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Economic Commission for Latin America

GUIDELINES FOR A CARIBBEAN WORK PROGRAMME ON TRADE FACILITATION
AND STRENGTHENING OF TRANSPORT INSTITUTIONS

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SUMMARY

Based in part upon a growing recognition of the need for and benefits resulting from the facilitation of regional and international trade flows, the member countries of the United Nations Economic Commission for Latin America (CEPAL), at their eighteenth session, adopted resolution 390 (XVIII) requesting the CEPAL Secretariat to convene in the principal geographical areas of the region meetings of experts in facilitation to elaborate work programmes which might lead to a more efficient use of physical transport facilities through the application of simplified commercial practices and the establishment of modern transport institutions. In response to this resolution and in an effort to assist these experts, the Transport and Communications Division of CEPAL has prepared a document entitled Guidelines for a Caribbean Work Programme on Trade Facilitation and Strengthening of Transport Institutions (E/CEPAL/L.246). This document presents definitions of trade facilitation and transport institution strengthening, with general analyses of both topics; discusses various institutional problems the experts may encounter; presents possible areas to which the Caribbean work programme might fruitfully be directed; outlines various criteria which may be of use to the experts in the selection of work programme priorities; presents various considerations which may assist the experts in the formulation of measures to overcome identified priority problems; and outlines some of the more important requirements for a more permanent Caribbean facilitation programme.

I. INTRODUCTION

In view of the growing recognition among Latin American countries of the need for and benefits resulting from the simplification, harmonization and standardization of governmental and institutional procedures, formalities and requirements regarding international trade and transport, as well as strengthening of the transport institutional infrastructure, the member countries of the United Nations Economic Commission for Latin America (CEPAL), at the eighteenth session of the Commission held in La Paz, Bolivia, from 18 to 26 April 1979, adopted resolution 390 (XVIII), the operative paragraph of which begins

/ "Requests

"Requests the Executive Secretary of CEPAL to: (a) convene in the principal geographical areas of the region, in consultation with governments, subregional meetings of experts in facilitation matters from both national and regional organizations to identify the main facilitation problems encountered in each area, set priorities and suggest measures that may assist countries in overcoming these problems, and help the secretariat to establish a more permanent and stable facilitation action programme;"

In response to this resolution the Executive Secretary of CEPAL, in collaboration with appropriate governments and national and international organizations, made arrangements for subregional meetings of experts in facilitation to be held at Guatemala City, Guatemala (5 to 8 August 1980) and at Santiago, Chile (16 to 19 March 1981), while negotiations are underway with Caribbean governments to hold a meeting during the last quarter of 1981. In order to assist the experts with their deliberations, and in compliance with CEPAL resolution 390 (XVIII), the Caribbean subregional facilitation meeting document will be developed as follows:

- (a) Trade facilitation and strengthening of the transport institutional infrastructure;
- (b) Caribbean trade facilitation and transport institution strengthening needs and the European experience;
- (c) Institutional aspects of Caribbean trade facilitation and transport institution strengthening;
- (d) Identification of trade facilitation and transport institution strengthening problems;
- (e) Priorities among identified trade and transport institution strengthening problems;
- (f) Measures to overcome trade and transport institution strengthening problems;
- (g) Requirements for a more permanent trade facilitation and transport institution strengthening programme.

II. TRADE FACILITATION AND STRENGTHENING OF THE TRANSPORT INSTITUTIONAL INFRASTRUCTURE

In order to provide the Group of Experts with common points of departure for the discussion of this item, "trade facilitation" may be defined as "the systematic rationalization of the activities, practices and formalities involved in the collection, presenting, communicating and processing of data required for international trade".^{1/} "Strengthening of transport institutional infrastructure" is generally understood to include the establishment and strengthening of legal and administrative transport régimes to ensure that the requirements under which transport enterprises provide the services necessary for commercial transactions are simple to comply with, easily understood and respond fully to contemporary needs. In order to achieve such broad objectives, which cut across national boundaries and practices, efforts must be undertaken at the national, regional and international levels.

Trade facilitation problems may be caused either by excessive requirements arising from unnecessary or outdated legal or commercial practices, or by the lack of harmonization between various national, regional and international legal and commercial practices. To eliminate such problems, facilitation programmes focus upon the detailed study and critical review of trade procedures, formalities and documents. For example, a review of the information contained in trade documents will reveal whether each item of information is required, and for whom it is required. Such a review normally includes the preparation of flow charts which illustrate the flows of information between the various parties involved; these charts make it possible to detect bottlenecks in the procedures and to identify possibilities for rationalization of the data flow. National facilitation committees, which should include representatives of all parties concerned with international trade operations, will then be able to formulate proposals for the elimination of unnecessary information and the inclusion of the remaining data in a minimum number of documents which could be harmonized with international

^{1/} Inter-Organization Board for Information Systems, Broad Terms for United Nations Programmes and Activities, 1979.

standards such as the United Nations Layout Key. Finally, national facilitation committees normally provide continuous technical assistance to assure that the facilitation proposals are correctly implemented.

As the international movement of goods, transport equipment and persons in many regions is, as yet, simply a grouping of separate national transport operations controlled successively by each country's legal and institutional régime, a programme to strengthen the transport institutional infrastructure is normally focused upon the establishment of international transport régimes and creation or reinforcement of national transport administrations. Without uniform transport régimes, the international movement of goods raises many unnecessary problems and costs. For example, without a uniform agreement for the limitation of carriers' civil liability in international transport, the amount which cargo owners might recover from carriers for cargo damage would depend upon the applicable national régime of the country where the damage occurred. In this situation cargo owners and carriers generally purchase insurance coverage based upon the maximum risk and liability to be encountered, thereby increasing the cost of transport services and, hence, the price of goods delivered. Furthermore, if there is some doubt as to the jurisdiction in which cargo damage occurred, the insurers of cargo owners and carriers will seek to establish that it occurred in those jurisdictions which provide the most generous recovery and least liability, respectively, thereby creating an incentive to litigate.

Likewise, there has been very little harmonization of customs transit procedures, documents or standards. To all intents and purposes there is one customs transit policy per country, resulting in as many documents and control systems. This multiplicity of national customs documents and guarantee systems creates unnecessary obstacles for commercial movements. As these obstacles increase the cost of transport services and the price of delivered goods, many countries from both developing and developed regions have facilitated the customs transit and transshipment of goods through their national territories by adopting the Customs Convention on the International Transport of Goods Under Cover of TIR Carnets (TIR Convention), 1975.

/While trade

While trade facilitation and strengthening of the transport institutional infrastructure may be applied to a broad range of areas, it should be understood that the political and financial commitments required of governments for improvements to the physical infrastructure are different from the commitments involved as regards improvements to the institutional side, even though the corresponding work programmes are related.

Thus, for example, the changeover to a standard buoyage system would entail the employment of qualified nautical surveyors and engineers to determine overall Caribbean needs and then a costly investment by governments for the installation of such a system. On the other hand, however, the simplification, harmonization and standardization of Caribbean trade documentation would likewise require the provision of technical expertise but would involve a much smaller financial commitment for implementation, while at the same time leading to a significant reduction in the cost of trade document preparation and processing.

The relationship between physical and institutional infrastructures can be seen from the way in which changes in the latter can improve the use of the former. For example, in recent years many Latin American ports have been congested, with ships awaiting berths and all available warehouse space utilized. While the "obvious" response to this congestion is to construct new port facilities, certain port authorities have solved the congestion problem through institutional changes such as improved cargo handling methods, simplified documentation, institution of an increasing scale of charges for port storage of cargo, and harmonization of working hours for all port employees and customs. Thus, a work programme which seeks to strengthen the institutional transport infrastructure also helps to secure more efficient use of the related physical infrastructure.

III. CARIBBEAN TRADE FACILITATION AND TRANSPORT INSTITUTION STRENGTHENING NEEDS AND THE EUROPEAN EXPERIENCE

All regions, whether developed or developing, need continuing work programmes for trade facilitation and transport institution strengthening, and the Caribbean's need for such programmes is clear from an examination of the burdens placed on commerce by governmental and institutional procedures, formalities and requirements and an assessment of the European experience with similar programmes.

Caribbean foreign trade began with the export of agricultural products and raw materials to European metropolitan centres. As each island had colonial trade commitments with such centres, there was little development of inter-island trade. In recent years, however, partly because of the recognition by Caribbean island governments of the need to expand export markets and the formation of subregional economic integration organizations such as CARICOM and ECCM, inter-island trade has shown continued growth. While the early low levels of inter-island trade did not place undue burdens on existing Caribbean institutional infrastructures in the trade and transport fields, growing trade levels have clearly demonstrated the weaknesses and inadequacies of existing systems. Additionally, most Caribbean countries began with administrative traditions derived from such centres, so that former British, Dutch and French trade requirements were utilized in their respective colonies. Since the early 1960s, when many Caribbean countries were granted independence, there has been a proliferation of systems developed from those practices, so that, for example, the trade documentation of Trinidad and Tobago is no longer compatible with that of Guyana even though both were former British colonies. Therefore, a complete re-evaluation and standardization of the trade documentation systems in use is now necessary if commercial practices are to be simplified and documentation costs reduced.

Many of the ocean transport commercial practices that were established during the colonial period to link Caribbean shippers, bankers, port authorities and customs with transport operators, port authorities, bankers, insurance companies, customs, consignees and others in England, France,

/the Netherlands

the Netherlands and the United States of America are still prevalent. As advancing technology has produced high-speed ships with superior cargo handling features such as containerization, barges and roll-on/roll-off facilities, however, these antiquated ocean transport commercial practices now threaten the success of the trade they were originally intended to assist.

As the Caribbean does not yet have a uniform institutional infrastructure for inter-island trade, such trade is governed by bilateral agreements, by each country's commercial code, and by agreements among sellers, buyers, freight forwarders, banks, carriers and other commercial interests. In all respects not specifically prohibited by their respective countries' legislation, the aforementioned parties are free to conduct business in any manner they choose, and in these circumstances they can and generally do develop a multiplicity of procedures, formalities and requirements that, while serving their own particular needs, generally place economic and financial burdens on trade flows. For example, most governmental and institutional procedures, formalities and requirements in regional and international trade necessitate the preparation of documents, so that, as noted in Trade Documentation Information (TRADE/WP.4/INF.29),

"the cost of drawing up documents amounts to 10 per cent of the trade transaction, increasing the price of products and the cost of distribution."

During the last 10-15 years transport technology has developed in revolutionary ways, leading to a situation whereby goods may arrive before documents, causing delays in clearance, congestion in ports and airports, and added costs. Thus, while containerships in 1974 made round trips from the West Coast of the United States of America to Japan in 22 days, another 10 to 21 days were needed before the required trade documentation arrived and the containers could depart the port areas. Now that the use of containers and larger vessels has begun to affect Caribbean ports, a similar situation will occur there too unless corresponding efforts are made to streamline the documentation requirements and customs procedures. The late arrival of documents or needed information at the destination delays release of the goods and may give rise to costs such as fines, demurrage and loss of

/business which

business which can be far more significant than the direct cost of document preparation. As both direct and indirect documentation costs are incorporated into selling prices, either importers pay higher prices for purchases or exporters make smaller profits by absorbing some of the costs. Thus, the costs of trade documentation can seriously endanger a Caribbean exporter's ability to compete in world markets and make imported goods more expensive than necessary.

In contrast, foreign trade among the European nations began many years before significant volumes of goods were transported to other continents, and trade and transport among these nations have long been the subject of extensive international co-operation. For example, the idea of freedom of river navigation for international trade was formulated as early as 1792, and by 1868 the Convention on the Navigation of the Rhine established freedom of transit for goods transported on that river.

As a result of such historical co-operation, already by the 1950s a growing number of European countries were becoming aware of the obstacles to trade caused by unnecessarily complicated governmental and institutional procedures, formalities and requirements. One solution to this problem was that developed by the Government of Sweden, which simplified and standardized trade documentation and streamlined related procedures, resulting in cost reductions for trade document preparation of up to 70%. However, it was soon realized that any real progress in trade facilitation could be achieved only through international co-operation. This realization led the member countries of the Economic Commission for Europe (ECE), in 1960, to establish a Group of Experts on the simplification and standardization of external trade documents, and in 1963 this Group prepared a document layout key - based in part on Sweden's earlier work - which has served as a basis for the harmonization of external trade documents not only in Europe but throughout the world. In 1971 the Group of Experts became the Working Party on Facilitation of International Trade Procedures. Its terms of reference are to facilitate international trade and transport through the rationalization of trade procedures, particularly through the establishment of standard international terminology and a uniform system of codes for the automatic processing and transmission of trade information.

In 1969 the ECE adopted resolution 4 (XXIV), in which it emphasized the need for co-ordination of facilitation efforts on a world-wide basis. The United Nations Economic and Social Council (ECOSOC) took note of this resolution and, with financing from the United Nations Development Programme (UNDP), a post of Interregional Adviser on Trade Facilitation was created within the United Nations Conference on Trade and Development (UNCTAD). In 1975 UNCTAD's work on facilitation was expanded through the establishment of a Special Programme on Trade Facilitation (FALPRO), whose terms of reference cover the development of trade facilitation measures, provision of substantive support for technical assistance and, as this Programme is global in nature, close co-operation with the facilitation work of the regional economic commissions and other international organizations.

IV. INSTITUTIONAL ASPECTS OF CARIBBEAN TRADE FACILITATION AND TRANSPORT INSTITUTION STRENGTHENING

In their efforts to develop achievable subregional trade facilitation and transport institution strengthening work programmes, the Group of Experts needs to give careful study to many aspects of the Caribbean transport environment, including (a) the fiscal policies of Caribbean governments; (b) the centralization of governmental powers; (c) the need to collaborate with special interest groups; and (d) the political base necessary for implementing proposals.

The differences between European and Caribbean governmental fiscal policies reflect different levels of economic development. While European customs duties on imports average approximately 8% and have largely been eliminated for intra-regional European trade, most Caribbean governments use customs duties on imports to protect infant industries, control the outflow of foreign exchange and generate government revenues. As Caribbean governments, in comparison with those of Europe, have fewer sources of income, the Group of Experts might wish to make sure that proposed items in the work programme on trade facilitation and transport institution strengthening recognize the importance of the sources of revenue and the need to ensure that customs duties are not evaded.

/As the

As the decision-making powers of most Caribbean island governments are highly centralized in their Chief Executives, and detailed legal requirements governing international trade are often included in statutory provisions, heads of government departments such as those dealing with customs, banking, insurance, etc., have little or no authority to implement recommended facilitation measures. This distribution of decision-making power creates a situation in which the approval of Chief Executives or persons they have designated must be obtained prior to the application of trade facilitation and transport institution strengthening measures and maintained until they are successfully implemented. Likewise, as the private sector in the Caribbean has an influence over the implementation of facilitation measures, its collaboration should also be sought.

The Caribbean political environment, reflecting differing goals and aspirations within the subregion, has led to the formation of organizations such as CARICOM, the ECCM, and, within CEPAL, the CDCC. In order to ensure that such differing goals do not impede the implementation of measures for trade facilitation and transport institution strengthening, the collaboration and support of these organizations should be sought, as many of these measures would contribute directly to their own work programme objectives.

V. IDENTIFICATION OF TRADE FACILITATION AND TRANSPORT INSTITUTION STRENGTHENING PROBLEMS

While the specific activities of the overall Caribbean work programme for trade facilitation and transport institution strengthening are to be developed at the subregional meeting, in which national and international organizations having an interest in these matters will be participating, a large number of areas which the work programme might advantageously include have already been identified. The Group of Experts might therefore wish to begin by considering the following areas. Although this list is not intended to be exhaustive or to exercise any constraint on decisions of the Group of Experts, it is felt that many of the areas listed should be discussed in detail in an attempt to bring out main trends and urgent needs. These areas include the following:

/1. Trade

1. Trade facilitation: policy subjects:
 - (a) Agreements to obviate double taxation;
 - (b) Special arrangements for grouping cargo shipments;
 - (c) Special arrangements for interior cargo terminals;
 - (d) Co-operative agreements among cargo insurers;
 - (e) Study of regional interests regarding issues to be considered in world forums where facilitation measures are discussed and adopted.
2. Trade facilitation: technical subjects:
 - (a) Governmental and commercial documentation requirements;
 - (b) Statistical reporting requirements for document preparation;
 - (c) Port procedures, formalities and information requirements;
 - (d) International transfer of funds;
 - (e) Aligned commercial and transport documentation;
 - (f) Harmonization of merchandise nomenclatures;
 - (g) Dangerous goods documentation and transport procedures;
 - (h) Terms of payment and shipment;
 - (i) Special arrangements to encourage exports;
 - (j) Establishment of appropriate customs régimes, especially for customs transit and transshipment operations;
 - (k) Replacement of consular formalities by more appropriate procedures and taxes;
 - (l) Transmission of trade documentation (including transmission using EDP techniques) and harmonization of legal requirements;
 - (m) Use of appropriate codes in international trade.
3. Transport institution establishment and strengthening: policy subjects:
 - (a) Transport planning;
 - (b) International transport régimes which limit carriers' civil liability and standardize the contract of carriage;
 - (c) Special arrangements for small shipments;
 - (d) Container interchange arrangements;
 - (e) Establishment of multinational transport companies;
 - (f) Formation of freight conferences for Caribbean inter-island transport;

/(g) Establishment

- (g) Establishment of an association of Caribbean freight forwarders;
 - (h) Strengthening of Caribbean road transport associations;
 - (i) Establishment and regulation of multimodal transport operators;
 - (j) International regulation of maritime freight tariffs, especially their form of presentation.
4. Transport institution establishment and strengthening: technical subjects:
- (a) Road repair and maintenance;
 - (b) Establishment of container repair and maintenance enterprises;
 - (c) Evaluation and exchange of Caribbean experience with urban mass transport;
 - (d) Investigate alternative maritime construction technologies for Caribbean application;
 - (e) Inter-island and coastal transport systems;
 - (f) Transport training alternatives in the light of the needs of developing countries;
 - (g) In-water ship repair and maintenance;
 - (h) Container terminal equipment for various throughput levels;
 - (i) Standard statistical systems for international transport planning;
 - (j) Investigate the requirements for establishing inland cargo terminals.

VI. NEED TO IDENTIFY PRIORITY TRADE FACILITATION AND TRANSPORT INSTITUTION STRENGTHENING PROBLEMS

As should be evident both from the number and diversity of areas listed in section V in which trade facilitation and transport institution strengthening work might be fruitfully undertaken, it is impossible to work in all areas simultaneously, so identification of priority areas is essential. Moreover, the identification of work priorities will enable the Group of Experts to create a complete, uniform and effective body of facilitation work which ensures the homogeneity of trade arrangements not only between Caribbean countries but also with other regions. There are many aspects of Caribbean trade and transport that should be taken into consideration in connexion with the identification of priorities among

/subregional trade

subregional trade facilitation and transport institution strengthening problems, but some of the most important for this discussion are (a) the need for flexibility; (b) the sources of priority problems; (c) the sequence and interdependence of work programme items; and (d) the resources (financial, human, etc.) required for work programme items.

While the Group of Experts has been requested to provide participating national and international organizations with a list of priorities for Caribbean subregional trade facilitation and transport institution strengthening work programmes, such priorities should be sufficiently flexible to permit the possibility of dealing with other areas at a particular time. For example, the CEPAL Secretariat has encountered many situations in which the revision of a convention, a contact with another organization or the emergence of an urgent need has made it necessary or desirable to take up a specific problem not foreseen in the original work programme. Likewise, flexibility must be maintained in order to permit important decisions to be taken on specific work programme items where background information on such items can only be obtained after further study and investigation. It should be understood, therefore, that it is normal for there to be some degree of fluidity in trade facilitation and transport institution strengthening matters, and that a work programme establishing rigid priorities might be difficult or even impossible to implement.

In selecting priority problems for a subregional work programme, the Group of Experts should provide sufficient information on each area from their practical experience to permit determination of the nature and origin of such problems - i.e., commercial practice, national legislation, international conventions, etc. In this way it would be clear what the Group of Experts had in mind when formulating a recommendation for the work programme.

As the beginning of work in some trade facilitation and transport institution strengthening areas is often dependent upon or a prerequisite for the completion of work in others, the sequence and interdependence of work programme items should be carefully considered. For example, while an electronic data transmission and processing system might assist Caribbean trade flows, it must be understood that such specialized equipment is supported,

/either directly

either directly or indirectly, by the entire institutional transport and physical communications infrastructures. If the specialized equipment substantially exceeds available capabilities for repair, maintenance, operation, etc., the operation of such a system can easily become a burden on trade flows and reduce or even eliminate the benefits that were expected to be obtained from its use. Therefore, in an effort to ensure that the subregional trade and transport institution strengthening work programmes respond to Caribbean needs, the Group of Experts might wish to limit itself to work programme items which do not substantially exceed infrastructural capabilities.

In selecting priority trade facilitation and transport institution strengthening problems, the Group of Experts should evaluate the types and amount of resources - whether private, governmental, financial or human - needed not only to undertake work on a specific activity but also to implement resulting proposals. If, for example, a priority problem involves heavy resource demands, it might be possible to undertake work on it only by reducing or even eliminating the remainder of the work programme. Therefore the Group of Experts might wish to make a careful appraisal of the resource needs of each work programme item selected.

VII. MEASURES TO OVERCOME TRADE FACILITATION AND TRANSPORT INSTITUTION STRENGTHENING PROBLEMS

Some of the more important aspects that should be taken into account by the Group of Experts when suggesting measures to overcome priority trade facilitation and transport institution strengthening problems are (a) the international and changing nature of these fields; (b) the compatibility of national, regional and international measures; (c) the need for progressive measures; and (d) the need for a continuing dialogue among relevant organizations.

As the international movement of goods, transport equipment and persons is simply the aggregation of separate national transport operations, controlled by each country's legal and institutional régimes, the focus of trade facilitation and transport institution strengthening activities

/must be

must be at the national level. However, as the benefits of these activities are fully realized only when carried out simultaneously among trading partners, the great majority of national trade facilitation and transport institution strengthening problems have to be approached and solved in concert with regional and even broader interests. For example, the financial and insurance aspects of transport are international in nature, and a national measure with regard to one of these areas can best be adopted through collaboration among the various countries that might be affected.

Although trade facilitation and transport institution strengthening measures might appear permanent, such is not the case. A facilitation measure that simplifies an international trade procedure, formality or requirement in a given context or time period may later cease to provide benefits or even become a burden on the commerce it sought to facilitate. For example, measures instituted to facilitate the movement of break-bulk cargoes may be unsuited for a change to containerized cargoes and thus become a burden on such commerce. Therefore, if trade facilitation and transport institution strengthening are to provide any lasting benefit they must be understood as continuing regional and even wider international programmes of study and revision.

When evaluating the effects of trade facilitation and transport institution strengthening measures, the Group of Experts should keep in mind that these sometimes have secondary or indirect effects which are not compatible with other national or regional objectives. The example of assuring that customs revenue is maintained has already been cited. As another example, a transport institution strengthening measure designed to promote the establishment of multimodal transport operators might not only reduce the cost of imports but also reduce national participation in the carriage of a country's own foreign trade if such operators are controlled from outside the region.

As Caribbean countries are faced with a scarcity not only of investment capital for transport but also of technical capabilities to repair, maintain, operate, etc., transport systems, the Group of Experts might wish to consider progressive trade facilitation and transport institution strengthening measures which recognize such limitations and give those engaged in Caribbean

/trade and

trade and transport an opportunity to learn, acquire experience and develop capabilities. For example, while the use of electronic data transmission and processing equipment for trade documentation can speed up trade data interchange, it would seem advisable that Caribbean countries start with a one-run aligned trade documentation system which may be converted to electronic means in the future.

As trade facilitation and transport institution strengthening involve many aspects of regional and international trade, they are vast multidisciplinary fields requiring the continuing support of many entities - both governmental and private - located in different countries. Furthermore, they are co-operative endeavours, aimed at helping solutions to evolve through contact, study and discussions at the national, regional and international levels. As trade facilitation and transport institution strengthening measures cannot be imposed by one sector on another, and even less by one country or region on another, a continuing dialogue both among the sectors within each country and at the international level is the only methodological tool which has proven successful. Therefore, with a view to achieving the widest possible implementation of measures suggested for the solution of priority trade facilitation and transport institution strengthening problems, the Group of Experts may wish to recommend to Caribbean governments that national facilitation organizations be strengthened or established and that a permanent and continuing dialogue be maintained among such organizations at the regional level.

VIII. REQUIREMENTS FOR A MORE PERMANENT FACILITATION PROGRAMME

Since trade facilitation and transport institution strengthening, by their very nature, are continuing programmes of study and revision, the Group of Experts might wish to consider the institutional requirements for more permanent programmes for the wider Caribbean basin. Among others, some of the more important requirements in this respect for the present discussion are (a) the institutional structure of national facilitation organizations; (b) inputs from international facilitation organizations;

/(c) technical

(c) technical co-operation among developing Caribbean countries in the field of facilitation; and (d) co-ordination and harmonization of national facilitation work programmes.

The institutional structure of a national facilitation organization depends among other things on governmental recognition of the need for a facilitation programme, a funding commitment, and the availability of qualified personnel for the organization. As European countries recognized the need for national facilitation organizations, in the late 1950s, for example, financial commitments were made which have permitted the employment of full-time professional staff members with backgrounds in areas such as customs, banking, insurance, economics and law, and for many years these organizations have successfully developed regional facilitation measures. Furthermore, a number of regional facilitation measures such as the United Nations Layout Key and the TIR Convention (1975) for customs transit have become international in scope. While Caribbean governments have recognized the need for national facilitation organizations through, for example, the adoption of CEPAL resolution 390 (XVIII) and requests to organizations such as FALPRO for technical facilitation assistance, most are faced with a scarcity of both financial resources and qualified personnel for such organizations. In order to assist Caribbean governments with the establishment of national facilitation organizations, the Group of Experts might wish to consider alternative institutional structures. Thus, for example, Caribbean governments might establish facilitation committees composed of persons from sectors such as national customs administrations, central banks, insurance, etc., who could perform their tasks on a part-time basis. This type of inter-agency trade facilitation committee would minimize funding requirements while at the same time permitting its members to acquire expertise, develop needed measures, evaluate the applicability of extra-regional initiatives and co-ordinate the Committee's work programme both regionally and internationally. Additionally, the facilitation work programme based on the use of a part-time professional staff might easily be expanded to a full-time basis when sufficient expertise has been acquired and funding becomes available.

/As facilitation

As facilitation organizations such as the ECE's Working Party on Facilitation of International Trade Procedures, IMCO's Facilitation Committee, ICAO's Facilitation Committee and UNCTAD's FALPRO, as well as many national facilitation organizations, have had many years of experience in this field, Caribbean facilitation organizations might wish to consider not only evaluating extra-regional solutions for trade facilitation problems developed by these and other organizations, in the light of their possible applicability in the Caribbean, but also requesting substantive inputs from such organizations. For example, the United Nations Layout Key was developed by the ECE to provide guidelines for the creation of aligned trade documents. As this Layout Key has proven its effectiveness throughout the world, Caribbean facilitation organizations might wish to consider whether that Layout Key should be adopted in their region. Additionally, direct assistance from such organizations would provide a Caribbean organization not only with substantive inputs but also with an important learning experience, so that strategies which have not proven effective can be avoided.

Another important source of substantive inputs for Caribbean work programmes is horizontal co-operation within the Caribbean. As Caribbean national facilitation organizations face similar problems, they can provide each other with valuable technical advice. For example, measures developed by a national facilitation organization of one Caribbean country to expedite the flow of goods through customs may be equally applicable, and therefore transferable, to other similarly situated countries. This technical co-operation among Caribbean countries would not only provide substantive inputs for facilitation work programmes but also ensure co-ordination and harmonization among such programmes.

Although facilitation has a national focus, the benefits resulting from national measures in this field may be reduced if not eliminated unless measures at the country level are co-ordinated and harmonized both regionally and internationally. In order to ensure maximum benefits from facilitation measures developed by national organizations, the Group of Experts may wish to consider various means by which such co-ordination and harmonization may be achieved. These means might include, inter alia, a project financed by UNDP or other source of funds for the placement of facilitation experts in the region, as well as the development of facilitation work programmes by regional organizations.

