others. Lessons learned and conclusions drawn from the survey will enrich the knowledge about Trade Point achievements and help identify factors of success. The results of this survey will be published in the next issue of the Trade Point Review.

3.1 Geographical distribution of Trade Points

There were 153 Trade Points from 91 countries participating at different levels in the Trade Point Programme as of mid-September 2000. The Programme has defined three stages in the process of establishment of a Trade Point (see the section on legal framework above), starting from the feasibility stage through the development stage to the operational stage. These stages are preceded by a government request to UNCTAD for the establishment of a Trade Point. To date, 77 Trade Points are at the feasibility stage, 18 are in the development stage and 58 are considered operational. In addition, 57 government requests have been received by UNCTAD.



Following the new Trade Point strategy, the status of each Trade Point is being reviewed and efforts will be made to assist as many of them as possible to become operational. However, in some cases where the conditions in the medium term are clearly not ripe for setting up a viable Trade Point despite all possible assistance, efforts to establish the Trade Point might be suspended or terminated. This approach would help consolidate the Trade Point community and increase the quality of services that it provides.

3.2 Africa

Activities carried out and progress achieved

As of 15 September 2000, there were 26 Trade Points at various stages of development in 21 African countries, of which three were operational (in Morocco, Senegal and Zimbabwe). Five Trade Points were in the process of being established as legal and operational entities (in Côte d'Ivoire, Ethiopia, Tunisia, Uganda and the United Republic of Tanzania). Eighteen Trade Points were at the feasibility stage (in Algeria, Benin, Botswana, Burkina Faso, Cameroon, Cape Verde, Eritrea, Gabon, Gambia, Ghana, Guinea-Bissau, Kenya, Mali, Mauritius, Mauritania, Mozambique, Sao Tome and Principe and Zambia). Furthermore, requests from 11 African countries have been received for assistance in the establishment of Trade Points (Angola, Chad, Djibouti, Lesotho, Madagascar, Malawi, Mauritius, Namibia, South Africa, Sudan and Togo).

Progress achieved by Trade Points in Africa over the last two years has in general been better where donor funding has been made available for the provision of assistance in establishing Trade Points. A notable exception is Trade Point Dakar (Senegal) which has successfully developed advanced services exclusively with local resources. A new product called ORBUS 2000 aims at linking electronically all trade facilitation agents, thereby enabling the business community to carry out traditional

trade-related procedures virtually, in particular the registration of trade transaction supporting documents and their electronic channelling to the concerned departments. This Trade Point presently offers an example to western Africa in terms of services provided to the 2,000 companies registered.

Other Trade Points that have made progress, particularly in the development of their web services, include, for example, Trade Point Abidjan, Côte d'Ivoire (<http://www.apexci.org>), or Trade Point Ouagadougou, Burkina Faso (<http://www.tradepoint.bf>).

The establishment of Trade Points has been facilitated by a number of regional technical assistance projects funded by international donors. These projects often have a component supporting the establishment of Trade Points. The main ones include: "Mediterranean 2000" (MED 2000) funded by the Government of Italy, an ITC/UNCTAD/WTO Joint Integrated Technical Assistance Programme for Selected Least Developed and Other African Countries (JITAP), and to some extent, the UNDP-funded project "Support to Arab States in Economic and Social Reform." The latter supported Trade Point Tunis (Tunisia) in the design of electronic commerce services. Assistance financed by different donors has also been provided to individual countries.

Among the countries that have benefited from MED 2000 are Morocco and Ethiopia. In Trade Point Casablanca (Morocco), funding was used to train staff in the preparation of web pages, electronic company catalogues and virtual exhibition centres on the Internet; to organize a worldwide marketing campaign for the Trade Point's products and services; and to create a Trade Point website (<http://www.tpcasa.org.ma>). The project contributed significantly to the enhancement of Trade Point web-based services and brought it increased international visibility.

Support to Trade Point Addis Ababa (Ethiopia) initially concentrated on an assessment of Ethiopian companies' needs for trade information services. This led to the development of a business plan for the Trade Point. In addition, basic equipment for the Trade Point was purchased and training organized for the staff so that they could provide the standard trade information services required of a Trade Point. Staff were also trained in the setting up and maintenance of a Trade Point website. The Trade Point was recently moved to the newly created Ethiopian Export Promotion Agency. It is expected that this will provide a stronger capability for both the Trade Point and the Agency to deliver appropriate services to the Ethiopian business community, that is either already involved in the international trading environment, or has the potential to become involved. Following the technical assistance received, Trade Point Addis Ababa has made considerable progress and is close to reaching the operational stage.

The main beneficiaries of JITAP so far have been Uganda and the United Republic of Tanzania where two Trade Point missions were carried out in 1999 with a view to putting in place a set of trade information services suited to the needs of both countries and providing related training to the Trade Point staff. Project proposals have been submitted for funding from JITAP for Benin, Burkina Faso, Côte d'Ivoire, Ghana, Kenya, Uganda and the United Republic of Tanzania in the years 2000-2001.

Further to an official request from Sudan to join the Trade Point Programme, a training session in Geneva on the renovated GTPNet is planned for three Sudanese Trade Point staff in the second half of 2000, funded as part of UNCTAD's assistance to LDCs. Project proposals have also been submitted to the Office of the LDC Coordinator in UNCTAD for the delivery of basic Trade Point training courses in Lesotho, Malawi, Djibouti, Mali and Mauritania.

A project funded by the World Bank to set up a Trade Point in Maputo (Mozambique) was approved in October 1999 and should be completed by the end of 2000. A preliminary mission identified IPEX, the national export promotion organization of Mozambique, as the best location to host the Trade Point. Operating under the Ministry of Industry and Commerce, IPEX has a well developed Trade Market Information Centre and focuses on new market development, organization of trade fairs and trade-related seminars. Follow-up activities under the project will include trade information training for the Trade Point staff, purchase of equipment and development of the Trade Point website.

In South Africa, the Trade Point concept has been discussed since 1995. In order to address outstanding issues, the Trade and Investment Development Programme for SMEs, a European Union-funded programme implemented by the Ntsika Enterprise Promotion Agency in South Africa, recruited a Trade Point consultant to develop a clear implementation plan for the project in consultation with major stakeholders. Meetings held with leading business and government organizations in Gauteng, Western Cape and KwaZulu-Natal provinces showed that there was strong support from the business community and government-related organizations at the national, provincial and municipal levels for the establishment of Trade Points in the country.

The model recommended is an integrated network of Trade Points consisting of at least one Trade Point in each province or group of provinces with a central Trade Point providing overall coordination and support. The central Trade Point would link the websites of individual Trade Points to its own central website which would serve as a consolidated trade portal for South Africa. The system would provide a web-based business opportunities network.

The model envisaged for South Africa, already used for example in Egypt, illustrates a trend to establish networks of Trade Points within a country, with links to one central database. This type of model enables Trade Points to provide services to a larger portion of the business community and to develop a domestic market for these services. It also enables the sharing of resources when individual Trade Points develop services of interest to other Trade Points.

3.3 The Americas

The Americas remain the leading region in terms of the total number of Trade Points, number of operational Trade Points, and the growth in demand for the setting up of new Trade Points. As of mid-September 2000, there were 50 Trade Points in different stages of development located in 28 countries of North, South and Central America and the Caribbean. Twenty-eight of them have been recognized by UNCTAD as operational - which represents nearly 50 percent of operational Trade Points around

the world - while 22 more are in the feasibility or development stage (for further details see the world map of Trade Points in the centre of this document).

There has been continuing interest in setting up new Trade Points in the region over the last two years, with new entrants from the United States (San Diego, Washington DC), Mexico (Chihuahua, Monterrey), San José (Costa Rica), Maracaibo and Merida (Venezuela), and Salta and Bahia Blanca-Coronel Rosales (Argentina) where the Trade Point is to be established in a free zone. The Development Bank of Mexico, Bancomext, intends to set up Trade Points in different regions of Mexico which are not yet covered by the Programme.

Cooperation within regional/national Trade Point forums

The region of the Americas has the most active formalized cooperation among Trade Points. Since its creation in 1996, the Inter-American Trade Point Forum (IATPF) has been meeting once a year. In addition, new subregional and national Trade Point forums were set up in 1999 and 2000 to foster cooperation among the interested Trade Points.

During the two-year period under review, the annual meetings of the IATPF discussed projects of mutual interest for the future, made proposals for the enhancement of the Trade Point programme and exchanged experiences in the development of Trade Point services. The sixth meeting of IATPF held in Porto Alegre, Brazil, 6-9 April 1999, was attended by 14 Trade Points from the Americas and by representatives of UNCTAD, ITC and the public and private sectors in Brazil. Suggestions were made to develop a high quality ETO system offering Trade Points preferential access to information. Participants believed that the corporate image of the Trade Point Programme needed to be strengthened and that the GTPNet should be presented as an international network offering a set of standard services. In this context, a strong appeal was made for the legal protection of Trade Point names and logos. The meeting also signed legal documents relating to the formal creation of the Forum.

The seventh meeting of the IATPF on 26-28 April 2000 in Curaçao (Netherlands Antilles) was attended by 18 Trade Points representatives from 11 countries (Argentina, Brazil, Canada, Costa Rica, Cuba, Jamaica, Mexico, Netherlands Antilles, Trinidad and Tobago, the United States of America and Venezuela), as well as representatives of UNCTAD, ITC and the Inter-American Development Bank (IADB). The meeting focused on the new strategy of the Trade Point Programme and the renovated GTPNet presented by UNCTAD, and on various issues relating to electronic commerce. The new GTPNet was well received and a number of Trade Points and their hosting institutions made useful proposals for its further enhancement.

In recognition of the growing importance and potential of electronic commerce in the region, particularly as a component of future business strategies, different aspects of pre-transactional and transactional phases of electronic commerce were discussed at length. The need for creating greater awareness of this trend was also acknowledged. It was agreed to convene the eighth meeting of the IATPF in April 2001 in San Diego (the United States), and Trade Points Buenos Aires I (Argentina) offered to host the ninth meeting in 2002.

The Fifth World Trade Point Meeting in Lyon (France) in November 1998 had given impetus to the initiative for closer cooperation among Trade Points in Canada, the United States and Mexico in the area of electronic commerce services. At the initiative of Trade Point San Diego, a first meeting of Trade Point directors from these countries took place in San Diego, the United States, in May 1999. The meeting decided to create a NAFTA Trade Point Network. Main objectives of the Network, which operates under the umbrella of the IATPF, are to promote the Trade Point Programme, to coordinate its implementation in NAFTA countries and to act as liaison between the member Trade Points and UNCTAD. Two to three meetings per year have taken place since the establishment of the Network, attended also by guest Trade Points from Curaçao (Netherlands Antilles), Jamaica, Port of Spain (Trinidad and Tobago) and San José (Costa Rica).

The last such meeting took place in March 2000 in Tampa Bay, Florida (the United States). The private sector representatives invited to the meeting proposed ways in which they could assist Trade Points attain their objectives. UNCTAD presented the new strategy of the Trade Point Programme and the renovated GTPNet. The ensuing discussions considered how Trade Points could increase their level of self-sustainability. It was decided that the fifth NAFTA Trade Point Network meeting would take place in Chihuahua Mexico from 21 to 23 February 2001. Although UNCTAD attended only one of these meetings, it was able to participate in discussions at other meetings using videoconferencing facilities. This has proved to be an effective means for responding to questions of interest to Trade Points and for the facilitation of further contacts.

In the Americas there has been a trend towards creating solid partnerships among Trade Points within countries. For example, in Argentina a Trade Point forum has been created and another will soon be set up in Brazil. In Mexico and the United States, looser cooperation structures have been used. Participating Trade Points share experiences, jointly develop new services, facilitate the opening of new Trade Points and define strategies for the implementation of the Programme in their countries. The Trade Point Forum in Argentina has developed a website interlinking all Trade Points in the country (<http://www.tpmnet.com/tpmnet>). The last meeting of the Forum (Vicente Lopez, 25 May 2000) discussed, among others, the decision-making process with regard to the establishment of new Trade Points in the country. The creation of a Forum in Argentina demonstrates that the Trade Points themselves are convinced about the usefulness of mutual cooperation.

Cooperation outside formal structures

On a less formal basis, Trade Points in the Americas have been closely cooperating on what is at the core of their very mission – helping local companies export to other countries. A number of inter-country trade missions have been organized to the benefit of trading communities in Trade Point countries.

Trade missions were undertaken by Trade Point Campinas (Brazil) to Trade Point San Diego (United States) and from San Diego (United States) to Porto Alegre (Brazil). The latter was so successful that in turn, Trade Point Porto Alegre organized a trade mission to San Diego enabling SMEs in both regions to establish close cooperation

ties. Trade Points Toronto (Canada), Jamaica and Porto Alegre (Brazil) are working on a similar type of initiative.

Another trade mission was undertaken by Trade Point Mexico City to Costa Rica and Guatemala in February 2000. Trade Point San José organized business appointments for Mexican entrepreneurs resulting in a number of Mexican companies, which participated in the mission, now exporting to Costa Rica. In view of this positive outcome, Trade Point Mexico City organized a trade mission to Cali, Colombia, in June 2000. Another mission from Mexico to Costa Rica was organized in September 2000, on the occasion of the official inauguration of Trade Point San José and its Sixth Business Negotiation Round.

Apart from cooperation within the region, there is also potential for interregional initiatives. A high-level trade mission from Belgium to Argentina and Uruguay is currently being prepared at the initiative of the Federal Trade Point Brussels (Belgium), in cooperation with Trade Points in Buenos Aires I (Argentina) and Montevideo (Uruguay). The mission, planned for October 2000, will be presided by HRH. Prince Philippe of Belgium and led by the Secretary of State for Foreign Trade in Belgium. About 50 Argentinien companies representing sectors such as energy, shipping, dredging, agribusiness and telecommunications are joining the mission. Selection of suitable business partners is under way in Uruguay. Trade Points in Argentina and Uruguay will collect and develop business proposals of local companies that wish to import from or export to Belgium. These business proposals will then be displayed on the website of the Argentine Trade Point Forum. This more direct and personalized form of cooperation among Trade Points could serve as a model for the enhancement of intra- and interregional cooperation among Trade Points.

Regional cooperation in the promotion of electronic commerce is also taking place. In Brazil, Trade Point Porto Alegre, together with two other non-profit institutions, SUCESU-RS and SOFTSUL, organized a conference in Porto Alegre (7-10 August 2000) accompanied by an exhibition of south Brazilian software. Trade Points San Diego (United States) and Toronto (Canada) also attended this conference. The event focused on the south of Brazil but also on the wider context of the Common Market of the Southern Cone (Mercosur). It aimed to show traditional entrepreneurs how new technologies could open up new commercial opportunities for them in the regional and international markets.

In March 1999 a joint mission of Trade Points San Diego (USA) and Toronto (Canada) visited Trade Point Monterrey (Mexico) in order to hold an electronic commerce seminar. An electronic commerce mission was subsequently undertaken by Trade Points San Diego (USA) and Monterrey (Mexico) to Trade Point Havana (Cuba). Another example of cooperation in this area is the assistance by Trade Point Tampa Bay (Florida) in hosting the website of Trade Point Chihuahua (Mexico) in the early stages of its development.

3.4 Asia and the Pacific

As of mid-September 2000, there were 18 Trade Points established in 13 countries in the region. Four Trade Points are operational (one in Australia, two in China and one

in India), three are at the development stage (two in the Republic of Korea and one in Mongolia), and 11 are in the feasibility stage (one each in Australia, China, Fiji, India, Indonesia, the Islamic Republic of Iran, two in Japan and one each in Nepal, the Philippines, Thailand and Viet Nam). In addition UNCTAD has received official requests to establish Trade Points in Bangladesh, Macau, Maldives, Myanmar, Pakistan, Singapore and Sri Lanka.

Activities carried out and progress achieved

Despite the strong potential of the Asia-Pacific region for the development of electronic commerce, Trade Point activities are not yet sufficiently developed. One reason has been the lack of funding which has prevented UNCTAD from providing the necessary assistance to advance Trade Points beyond the government request or feasibility stage to a fully operational status. In order to overcome this constraint, project proposals focusing on the provision of basic training for Trade Points in the LDCs of the region (Kiribati, Samoa, Solomon Islands, Tuvalu, Vanuatu, Maldives, Myanmar and Nepal) were prepared and submitted to the Office of the LDC Coordinator in UNCTAD.

UNCTAD had recently approved the establishment of two Trade Points, one in Perth (Australia), and the other in Chiangmai (Thailand). In both cases, the creation of the Trade Point was initiated by the private sector. UNCTAD is currently also providing guidance for the establishment of Trade Points in Sumatra (Indonesia) and Bangalore (India), again at the initiative of the private sector.

In 1999, Trade Point Beijing (China) expressed its interest in receiving assistance from UNCTAD in training for the establishment and management of a Trade Point. Such training would offer the potential for replication elsewhere in the country. Consequently, UNCTAD has developed a project proposal for a training course based on the TRAINFORTRADE methodology (training of trainers). The document is currently being reviewed for funding with the Chinese counterpart. A high level Chinese delegation led by Trade Point Beijing also visited Geneva in 1999 and met with representatives of the Trade Point Programme, TRAINFORTRADE, and UNCTAD programmes of SME support (EMPRETEC), insurance and banking.

Cooperation among Trade Points

Efforts to formalize cooperation among Trade Points in the Asia-Pacific region date back to 1998 when Trade Point representatives from the region met in Bangkok (1-2 October 1998) in conjunction with an ITC-organized trade information management course. Among the participants were Trade Points from China (Beijing and Shanghai), Fiji, India, Indonesia (Jakarta), Malaysia, Mongolia, Nepal, the Philippines (Cebu and Manila), the Republic of Korea (KOTRA Trade Point Seoul), Thailand (entity interested in setting up a Trade Point in Chiangmai) and Viet Nam. The meeting initiated the procedure of formal establishment of a regional forum. The statutes of the forum were discussed, its representatives in interim were elected and

individual Trade Points volunteered to assume the roles of focal points for different areas of mutual cooperation, such as training, software development and marketing.

Projects and planned activities of the Asia-Pacific Trade Point forum were presented in detail during the Fifth World Trade Point Meeting (Lyon, November 1998) at the session dealing with examples of regional Trade Point cooperation.

A second meeting of Trade Point directors from the Asia-Pacific region was held during the Regional Round Table on Electronic Commerce and Development for Asian and Pacific Countries (Colombo, Sri Lanka, 25-27 October 1999). Trade Point directors from China (Beijing and Shanghai), Fiji, India, Mongolia, Nepal, the Philippines and the Republic of Korea (two Trade Points based in Seoul) discussed the new Trade Point strategy for the Asia Pacific Trade Point Forum. A number of projects were proposed to strengthen cooperation among Trade Points in the region, including a proposal by Trade Point Fiji to take the lead in the creation of a Trade Point network for the South Pacific.

3.5 Europe

Activities carried out and progress achieved

As of 15 September 2000, 46 Trade Points operated or were being established in 27 countries in the region. Twelve Trade Points were fully operational (one in Armenia, two in Belgium, one each in Malta, Slovenia and Romania, two in the Russian Federation and in Spain and one each in Switzerland and Turkey), three were at the development stage (in Finland, France and Spain) and thirty-one in the feasibility stage (in Azerbaijan, Belarus, Bulgaria, the Czech Republic, Estonia, Georgia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Lithuania, the Republic of Moldova, Poland, the Russian Federation, Slovakia, Spain, Sweden and Switzerland). In addition, UNCTAD has received government requests for the establishment of another 17 Trade Points.

The potential for further development of the Trade Point Programme in the region is reflected in the new requests for the establishment of Trade Points, from both Western and Eastern Europe. During the past two years, six new Trade Point applicants joined the Programme from France, Greece, Italy, Spain (2) and Switzerland and seven became fully operational (one each in Malta, Romania, the Russian Federation and Slovenia, two in Spain and one in Turkey).

Over the last two years, UNCTAD has been implementing several projects to assist Trade Points in Central and Eastern Europe. The United Nations Development Programme (UNDP) funded a Trade Point project in Hungary which has contributed to the development of trade information services in Trade Point Budapest. Plans are to use the remaining funding to assist in marketing Trade Point services. It is expected that the Trade Point will become fully operational before the end of the year 2000.

A financial contribution from the Government of Switzerland was targeted at Romania and Bulgaria. Trade Point Bucharest (Romania) is now fully operational and provides a wide range of trade support services to the country's small- and medium-

sized enterprises (SMEs). Due to changes in the institution hosting the Trade Point, progress was more limited in Bulgaria. However, Trade Point Sofia has developed a website, prepared a business plan and designed the services which it intends to provide to the business community. Work has also been initiated on the development of software tools that would facilitate the provision of Trade Point services and enhance their quality and competitiveness.

Cooperation among Trade Points

Although a formal Trade Point forum has not been created in Europe so far, active cooperation has developed among some Trade Points, both in terms of assistance for starting Trade Points, and for joint projects. The initiative of the Federal Trade Point Brussels (Belgium) is a noteworthy example. During the last two years, this Trade Point has shared its experience concerning the development of Trade Point services which respond to the needs of more advanced countries with a number of Trade Points in and outside the region. Trade Point managers from Nizhni Novgorod (the Russian Federation), Bordeaux (France) and Riyadh (Saudi Arabia) have visited the Trade Point in Brussels to learn from the Belgian experience.

An excellent example of close collaboration is that between the Federal Trade Point Brussels (Belgium), Trade Point Budapest (Hungary), and Trade Point Ljubljana (Slovenia). The Federal Trade Point Brussels contributed significantly to the establishment of Trade Point Budapest. Its manager undertook a consultancy mission to Hungary to assist in the establishment of the Trade Point and the managers of Trade Point Budapest visited both Brussels and Ljubljana in order to learn from their experience. Consequently, Trade Points Budapest and Brussels have developed a common web page where trade and investment opportunities in the two countries can be consulted online. A similar cooperation project is in discussion with Trade Point Ljubljana. The Federal Trade Point Brussels has also assisted Trade Point Poznan (Poland) in developing its own website in both Polish and English.

Another potential field of cooperation initiated by the Federal Trade Point Brussels relates to trade missions aiming to establish business links between companies in participating countries. Trade Points Brussels and Budapest organized a visit to Hungary for a delegation of Belgian entrepreneurs. A similar project is now being developed between Belgium, Argentina and Uruguay, as already mentioned in the section on the Americas.

The potential for formal cooperation among Trade Points in the region was discussed during the ITC "Trade information workshop for Trade Promotion Organizations in the Mediterranean region" (Malta, 15-18 March 1999) organized with the support of the hosting institution of Trade Point Malta, the Malta External Trade Corporation (METCO). At this meeting, participants also exchanged views about creating an Arab/Mediterranean Trade Point forum. Meanwhile, a national Trade Point forum has been created in Spain.

3.6 The Middle East¹⁵

Activities carried out and progress achieved

As of mid-September 2000, there were 14 Trade Points in the region, of which 10 were operational (seven in Egypt, and one each in Israel, the Palestinian territory and Saudi Arabia) and five were in the development stage (Egypt, Jordan, Lebanon and Pakistan). Requests to set up Trade Points in Dubai (United Arab Emirates), Sudan and Oman were received in 1998, 1999 and 2000 respectively.

Over the past two years local efforts together with the donor-funded assistance have promoted the establishment of Trade Points in the region. Two new Trade Points became operational during the period under review, one in Saudi Arabia (May 2000, local funding) and the other in the Palestinian territory (March 2000, donor-funded project). In addition, there has been a strong trend towards regional cooperation among Trade Points.

During 1999-2000 the United Nations Development Programme (UNDP) through its project "Support to Arab States in Economic and Social Reform" helped launch Trade Points in Jordan, Lebanon, the Palestinian territory and Dubai (United Arab Emirates) and assisted the Egyptian International Trade Point in Cairo in the design and installation of electronic commerce services.

The project also initiated the process of establishment of Trade Point Ramallah in the Palestinian territory for which follow-up funding was provided by the Government of Italy under the "MED 2000" project. Consultancy missions to Ramallah aimed to assess the situation on the local market of trade information/trade transaction services, identify the most suitable location for the Trade Point, design the services that it should provide and prepare a strategic plan to be followed to make the Trade Point fully operational. Consequently, basic equipment was purchased, qualified Trade Point staff hired and a website designed for the Trade Point (<http://www.tppalestine.com>). The Trade Point, hosted by the Palestine Trade Centre, PALTRADE, is now fully operational and effective in coordinating the delivery of trade support services to the Palestinian business community. There are plans to open Trade Point branches first in Gaza and later in Hebron and Nablus, based in existing PALTRADE offices.

A UNDP-funded Arab regional workshop on e-commerce was organized in Cairo by UNCTAD, UNDP and the Government of Egypt from 26 to 28 September 1998. The topics covered both policy issues and practical dimensions of electronic commerce, including the experience of Trade Points. The meeting helped enhance awareness among Arab negotiators, public decision makers and private entrepreneurs of the crucial importance of the potential and challenges of e-commerce and encouraged the exchange of experience and cooperation in this area among Arab countries. It also identified priorities for action to increase the participation of the Arab region in electronic commerce. In this context, the participants recommended that Trade Points,

¹⁵ For the purpose of this review the Middle East covers Trade Point activities in Egypt, the Islamic Republic of Iran, Israel, Jordan, Lebanon, Oman, Pakistan, the Palestinian territory, Saudi Arabia and the United Arab Emirates.

wherever they exist in Arab countries, should be designated as national focal points for electronic commerce activities; such designation would optimize the use of existing resources since Trade Points already have the necessary technological and professional expertise.

Cooperation among Trade Points

Regional cooperation has been at the forefront of interest among Trade Points in the Middle East during the last two years. Following the UNCTAD/UNDP workshop “Promoting the Palestinian territory’s cooperation with Egypt and Jordan in improving sub-regional trade, trade-related services” (Ramallah, 19-21 June 1999), Trade Point directors from Egypt, the Palestinian territory and Jordan met in Cairo on 23-24 November 1999. They discussed cooperation in facilitating access by SMEs to comprehensive information on trade opportunities in the subregion, and issues relating to trade between Egypt, Jordan and the Palestinian territory. They also drafted a practical work plan for future Trade Point cooperation. The Egyptian International Trade Point offered to provide on-the-job training to the staff of the other two Trade Points and to share its experience with them. Consequently, the Trade Point director from Ramallah undertook a three-day study tour to Trade Points in Egypt.

A proposal to formalize regional cooperation by creating an Arab-Mediterranean Trade Point Forum was first launched during the Fifth World Trade Point Meeting (Lyon, November 1998). It was given more concrete shape at the “Trade Information Workshop for Trade Promotion Organizations in the Mediterranean Region” organized by ITC, with the support of the Malta External Trade Corporation, METCO (Malta, March 1999). The purpose of the Forum would be to strengthen cooperation and in particular develop joint projects of interest to Trade Points in the region. Progress on the establishment of the Forum has so far been hampered by the lack of financial resources. To help alleviate this constraint, a proposal was submitted for a follow-up to the UNDP project “Support to Arab States in Economic and Social Reform” which would give impetus to the establishment of the Forum by organizing on-the-job training and capacity building in the field of electronic commerce.

3.7 Challenges for the future

In the future, the Trade Point Programme will work in an environment where Governments and the private sector not only in developed countries, but also in developing countries and countries with economies in transition increasingly realize the importance and potential of electronic commerce. This understanding has and will continue to incite many of them to take active steps to facilitate the development of electronic commerce and to participate in it.

Increased attention and investment in the necessary telecommunications technologies, including due to the liberalization of telecommunications markets, could facilitate the development of Trade Points, particularly in developing countries, where the required infrastructure and skills may not have been available before. At the same time, a critical mass of customers may develop who are both technically equipped and

psychologically ready to use electronic commerce in practice. On the other hand, competition will become fiercer as more actors enter the field of electronic commerce. Consequently, those who are not able to keep up may be rapidly marginalized.

Bearing in mind these factors, the main challenges of the Trade Point Programme in relation to the different regions where it is being developed may be summarized as follows:

- **Respond to diverse national contexts**

The Programme has participants from countries at different stages of development. The challenge is to provide a range of services that can address the needs of both highly competitive developed country markets, and countries which are only in the initial stages of development of electronic commerce. The strength of the Programme, namely its global coverage, should be maintained and further enhanced.

The competitiveness issue may be addressed by transferring the technological component of the Programme to a suitable non-profit entity outside UNCTAD. At the same time, however, assistance will be needed for less developed countries in the implementation of services that suit their local contexts. The availability of services in the new GTPNet in a ready-made way (Trade Point web page template, software for local management of Trade Point local databases and their replication on the GTPNet, Internet Incubator) is a step in the right direction since it greatly facilitates the building of basic Trade Point services.

- **Involve participants from all regions**

The development nature of the Programme should also be maintained in the future. This implies that countries at different stages of development should be able to effectively participate in the Programme and in decisions concerning its orientations. The challenge therefore is to strengthen the Trade Point Programme, in particular, in regions which are currently under represented in terms of operational Trade Points. A notable example is Africa where only a very limited number of Trade Points have reached operational status. Projects have been submitted by UNCTAD to donors in order to improve this situation. There is also undoubtedly potential for creating more Trade Points in Asia. The ultimate objective is to build a solid core of fully operational Trade Points across all regions.

- **Make better use of expertise within the Trade Point network**

The Trade Point Programme was launched in 1992 and a considerable wealth of experience and expertise has been acquired by Trade Points since then. The challenge is to use the know-how of Trade Points that have already gone through the process of setting up their services for accelerating progress in others that are in the process of being established.

To this end, the roster of consultants compiled by UNCTAD should be expanded to include consultants from Trade Points who could provide technical assistance in their field of expertise under existing or new donor-funded projects. Trade Point Dakar, for example, prepared a project proposal along these lines to assist Trade Points in the region to become operational but so far funding has not been identified to implement the project. Another way would be for more advanced Trade Points to assist starting Trade Points by providing on-the-job training. Examples of such assistance are given in the section 3.5 above.

The lessons learned by developed countries in closing the “digital divide” domestically might also be applied, as appropriate, to the developing country context. This may be linked to the different initiatives aimed at assisting less developed countries in the area of electronic commerce.

- **Foster cooperation among Trade Points**

The global coverage of the Trade Point Programme also has the potential to induce the creation of new business links between countries. The challenge is to take advantage of the human network which the Trade Point Programme represents to identify projects of mutual interest that will eventually open new business opportunities for companies of the participating Trade Point countries. Examples of such cooperation abound in the Americas and in Europe.

Cooperation could also be further developed within the regional Trade Point forums, if members identify projects that are useful to pursue collectively rather than individually. For example, it might prove advantageous to pool Trade Point resources and expertise for training or acquisition of software/hardware.