

UNECE – Steering Committee on Trade Capacity and Standards
High level segment: removing regulatory and procedural barriers to trade
Online meeting 21 June 2021
UN Resident Coordinator Serbia – Talking Points

Thank you to UNECE for completing these very timely and useful studies, linking them also very clearly to agenda 2030 and a number of sustainable development goals.

I am also grateful to all institutions and people in Serbia who have contributed to this vast amount of information and data. **It is good to hear that the recommendations have already been approved and some are already being implemented.**

I have 4 short points today:

1. **I am happy to see a very clear focus on the role of SMEs, and the need to increase their resilience and capacities, beyond financial support.** They are the fabric of the socio-economic network around the country. Many were involved in one way or the other in the local response to covid last year, and many came up with context-specific innovations, both in terms of product and processes. Supporting SMEs will be critical to a successful sustainable development in Serbia. In the past months, we have heard a lot about new, large investments from foreign companies. These investments are important for both the economy and the labor market. However, it is the SMEs that are providing the vast share of the job creation. This is particularly important in Serbia, in the context of demographic transition, and in the multiple streams of migration in and out. We need good jobs and new skills to be developed around the country, and that's one big outputs of a vibrant SMEs universe, particularly as we enhance the focus on standards. In that context, I value very much the recommendation and focus on strengthening the value chain integration and diversification, including between international firms and local ones.

2. **My second point is on coordination: there are 2 distinct sets of recommendations in the UNECE studies.** One set for the public sector, one set for private sector. In both cases, the recommendations must be carefully integrated and coordinated with other reform initiatives on strengthening the efficiency of public services, and the capacities of public institutions. **In particular, the recommendations are implemented in a complex and to some extent, an unpredictable environment. They should consider all other efforts made towards digitalization of services and procedures, e-procurement, transparency, etc.**

So we should ensure a close coordination of initiatives with the multiple chambers of commerce, employers' associations, etc. to an effective implementation of the recommendations, with long term sustainable impact.

This is our shared responsibility, between the government agencies, the UN and the private sector representations, and I was happy to hear the official from the Customs department to allude to that.

3. My third point is a bit more technical, on the application of standards and related capacity building. We know from the studies and from before that in Serbia there is a low level of implementation of standards amongst SMEs, despite the many trainings that the previous speaker referred to. Standards implementation is hard to comply with. **It requires efforts, investments, and most importantly, awareness and understanding of the mid and long-term benefits of applying standards, beyond the short term costs.** Standards are essential for ensure the competitiveness of the MSMEs fabric across the country, and not only on high tech industries. When I talk to employers' associations, I also understand that in some circumstances, we should make sure that **the implementation of standards should be sequenced in a way that they can be meaningful accepted and applied.** We should be realistic and help MSMEs to prioritise and sequence health and safety standards, labour standards, energy efficiency and other green standards.

4. Finally, a short point on the role of the UN country team. In Serbia we have multiple resources from resident and non-resident agencies to address the different aspects of this agenda. Our cooperation framework for the period of 2021 to 2025 includes an output for "People to have access to more decent job opportunities and fair competitive trade". Several specialized UN agencies have technical capacity to support our counterparts including in the areas of innovation, labour standards, skills and enterprise development, agri-food sector's competitiveness, circular economy, and more. We are also looking at the options to develop the green financing in country.

5. We have recognised the importance of a strong SME sector in supporting sustainable development, and in supporting the full integration into the regional and European market. We have an internal working group on SMEs, closely engaging with various ministries and multiple private sector institutions, including the local chapter of the Global Compact. Already this Friday, the RCO and UNECE will support an event on standards for MSMEs and we are also in discussion with the Chamber of Commerce regarding supporting the delivery of an e-learning course on standards for MSMEs .

I expect that the UNECE studies will become an important guidance for this group and our partners to expand our work in the business sector, while once again, focusing on making sure that we leave no one behind and provide opportunities and skills building for the more vulnerable segments of the population.

Thank you