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**Meeting with the Chair of the Steering Committee
on Trade Capacity and Standards**

Report by the Chair

Report by the Chair of the Steering Committee on Trade Capacity and Standards

1. The Chair of the Steering Committee on Trade Capacity and Standards (SCTCS), Ms. Damegul Kabiyeva (Kazakhstan), is pleased to submit her report to the 118th meeting of the Executive Committee (EXCOM) on 15 October 2021.

I. Introduction

2. This report describes the main achievements of SCTCS over the period July 2019–September 2021¹ as well as major planned activities for the remainder of 2021 and 2022. Detailed information is provided in the report of SCTCS on its sixth session (ECE/CTCS/2021/2), which was held from 21 to 22 June 2021 in Geneva, Switzerland in hybrid mode; and, in document ECE/CTCS/2020/INF.3, which contains the business-critical decisions adopted at the end of the Virtual Informal Consultations (29 June 2020).² The activities of SCTCS within the reporting period are based on the Programme of Work of Subprogramme 6 on Trade for 2020, 2021 and 2022.³

II. Achievements over the past two years

3. Trade plays an important role in enabling countries to realise the much-needed economies of scale and scope for achieving structural transformation and the strategic 2030 Sustainable Development Goals (SDGs). Supporting trade reforms in the United Nations Economic Commission for Europe (ECE) region, particularly those pertaining to removing regulatory and procedural barriers to trade in goods, forms the focus of SCTCS and its two subsidiary bodies: the Working Party on Regulatory Cooperation and Standardization Policies (WP.6) and the Working Party on Agricultural Quality Standards (WP.7). Activities include the following:

- Evidence-based, demand-driven research for supporting the removal or regulatory and procedural barriers to trade in goods and increasing the contribution of trade to the achievement of SDGs
- Best practice recommendations on standardization and regulatory harmonization
- Agricultural quality standards for fresh fruit and vegetables, dry and dried produce, seed potatoes, meat, cut flowers, eggs and egg products
- Targeted, demand-driven capacity-building projects to help countries implement recommendations emerging from the evidence-based research as well as internationally recognized best practice recommendations and standards, including those developed by ECE

¹ SCTCS regular session in 2020 was replaced by online informal consultation due to COVID-19 meeting restrictions. EXCOM by its decision ECE/EX/2020/L. 4 approved Arrangements for business-critical decisions in order to ensure the continued governance of the Steering Committee on Trade Capacity and Standards during the COVID-19 period and by decision ECE/EX/2021/L.10 - Special Procedures during COVID-19 period for subsidiary bodies of the Steering Committee on Trade Capacity and Standards.

² This followed the silence procedure as outlined in the “Arrangements for business-critical decisions in order to ensure the continued governance of the Steering Committee on Trade Capacity and Standards during the COVID-19 period” established by EXCOM (Informal document No. 2020/21).

³ The Programme of Work of Subprogramme 6 on Trade for 2022 was adopted at the sixth session of the SCTCS (ECE/CTCS/2021/7). The Programme of Work for 2021 was adopted at the end of the Virtual Informal Consultations (29 June 2020) through silence procedure (ECE/CTCS/2020/INF.3). The Programme of Work for 2020 was adopted at the fifth session of the SCTCS on 28–29 May 2019 (ECE/CTCS/2019/10).

4. The Steering Committee held Virtual Informal Consultations on 29 June 2020, during which member States were informed about progress made in undertaking the Study on Regulatory and Procedural Barriers to Trade in Serbia. It also endorsed the Programme of Work of WP.6 for 2020 (ECE/CTCS/WP.6/2019/5) and noted the continued implementation of the revised Programme of Work of WP.7 for 2019–2020 (ECE/CTCS/2019/11). Since the 2020 Virtual Informal Consultations, the secretariat, in close cooperation with the Bureau, has implemented the approved Programmes of Work of SCTCS, WP.6 and WP.7 as explained in the remaining parts of this section.

A. Evidence-based research

5. The secretariat, in full cooperation with the Government of Serbia, finalized the study on Regulatory and Procedural Barriers to Trade in Serbia,⁴ which was funded through the United Nations Development Account (UNDA) Project “Strengthening the National Capacities of Selected UNECE Countries for Evidence-based Regulatory and Procedural Trade Policies to Achieve SDGs”. The study provided 37 action-oriented recommendations, which were developed in consultation with the Government for removing the identified barriers and for gearing trade, particularly non-tariff measures (NTMs), towards the achievement of SDGs. The recommendations were grouped under five thematic areas as follows:

- *Bolstering transparency in trade* by going beyond online publication of up-to-date information on trade rules and procedures to strengthening the capacity of State agencies, with a view to enabling them to prepare explanatory material on the implication of these rules and maintain continuous consultations with the private sector.
- *Transitioning to a paperless trading environment* following a concerted effort to streamline, harmonize and standardize information requirements, in order to set the context of establishing an online system for a one-time submission to data elements following the United Nations Centre for Trade Facilitation and Electronic Business (UN/CEFACT) recommendations and business standards.
- *Further reducing clearance time* by, among others, synchronizing the working hours of control agencies, streamlining control procedures, further developing the risk management system and equipping border crossing points (BCPs) with the required facilities.
- *Consolidating the national system of quality infrastructure* with additional resources for addressing capacity shortfalls in the areas of standardization, conformity assessment and metrology.
- *Bringing the enterprise sector, particularly micro, small and medium enterprises (MSMEs), up to regulatory requirements* in domestic and global markets through targeted programmes that are geared towards developing their productive capacity.

6. The Steering Committee commended the Government and the secretariat for a deep and thorough analysis of the salient issues addressed in the study and the detailed recommendations, and requested the secretariat to support the implementation of the recommendations, in cooperation with the Government and to report back to the 2022 session.

7. Within the context of the Steering Committee’s response to the challenges posed by the COVID-19 pandemic, and pursuant to the General Assembly’s Resolution on Global Solidarity to Fight the Coronavirus Disease 2019 (A/RES/74/270) of 2 April 2020, the secretariat carried out five demand-driven national assessments of the impact of COVID-19

⁴ The study is available at: https://unece.org/sites/default/files/2021-06/ECE-TRADE-460_0.pdf.

on trade and structural transformation in Armenia, Belarus, Georgia, the Republic of Moldova and Serbia in 2020–2021.⁵

8. The five assessments aimed at helping the respective Governments increase the contribution of NTMs to post-pandemic recovery and the achievement of SDGs. They involved a survey of about 2,000 manufacturing and agricultural MSMEs as well as major freight forwarders from across the five countries, and provided action-oriented recommendations. The recommendations were developed in consultation with the Governments to increase the contribution of NTMs to building stronger and more resilient MSMEs. The recommendations were aimed at

- addressing the MSMEs' financial crisis;
- bolstering transparency in trade;
- speeding up border control and customs clearance;
- strengthening regional cooperation;
- developing national systems of quality infrastructure;
- improving the MSMEs' production capacity; and,
- enabling the MSMEs to benefit from trade facilitation measures.

9. ECE shared the findings and recommendations emerging from the assessments with the United Nations Resident Coordinator Offices in the five countries for integration into the United Nations Country Teams' planning processes. The assessments were also shared with the United Nations Department of Economic and Social Affairs as part of the ECE contribution to the United Nations effort to address the COVID-19 pandemic.

B. Standardization policies and regulatory cooperation

10. WP.6 finalized *Recommendation V on Addressing Product Non-Compliance Risks in International Trade*, which focuses on addressing product non-compliance issues and challenges both at the borders and in domestic markets. The recommendation will be presented for finalization at the thirty-first session of WP.6 in November 2021. The *Declaration for Gender-Responsive Standards and Standards Development* has been signed by 73 national and international standards development organizations. In addition, all subgroups and most of WP.6 initiatives met virtually over the past year. Work was conducted on the mapping of standards against the SDGs. This included a mapping against SDG 12 (responsible consumption and production), which is a key SDG for the circular economy transition.

C. Agricultural quality standards

11. WP.7 continued its work on reviewing standards for fresh fruit and vegetables, dry and dried produce, meat, and seed potatoes. In total, ten new or revised standards were adopted and published in 2020, along with a new ECE Minimum Quality Specifications for Fresh Fruit and Vegetables. WP.7 also continued its work on reducing food loss and waste in agricultural supply chains, including through the development of: (i) a *Code of Good Practice: reducing food loss and ensuring optimum handling of fresh fruit and vegetables along the value chain*, containing actions and measures that public and private stakeholders are advised to take to reduce losses and waste of fresh fruit and vegetables, tabled for adoption at the WP.7 session in November; (ii) a methodology to measure and quantify food loss and waste in fresh produce supply chains; and, (iii) FeedUP@UN,⁶ a digital blockchain-powered management system that was launched in November 2020 for identifying and quantifying food waste and food loss throughout the supply chain from the farm to shops, and making

⁵ The five COVID-19 impact assessments are available at: <https://unece.org/trade/studies-regulatory-and-procedural-barriers-trade>.

⁶ <http://feedup.unece.org/>.

the information available for supporting redistribution, donation or further processing. In addition, the Specialized Section on Fresh Fruit and Vegetables initiated discussions on a possible digital certification scheme related to food loss experienced by operators. Reducing food waste and loss are important policy objectives, also in the context of the transition to a more circular economy.

D. Capacity-building

12. A self-paced online training course “Building Stronger Economies after COVID-19: Standards Implementation for Boosting MSMEs’ Resilience” was published in early 2021.⁷ The online course, which is available free-of-charge, was financed through the UNDA Project “Global Initiative towards post-COVID-19 Resurgence of the MSME Sector”.

III. Major activities planned for 2021 and beyond

A. Evidence-based research

13. The secretariat is in the process of finalizing two, demand-driven national assessments to discern the impact of COVID-19 on the development prospects of export-oriented female owned MSMEs in Armenia and the Republic of Moldova. The assessments were financed through the UNDA Project “Global Initiative towards post-COVID-19 Resurgence of the MSME Sector”.

14. In addition, at the request of the Government of Uzbekistan, the secretariat is currently undertaking a study on Regulatory and Procedural Barriers to Trade in Uzbekistan, which is financed through the UNDA Project “Transport and Trade Connectivity in the Age of Pandemics”. The results of the study and the two impact assessments will be presented to the seventh session of the Steering Committee in June 2022.

B. Standardization policies and regulatory cooperation

15. WP.6 plans to finalize: a revision of the Glossary of Market Surveillance Terms (ECE/TRADE/389); an enhancement of the Market Surveillance Model Initiative Guide to the Use of the General Market Surveillance Procedures; and, the guide on Facilitating Trade for Business Through Integrated Risk Management: Guide for Border Regulatory Agencies developed jointly with the International Trade Centre.

16. Furthermore, guidance material will be developed for the implementation of the *Recommendation V on Addressing Product Non-Compliance Risks in International Trade*, and for assessing gender responsiveness of existing standards as along with training material for the thematic areas of the working party. In addition, WP.6 experts will review existing recommendations for possible updates, notably *Recommendation M on Use of Market Surveillance Infrastructure as a Complementary Means to Protect Consumers and Users against Counterfeit Goods*. WP.6 also plans to expand the mapping of remaining SDGs and use cases published on the “Standards for SDGs” online portal. The Working Party will also consider how the theme of circular economy might be addressed as part of existing or future deliverables under its mandate.

C. Agricultural quality standards

17. WP.7 will continue its work on reviewing and updating standards for fresh fruit and vegetables, dry and dried produce, meat, and seed potatoes, in line with its commitment to keep standards updated. The *Code of Good Practice: reducing food loss and ensuring optimum handling of fresh fruit and vegetables along the value chain* is scheduled for adoption and discussions on a possible digital certification scheme for food loss will be continued. The Specialized Section on Meat will continue its work on meat eating quality and the possibility to do commercial grading according to eating quality, as well as

⁷ The online course is available at: www.e-learning.unece.org.

discussions on international minimum sustainability guidelines for the meat sector. WP.7 will also consider how the theme of circular economy might be addressed as part of existing or future deliverables under its mandate.

D. Capacity-building

18. As a follow-up to the COVID-19 impact assessment, and with the support of ECE and United Nations Conference on Trade and Development (UNCTAD), the Government of Georgia is in the process of integrating national NTM legislation into the UNCTAD online Trade Analysis Information System (TRAINS). This work is financed through the UNDA Project “Global Initiative towards post-COVID-19 Resurgence of the MSME Sector”, and covers around 200 laws and regulations by product at detailed Harmonized Coding System (HS) 11-digit level; something that will benefit not only Georgian enterprises but also the country’s trading partners.

19. To support efforts of Kyrgyzstan to increase transparency in trade, and in collaboration with UNCTAD, work is underway to assist the Government in developing a national platform for facilitating the exchange of information on NTMs between the different State agencies and line ministries.

20. An online self-paced training course on commercial quality standards was developed under the Specialized Section on Fresh Fruit and Vegetables within the context of the UNDA Project “Global Initiative towards post-COVID-19 Resurgence of the MSME Sector”. The course, which will be made available free-of-charge, will undergo peer review for publication in 2021.

21. The online self-paced training course “Building Stronger Economies after COVID-19: Standards Implementation for Boosting Micro, Small and Medium Enterprises (MSMEs) Resilience” will be published in Armenian, Georgian, Romanian, Russian and Serbian following consultations with enterprise support institutions operating in the five countries, where the COVID-19 impact assessments.

22. To the extent possible, and based on the availability of extrabudgetary resources, the secretariat will continue supporting the implementation of recommendations made in previous studies on regulatory and procedural barriers to trade and the COVID-19 impact assessments.

IV. Any proposed change to the subsidiary structure of the Steering Committee on Trade Capacity and Standards

23. There are no changes proposed to the subsidiary structure of the Steering Committee. The organizational structure of the SCTCS is provided in the annex to this report.

V. Follow-up to the 2021 session of the Economic Commission for Europe

24. Already as part of its Virtual Informal Consultations on 29 June 2020, the Steering Committee was informed on how ECE, through its trade-related work, could contribute to addressing the pressing challenge of transitioning to a circular economy. Briefly following the sixty-ninth session of ECE in 2021, the role of trade in fostering environmental sustainability and supporting a transition to a circular economy was raised during the sixth session of SCTCS, along with the importance of scaling up collaboration and partnerships between ECE and development partners.

25. For a circular economy to be not only local, but global, international trade is needed. Economic cooperation, international trade and supply chain traceability and sustainability are key enablers for the circular transition. Scaling up sustainable trade was noted as an important

topic in international trade debates, including in the context of the World Trade Organization (WTO). The importance of the circular economy transition, the catalytic role of trade and economic cooperation, and the potential for further increasing the scope for engagement with United Nations country teams were noted in Resident Coordinators' interventions during the session.

26. The two working parties under the Steering Committee will have a specific agenda item, in the form of a mini conference to discuss how circular economy could be addressed in their work, WP.6 at its thirty-first session in 24–26 November and WP.7 at its seventy-sixth session in 15–17 November 2021.

VI. Intersectoral activities: new activities and/or progress in existing intersectoral activities

27. The Trade Subprogramme participates in the work of the ECE nexuses. The WP.6 secretariat is an active member of the Sustainability and Smart Cities nexus while the WP.7 secretariat supports the Sustainable Use of Natural Resources nexus. In addition, the SCTCS secretariat is a member of the Measuring and Monitoring Progress towards the SDGs nexus. The SCTCS secretariat also contributes with substantive inputs to the innovation performance reviews carried out under the Committee on Innovation Competitiveness and Public-Private Partnerships.

28. These activities are reported to the Commission and EXCOM in the relevant nexus reports and publications.

VII. Technical cooperation activities

29. At its sixth session, the Steering Committee discussed a report on capacity-building and technical assistance activities implemented since 2019 (ECE/CTCS/2021/5). The two-year period is explained by the fact that the Virtual Informal Consultations in 2020 only covered work areas requiring business-critical decisions.

30. The Steering Committee noted the completion of the United Nations Development Account financed project “Strengthening the National Capacities of Selected UNECE Countries for Evidence-Based Regulatory Procedural Trade Policies to Achieve SDGs” and commended the secretariat for the results.

VIII. Cooperation with other organizations

31. Through WP.7, ECE continues to pool efforts with the United Nations Economic and Social Commission for Asia and the Pacific, the Economic Commission for Africa and the Economic Commission for Latin America and the Caribbean in implementing an inter-regional UNDA project for increased policy coherence and sustainability of national production and consumption patterns in North-South and South-South agriculture trade.⁸ ECE is also cooperating with the United Nations Economic and Social Commission for Western Asia on food loss and waste solutions for fostering sustainability and food security.

32. ECE continues to work closely with the European Commission to ensure harmonization of marketing standards with ECE standards. It also cooperates with the Organisation for Economic Co-operation and Development Scheme for the Application of International Standards for Fruit and Vegetables, with a view to enabling common interpretation of ECE standards and their application in international trade.

⁸ The project was launched in February 2018 to strengthen national capacities for using international best practices, tools and instruments as well as developing integrated strategies for sustainable agricultural trade and food loss prevention.

33. ECE also cooperates with the Codex Alimentarius Committees on Fresh Fruits and Vegetables and on Processed Fruits and Vegetables in developing new commercial quality standards and maintaining existing ones. In addition, in 2020, ECE participated in the workshops of the Food and Agriculture Organization of the United Nations (FAO) on food loss and waste. ECE contributed to FAO Global State of Food Security and Nutrition in the World (SOFI) reports in 2019 and 2020.

34. Through WP.6, ECE is a permanent observer at the World Trade Organization (WTO) Committee on Technical Barriers to Trade, and has strengthened cooperation with the United Nations Entity for Gender Equality and the Empowerment of Women in support of gender-responsive standards. Other close partners, include, among others, the International Committee of Weights and Measures, the International Accreditation Forum, the International Electrotechnical Commission, the International Laboratory Accreditation Cooperation, the International Organization of Legal Metrology, the International Committee for Legal Metrology, and the International Organization for Standardization).

35. At the regional level, the European Commission supports WP.6 activities, particularly in the areas of market surveillance and gender-responsive standards. The European Committee for Standardization and the European Committee for Electrotechnical Standardization – the organizations responsible for developing the European Union common standards – were among the signatories to the *Declaration for Gender-Responsive Standards and Standards Development*.

36. A detailed account of the ECE cooperation with other organizations and ECE bodies is provided in document ECE/CTCS/2021/6. In addition, the Steering Committee received a report on the work of UN/CEFACT for information (ECE/TRADE/C/CEFACT/2021/2), which while being part of the Trade subprogramme, reports directly to EXCOM.

Annex

The organizational structure of the Steering Committee on Trade Capacity and Standards

