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IMPLEMENTATION OF THE TRADE POINT PROGRAMME STRATEGY

Progress report

Executive summary

The present document reports on the progress achieved in the implementation of the three-year Trade Point Programme Strategy approved at the thirty-fourth session of the Working Party on the Medium-term Plan and the Programme Budget in September -October 1999. In accordance with the Strategy, activities focused on consolidating the core services of the Trade Point Programme and on reducing its dependence on UNCTAD resources. Capacity development activities were seriously hampered by the lack of extrabudgetary funding. Progress was nevertheless achieved in empowering Trade Points and reducing their dependence on UNCTAD resources through regional cooperation and the strengthening of Trade Point forums. The GTPNet website was renovated and its services enhanced in line with current technology trends. The focus of future work will be on the transfer of activities that can be better developed outside UNCTAD to a suitable non-profit entity, and on refocusing UNCTAD's own activities on those where UNCTAD has a comparative advantage, including training. As requested by the Working Party, options are presented for a suitable non-profit organization to manage the ETO system. The financial implications of the implementation of the strategy are summarized in the Conclusion. For ease of reference, a copy of the logical framework of the Strategy (document TD/B/WP/120/Add. 1) is attached as an annex to the report.

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Introduction

1. At its thirty-fourth session in September - October 1999, the Working Party on the Medium-term Plan and the Programme Budget approved a three-year Trade Point Programme Strategy prepared by the UNCTAD secretariat.¹ Following discussion of the Strategy during the session, it requested the secretariat:

- “To report to the autumn session of the Working Party in the year 2000 on progress in the implementation of the Strategy, including on the work undertaken and to be undertaken, as well as on training activities for Trade Points in core services and on the strategy’s financial aspects”²;
- “To explore options for a suitable non-profit organization, including an international Trade Point federation, to manage the ETO system, taking into account the views of Trade Points worldwide on this issue, and to present these options to the Working Party for decision at the autumn session in the year 2000.”³

2. The present report was prepared in response to these requests by the Working Party. The first chapter provides an overview of the work undertaken since October 1999 in accordance with the provisions of the Strategy. The second chapter presents directions of activities to be undertaken by the Trade Point Programme during the next year, bearing in mind the ultimate objectives to be achieved at the end of the three-year implementation period. The third chapter reviews options for a suitable non-profit organization to manage the ETO system. For ease of reference a copy of the logical framework contained in document TD/B/WP/120/Add.1 has been attached as an annex.

I. ACTIVITIES IMPLEMENTED IN THE FIRST YEAR RELATED TO THE OBJECTIVES SET OUT IN THE STRATEGY

3. Following its approval by the Working Party, the Trade Point Programme Strategy was presented and explained at a number of meetings with Trade Points. Among these were regional Trade Point meetings in Latin America and the Caribbean, Asia, the Middle East and North America, as well as the tenth session of UNCTAD (UNCTAD X) in Bangkok in February 2000.

¹ The Strategy is outlined in document TD/B/WP/120, entitled “Follow-up to the evaluation of the Trade Point Programme: Trade Point Programme Strategy”. It is accompanied by an annex, entitled “Modalities to implement the proposed strategy” (TD/B/WP/120/Add.1). The annex contains a logical framework for action with a detailed overview of objectives, specific activities and related success indicators, assumptions and risks, as well as a time-frame for the implementation of the proposed activities.

² “Evaluation of technical cooperation programmes: Agreed conclusions”, TD/B/WP/L.93, para. (b) 5.

³ Idem, para. (b) 4.

4. During the period under review, the implementation of the Trade Point Programme Strategy, and thinking about its future orientations, were influenced by a number of both positive and negative factors, such as:

- The accelerating pace of technological developments in the world and the already well-confirmed emergence of the “new economy”. This has a positive influence on interest in the Trade Point Programme, which is considered to correspond to this technological trend. At the same time, however, it is becoming increasingly obvious that UNCTAD is not an appropriate place in which to develop activities relating to further enhancement of the electronic trading opportunities (ETO) system and its transition towards a transactional phase. These would require the involvement of the private sector and access to its resources. However, keeping abreast of the new developments in technology and conducting the above-mentioned activities are crucial for the future of the Trade Point Programme.
- The need to maintain, including in considering future options, the development nature of the Trade Point Programme, despite the heterogeneity of the Trade Point community (public or private entities, technologically more advanced and less advanced Trade Points, financially more endowed and less endowed Trade Points).
- The increase in the number of Trade Points from 160 to 170 during the period under review, with a number of new requests from developed countries.
- The lack of additional funding upon which a number of activities, in particular in capacity building, were contingent.
- The setting up of a competent in-house technical team in the Trade Point Programme, which has made it possible to integrate the operational and technical activities of the Trade Point Programme and significantly increase the quality and responsiveness of the Global Trade Point Network (GTPNet).

A. Capacity development

5. Fund-raising activities were initiated immediately after the adoption of the Trade point Programme Strategy in October 1999. So far, no extra-budgetary funds have been identified for the implementation of the planned activities.

6. Therefore, activities have been restricted to what can be achieved within existing resources. The planned training of course developers and trainers, the development of new courses and their delivery in the different regions of the world could not be carried out because of the lack of extrabudgetary funding.

7. Activities aimed at strengthening Trade Points related to both individual Trade Points and their formal forums.⁴

(a) Assistance to individual Trade Points

8. The existing Trade Point guidelines have been updated. On the basis of the lessons learned so far and the requests received from Trade Points, parts of the guidelines were elaborated in greater detail. For example, a model Trade Point business plan has been prepared drawing on available Trade Point experience. A template of a financial plan accompanies this business plan. Both documents should help in making the appropriate assessment and in the proper planning of all steps involved in the establishment and operation of the Trade Point. They have been made available to all Trade Points, particularly newcomers. The documents are available on the GTPNet in English, French and Spanish.

9. A substantial amount of work has been done on legal aspects of the establishment and operation of Trade Points. In response to numerous requests, guidelines have been prepared with regard to the protection of Trade Point, ETO and GTPNet names and logos. These guidelines have been distributed to all Trade Points with a note from the Secretary-General of UNCTAD inviting Governments to assist Trade Points in protecting those names and logos.

10. Following the recommendation of the in-depth evaluation of UNCTAD's Trade Point Programme,⁵ in the light of the views expressed by experts and member States as well as the experience of the Trade Point team, the requirements for a Trade Point legal framework have become more flexible. It is no longer mandatory to set up a Trade Point as a separate legal entity. Other options have also been proposed to Trade Point applicants, such as setting up a Trade Point within an existing "hosting" institution or within a government department/ministry. The objective was to make the legal framework for the Trade Point as little of a constraint as possible, while placing emphasis on an effective delivery of Trade Point services to local business communities. Models of statutes,⁶ based on existing Trade Point legal frameworks, have been prepared in order to address all these different legal contexts. In addition, since some Trade Points expand their services outside the capital towards other regions in their country and therefore need to have a legally clear relationship with their branch offices/subsidiary Trade Points, model statutes have also been developed for a Trade Point with regional offices. The English version of all the models of Trade Point statutes is now available on the GTPNet and translation is under way into the official United Nations languages.

⁴ A Trade Point forum is an association of Trade Points located in a particular region that have set up a framework in which they can cooperate and coordinate their activities, share experiences, establish a common strategy and propose products and services.

⁵ Contained in para. 31 of document TD/B/WP/110.

⁶ Statutes represent a legal document by which a Trade Point is set up.

11. The improved guidelines have helped the Trade Point Programme staff to 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 development of their services within a shorter period. The period needed to comply with formal UNCTAD requirements for operational Trade Points has been reduced to roughly two months instead of six. Furthermore, technical assistance has been provided on request aimed at helping Trade Points to become fully operational or to make significant progress towards this objective.⁷

12. With regard to training, a major consideration was to create a model that would not be excessively dependent on UNCTAD staff and resources, would make full use of the existing Trade Point expertise, and would bring training closer to clients and their specific national situations. In this vein, based on the TRAINFORTRADE methodology, the following steps were proposed for the organization of training activities:

- Development of a number of generic courses (as specified in the Trade Point Programme Strategy) addressing expressed Trade Point needs;
- Training of course developers and trainers from countries/regions that would adapt these courses to national contexts and conduct training courses at the national/regional level;
- Delivery of courses to interested Trade Points.

13. A comprehensive project proposal, which forms the basis for a consistent approach to capacity building in the Trade Point Programme, has been developed, but no donor has so far been found.

14. Five Trade Point-related projects containing a capacity-building component were included in UNCTAD's roll-over programme of technical assistance for 1999 - 2001⁸, but donors to fund these proposals have so far not been identified. Two more projects with a training component have been prepared in order to be considered for implementation within the Joint Integrated Technical Assistance Programme to Selected Least Developed and Other African Countries (JITAP).

15. At the request of the People's Republic of China a project document was drafted specifically focusing on the provision of basic training (on issues such as Trade Point management and development, setting up a Trade Point website, management of information in a Trade Point, and introduction to electronic commerce for small and medium-sized enterprises for national Trade Point staff. Similar projects have been

⁷ During the period under review, the following countries and territories have been receiving technical assistance from UNCTAD funded by donors: Bulgaria, Egypt, Hungary, Jordan, Morocco, Mozambique and the Palestinian Authority.

⁸ UNCTAD's technical cooperation plan for 1999 - 2001, (TD/B/EX (20)/3, TD/B/WP/112/Rev.1), submitted to the twentieth Executive session of the Trade and Development Board, February 1999.

prepared for geographically or linguistically close groups of least developed countries (LDC) While the former project, intended to facilitate the establishment of new Trade Points in China, is currently being examined by the Chinese counterpart, the latter have been submitted to the Office of the UNCTAD LDC Coordinator.

16. Moreover, project proposals have been prepared by some advanced Trade Points to assist Trade Points in their region in becoming operational. Among such proposals are a project for West Africa formulated by Trade Point Senegal and another for the Middle East prepared by the Egyptian International Trade Point. These proposals are an example of the increasing potential among Trade Points for mutual assistance whereby more advanced Trade Points could help those that are only in the initial stages of their development. Such projects, if funded by donors, could play an important role in the building of Trade Points' capacity to provide technical assistance to one another, which is an important element of the Trade Point empowerment process.

17. In the meantime, since the planned training projects would also be jointly executed by the Trade Point Programme and TRAINFORTRADE staff, a workshop was organized for the Trade Point Programme staff to familiarize themselves with the methodology of development of training courses.

18. With a view to facilitating identification of potential trainers, work has been initiated on the establishment of a roster of consultants with experience in the implementation of Trade Point projects. The roster contains 21 names so far. The intention is to further expand this database by including more consultants working in and with Trade Points at the national level. Subject to the availability of funding, the interested consultants would subsequently be trained as course developers/trainers.

19. Some more general courses, for instance those on electronic commerce, do not necessarily need to reflect the specific Trade Point context. Several Trade Points which work closely with universities (e.g. Monterrey-Mexico, San Diego-United States, and Perth-Australia) have offered to assist in the delivery of such courses to the interested Trade Points, including through their provision on-line.

(b) Assistance to Trade Point forums

20. According to the Trade Point Programme Strategy, the key means of ensuring the sustainability of the Programme and reducing its dependence on UNCTAD resources is to enhance the Trade Point community's capacity for self-management. This process should be facilitated by associating Trade Points at the regional level (or national level in larger countries) into regional/national Trade Point forums. This would build Trade Points' expertise in working together for the benefit of the forum's members. Such experience would later be used at a worldwide level when an international Trade Point federation is formally established.

21. Available evidence shows that the establishment and, even more so, the operation of regional/national Trade Point forums can only be successful if there are a sufficient

number of well-functioning Trade Points and if there is clearly perceived value added that the forum can provide to its members. It is therefore indispensable that the setting up of regional/national forums go hand in hand or, even better, be preceded by consistent efforts to strengthen potential member Trade Points. At the same time, Trade Points should not create forums merely for the sake of doing so, but should first carefully consider what benefit they can realistically expect from them and should also be committed to supporting their activities.

22. At the request of member States, UNCTAD has intensified its efforts to provide legal assistance to all the regional or national groups of Trade Points interested in formalizing their cooperation by establishing a regional or a national forum. Model statutes of a regional/national Trade Point forum have been prepared, accompanied by model internal rules. English and Spanish versions of these documents are available to all Trade Points through the GTPNet and a French version is in preparation. Furthermore, UNCTAD worked closely with interested Trade Points on the adaptation of the model documents to the particular conditions in their region/country.

23. To date, the process of empowering Trade Points through their association into regional/national forums is the most advanced in the Americas, where the prerequisites mentioned above are present to the greatest extent. This is also due to the fact that it is the region in which the Trade Point Programme was launched in 1992 and where there is the largest number of operational Trade Points. All official formalities have been completed relating to the establishment of the Inter-American Trade Point Forum associating Trade Points in the Americas. Work is well advanced on the legal framework for the North American Free Trade Area (NAFTA) Trade Point Network, whose statutes are expected to be signed later this year. The process of creation of a regional Trade Point forum was also started in the Asia-Pacific region during a meeting held in Sri Lanka in October 1999. Establishment of regional Trade Point forums in the Arab region and in Europe is under discussion as well. On the basis of UNCTAD's guidelines and guidance, UNCTAD, national Trade Point forums have been established in Argentina and Spain and one is being created in Brazil.

24. National and regional Trade Point forums meet on a regular basis with a view to exchanging experience, discussing problems and possible solutions and identifying projects of common interest to their members. An important role of the forums consists in providing assistance to new applicants. In this context, the forums could potentially also be involved in the delivery of Trade Point courses that could be developed by UNCTAD in close cooperation with Trade Points. Within the forum, products and services developed by some Trade Points could also be shared with others, thus eliminating unnecessary duplication of efforts. In addition to developing expertise in the management of the Programme at a regional/national level, Trade Point forums play a constructive role in the development of the Trade Point Programme as such, for example by defining issues of common interest and proposals that are then transmitted to UNCTAD.

25. The concept of the subsequent step, i.e. the creation of an international Trade Point federation, has been explored by UNCTAD in regional Trade Point meetings in

Curaçao (Netherlands Antilles) and Tampa (United States), and met with positive reactions. However, since the federation is expected to take over the management of the Trade Point Programme in the future, a number of issues would need to be addressed and solved before this can happen. It ought especially to be ensured that the federation will observe the principles that form the basis of the Trade Point Programme. This is particularly important in the light of the considerable heterogeneity of Trade Points in terms of their level of development, expertise, access to financial resources, and the natural divergence of objectives between Trade Points located in private companies and those hosted by public institutions.

B. Renovation of the GTPNet

26. Considerable progress has been made in the renovation of the GTPNet architecture in line with the latest technological and market trends. Evidence indicates 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. Nor does it automatically guarantee that information providers will find customers. Demand seems to emerge for (a) quality instead of quantity of information; (b) complete, not rudimentary, information; (c) reliable information; and (d) user-friendly access to information. The new GTPNet is conceived so as to embrace these trends. The approach chosen is based on a decentralized structure and active involvement of Trade Points with a view to empowering them to eventually become true owners of the system.

27. The renovated, database-driven GTPNet was presented at UNCTAD X in Bangkok. The main innovative features of its new technical environment can be summarized as follows:

- Standardized and structured trade-related information is managed locally by individual Trade Points, and updates made in their local databases are automatically replicated to the GTPNet central site. Here the information can be easily searched using customized search engines.
- The management of the content of the GTPNet is profile-based. This means that different categories of users (Trade Point directors, Trade Point managers, Trade Point members, Trade Point clients, anonymous users) have different rights to access and/or change information contained in different databases on the GTPNet. This selective access to information and its protection by passwords guarantee the integrity and confidentiality of information posted on the GTPNet.
- One of the core components of the new GTPNet is an advanced system of electronic trading opportunities (offers and demands for goods and services). These structured ETOs are fully integrated with databases providing data about registered companies.

- Only pre-qualified Trade Points and their registered members can post ETOs. During an initial period (“hot” ETOs), access to ETOs is restricted to Trade Points and their registered clients. In addition to accessing ETOs on-line, they can benefit from a GTPNet service whereby they are automatically forwarded all ETOs that correspond to the criteria that they have themselves specified in the form of a user profile. This time- and cost-saving value-added service may act as an incentive for companies to become Trade Point clients and may also generate income for Trade Points.
- After the initial period, with a view to reaching as wide a trading community as possible, ETOs (“cold” ETOs) become universally accessible and interested users can search the ETO database on-line.
- The GTPNet company database linked to the ETO system is managed by Trade Points and can be searched using a criteria-based search engine. Background information about companies makes it possible to relate individual ETOs to company records in the GTPNet database. The existence of such information about companies increases the quality of ETOs, and the fact that only registered companies can post ETOs significantly enhances the credibility of posted offers and demands. At the beginning of June 2000, the GTPNet company database consisted of about 13,000 records supplied by 25 Trade Points from different parts of the world.
- A system is in place that gives Trade Points the right (and also the related responsibility) to directly upload and update information about their country, Trade Point and its clients that is stored on the GTPNet website. This feature creates a synergic effect combining the strengths of a local presence with the advantages of a central repository of standardized information. The information on the central site is automatically updated following any local update.
- Real-time discussion forums (both publicly accessible and with restricted access) have been made available to the Trade Point community and users of GTPNet services. The objective was to give them a tool for discussing mutual cooperation and stimulating the creation of regional Trade Point forums and ultimately a world Trade Point federation.

28. Trust is crucial, but it can also be built up on the basis of a history of high-quality service. Therefore, and in order to ensure consistency for all Trade Points, UNCTAD has prepared “Model terms and conditions applicable to technical assistance provided to Trade Points established in accordance with the Trade Point Programme of UNCTAD”. Access to the full features of the renovated GTPNet is conditional upon Trade Points’ signing these terms and conditions.

29. Together with the renovation of the GTPNet, an examination of opportunities to enrich the GTPNet by including additional value-added services was undertaken. An

example of a service is a proposal by Trade Point Perth, Australia, to facilitate participation of small and medium-sized enterprises (SMEs), particularly from developing countries, in international public procurement.

30. Trade Points will be able to link to international agency procurement offices. Within the framework of the project, Trade Points would pre-screen SMEs in their countries. Also, they would notify companies in their country 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, and preparation of a project document is under way.

31. Besides the services developed by UNCTAD in the framework of the GTPNet, several Trade Points (in particular in Canada, Egypt, Romania and Senegal) have, at their own expense, developed products, mainly software, to respond in a practical manner to their clients' needs. Offers to share these value-added products could be made to all the Trade Points on the GTPNet.

II. ACTIVITIES TO BE UNDERTAKEN IN LINE WITH THE OBJECTIVES SET OUT IN THE STRATEGY

32. Future activities of the Trade Point Programme will continue to pursue the goal of reducing UNCTAD's involvement in the Programme. In this context two main preconditions have been identified that would need to be fulfilled:

- Consolidation of the Trade Point product, i.e. services that it provides, and rules according to which it operates. Trade Point services should be developed enough to be able to occupy a niche in the market and to effectively assist Trade Point clients in improving their competitiveness and access to international markets. The Programme should also develop rules and operating mechanisms that would ensure that its basic objective, which is to assist those who are the most disadvantaged in their efforts to participate in international trade, be maintained once the supporting agency steps down.

Action on the consolidation of the Trade Point product is mostly taken by the UNCTAD secretariat and is therefore relatively less dependent on extra-budgetary resources.

- Strengthening of the Trade Points, both individually and collectively. Capacity should be developed in Trade Points that would allow them ultimately to take over the Programme and to run it successfully once UNCTAD reduces its involvement, as agreed upon by member States in adopting the Trade Point Programme Strategy. In order to externalize the Programme, a critical mass of solidly established and viable Trade Points needs to be in place. These Trade

Points should collectively be in a position not only to formally take over the Programme, but also to run it for the benefit of the whole Trade Point community. It would be desirable that Trade Points from all parts of the world, including the LDCs, reach a stage where they could take an effective part in the management of the Programme.

Action with regard to the strengthening of Trade Points is more subject to external factors. Most Trade Points are funded from local resources, which is a strength insofar as it reinforces the sense of local ownership of the project, but it may hamper the development of the Trade Point if these resources are too limited. The UNCTAD secretariat depends on donor funding in respect both of assisting individual Trade Points in consolidating their services, and building the capacity of a greater number of Trade Points through training programmes.

33. In the coming year, the thrust of UNCTAD's action with regard to the Trade Point Programme will be to ensure further progress in the implementation of the Strategy, in line with guidance from UNCTAD member States and in close consultation with the Trade Point community. Within this framework, UNCTAD will:

- Consistently work towards the transfer of activities that can be better developed outside the United Nations environment (e.g. enhancement of the ETO system and its transition to a transactional stage) to a suitable not-for-profit entity, such as an international Trade Point federation. The necessary preparations will be made from both the technical and legal points of view to ensure the setting up of a viable replacement solution and a smooth transfer of activities from UNCTAD. The new GTPNet is already technically conceived in a way that in principle allows for outsourcing of management of its individual components. Work on the preparation of the legal basis of an international Trade Point federation is also well advanced and the issue will be prominently featured at the next World Trade Point meeting (Geneva, 6 - 10 November 2000). Due attention will also be paid to building capacity in the Trade Point federation to effectively manage the "externalized" activities.
- Refocus its own activities on those where it has a comparative advantage and a specific role to play.

34. An example of one such an activity is technical assistance projects, particularly training, where UNCTAD would prepare project proposals, liaise with donors and manage project implementation. The real impact that UNCTAD can make in strengthening Trade Points and helping them become operational, which is a precondition for setting up regional/national Trade Point Forums, will however crucially depend on the availability of extra-budgetary resources. Another related activity is provision of information, guidance and advice to Trade Points. Yet another is ensuring that the orientation of the Programme towards integrating both, in particular weaker and stronger

partners, in one cooperative system be maintained while ensuring that all Trade Points will receive the same level of services and support and be treated in an equitable manner. It can be envisaged that these activities/roles could also be progressively transferred to an international Trade Point federation.

III. OPTIONS FOR A SUITABLE NON-PROFIT ORGANIZATION TO MANAGE THE ETO SYSTEM

35. The Working Party, the Trade and Development Board⁹ and UNCTAD X¹⁰ decided to explore options for a suitable non-profit organization, including an international Trade Point federation, to manage the ETO system, taking into account the views of Trade Points worldwide on this issue.

36. In the preparation of a proposal, the following considerations should be taken into account:

- The ETO system is fully integrated with the GTPNet company database, which adds value and credibility to individual offers and demands circulated in the system. Therefore, any decision that might be taken should address both the ETO system and the company database.
- A prototype of an advanced ETO system has already been developed but still needs to be tested in practice and further fine-tuned on the basis of user feedback.
- The ETO system is a major source of income for a number of Trade Points. This has two implications. First, many Trade Points vitally depend on ETOs for income generation. Second, the ETO system might be of interest to entities in which the interest in deriving income from the system might prevail over the notion of service that it should provide to the weaker players in international trade, such as developing countries and SMEs.

37. Taking account of the above, the UNCTAD secretariat proposes that the new ETO system be transferred together with the company database when it has been successfully tested and when a suitable outside non-profit entity is identified to manage and develop the system further. As recommended by the Working Party at its thirty-fourth session, the views of the Trade Points worldwide should be taken into account when a decision on this issue is taken. The secretariat therefore intends to continue the discussion of this topic with the Trade Points during the coming World Trade Point meeting.

⁹ Para. (b) 4, Trade and Development Board, Working Party on the Medium-term Plan and the Programme Budget, thirty-fourth session, "Evaluation of technical cooperation programmes, Agreed Conclusions". TD/B/WP/L.93.

¹⁰ UNCTAD, Tenth session, "Plan of action", para. 158 (TD/386)

38. The following options may be envisaged with regard to the externalization of the ETO system:

- Option 1: transfer the system to an international Trade Point federation

The advantage of this solution stems from the inherent interest of Trade Points in the proper functioning of the system. Since all Trade Points would be represented in the international Trade Point federation, the risk of diverting the system from its original purpose towards serving private interests is minimal. At the same time, the federation would be free to enter into partnerships with competent private-sector partners with a view to maintaining high-quality technical services and developing income-generating activities in a way compatible with the principles of the Trade Point Programme.

- Option 2: transfer the system to an entity outside the Trade Point community

The possibility of approaching the International Chamber of Commerce has been considered. However, since in some countries there is a conflict of interest between the Chamber of Commerce and the established Trade Points, this solution could create additional problems, which would not be conducive to strengthening the cooperation of Trade Points. Transferring the system to any entity outside the Trade Point community could create the risk of excessive commercialization of the system and its conversion into a profit-driven activity, which might have an adverse impact on or completely exclude weaker members of the GTPNet. In addition, it would become difficult for Trade Points and the administering body of the Trade Point Programme to have a decisive or even a complementary role to play in the management and development of the ETO system if changes were necessary on the basis of Trade Point clients' experiences and events in the world. Also, there would be a danger that the host organization would have other types of products in mind, which did not necessarily respond to the interests and needs of Trade Points.

- Option 3: transfer the system to an advanced Trade Point

If a Trade Point were selected to take over the system, it would have the advantage of better knowledge of the functioning and potential of the system than an outside entity. The drawback, however, would be that one single Trade Point might obtain (or be perceived as obtaining) an unfair advantage over the rest of the Trade Point community. In addition, an entire region could secure a more competitive and stronger role than another one and regional decisions could be made with a negative impact on the programme worldwide. Certain regions with specific needs might be disregarded.

39. After analysing the three different options with the Trade Points, and considering the disadvantages of options 2 and 3, the secretariat considers that the only acceptable

solution is for an international Trade Point federation to take over the management of the ETO system.

Conclusion

40. Activities regarding the renovation of the GTPNet have been carried out within existing resources both from the regular budget and extrabudgetary ones. In order to finalize these activities, in particular the fine-tuning of the technical set-up at the various Trade Point locations, UNCTAD will have to mobilize additional financial resources.

41. The continued availability of a legal adviser in the Trade Point Programme plays a critical role in ensuring consistent implementation of the Strategy and an orderly transfer of Trade Point programme responsibilities to the international Trade Point federation. In the past the services of the legal officer were funded from extrabudgetary resources, but the funds allocated for this purpose have been exhausted.

42. The activities set out in the Strategy regarding capacity building have not progressed beyond their conceptual stage because of lack of funding. It was indeed clearly spelt out in the annex to the Strategy¹¹ that most of the activities regarding training were dependent on the availability of extrabudgetary funding.

¹¹ Document TD/B/WP/120/Add.1.

[This table is an identical reproduction of TD/B/WP/120/Add.1]
Annex

Objectives	Activities	Time frame	Indicators	Assumptions and risks
Capacity development	Fund raising for training activities	October 1999 – December 1999	Donor(s) funding confirmed	Strategy endorsed by member states at the thirty-fourth session of the Working Party, and donors confirm interest in providing financial support
	Training of 8 to 10 course developers selected mainly from Trade Points	Three weeks in February 2000 and three weeks in July 2000	8 to 10 course developers fully trained for subsequent activities	Extrabudgetary funding available
	Development and update of six courses to support the development of Trade Point services and to strengthen the Trade Point management capacity, including with respect to financial aspects	March 2000 – December 2001	Courses completed on Development of Trade Point Services, Trade Point Management, Trade Facilitation, E-Commerce, Global Architecture of GTPNet, and Trade Point website Design	Extrabudgetary funding available
	Preparation and update of Trade Point and GTPNet guidelines based on the experiences gained by, and the best practices at, operational Trade Points	January 2000 – December 2000	Guidelines for the establishment of Trade Points, management of Trade Points, effective operation of ETOs, value-added GTPNet tools, such as web publishing, and marketing of these tools available for Trade Points and their clients	Extrabudgetary funding available
	Training of 8 to 10 trainers selected mainly from Trade Points	Two weeks in June 2000 and two weeks in November 2000	8 to 10 trainers fully trained for subsequent delivery of training	Extrabudgetary funding available
	Establishment and maintenance of a roster of consultants selected mainly from Trade Points	October 1999 – September 2002	Roster of consultants available	

Objectives	Activities	Time frame	Indicators	Assumptions and risks
	Course/workshop delivery by region, including courses for the above-mentioned trainers	September 2000 – September 2002	Courses and workshops held in all regions	Extrabudgetary funding available
	Support the establishment by Trade Points themselves of regional Trade Point forums	October 2000 – September 2002	Regional Trade Point forums established in Africa, Asia and Europe, and for Arab and Mediterranean countries	Commitment and support by the Trade Points of the particular regions
	Support the establishment by Trade Points themselves of an international Trade Point federation	By March 2002	International Trade Point federation established (if so decided by the Trade Points)	Commitment and support by the existing regional Trade Point forums
	Handing over of activities to the regional/international Trade Point federation(s)	By September 2002	Regional/international Trade Point federation fully functioning	Funding available from participants and interested donors for staff and operational expenses of the regional/international Trade Point federation(s)
Renovation of the GTPNet	Updating of interactive tools, including a discussion database function, in a pilot phase with five Trade Points	October 1999 – February 2000	Release 1 of renovated GTPNet operational	Participating Trade Points have the technical capacity to adopt the new tools; local expertise available
	Renovation of the ETO system, taking into account the views of Governments and experts	November 1999 – March 2000	Renovated ETO system operational (on-line structured ETOs, search engine, profile-based subscription features)	Introduction by users of new quality criteria and adoption of new technology tools
	Update of system set-up based on user feedback	March 2000 – June 2000	Release 2 of renovated GTPNet operational	Feedback received from users in a timely manner

Objectives	Activities	Time frame	Indicators	Assumptions and risks
	Dissemination of renovated tools and techniques to Trade Points	July 2000 – June 2001	At least 50 Trade Points equipped with new technology or fully prepared for its introduction	Extrabudgetary resources available for training seminars; local technical environment ready to accept the new tools
	Fine-tuning of knowledge database function based on experiences gained from discussion database	January 2001 – March 2001	Knowledge database fully operational	Effective use by Trade Points of this tool; regular inputs from users received
	Transfer of know-how on maintaining and managing the GTPNet to regional forums	July 2000 – September 2002	Regional forums established	Extrabudgetary resources available for training seminars
	Transfer of know-how on maintaining and managing the GTPNet to the international Trade Point federation	April 2002	International Trade Point Federation established	Extrabudgetary resources available for training seminars

Abbreviations: ETO electronic trading opportunity
GTPNet Global Trade Point Network