#### **ECONOMIC COMMISSION FOR EUROPE**

EXECUTIVE COMMITTEE

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Item 6

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Seventieth session of the Commission: Proposals for the theme of the high-level segment

#### Note by the secretariat

# Proposals for the theme of the high-level segment of the 70<sup>th</sup> Commission session (as of 20 September 2021)

#### I. Background

At the 117<sup>th</sup> meeting of EXCOM, UNECE member States took the following decisions pertaining to the preparation of the 70<sup>th</sup> Commission session (Informal document 2021/16/Rev.1):

- EXCOM decides to hold the high-level segment of the 70th Commission session under a cross-cutting theme. To facilitate the substantive involvement of relevant subsidiary bodies of UNECE in the Commission session preparation, the theme will be designated by the end of 2021.
- EXCOM requests the secretariat in cooperation with the corresponding Bureaux to actively engage relevant subsidiary bodies of UNECE and the subprogrammes to consider how they may contribute, as appropriate, to the cross-cutting theme of the 70th Commission session within their respective mandates, ongoing work and existing resources and while making full use of the existing nexuses.
- EXCOM further requests the EXCOM Bureau in close consultation with the secretariat to propose topics for the cross-cutting theme for its consideration at the 118th meeting in October 2021 following an informal consultation with the member States. Delegations are encouraged to submit their suggestions for a cross-cutting theme to the secretariat by 3 September 2021. Engagement of the bureaux in the designation of the cross-cutting theme is welcome.

In order to fulfil these requests, the secretariat solicited proposals for the theme of the high-level segment of the 70<sup>th</sup> session from the bureaux of the UNECE subsidiary bodies and from member States, specifying that these proposals should be cross-sectoral in nature, relevant to existing UNECE mandates and to the trends and challenges in the region, and enhance knowledge-sharing across the organization and among member States.

This note presents, for the consideration of EXCOM, the proposals thus received, as well as ones submitted earlier by participants of the 69<sup>th</sup> Commission session in the evaluation survey of that session.

It also includes the main findings and recommendations on the way forward by the EXCOM Bureau after a review of the proposals made.

### II. Proposals for the theme of the high-level segment of the 70<sup>th</sup> Commission

			Thematic cluster			
	Proposed theme	From	Digital transformation	Climate action/ green transition/ carbon neutrality	Sustainable infrastructure	Connectivity/ mobility
Sugges	tions from UNECE member States					
1.	Digital Transformation as a Tool for Recovery and Sustainable Growth in the UNECE region	Belarus	✓			
2.	Towards Carbon Neutrality: the experience of the UNECE region	Belarus		✓		
3.	Reducing the digital divide across Europe to promote pan- European economic integration	Slovenia	✓			
4.	Innovative financing of cross-sectoral solutions and investments in natural resources for climate action and green transition	Finland		✓		
Sug	gestions from Chairs of UNECE sectoral Committees and entities a	reporting dir	ectly to E	EXCOM		
5.	Fostering digital transformation & managing digital transition	CICPPP	✓			
6.	'Harmonization and digitalization' or 'dematerialisation'	UN/ CEFACT	✓			
7.	Digitalization, connectivity and sustainable/smart infrastructure	ITC	✓		<b>✓</b>	<b>√</b>
8.	How can [inland transport, housing, energy etc] contribute to the reduction of CO <sub>2</sub> emissions?	ITC		✓		
9.	Innovative connectivity (digitalization, sustainability, safety)	ITC	<b>✓</b>			✓
10.	Technology and digitization	SCTCS	✓			
11.	Promote digitalization to enhance urban resilience, support exit from the COVID-19 pandemic and address climate change and natural disasters	CUDHLM	<b>√</b>	<b>√</b>	<b>√</b>	
12.	Leveraging the potential of digitalization for sustainable development	SWGA	✓			
13.	Working across silos: strengthening cross-sectoral coordination and collaboration for sustainable development	SWGA				
14.	Mobility	CSE				✓
Sugg	estions from the evaluation survey of the 69th session					
15.	Smart connectivity (linked to Nexus work)					✓
16.	Contributions to Paris Agreement/climate action			✓		
17.	Sustainable infrastructure (role / tools of UNECE instruments)				✓	
18.	Green transition			✓		
19.	Challenges, inspirations and innovations for Energy transformation			✓	<b>√</b>	
20.	Sustainability index: evaluation and reporting					

21.	Monitoring of micro-plastics at the seas, and health effects			
22.	Will economic development annihilate the rights and the freedoms of the people in Europe and beyond?			

#### III. Key findings of the review of submissions by the EXCOM Bureau

Further to the decisions taken during the 117<sup>th</sup> meeting, the Bureau of the Executive Committee of the Economic Commission for Europe (UNECE) reviewed the proposals received as of 15 September 2021. Key findings of the deliberations are as follows:

- Among the 22 submissions, there are four dominant thematic clusters with focus on
  - i. Digital transformation (9)
  - ii. Climate action/green transition/ carbon neutrality (7)
  - iii. Sustainable infrastructure (4)
  - iv. Connectivity/mobility (4)

Some proposals (4) span several of these thematic clusters.

- Most proposals meet the criteria for the theme identified earlier, namely to be cross-sectoral in nature, relevant to existing UNECE mandates and to the trends and challenges in the region, and enhance knowledge-sharing across the organization and among member States.
  - o Most UNECE subprogrammes have existing mandates under thematic clusters 1-3. Several subprogrammes have mandates under the thematic cluster 4.
  - o Proposals 21 and 22 are considered to be outside of the scope of UNECE's work.
- ➤ Different dimensions highlighted in the submissions under the respective thematic clusters could be considered for consolidation. These include

i. Digital transformation	ii. Climate action/ green transition/ carbon neutrality	iii. Sustainable infrastructure	iv. Connectivity/ mobility
<ul> <li>Harmonization</li> <li>Dematerialization</li> <li>Connectivity and social inclusion</li> <li>Digital identity and digital public services</li> <li>Industrial policy</li> <li>Enhancing urban resilience</li> <li>COVID-recovery</li> <li>Smart infrastructure</li> <li>Trade</li> <li>Ageing</li> </ul>	<ul> <li>Policies and solutions</li> <li>Mobility/e-mobility</li> <li>Promoting         digitalization to         address climate change         and natural disasters</li> <li>Subprogramme         contributions to         reducing greenhouse         emissions</li> <li>Food loss and waste</li> <li>Traceability of supply         chains</li> <li>Cross-sectoral         coordination and         collaboration</li> </ul>	<ul> <li>Transport infrastructure, including in the urban context</li> <li>Urban resilience</li> <li>Smart infrastructure</li> <li>Mainstreaming ageing</li> </ul>	<ul> <li>Urban mobility</li> <li>E-mobility</li> <li>Environmental impact of mobility</li> <li>Innovative connectivity (digitalization, sustainability, safety).</li> <li>Social inclusion</li> <li>Digital cooperation</li> </ul>

➤ Given the convergence around a small number of thematic clusters, the Bureau encourages member States to deliberate on the basis of these four issues.

## ➤ The Bureau further encourages that additional considerations contained in the submissions received be taken into account in further discussions on the issue. These include:

Link to ECE69	69 <sup>th</sup> Commission Session. It would be useful to consider topics which build from this, rather than opting for something very different.	
	Review results of cross-cutting theme of circular economy and sustainable use of natural resources, or a specific focus within this cross-cutting theme ( <i>Already mandated by ECE69</i> )	
Beyond Agenda 2030	UNECE has the potential to act as leading foresight house for the future beyond Agenda 2030, which is now limited in time and scope (in fact 8 years left). Being a pioneer on this would enhance the strategic leap ahead of the regional assets and actors as whole.	
Data	The Conference of European Statisticians is actively engaged in the work on Measuring and monitoring of SDGs in the region through its Steering Group and Task Forces. Further, the range of themes covered by the Conference and its Bureau is very wide, touching upon economic, social and environmental issues but also modernisation of official statistics and innovation. The Conference through its secretariat, the UNECE Statistical Division, will contribute to the preparations of the next UNECE session once the cross-cutting topic has been selected by the EXCOM. (CES)	

## > The Bureau notes the importance of addressing the following issues under a designated cross-sectoral theme:

- Relevance and value-added
   (Focus on UNECE expertise, esp. technical and regulatory issues)
- o Inclusion
- o Resource requirements (incl. investments/financing needed to operationalize)

#### **Proposed next steps**

Following informal consultations, an exchange of views is scheduled for the 118<sup>th</sup> meeting of EXCOM in October 2021 to guide further preparations, with a view to adopting a theme at the 119<sup>th</sup> meeting in December 2021.

#### **ANNEX: Proposed Themes** (as available, with annotations provided by the submitting entity)

- 1. Digital Transformation as a Tool for Recovery and Sustainable Growth in the UNECE region (Belarus)
- 2. Towards Carbon Neutrality: the experience of the UNECE region

(Belarus)

3. Reducing the digital divide across Europe to promote pan-European economic integration

(Slovenia)

## 4. Innovative financing of cross-sectoral solutions and investments in natural resources for climate action and green transition (Finland)

Ahead of its 69th Commission session (April 2020), ECE held an action-oriented policy exchange focusing on the need for integrated strategies to tackle key sustainability challenges facing the region. The exchange sought to identify opportunities where ECE tools, based on integrated approaches that cut across sectoral boundaries, could support enhanced efforts. A set of ECE flagship reports launched on that occasion highlighted the trends and challenges in the region<sup>a</sup>, and indicated possibilities for capitalizing on cross-sectoral synergies, in line with the interlinked character of the SDGs.

Since then, such opportunities seem to be sorely needed: The COVID-19 pandemic has dragged down economies across the ECE region, and in the response, effective cooperation across economic sectors could go a long way in increasing effectiveness, as well as to avoid possible tensions. Some of the economic recovery efforts have a distinctly green growth character (e.g. the Green Deal of the EU), underlining that transition to a circular economy will not only reduce pressure on natural resources but will create sustainable growth and jobs. Furthermore, the extreme hydrological events in 2021 added to the feeling of urgency what comes to climate action across sectors, in both adaptation and mitigation.

Bio-based circular economy solutions in the fields of forestry and water management represent key opportunities to reap benefits of sustainable development, including for the environment, and improvement of well-being. Both forestry and water have important links to land management and the energy sector to enable and boost also these sectors' contribution to the SDGs. So, overall, this renewable economic potential includes bio-based energy and materials as well as sustainable use of ecosystem services. Already related digital solutions to improve sustainability of management and use are many, e.g. smart water. Moreover, commonly there are co-benefits from improved efficiency in use of one resource.

Despite the benefits, cross-sectoral actions too often struggle to find financing, while a single project contributing to different sectors' objectives at the same time make nexus initiatives worthy candidates for climate and green economy oriented financing. Climate action, green economy and sustainable development provide valuable cross-sectoral policy frameworks for coordinated, integrated "nexus" projects and should lead to establishment of strategic partnerships and mobilization of financing. To uptake and upscale nexus solutions and investments opens financing opportunities from the private sector and innovative schemes can be designed that leverage private investments in concert with public sources.<sup>b</sup>

As the ECE Member States are undertaking relevant efforts for recovery, green transition, climate and sustainable development, the proposed theme allows for a practical exchange of knowledge, experience and good practices about enabling technical and policy action, and mobilizing financing for cross-sectoral measures. At best these solutions transcend borders and build on the complementary renewable resource bases of countries for regional cooperation benefits.

The proposed theme constitutes a logical continuity to the exchange around ECE69, allowing to deepen it with a focus on renewable bio-resources forestry and water and their interlinkages, and to revisit the work of ECE sectoral Committees and selected opportunities identified from the nexus work so far, stepping up ECE contribution to the achievement of the Paris agreement.

<sup>&</sup>lt;sup>a</sup> Among the flagship reports is *Natural Resource Nexuses in the ECE region* https://unece.org/sustainable-energy/publications/natural-resource-nexuses-ece-region-0

<sup>&</sup>lt;sup>b</sup> Such opportunities are highlighted by the UNECE publication *Solutions and Investments in the Water-Food Energy-Ecosystems Nexus: A Synthesis of Experiences in Transboundary Basins* (forthcoming in September 2021), but at local and national level they are likely more common and easier to achieve.

#### 5. Fostering digital transformation & managing digital transition

Over the last few months, COVID-19 has dramatically accelerated digital transformation in all sectors. The unexpected pandemic forced governments, businesses and families to adopt solutions, mostly digital ones, in a much more limited time than they had thought possible before the crisis. Hence, addressing this phenomenon, its trends and challenges has become a priority. In fact, alongside its economic and innovative benefits, this societal transformation also risks deepening already-existing inequalities by harming the most vulnerable. It must become key to identify uses of digital technology which synergize with the SDG Agenda in order to direct the ongoing 21st century technological transformation towards a sustainable path. As digital transformation is rapidly shaping our economies and society, there is the need to address this theme along the following three axes to inject resilience into them as part of our mandate at UNECE of promoting an effective policy making in managing digital transition.

#### Connectivity and Social Inclusion

Today, connectivity facilitates interactions between people, organizations and machines and enables the use of connected devices in critical sectors such as health, education, manufacturing and transport. Nevertheless, almost 50 per cent of the world's population, most of them women and in developing countries, are still offline<sup>c</sup>. This figure clearly shows that sizable gaps in digital inclusion still persist. Existing biases in digital connectivity may limit access to social and economic opportunities only to those with appropriate technologies, while excluding those without access to them. Location, income, age, sex, ethnicity and disability are shown to be major determinants of ICT and Internet access: the offline population is disproportionately female, rural, poor, elderly, and/or with limited education and low literacy. For instance, the persistence of the urban-rural gap is evident: household Internet access in urban areas are twice as high as in rural areas (72 per cent vs. 38 per cent)<sup>d</sup>. As a result, connectivity and inclusion should be addressed through international collaborative efforts, among public institutions, businesses and citizens in order to shape a shared vision on digital cooperation and a digital future.

#### Digital Identity and Digital Public Services

Digital ID has the potential to generate significant economic and social benefits, including lower costs and increased financial, social, and political inclusion. To date, governments around the world have launched around 165 digital or partially digital, ID schemes. However, only a few programs have achieved high levels of adoption, and use rates are often low, averaging just once or twice a year per person in some countries. The importance of digital identities is not only limited to the possibility of providing a better way to access e-government services. They have the potential to unleash unprecedented levels of service innovation in all areas of the economy. (...) The integration of identity solutions via Identity-as-a-Service and cloud providers is becoming widespread thanks to a shift from on-premises to cloud solutions and to new technological devices. The current ecosystem is complex and composed of small, high-tech innovators, large financial institutions, telecommunication providers, and technology giants. In this respect, governments should carefully choose and develop solutions and strategies which truly benefit both citizens and industry alike.

#### A new Industrial Policy fit for the Digital Age

Digitalisation has become a significant factor of national wealth generation and a major driver of international manufacturing competitiveness. The elements of production required for new products and services will be characterized by a growing percentage of intangible assets in the digital economy and will be based on the exploitation of big data, AI and data analytics. (...) Alongside national industrial policies, coordination at regional scale must take place to ensure no one is left behind and create a significant regional competitive advantage. Finally, it will ensure transition from the traditional manufacturing-oriented policies to long-term policies for the development of the new digital-manufacturing ecosystem, based, for example, on fostering industrial collaborations on data spaces, on sharing federated cloud infrastructures and on the adoption of interoperability standards and common digital platforms. The role of international and regional cooperation may trigger major developments in digital transformation as a lever of sustainable growth in all three mentioned areas. (CICPPP)

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<sup>&</sup>lt;sup>c</sup> https://www.un.org/press/en/2021/dsgsm1579.doc.htm.

<sup>&</sup>lt;sup>d</sup> https://www.itu.int/en/mediacentre/Pages/pr27-2020-facts-figures-urban-areas-higher-internet-access-than-rural.aspx.

https://www.mckinsey.com/industries/public-and-social-sector/our-insights/how-governments-candeliver-on-the-promise-of-digital-id.

f Ibid.

#### 6. 'Harmonization and digitalization' or 'dematerialisation'

(This theme) would fully reflect the UNECE "Smart Connectivity" nexus and would also reflect the priorities that nearly all countries are putting in place today to move towards dematerialization. Dematerialization is a cross-cutting theme which is present in many of the conventions of the UNECE (possibility to exchange a digital certificate, a digital declaration, etc). UN/CEFACT worked with a number of the other UNECE sections in helping to prepare the standards for such exchanges. Also harmonization is the objective of nearly all of the work of the UNECE, proposing conventions, recommendations and standards to help harmonize process across its member Stats and beyond in order to facilitate global integration, whether it is on an environmental level, an energy level, a transport level or a trade level. This has been demonstrated in the UN project "Transport and Trade Connectivity in the Age of Pandemics" and indeed, assisting to reduce risks of human contact in the efforts to build back after COVID-19.

In addition, dematerialization across the global supply chain is currently a renewed focus for all involved actors (Traders, transporters and cross-border agencies) due to fast-moving changes to business practices such as internet trading challenges such as Brexit, and, of course, COVID-19 impacts.

Harmonization and digitalization are both priorities within the UNECE region's member States. Both the Eurasian Economic Union and the European Union actively assist countries to harmonize procedures and regulations in order to promote greater integration. There remains a good deal of disparity in the capacities of member States across the UNECE region. Therefore UNECE could play a major role in contributing to the smart connectivity of its member States and thereby to help to disseminate the rich and advanced experiences of some with the transition economies in the region. This would contribute to nearly all of the Sustainable Development Goals as the aim would be to harmonize procedures to the benefit of all citizens around the world. (UN/CEFACT)

#### 7. Digitalization, connectivity and sustainable/smart infrastructure

- Digitalization, connectivity and sustainable/smart infrastructure;
- How can [inland transport, housing, energy etc] contribute to the reduction of CO<sub>2</sub> emissions?
- Innovative connectivity (digitalization, sustainability, safety).

However different in substance, these proposals are clearly mandated in the ITC Strategy until 2030 (ECE/TRANS/288/Add.2). Furthermore, they have been addressed in different ways in high-level documents endorsed by the ITC, such as the following Ministerial Resolutions and Declarations:

- ITC Ministerial Resolution "Enhancing resilient inland transport connectivity in emergency situations: An urgent call for concerted action" (ECE/TRANS/304, Annex I);
- ITC Ministerial Declaration "Enhancing inland transport solutions to global climate and environmental challenges a united call to action", (ECE/TRANS/294, Annex I);
- ITC Ministerial Resolution "Enhancing Cooperation, Harmonization and Integration in the Era of Transport Digitalization and Automation" (ECE/TRANS/288, Annex I);
- ITC Ministerial Resolution "Embracing the new era for sustainable inland transport and mobility" (ECE/TRANS/270, Annex I)

These proposals are dealt with in different subsidiary bodies of the Commission (Transport, Environment, Land and housing, Trade, Sustainable Energy). As such, they should be suitable as high-level themes at organizational level and support knowledge sharing of the cross-cutting themes of common interest. (ITC)

### 8. How can [inland transport, housing, energy etc] contribute to the reduction of CO<sub>2</sub> emissions? (pls see annotation under item 6) (ITC)

#### 9. Innovative connectivity (digitalization, sustainability, safety)

(pls see annotation under item 6)

(ITC)

#### 10. Technology and digitization

(...) a future theme could be connected to <u>technology and digitalization</u>, which can play a key role in driving trade and harnessing it's role for an inclusive, sustainable and resilient post COVID recovery.

Over the past decades, rapid technological change and digitalization have profoundly changed the way we trade. Technology (including new technologies) and digitalization have changed trade patterns and trade-

related areas of policymaking (e.g. the rise of e-commerce, digitalization of trade facilitation processes and the rising importance of multi-modal trade and transport connectivity etc.). In addition to trade in goods, digital services trade has become one of the most dynamic sectors in the global economy and could be further harnessed for the post COVID recovery.

The work of the Steering Committee on Trade Capacity and Standards (SCTS), and its subsidiary bodies, offer important entry points for further work on such a possible Commission topic.

- Technology and digitalization are shaping regulatory and procedural barriers to trade and related policy responses (SCTS);
- Technology and digitalization are also impacting on agricultural trade and the role of related quality standards (WP.7);
- Regulatory cooperation (WP.6) can help address new and emerging policy and regulatory challenges arising from technology and digitalization;
- Technology and digitalization can contribute to a transition to a more circular economy (e.g. FeedUP@UN, the blockchain enabled food loss app, developed in the context of WP.7).

Looking more closely at the topics of technology and digitalization would also allow for cross-fertilization between the SCTS and its subsidiary bodies and other trade-related work streams of UNECE.

In the context of UN/CEFACT and the activities of UNECE's Regional Advisor, the project on "Transport and Trade Connectivity in the Age of Pandemics", carried out as part of the UN's COVID response, aims to foster digital exchange of trade and transport documents.

In the context of UN/CEFACT, work on the traceability of supply chains, aims to harness the power of advance technologies (e.g. blockchain) for fostering sustainable trade, an important topic in the international trade community.

In the context of innovation, the Team of Specialist on Innovation and Competitiveness Policies (ToS ICP), work looked at the "platform economy", an important element of services trade, which is thriving on the back of digitalization and the increased use of new technologies.

Clearly, digitalization and new technologies are among today's top policy priorities. This also applies to regional approaches, e.g. the Eurasian Economic Union work to harmonize procedures and regulations to promote greater integration.

Giving greater attention to digitalization and new technologies, and exploring further their connection with trade, holds great promises for UNECE member States, including the organization's 17 programme countries.

(SCTCS)

## 11. Promote digitalization to enhance urban resilience, support exit from the COVID-19 pandemic and address climate change and natural disasters (CUDHLM)

#### 12. Leveraging the potential of digitalization for sustainable development

The digital transformation carries deep potential for all areas of UNECE work. Advantages include efficiency gains, better connectivity and innovation. However, to ensure that the digital transformation is a positive force for change, its associated risks need to be acknowledged and addressed. The 2023 Commission Session will provide an opportunity for regional dialogue on the potential of digitalization for sustainable development.

This suggested topic would allow the Standing Working Group on Ageing to contribute to the Commission session from the ageing in the digital era angle. (SWGA)

### 13. Working across silos: strengthening cross-sectoral coordination and collaboration for sustainable development

COVID-19 highlighted the need for integrated policymaking. To advance the 2030 Agenda for Sustainable Development and to accelerate the achievement of the SDGs in less than a decade we need to work together more effectively by bridging sectorial divides.

UNECE is well placed to leverage expertise from different sectors and create synergies. The 2023 Commission Session provides the opportunity to cast a spotlight on ECE's innovative cross-sectorial collaboration and partnerships.

This suggested topic would allow the Standing Working Group on Ageing to contribute to the Commission session from the mainstreaming ageing angle. (SWGA)

#### 14. Mobility

In terms of the philosophy of mobility, there is a need to move away from economic analysis and spatial planning and think in terms of what shapes the demand for mobility. Only then would it be appropriate to move into transport infrastructure issues. In light of the evolution of work and life, especially given COVID, there needs to be consideration of the future demand for mobility of people and goods. This aspect would consider the organisation and structure of communities.

Once the need for mobility is well understood, there would need to be an agnostic consideration of the various modes of providing mobility and the basket of technologies available.

There is a tendency to consider that the world of transport is going to leap out of fossil to e-mobility. It is and should be more complex. There needs to be a full consideration life cycle analysis of costs, resource requirements, environmental impacts, and community implications (including urban density, proximity of commerce, bike lanes/urban transport, and the like).

One aspect that was noted strongly was the market readiness for e-mobility – not all of ECE regions are capable of shifting to electric vehicles – is that a developed country opportunity with other solutions in other regions? (CSE)

- 15. Smart connectivity (linked to Nexus work)
- 16. Contributions to Paris Agreement/climate action
- 17. Sustainable infrastructure (role/ tools of UNECE instruments)
- 18. Green transition
- 19. Challenges, inspirations and innovations for Energy transformation
- 20. Sustainability index: evaluation and reporting
- 21. Monitoring of micro-plastics at the seas, and health effects
- 22. Will economic development annihilate the rights and the freedoms of the people in Europe and beyond?

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