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**Report of the Multi-year Expert Meeting on
Transport and Trade Facilitation on its second
session**

Held at the Palais des Nations, Geneva, from 8 to 10 December 2009

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I. Chair's summary

1. The second session of the Multi-year Expert Meeting on Transport and Trade Facilitation, titled "Public and Private Partnerships for the Development of Infrastructure to Facilitate Trade and Transport" was convened from 8 to 10 December 2009, pursuant to the decision by the Trade and Development Board at its fifty-fifth session and the approved terms of reference, and in accordance with paragraphs 107 and 164–168 of the Accra Accord. Experts had before them the background note prepared by the secretariat (TD/B/C.I/MEM.1/5).
2. The meeting provided a forum to share experiences on best practices and approaches to public-private partnerships (PPPs) in transport and trade facilitation. Experts came from trade and transport ministries, customs authorities, private sector representatives, academia and international and regional organizations.
3. Several delegations thanked the UNCTAD secretariat for organizing this timely expert meeting and for its rich content, while highlighting its great importance, in particular for landlocked developing countries.
4. The meeting was organized under the following five main sessions:
 - (a) Recent developments in transport and trade facilitation;
 - (b) Identifying investment requirements and financing gaps;
 - (c) Enhancing connectivity through public-private partnerships for transport and transit;
 - (d) Promoting public-private partnerships in trade facilitation;
 - (e) Making tangible progress in trade facilitation reforms: the role of collaborative platforms, capacity-building and contributions from the international community.

A. Recent developments in transport and trade facilitation

1. Global trends and multilateral negotiations

5. High transaction costs and administrative difficulties associated with outdated and excessively bureaucratic processes are often cited as more serious barriers to trade than tariffs. Moving goods rapidly across borders means lower transaction costs and results in a "win-win-win" situation. For traders, it means higher levels of competitiveness, and for governments it implies efficient and transparent procedures and a more efficient allocation of resources. Finally, in this context, it implies lower costs to consumers and cost savings in industrial production.
6. Trade and transport facilitation has gained importance in recent years due to global trends in trade logistics, such as globalized production processes, just in time delivery and advances in information and communication technologies. In response to those trends, since 2004, the members of the World Trade Organization (WTO) have been negotiating trade facilitation within the Doha Development Round. In these negotiations and in view of the possible resulting commitments, developing countries are analysing their trade facilitation needs and priorities and attach an increasingly high priority to trade facilitation reforms.
7. In the context of the negotiations at the WTO, future commitments may be beyond the current technical, financial and institutional capacities of developing countries and least developed countries (LDCs). It is important to point out that developing and least developed countries had agreed to launch negotiations on trade facilitation on the condition

that technical assistance for capacity-building be provided during the negotiations and in the implementation of the commitments to be undertaken by members. To this end, the outcome of the negotiations shall take fully into account the principle of special and differential treatment for developing and least developed countries.

8. WTO members recognize that special and differential treatment should extend beyond the granting of traditional transitional periods for implementing commitments. In particular, the extent and the timing of implementing commitments shall be related to the implementation capacities of developing countries and LDCs. Developing countries and LDCs would not be obliged to undertake investments in infrastructure projects. The approach taken toward the negotiations on trade facilitation is defining new parameters for the WTO, especially as regards special and differential treatment for developing and least developed countries.

2. Recent experiences with public-private partnerships

9. PPPs in transport infrastructure are long-term contractual relationships to build, operate and maintain the infrastructure. There are different ways to engage the private sector within PPPs. A public entity identifies an output specification that has to be delivered by a private sector contractor. The most common model is a “special purpose vehicle” (SPV), which, in this instance, is a joint venture between the government and the private sector. Such a model has a number of benefits in terms of enhanced certainty in the timely delivery of outcomes and transfer of knowledge and specific skills, which government agencies do not possess. PPPs are thus an alternative to traditional public sector procurement and investment, where the public sector sets out specifications for “inputs”; by contrast, in a PPP, the public sector specifies the required “outputs”.

10. Lately, the private sector has assumed a greater role in planning, designing, operating and maintaining public facilities. Risk is shared between public and private entities, or transferred to the entity that is best positioned to manage it. Various forms of PPPs can be increasingly found in logistics and trade facilitation alike. This is particularly true when it comes to the provision of new services with a high degree of sophistication or using modern information and communication technologies, such as in the case of paperless trade systems and electronic single window facilities.

11. In order to make PPPs in transport infrastructure more attractive for the private sector, it was suggested that governments create specialized PPP units and train the local staff, who should know the local conditions best. In turn, governments should also have an overview of the relevant private sector operators in areas of transport infrastructure and trade facilitation services to avoid entering into bad contracts. In developing PPPs, the public sector needs to have a range of skills regarding different options for PPPs, bid specification, tendering processes, contract negotiations and post-contract monitoring.

12. Government agencies need to develop a PPP capacity so that they are able to effectively engage in negotiations with private sector partners in terms of technical skills and competencies. The United Nations Economic Commission for Europe (UNECE) has developed guidelines for PPPs and a series of “train the trainer” modules. UNECE is also creating a Centre of Excellence on PPPs with the main aim of advising governments on policy implementation of PPPs and building capacity to successfully implement PPPs.

13. In the area of trade facilitation, PPPs may involve an SPV, for example to develop a single window for international trade. PPPs in trade facilitation may, however, also be less complex and take the form of institutionalized trade facilitation committees or more formal task forces or working groups. Such working groups usually function as consultative bodies between the public and the private sector. They allow the private sector to convey concerns regarding “red tape” encountered in international trade directly to the public sector. They

may monitor achievements in national trade facilitation reforms and develop and publish indicators in this regard.

14. Experts also looked into the issue of corporate social responsibility (CSR). CSR is a concept whereby companies integrate social and environmental concerns in their business operations in ways that are good for business, the sustainable development agenda and society at large. CSR is driven by business people who believe that business is accountable not only to shareholders but also to other stakeholders, and this concept is being actively promoted by the United Nations through its Global Compact initiative. CSR is linked to sustainable development and concepts that aim at combining economic, environmental and social benefits and may thus also be a motivation for companies to engage in PPPs.

3. Regional developments

15. Trade facilitation measures are increasingly regional by nature. Regional and subregional organizations incorporate transport infrastructure, services and border issues in their work programmes. Experts pointed out that the existing regional arrangements with a long-term integration goal serve as a catalyst for regional trade facilitation programmes and initiatives. An example of the latter is the ASEAN (Association of Southeast Asian Nations) single window, which is an important commitment towards advancing the ASEAN Economic Community. However, experts also noted that regional endeavours toward trade and transport facilitation might be confronted with obstacles resulting from different languages, levels of development and legal regimes.

16. Experts looked at several examples of regional approaches, including trade and transport corridors in the Greater Mekong subregion, the Asian highway system, the South American Infrastructure for Integration Initiative, the African Highway Initiative, the sub-Saharan Africa Transport Policy Programme and the North–South Corridor Initiative in Africa, to name a few. Regional initiatives may benefit from regional markets for transport services, as well as cross-border investments, for example in railways, roads, bridges and ports. Rail and road infrastructure in particular are key to international trade and require close coordination and planning among neighbouring countries. Likewise, waterways often are dredged and maintained through regional cooperation initiatives.

B. Identifying investment requirements and financing gaps

1. Investments in transport and trade facilitation

17. Experts highlighted the fact that investment in transport and trade facilitation enhances competitiveness, which in turn increases trade volumes thereby boosting public revenues. However, many developing countries and LDCs do not have the financial resources or institutional, human and technical capacities to undertake these investments. PPPs could be a channel for investment toward the construction, operation and maintenance of transport infrastructure, especially roads, ports and other trade supporting services.

18. Transport infrastructure plays a critical role in supporting international trade. In Africa, a major transport corridor funded by the African Development Bank connects 15 countries. The bank also provides training to local experts to enhance their capacity in implementing PPP projects. Only a handful of ports in Africa can receive the major portion of shipments destined for Africa. There is a need to develop more deep seaports and improve services and capacities in existing ones to help make them comparable to international standards. African ports also face major congestion problems that have more to do with inefficient handling than with infrastructure capacity problems.

19. Another challenge in Africa is the establishment of efficient inland transport linkages. Tariffs for road freight in Africa can be several times higher than in other parts of

the developing world, which experts attributed not to higher road transport costs in Africa per se, but to exceptionally high profit margins in the trucking industry. These margins in turn reflect cartelization and restrictive regulatory frameworks, such as high market entry barriers, technical regulations and a system that allocates freight business based on queuing, particularly in Central and Western Africa. This system favours large fleets with mostly older trucks in poor condition. Moreover, it fosters corruption, because a transport operator can potentially increase the volume of cargo by bribing the freight bureaux, the entities that allocate freight among transport operators.

20. Most railways in Africa struggle to achieve economic viability because of low traffic volumes. The trans-African highway system being developed by the African Development Bank should provide for enhanced connectivity within the continent. It comprises nine corridors, however half of the infrastructure is in poor condition and key links are still missing.

21. Experts suggested that a larger part of investment should be channelled to the maintenance of transport infrastructure rather than to new projects. Private sector participation is more commonly found in the port sector, while the road and railways sector is less attractive due to large investment requirements and long investment recovery periods. In Africa, experience has been mostly positive with PPPs in ports, albeit less so for road or railway concessions.

2. Financing gap

22. Experts discussed the current difficulties in obtaining the necessary financing for transport infrastructure projects given the prevailing global economic downturn. It was noted that in such times, access to financing is limited due to the collapse in export revenues and foreign investment and a consequent tightening of credit conditions. In this context, experts discussed the possibilities of counter-cyclical investment, which would generate employment in an economic downturn. Investment in transport infrastructure, in particular, can generate employment and contribute to growth and demand.

23. Financing PPP projects has become more difficult since mid-2008, as fewer banks have provided funding for PPPs. Focus may shift to clustering smaller projects, especially in small-scale economies. So far, there is no evidence that many existing PPP projects would collapse because of the crisis. However, new port and airport infrastructure projects saw a decline caused mainly by reduced trade and difficulties in obtaining finance.

24. Experts highlighted the role of information and communications technologies as well as transfer of knowledge, which are necessary parts of public-private partnership projects. The PPP-based business models for a single window for international trade were highlighted as a good example of this.

C. Enhancing connectivity through public-private partnerships for transport and transit

1. Obstacles to trade and transport connectivity

25. Landlocked developing countries are confronted with higher transport costs and less reliable transport services to connect to international markets. Several experts illustrated these challenges with statistical data and practical examples. In sub-Saharan Africa, studies have shown that trucks spend just 21 per cent of their time driving, while the rest of the time is spent on pre-departure delays in transit ports, clearance procedures at the borders, weigh bridges and other police stops en route.

26. Numerous recent studies have analysed practical obstacles to transit trade. Transit time in ports is often longer than necessary, due to lengthy border procedures, and also due to commercial practices of private sector operators such as agents and freight forwarders. Border delays are primarily caused by the cumbersome controls combined with lack of information and communication technologies and related infrastructure. These inefficiencies create much greater obstacles to transit trade than an inadequate road infrastructure. In the end, this situation leads to far higher transportation prices paid by users than the transport costs incurred by a trucking company itself.

27. Trucking companies from landlocked developing countries are often confronted with different technical barriers, such as maximum axle loads, as well as inconsistent applications of existing transit transport regulations and rulings in neighbouring countries. Many transport operators are small and medium-size enterprises, which often do not have the capacity to confront authorities if the introduction or application of regulations and rulings is considered unjustified.

28. For one landlocked developing country, it is estimated that the inefficiencies along the trade corridors are equivalent to 6.6 per cent to the value of the traded goods. The largest contributors to this extra cost are inefficiencies in the pre-shipment processes, followed by land transport, ports and border procedures.

2. Collaborative schemes in international transit

29. Enhancing the connectivity of landlocked developing countries through close collaboration with their neighbouring transit countries was also addressed. Such collaboration is vital to guaranteeing efficient access of landlocked developing countries to regional and international markets. In the case of Africa, transport connectivity with the overseas markets might be considered as a public good, where the major transport corridors connect the continent's 15 landlocked countries with its major seaports. These transport corridors include both roads and railways.

30. Investments in transport and transit infrastructure require certain trade volumes to be commercially viable. With low trade volumes, transport services are less frequent and there is less competition. Diseconomies of scale lead to higher transport costs, which in turn lead to lower trade volumes. A challenge for many landlocked developing countries is that their low trade volumes often do not economically justify investments in technologies and infrastructure, be it in the landlocked developing country itself or in the neighbouring transit country.

31. Identifying common interests between traders from landlocked developing countries and service providers from neighbouring transit developing countries can be an important step towards improving trade facilitation and transport connectivity. In particular, private port operators may become important allies for landlocked developing countries. Ports are increasingly operated by commercially oriented companies or PPPs, and these operators often develop an active interest in attracting additional cargo from landlocked countries.

32. Some regional organizations also significantly contribute to the facilitation of transit transport and trade through regional framework transit agreements. One regional organization presented its activities in regional transit transport, including the promotion of multimodal transport and a pilot project for an intraregional railway.

3. PPPs in transit trade and transport

33. PPPs in transport and transit may lead to additional resources to meet the increased needs of investment in infrastructure services. They may also enhance efficiency in project delivery and operation and provide access to advanced technologies. However, the success of PPPs depends on regulatory effectiveness: a simple change of ownership to the private

sector may not be sufficient to improve performance, and not all PPP mechanisms may be suitable for all projects as they are subject to social, political, legal and other constraints. In this context, one private sector representative from a landlocked developing country presented the concept of the “public-private dialogue and partnership”.

34. For seaports, experiences in African countries have shown how the involvement of the private sector can contribute to significant productivity improvements. If productivity is measured in container moves per hour, the productivity of the top five ports in sub-Saharan Africa that are operated by the private companies is on average three times higher than that of the five least productive ports, which are all operated by the public sector. In case of one European port, it was explained that labour reform and the introduction of competition in the main seaport helped reduce international transport costs, with a measurable impact on the country’s price levels. In general, experts considered that in seaport concessions, private operators tend to bring investment and specific skills and knowledge; thus the port authorities benefit from additional revenue as well as best practice, skills and technology transfer.

35. Positive results of one successful port-based PPP include: (a) a 24 per cent increase in truck productivity; (b) the de-clogging of ports and reduced road congestion; (c) the dismantling of an inefficient queuing system; (d) a 20 per cent reduction in freight cost; (e) improved control of the flow of trucks through key transport corridors to various border crossings; and (f) a decrease in unnecessary truck traffic. These positive results were achieved because of close cooperation between the port and land transport operators. A further positive side effect was a reduction of CO₂ emissions, which was achieved by decreasing fuel consumption and the use of paper documents through the introduction of paperless trade port community portals. Improved transport and transit systems also helped to enhance security and safety.

36. Specific components of information and communication systems for transport and transit may be web-based and in multiple languages. They may provide for automated and manual capture of detailed logistics event data across cargo and vehicle movement life cycles. They may further include the verification of data on trucking companies and the availability of cargo through integration with systems maintained by customs and other government agencies. Systems would allow for increased transparency and control between ground operation and administrators.

37. PPPs in transport and transit may encounter obstacles in the form of a lack of government support, oligopolistic market structures in the trucking industry, limited capacities of operators in the area of information and communication technologies and inadequate infrastructure.

38. One expert presented the case of negotiations of a bilateral transit agreement, where national PPPs of both partner countries are involved in the negotiations, working towards the common interest of allowing trucking companies from both countries to provide transit transport services through the respective neighbouring country.

39. Transit countries increasingly see the potential of generating business by investing in improved transport infrastructure and services. Experts presented examples of initiatives aiming at enhanced short sea shipping services and hub port operations. PPPs such as “build-operate-transfer” schemes have shown to lead to tangible improvements in port operations, although in some instances the requirement of high levels of investment and long recovery periods led to the failure of some contracts. One approach to avoid such failures might be for the public sector to provide the main components of the infrastructure construction prior to the tendering process. In this way, the costs to be borne by the contractor could be minimized and the project’s profitability enhanced.

40. Landlocked developing countries also seek to offer transit transport services and infrastructures. This would help them benefit even more from their proximity to neighbouring markets and provide efficient transit services to neighbours who trade with each other using their own logistics services. In order for landlocked developing countries to become efficient transit territories, experiences and studies suggest that positive steps may include the establishment of logistics centres, the renewal of railway equipment, investments in road infrastructure, and also a programme to train and certify freight forwarders.

4. The corridor approach to international transit

41. Most measures to facilitate transit trade and its transport are bilateral or regional. In order to develop and implement such regional solutions, a positive step may be the establishment of “corridor management groups”; in Africa the work of such groups includes the revision of several subregional corridor transit agreements and a protocol on river transport.

42. Regional economic communities are contributing to the dissemination of best practices and the publication of a compendium of existing legal instruments. Recent and ongoing work is also being undertaken on studies on axle loads, capacity-building programmes, coordinating mechanisms and measures to improve safety and security.

43. The transit corridor emerged as a key object to study and target practical activities to facilitate transit trade and its transport. It allows for a systematic approach that links the management of technologies, infrastructure, services, equipment, administrative procedures and commercial practices. The corridor can be analysed like a production system that produces logistics services, which are optimized within the supply chain.

44. It is important to develop institutional and regulatory frameworks to establish clear rules and promote transport business initiatives as well as trade facilitation, either at the corridor or the regional level. These rules of operation should ideally cover customs transit, transport operators and operations, thereby contributing to developing open transport market spaces in which all participating countries, whether landlocked or coastal, enjoy the same market access conditions. This type of integration scheme already operates successfully in East and Southern Africa but also in the southern cone of South America.

45. An environment of trust and shared common will is generally considered to be a necessary precondition for these developments to occur. PPPs, when successful, have proved to be very effective in generating such a trusting atmosphere conducive to collaborative environments. This is showcased, among others, in some Asian countries and by regional initiatives in the framework of the Sub-Saharan Africa Transport Policy Programme.

D. Promoting public-private partnerships in trade facilitation

1. The need for comprehensive trade facilitation solutions

46. In many developing countries, the trade documentation and formalities involved in international trade are paper-based. Excessive paperwork and the regulatory requirements of various agencies for the same information lead to missing and incorrect data and slow down the movement of goods along the supply chain. Implementing the necessary process simplification reforms combined with introducing the information and communication technologies and solutions help keep the movement of goods and trade documents synchronized. To this end, electronic single window and paperless trade systems as well as web-based electronic port community systems have been emphasized as important solutions. Their implementation is, however, complex and costly, as it requires both

sustainable financing and specific knowledge, skills and services. One way of obtaining these is through PPPs, as the private sector can transfer the skills, services and technologies the public sector lacks. Targeted technical assistance and capacity-building support by international agencies, such as train the trainer modules, are yet another way to enhance local capacity in trade and transport facilitation.

47. Sustainability of trade facilitation reforms often presents another challenge. This is mostly due to the limited availability of long-term funding for institutionalizing the collaborative mechanisms and for trade facilitation measures that require modern information technologies.

48. Collaborative trade facilitation platforms comprising key government agencies and the private sector actors that take part in trade facilitation were considered to be a vital emerging tool to bring about collaboration of stakeholders. Specific functions of such collaborative platforms may include the formulation and revision of positions in multilateral or bilateral negotiations on trade facilitation. They have proved vital particularly in defining special and differential treatment requirements and assessing technical assistance needs to implement particular trade facilitation measures. The platforms may also provide a forum for consultation between the public and private sectors for specific reform projects, such as the development of a single window for international trade, risk management systems or online trade portals providing information on export and import rules, regulations and procedures.

2. The single window for international trade

49. The successful establishment of a single window for international trade depends on a number of factors that are critical for success. These include: (a) political will and backing; (b) gaining support from all stakeholders and establishing an appropriate coordination mechanism; (c) defining the organizational structure of the legal entity and strategic partners; (d) determining the most appropriate business model; (e) raising public awareness; (f) adjusting the legal framework; (g) a technical and feasibility study, including data harmonization, analysis of processes and improving the information technology infrastructure; and (h) planning pilot projects in cooperation with international organizations.

50. Experts analysed the public-private business models for developing and operating a single window for international trade. The most common PPP business model for a single window is a commercial entity that serves as an SPV. It usually develops, operates and maintains the single window, and it provides value added network services as well as training programmes.

51. Obstacles to the implementation of a single window include the difficulty of engaging policymakers in this highly technical issue. Many different agencies need to be kept involved and coordinated, and a lack of knowledge among decision makers as well as the public opinion may lead to significant delays in delivering a single window project. During the implementation stage, a long-term commitment is indispensable, yet it is often fragmented and competing interests lead to a loss of momentum.

52. To overcome these obstacles, a strong core team needs to be established and key personnel should have a clear picture of the project's objectives. Clear and direct channels of communication have to be established and maintained during the entire implementation process. Capacity-building for middle level officials will be necessary. It is also important to ensure that the implementation teams are held accountable for their work and the results achieved.

53. In moving toward an electronic single window, one possible way forward may consist in creating a "network of partnerships", where cooperation is first sought, for

example, among different public entities, private stakeholders and academic institutions. As a second step, these different partnerships are then interlinked and managed within, for example, a national committee on logistics development.

3. Customs automation as a key component of trade facilitation and the single window

54. Customs administrations are at the core of most single windows. Customs automation systems such as UNCTAD's ASYCUDA (Automated SYstem for CUstoms DAta) are a necessary precondition for a well functioning single window. The system facilitates the electronic data and document transfer for trade and transport operators. It also helps to establish or enhance cooperation between customs and other government agencies on the one hand, and private sector operators on the other. The main final objective of ASYCUDA is to become a tool that facilitates electronic commerce.

55. ASYCUDA is a robust system that has shown that it functions in very different environments, including large middle income developing countries, small island states and least developed and landlocked developing countries. Within an ASYCUDA project, the ASYCUDA system will be owned by the country, including the source code and any other deliverables that are part of the project.

56. Experts from several countries highlighted how different customs automation systems, including ASYCUDA, could be linked to electronic single window systems that are developed by different companies. A forthcoming ASYCUDA single window module will provide an interface between an existing customs automation system and the systems of other government agencies. It will also provide for an integrated risk management system to be used by all agencies, and thus will ease and speed up the overall clearance process.

57. Risk management is a key component of a modern customs automation system. This may allow scanned images to be integrated into declarations by customs or by agents. If legislation allows, an electronic signature can be used to sign a declaration. Risk management systems may also allow for the follow-up of the status of the import, export or transit operation and for the automatic notification of users about the status of their declarations, for example via SMS or e-mail.

58. Functions of a web-based customs portal include management of access to the system as well as transfers of data and documents. The portal provides for the certification of documents, the generation of standard XML messages and the management of a reference database. It allows for online queries and downloads of regulation updates.

E. Making tangible progress in trade facilitation reforms: the role of collaborative platforms, capacity-building and contributions from the international community

1. National collaborative platforms in the context of multilateral negotiations

59. Collaborative partnerships between the public and the private sector underpin trade facilitation. Such collaborative partnerships are necessary, as trade facilitation is a topic that cannot be dealt with exclusively by the public sector. They help bridge the needs and interests between the public and private sectors by reversing the policy cycle so that the private sector operators are no longer at the end of a linear process with adopted decisions forced upon them. Instead, through consultative processes, both sectors contribute to defining strategic goals and developing national and regional integration strategies.

60. Contractual PPPs for building and maintaining infrastructure also require an institutional framework that structures the collaboration on shared information, work, resources and responsibilities between the different partners.

61. Collaboration on the national level between different public agencies and the private sector has also become crucial in the context of the negotiations on trade facilitation at the WTO. Countries need to organize a national dialogue with the different stakeholders on their needs and use the discussion to develop a national negotiating position on the topics under negotiation. It was stressed that the WTO trade facilitation self-assessments that more than 86 developing countries have undertaken as of today has been an important catalyst in setting up national working groups on the trade facilitation negotiations. Countries that have set up such groups find that their participation in the negotiations and countries' awareness of the negotiations have improved. They have also been able to update their self-assessment findings whenever the proposals in Geneva change substantially. There is, however, the need to sustain the working groups throughout the negotiations, a task that proves to be more difficult as it demands time and continued commitment from the various participants. It was mentioned that national collaborative platforms also have an important role to play in the implementation of trade facilitation projects, and can coordinate technical assistance and capacity-building activities in transport and trade facilitation.

62. Trade facilitation collaborative platforms can take different forms. Three of these forms were presented: a national working group, a regional approach with national working groups and coordination through the regional secretariat, and a national trade and transport facilitation committee.

63. Several elements that are essential to sustaining the success of such collaborative platforms were alluded to: political will and support from the highest political level, committed participants with decision-making powers, an output- and action-oriented work plan, a constantly maintained information flow, a secretariat or an agency providing basic secretarial functions, and identified priority areas to work on.

64. This implies that existing structures and established relationships should not be duplicated. Rather, the working group should be able to link its work with the national development strategies and related implementation action plans, and close links with international organizations active in the field of trade facilitation should be established.

2. Regional cooperation mechanisms

65. Experts suggested that there is a potential for collaboration between working groups of neighbouring countries. Such a cross-border approach can be limited to specific issues, or can be integrated into the work programme of regional economic communities, which underpin the integration processes.

66. For the case of one regional organization that is working towards the implementation of a customs union, experts considered that the analysis of needs and priorities in trade facilitation as well as the definition of negotiating positions at the WTO could benefit from close regional coordination. The regional coordination, however, needs to rely on functioning national task forces or working groups. Hence, the regional secretariat initially supported the creation and sustainability of such national task forces, involving stakeholders from the public and private sectors. The subsequent regional coordination benefited from prior experiences of regional coordination in other multilateral and bilateral negotiations.

67. The conditions for success of regional coordination are similar to those for national task forces, namely political support for the coordinating mechanism, a minimum of financial support for example from an international organization, and finally, the identification and participation of high-level and committed stakeholder representatives.

Both national and regional collaborative platforms can provide policy guidance, support trade facilitation reforms and help coordinate technical assistance programmes. Especially for smaller economies, the regional coordination can help overcome diseconomies of scale and allow for clustering.

3. Capacity-building and the role of the international community

68. For the implementation of trade facilitation projects, developing countries often require technical and financial support. This support can come from the private sector and the international community in form of investment, assistance and capacity-building.

69. As a fast track funding mechanism, the World Bank has established the Trade Facilitation Facility. This facility enables countries and the national trade facilitation working groups to access funding for trade facilitation projects in areas such as regional transit systems, logistics development, benchmarking and auditing of trade facilitation measures, and border management.

70. UNCTAD's support to the creation and maintenance of national task forces was mentioned and recognized by several national experts. This support will be continued. To better design and adapt the activities to the developing countries' needs, in particular in the context of sustaining collaborative platforms, delegates and experts were invited to participate in the UNCTAD/UNECE repository on trade facilitation collaborative platforms. The repository presents a collection of national experiences with such collaborative mechanisms.

71. As regards international cooperation in the area of capacity-building, the meeting also shared experiences on UNCTAD's TrainForTrade Port Training Programme, which is supported by different European ports. The programme is a good example of a triangular partnership. Including UNCTAD, developing countries and private port operators, it aims at a transfer of knowledge and skills. It is targeted at middle managers as well as at senior managers and covers all aspects of modern port management, involving a mix of public funding and private sector expertise.

F. The way forward

72. Several issues discussed in this session of the multi-year expert meeting will continue to be addressed in the next session, in line with the agreed terms of reference. This includes measures and actions to optimize the contribution of investment, in particular private sector investment, to trade facilitation, with a particular focus on its impacts on international transport networks and on the efficiency of transport services and their contribution to trade facilitation.

73. The next session of the multi-year meeting might also deal with the use of information and communication technologies in logistics, trade facilitation and supply chain security. It could also address the emerging challenges affecting transport costs and connectivity, with a special focus on LDCs, landlocked developing countries and small island developing states, as well as improving transit and transport infrastructure and associated services in transit developing countries.

74. The next session should also analyse the regulatory and legal framework for transport and trade facilitation, as well as the effective implementation of agreed rules and standards. It should also look at the contribution of UNCTAD to the effective implementation of trade facilitation measures in the framework of Aid for Trade, including commitments that may ensue from the WTO negotiations on trade facilitation.

75. Although tariffs have been generally reduced through the General Agreement on Tariffs and Trade (GATT)/WTO and other liberalization processes, administrative barriers remain significant. These take the form of excessive paperwork and trade procedures, non-transparent rules and regulations, multiple controls at the border as well as insufficient transport connectivity. Traders from vulnerable economies, such as small island states and landlocked and least developed countries, are affected the most. Investment in transport development and trade facilitation is critical to creating a consistent, transparent and predictable trading environment and reducing the cost of international trade.

76. Experts emphasized the need to identify measures and actions to optimize the contribution of investment in trade and transport facilitation to trade competitiveness and development. The role of PPPs in promoting transport and trade facilitation is vital in this regard.

77. In the area of transit, experts expressed expectations that an improved and better enforced GATT article V may help landlocked developing countries connect better to overseas markets. Contributions from the international community may not necessarily have high financial implications, but focus on the enforcement of existing multilateral and regional agreements, adopting transparency measures and the sharing of best practices.

78. For the past decade, UNCTAD's TrainForTrade Port Training Programme has been active with port operators around the world in supporting the economic development role of their nations. The programme plays a key role in building the capacities of developing countries through the strengthening of their human resources. In this endeavour, a model of public-private partnership has been developed with European ports that are sharing their knowledge and expertise through the UNCTAD Port Training Networks in four language groups of Asian, African and Latin American port communities. The programme's main goal is to support port communities of developing countries in their quest to foster economic development by providing efficient and competitive services to facilitate trade. The group of experts recommended that UNCTAD pursue the development of the UNCTAD TrainForTrade Port Training Programme Networks in new countries.

79. UNCTAD should continue its active support to the Almaty Programme of Action, which addresses the special needs of landlocked and transit developing countries. For landlocked countries, transit transport and trade facilitation is a precondition for access to overseas markets; transit countries, in turn, can benefit from the synergies and economies of scale generated by neighbouring countries' cargo volumes that pass through its seaports. Collaborative approaches between the public and private sectors in both landlocked and transit developing countries can address their common needs for transport and trade facilitation.

80. Trade facilitation is part of the multilateral negotiations within the Doha Development Agenda. It is also increasingly incorporated in regional or bilateral trade agreements. For developing countries to maximize the benefits of transit and trade facilitation provisions in negotiated agreements, it is important that stakeholders from both the public and the private sectors are involved in the analysis of national or regional trade facilitation needs. National experiences suggest that UNCTAD should continue its support to developing countries and regional organizations in the process of establishing PPPs, and their role and the institutional setting in this context was one of the main topics of this meeting.

II. Organizational matters

A. Election of officers

81. At its opening plenary meeting, the multi-year expert meeting elected the following officers:

Chair:	Mr. Jorge Alfredo Camaño Easton (CONALOG)
Vice-Chair-cum-Rapporteur:	Mr. Stephen Fevrier (OECS)

B. Adoption of the agenda and organization of work

82. At its opening plenary meeting, the multi-year expert meeting adopted the provisional agenda for the session (contained in TD/B/C.I/MEM.1/4). The agenda was thus as follows:

1. Election of officers
2. Adoption of the agenda and organization of work
3. Public and private partnerships for the development of infrastructure to facilitate trade and transport
4. Adoption of the report of the meeting

C. Outcome of the session

83. At its closing plenary meeting, on Thursday, 10 December 2009, the multi-year expert meeting agreed that the Chair should summarize the discussions (see chap. I).

D. Adoption of the report

84. Also at its closing plenary meeting, the multi-year expert meeting authorized the Vice-Chair-cum-Rapporteur, under the authority of the Chair, to finalize the report after the conclusion of the meeting.

Annex I**Provisional programme – Multi-year Expert Meeting on
Transport and Trade Facilitation**

Tuesday 8 December 2009	Wednesday 9 December 2009	Thursday 10 December 2009
<p>(10 a.m. – 1 p.m.)</p> <p>Plenary</p> <p>Opening statement</p> <p>Item 1: Election of officers</p> <p>Item 2: Adoption of the agenda and organization of the meeting</p> <p>Introduction of item 3</p> <p>Informals</p> <p>Item 3: Public and private partnerships for the development of infrastructure to facilitate trade and transport</p>	<p>(10 a.m. – 1 p.m.)</p> <p>Informals</p> <p>Item 3: <i>(continued)</i></p>	<p>(10 a.m. – 1 p.m.)</p> <p>Informals</p> <p>Item 3: <i>(continued)</i></p>
<p>(3 p.m. – 6 p.m.)</p> <p>Informals</p> <p>Item 3: <i>(continued)</i></p>	<p>(3 p.m. – 6 p.m.)</p> <p>Informals</p> <p>Item 3: <i>(continued)</i></p>	<p>(3 p.m. – 6 p.m.)</p> <p>Informals</p> <p>Consideration of the outcome of the meeting</p> <p>Plenary (closing)</p> <p>Item 4: Adoption of the report of the meeting</p>

Annex II

Attendance*

1. Representatives of the following States members attended the session:

Algeria	Mongolia
Angola	Morocco
Botswana	Myanmar
Brunei Darussalam	Nepal
Bulgaria	Pakistan
Cambodia	Paraguay
Cameroon	Philippines
Central African Republic	Qatar
China	Romania
Czech Republic	Russian Federation
Djibouti	Samoa
Dominican Republic	Saudi Arabia
Egypt	Senegal
Ethiopia	Serbia
Germany	South Africa
Greece	Sweden
Guatemala	Syrian Arab Republic
Indonesia	Thailand
Iran (Islamic Republic of)	Trinidad and Tobago
Ireland	Turkey
Italy	United Arab Emirates
Jordan	United States of America
Kazakhstan	Uruguay
Mali	Venezuela (Bolivarian Republic of)
Mexico	Viet Nam

2. The following intergovernmental organizations were represented at the session:

African Development Bank Group	League of Arab States
African Union	Organization of Eastern Caribbean States
Economic Cooperation Organization	Southern African Customs Union
European Union	

3. The following United Nations organizations were represented at the session:

International Trade Centre (ITC)
 United Nations Economic Commission for Africa
 United Nations Economic Commission for Europe

4. The following specialized agencies or related organizations were represented at the session:

Food and Agriculture Organization of the United Nations
 World Bank

* For the list of participants, see TD/B/C.I/MEM.1/Inf.2.

5. The following non-governmental organizations were represented at the session:

General Category

Ingénieurs du monde
Village Suisse ONG

6. The following observer organization was invited to the session:

International Road Transport Union

7. The following panellists were invited to the expert meeting:
(Listed in chronological order of intervention)

Mr. Sorasak **Pan**, Secretary of State, Ministry of Commerce, Cambodia

Mr. Eduardo **Sperisen-Yurt**, Ambassador, Permanent Representative of Guatemala to the WTO, Chairman, WTO Negotiating Group on Trade Facilitation

Mr. Geoffrey **Hamilton**, Chief, Cooperation and Partnerships Section, Economic Integration and Cooperation Division, UNECE

Ms. Cristina **Lozano**, Principal Trade Regulatory Officer, NEPAD, Regional Integration and Trade, African Development Bank

Mr. Sambuu **Demberel**, President and CEO, Mongolian Chamber of Commerce and Industry, Mongolia

Mr. Sameer **Mubarak**, Chairman, Nafith Logistics PSC, Jordan

Mr. Jean Kizito **Kabanuka**, Senior Transport Specialist, SSATP Regional Coordinator, Eastern and Southern Africa, The World Bank Group, Nairobi, Kenya

Mr. Somnuk **Keretho**, Director, Advisor on Thailand e-Logistics, Ministry of Information and Communication Technology, Director, Institute for Information Technology Innovation, Kasetsart University, Thailand

Mr. John **Moore**, Director, Dublin Port Company, Ireland

Ms. Nosiku S. **Myninda**, Lecturer, University of Zambia (by videoconference from Lusaka)

Ms. D. **Nguyen-van Houtte**, Regional World Bank Officer (by videoconference from Lusaka)

Mr. Javaid **Mansoor**, Executive Secretary, National Trade and Transport Facilitation Committee, Pakistan

Mr. Stephen **Fevrier**, Senior Technical Attaché, Permanent Delegation of the OECS, Geneva