



Economic Commission for Europe**Steering Committee on Trade Capacity and Standards****Sixth session**

Geneva, 21–22 (am) June 2021

Report of the Steering Committee on Trade Capacity and Standards on its sixth session**I. Overview**

1. The sixth session of the Steering Committee on Trade Capacity and Standards was held from 21 to 22 (am) June 2021.
2. The first day was dedicated to discussing the findings and recommendations emerging from the United Nations Economic Commission for Europe (ECE) Study on Regulatory and Procedural Barriers to Trade in Serbia, and the demand-driven assessments of the COVID-19 impact on trade and structural transformation in Armenia, Belarus, Georgia, the Republic of Moldova and Serbia.
3. Government representatives from the five countries briefed the Steering Committee on ongoing and planned reforms, including follow-up to the recommendations from ECE studies. In addition, the United Nations Resident Coordinator Offices from the five countries briefed the Steering Committee on their approach to integrating the ECE recommendations in the United Nations common plans and advised on how ECE could support UN Resident Coordinator Offices and the United Nations Country Teams (UN CTs).
4. The first day also featured a discussion on how ECE, through its trade-related work, could contribute to addressing the pressing challenge of transitioning to a circular economy, which formed the focus of the sixty-ninth session of ECE.
5. The second day was dedicated to discussing the programmes of work of the Steering Committee and its subsidiary bodies.
6. Presentations and speeches delivered during the session can be found on the ECE website.¹

II. Attendance

7. Representatives from the following ECE member States attended the meeting: Albania, Armenia, Belarus, Canada, Czech Republic, Georgia, Germany, Hungary, Italy, Kazakhstan, Kyrgyzstan, Poland, Republic of Moldova, the Russian Federation, Serbia, Spain, Sweden, Ukraine, the United Kingdom of Great Britain and Northern Ireland, and Uzbekistan.

¹ <https://unece.org/trade/sctcs-2021>.



8. Representatives of the European Union (EU) and its member countries attended the meeting.
9. Representatives of the United Nations Conference on Trade and Development (UNCTAD), United Nations Development Programme (UNDP), United Nations Resident Coordinator Offices in Armenia, Belarus, Georgia, the Republic of Moldova and Serbia attended the meeting.
10. The following intergovernmental organizations attended the meeting: the Eurasian Economic Commission, the European Commission, the International Bureau of Weights and Measures (*Bureau International des Poids et Mesures*), the Organization for Security and Co-operation in Europe, the Standards and Metrology Institute for Islamic Countries, and the World Trade Organization (WTO).
11. The following non-governmental organizations with a consultative status with the United Nations Economic and Social Council also attended the session: the International Organization for Standardization and the Royal Institution of Chartered Surveyors.
12. The meeting was also attended by the following non-governmental organizations at the invitation of the secretariat: AFNOR Association (Russian Federation), Armenian Young Women's Association, Austrian Chamber of Commerce (Serbia), Austrian Federal Economic Chamber (Austria), Bulgarian Chamber of Commerce and Industry, Business Association of Cement Industry of Serbia, Chamber of Commerce and Industry of Serbia, Hilfswerk International, International Chamber of Commerce – Albania, Russian Union of Industrialists and Entrepreneurs, Science and Technology Association “Infopark”, WTO Expertise Center (Russian Federation).
13. The meeting was attended by the following representatives from academia: the Graduate Institute, Geneva and the Polytechnic University of Madrid.
14. Representatives from the private sector participated as observers at the invitation of the secretariat.

III. Agenda item 1. Adoption of the agenda

15. The Chair opened the meeting and invited the ECE Deputy Executive Secretary to give the opening remarks.
16. The ECE Deputy Executive Secretary welcomed the representatives of the Governments of Armenia, Belarus, Georgia, the Republic of Moldova and Serbia. He thanked them for sharing the findings and recommendations emerging from ECE Study on Regulatory and Procedural Barriers to Trade in Serbia and from the ECE assessments of the impact of COVID-19 on trade and structural transformation, which were carried out in close cooperation with the Governments.
17. He also welcomed UN RCs in the five countries and expressed the appreciation of ECE for the cooperation with UN CTs. Good, practical and functional cooperation among United Nations agencies at the country level is key to the success of the intergovernmental machinery, and ECE looks forward to continued cooperation with UN RCs and UN CTs.
18. Trade has been hit hard by the pandemic. Recent estimates by WTO show the volume of global merchandise trade as falling by 5.3 per cent in 2020. There are signs of recovery, with estimates by WTO predicting global merchandise trade to increase by 8 per cent in 2021.² ECE is helping member States increase the contribution of trade to post-COVID-19 recovery and inclusive growth. As a standard-setting organization, ECE hosts the United Nations Centre for Trade Facilitation and Electronic Business (UN/CEFACT), the Working Party on Regulatory Cooperation and Standardization Policies (WP.6) and the Working Party on Agricultural Quality Standards (WP.7). ECE also services the Steering Committee on Trade Capacity and Standards. The Steering Committee, which is the parent body of WP.6 and WP.7, also carries out its own important work.

² https://www.wto.org/english/news_e/pres21_e/pr876_e.htm.

19. The Deputy Executive Secretary reported on the very successful sixty-ninth Commission session on 21 and 22 April 2021, devoted to the topic of the “circular economy and the sustainable use of natural resources”. The Commission recommended to all programmes and teams to review how their work could be reoriented to take into account the growing needs for circularity in environment, energy, transport and trade.

20. This topic is of great relevance for the Steering Committee. 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. They can help scale up solutions.

21. The ECE Deputy Executive Secretary concluded by emphasizing that he looks forward to hearing about the Steering Committee’s deliberations on this topic, how trade can foster a circular economy transition. Scaling up sustainable trade is an important topic in Geneva right now, also in the context of WTO.

22. The Chair presented the annotated provisional agenda (ECE/CTCS/2021/1).

Decision 2021-01

The Steering Committee adopted the agenda of its sixth session.

IV. Agenda item 2. Election of officers

Decision 2021-02

The Steering Committee elected by acclamation, for a two-year period 2021–2023, as Chair, Ms. Damegul Kabiyeva, Minister-Counsellor, Head of the Economic Section at the Permanent Mission of the Republic of Kazakhstan to the United Nations Office and other International Organizations in Geneva, and as Vice Chairs: Mr. Dmitry Doroshevich, Counsellor, Permanent Mission of the Republic of Belarus to the United Nations Office and other International Organizations in Geneva; and, Ms. Mariam Gabunia, Head of Department for Foreign Trade Policy, Ministry of Economy and Sustainable Development of Georgia.

A. General segment

V. Agenda item 3. Matters arising

23. The Director of the ECE Economic Cooperation and Trade Division briefed the Steering Committee on issues emanating from the Executive Committee meetings since the previous session of the Steering Committee, and the outcome of the sixth-ninth Commission session that was devoted to the circular economy and the sustainable use of natural resources. Member States requested ECE to promote circular economy transition and sustainable use of natural resources in relevant subprogrammes, sectoral committees and other subsidiary bodies (Decision 69A and Decision 69B).

24. The Director also informed the Steering Committee that the seventy-sixth session of the Working Party on Agricultural Quality Standards (WP.7) will take place on 15–17 November 2021 and the thirty-first session of the Working Party on Regulatory Cooperation and Standardization Policies (WP.6) will take place on 24–26 November 2021.

Decision 2021-03

The Steering Committee took note of the secretariat’s report on Matters arising.

B. High-level segment: Removing regulatory and procedural barriers to trade in the Economic Commission for Europe region

VI. Agenda item 4. Supporting the removal of regulatory and procedural barriers to trade: Serbia

25. The secretariat introduced the Study on Regulatory and Procedural Barriers to Trade in Serbia, which was conducted over the course of October 2019 to January 2021 with financing from the United Nations Development Account (UNDA). The study identified growth bottlenecks stemming from regulatory and procedural trade measures, using the ECE extended survey-based evaluation methodology. It drew on face-to-face interviews with relevant public stakeholders, business support institutions, logistic service providers and 61 enterprises from across the country. The study provided action-oriented recommendations, which addressed immediate and long-term capacity-building needs for ensuring the removal of the identified barriers and increasing the contribution of trade to the Sustainable Development Goals (SDGs).

26. The State Secretary of Ministry of Trade, Tourism and Telecommunications and Chairman of the Serbian Trade Facilitation Body conveyed the Government's appreciation of the Study on Regulatory and Procedural Barriers to Trade and the COVID-19 impact assessment. The preparation of these documents involved extensive efforts on the part of ECE and the Government agencies. As an acceding country to WTO, the Government attaches great importance to the recommendations provided in the study and the COVID-19 impact assessment.

27. As an EU acceding country, many of the areas covered in the study and impact assessment rank high on the agenda of the Government of Serbia. The findings emerging from these documents, together with pressure of COVID-19 pandemic, encourage the Government to accelerate trade facilitation reforms, particularly in relation to paperless trade and e-commerce, which have proven to be inevitable in so called "new normal". In this respect, the Government has received a loan from the International Bank for Reconstruction and Development to establish a National Single Electronic Window System within the context of the Western Balkans Trade and Transport Facilitation Project. Work is underway and the system is expected to be fully operational by the end of 2025.

28. In addition, cross-border trade will be further facilitated within the context of the Central European Free Trade Agreement (CEFTA) Common Regional Market 2021–2024 Action Plan. The plan provides for extending the "CEFTA Green Corridors" system to EU in 2021. The system was launched following the outbreak of the pandemic to facilitate the free flow of all goods and ensure priority treatment of essential goods, namely, food, medicine and medical equipment. The system was critical for safeguarding against supply shortages, and its extension means that the accelerated cross-border procedures for medical supplies will be applied at all crossings points with EU countries.

29. The representatives of the Customs Administration of Serbia and the Working Group on the Regulation of Quality and Products Safety, Ministry of Economy of Serbia briefed the Steering Committee on ongoing and planned reforms, including capacity-building needs for implementing key recommendations emerging from the ECE study and COVID-19 impact assessment.

30. The Customs Administration has already implemented several ECE recommendations, particularly those that do not require considerable support and additional resources in the form of training and new investments. The recommendations correspond to the strategic objectives of the Serbian Customs Administration, which are aligned with the requirements of the WTO Trade Facilitation Agreement and SDGs. The Customs Administration has implemented recommendations in strategic management; is in the process of establishing a National Single Window System that is in line with the UN/CEFACT Recommendation No. 33; and is in the process of strengthening border agencies. It has also approved 36 requests for Authorized Economic Operator (AEO) status. The Serbian AEO

scheme is based on the EU model and has been recently validated at regional level within the context of CEFTA, and representative from the European Commission Directorate-General for Taxation and Customs (DG TAXUD) participated as observers. The Customs Administration is prepared to prioritize the ECE recommendations requiring additional support.

31. As regards quality infrastructure, Serbia has already transposed EU Directives and harmonized standards. The challenges stem from the lack of knowledge about EU regulatory requirements among Serbian producers and importers. These challenges persist even though the Ministry of Economy has published explanatory materials on its websites and organized numerous training workshops on standards implementation.

32. The representative of the Permanent Mission of Hungary to the United Nations and Other International Organizations in Geneva congratulated the Government of Serbia for the extensive reforms to consolidate a competitive market-based economy. Trade plays an important role in supporting the structural transformation, especially since Serbia is an open economy with a trade to gross domestic product ratio estimated at around the 110 per cent. Hungary welcomes the recommendations of ECE aimed at improving trade facilitation conditions in Serbia; the implementation of which can further increase the development of trade and regional integration of Serbia. Hungary is ready to assist the Government of Serbia in implementing these recommendations, for example, in the framework of the Hungarian Serbian Joint Economic Commission. Hungary also stands ready to help Serbia implement the recommendations and speed up its accession to WTO, as Serbia needs to join WTO before becoming an EU member.

33. The representative of the Russian Federation stressed the importance of the ECE Study on Regulatory and Procedural Barriers to Trade. The analysis and practical recommendations will help Serbia develop effective balanced approaches to build a competitive economy and further reforms in several the areas, including transparency, transitioning to paperless trade, optimizing customs procedures and strengthening the national quality infrastructure.

34. The representative of the European Commission Directorate-General for the Internal Market, Industry, Entrepreneurship and SMEs (DG GROW) commended reform efforts of Serbia. Serbia is a full member of the European Committee for Standardization (CEN) and the Committee for Electrotechnical Standardization (CENELEC), which are actively supporting industrial development and the services sectors. The two specialized bodies also promote the implementation of standards to reduce barriers and improve the competitiveness of enterprises, including micro, small and medium enterprises (MSMEs).

35. The United Nations Resident Coordinator in Serbia thanked ECE for completing the very timely and useful studies, and for linking them very clearly to the 2030 Agenda for Sustainable Development and several SDGs. UN RC highlighted the following issues:

- The focus on MSMEs and the need to increase their resilience and capacities beyond financial support is appreciated. MSMEs are the backbone of the social and economic life of Serbia and supporting them is critical for the achievement of SDGs. Foreign direct investment (FDI) is important. However, it is MSMEs that provide job opportunities, and this is important for reducing immigration.
- The studies provide two distinct sets of recommendations. The first targets the public sector and the second the private sector. The recommendations are being implemented in a complex, and to some extent, unpredictable environment. They must be carefully integrated and coordinated with ongoing reform initiatives in the areas of, among others, digitalization of services and procedures, e-procurement and transparency.
- The application of standards and related capacity-building are important for improving the competitiveness of MSMEs, and not only in high-tech industries. Evidence points to a low level of standards implementation amongst MSMEs, despite the many trainings that the previous Government representative referred to. Standards implementation is difficult. It requires efforts, investments, and most importantly, awareness and understanding of long-term benefits, beyond the short-term costs.

MSMEs need help to prioritize and sequence health and safety standards, labour standards, energy efficiency and other green standards.

36. UN RCs and UN CTs are guided by the cooperation framework for the period of 2021–2025, which includes a distinct output for “People to have access to more decent job opportunities and fair competitive trade”. Several specialized United Nations agencies have technical capacity to support the economy including in the areas of innovation, labour standards, skills and enterprise development, agri-food sector’s competitiveness, circular economy, and more. Options for the development of green financing in country also need further attention.

37. UN RC Office in Serbia has an internal working group on MSMEs, which works closely with various ministries and private sector institutions, including the local chapter of the Global Compact. The ECE studies will become an important guidance for this group for the expansion of the work in the business sector and for ensuring that we leave no one behind. UN RC Office and ECE will support an event on standards for MSMEs in the coming few days and are in discussion with the Chamber of Commerce and Industry of Serbia to support the delivery of an e-learning course on standards for MSMEs.

38. The representative of the Austrian Chamber of Commerce in Serbia noted that Serbian exports to Austria have increased over the past few years. This is indicative of improvement in competitiveness of Serbia. Serbia is also gaining increased importance as a regional logistical hub. While the pandemic resulted in significant trade disruptions across Europe, membership of Serbia in the CEFTA Green Corridors helped mitigate supply chain disruptions. The ECE study and impact assessment provide in depth insight from a practitioner’s point of view, with useful recommendations.

39. The representative of Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH, GIZ, said that the ECE studies are timely and that the recommendations are relevant. He noted that GIZ has implemented similar recommendations in Montenegro. In particular, the development of new customs clearance procedure for express shipments by air, which enables the exchange of pre-arrival data and the automation of risk management. This effort resulted in immediate benefits, including, for example, increasing the rate of clearance upon arrival (i.e., within one hour after arrival to airport) from 25 to 65 per cent of total shipments. This procedure has been recently extended to facilitate the clearance of express shipments in several South-Eastern European countries. Germany is providing support for removing trade barriers in the region, and respective representatives may be contacted for further information.

40. The representative of Ministry of Trade, Tourism and Telecommunications of Serbia thanked the delegates for their comments. EU is main trade partner of Serbia, accounting for 60 per cent of total export, with the Russian Federation ranking as the third trade partner after CEFTA. Serbia needs the support of EU and its neighbouring countries to improve cross-border trade. The most recent meeting of the Hungarian Serbian Joint Economic Commission, held in mid-June 2021, focused on improving cross-border trade between the two countries. Serbia would like to cooperate with EU and its neighbouring countries in implementing the recommendations emerging from the ECE studies. Serbia will also consider the proposals made by GIZ. GIZ has implemented a project for expediting the clearance of express shipments by air three years ago. Serbia is ready to further this work to facilitate cross-border trade and strengthen cooperation with its neighbouring countries and the rest of the world.

Decision 2021-04

41. The Steering Committee congratulated the Government of Serbia for a successful Study on Regulatory and Procedural Barriers to Trade in the country and for reporting on the adopted recommendations and plans on their implementation. It invited the Government to further report on their implementation in 2022. The Steering Committee also expressed its gratitude to the Government for the COVID-19 impact assessment “The impact of COVID-19 on trade and structural transformation in Serbia: Evidence from UNECE’s survey of micro, small and medium-sized enterprises (MSMEs)” that it had undertaken in cooperation with ECE.

VII. Agenda item 5. Findings and recommendations emerging from the COVID-19 impact assessments targeting micro, small and medium-sized enterprises in selected countries

42. The secretariat introduced the demand-driven assessments of the impact of COVID-19 on trade and structural transformation in Armenia, Belarus, Georgia, the Republic of Moldova and Serbia, which were carried out in 2020. The studies seek to support increasing the contribution of non-tariff measures (NTMs) to post-pandemic recovery and the achievement of the SDGs. The assessments were carried out with funds from the UNDA, pursuant to the General Assembly's Resolution on Global Solidarity to Fight the Coronavirus Disease 2019 (COVID-19) (A/RES/74/270) of 2 April 2020. They involved a survey of about 2,000 manufacturing and agricultural MSMEs from across the five countries and contributed to the United Nations system-wide Global Initiative towards post-COVID-19 Resurgence of the MSME Sector.

43. The secretariat also informed the Steering Committee that preparations are underway to finalize two national assessments on 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 also financed by UNDA and will also contribute to the United Nations system-wide Global Initiative towards post-COVID-19 Resurgence of the MSME Sector.

44. In a discussion that followed the secretariat's presentation, the beneficiary countries made remarks on the contribution of the studies to their processes aiming at relieving the economic impact caused by the COVID-19 pandemic reflecting the appreciation they attach to the study, the relevance of the findings and plans for implementing the recommendations.

45. The representatives of the Ministry of Economy of Armenia highlighted the timeliness of the COVID-19 impact assessment, as the Government was considering new measures to support the enterprise sector. The assessment also focused on long-term development needs and provided several recommendations that the Ministry of Economy will use for increasing the participation of SMEs in international trade. The Ministry will also use the recommendations for designing a strategy for developing the national metrology system in cooperation with the International Organization of Legal Metrology, and for developing the national system of accreditation and conformity assessment.

46. The Government of Armenia has taken steps to further support SMEs, with the adoption of the SME Development Strategy for 2020–2024. The strategy is aimed at increasing the competitiveness of SMEs through reforms in key areas, such as entrepreneurship, the overall legislative framework and access to resources, including finance, human capital development and market access. The strategy, which defines the SME development policy framework, goals, expected results and activities, also addresses the challenges created by the pandemic.

47. The Government has also launched extensive relief and support measures, which have mitigated the impact of the pandemic. However, the Government needs support for designing and implementing targeted policies and programmes that are in line with international best practices. Technical support and assistance are needed for:

- Implementing the SME development strategy, so as to facilitate the participation of Armenian SMEs in global value chains and strengthen their linkages with foreign investors.
- Restructuring those sectors which are mostly affected by the pandemic, including tourism and the hotel industry, transport and construction.
- Redesigning and implementing policies for supporting innovation and internationalization of the economy.

48. The representative of the Ministry of Economy of the Republic of Belarus reported that the findings and recommendations emerging from the COVID-19 impact assessment were discussed during an online meeting in May 2021, which brought together representatives from the Government and the private sector. The Government attaches great

importance to removing regulatory and procedural barriers to trade. It is in the process of setting up a platform for helping MSMEs comply with regulatory requirements in export markets. The ECE recommendations also help Governments align their trade-related laws and procedures with international best practices.

49. The representative of the Ministry of Economy and Sustainable Development of Georgia thanked ECE for preparing a very accurate impact assessment study and for the detailed recommendations, which were elaborated in collaboration with the Government. The Government of Georgia attaches great importance to developing MSMEs, given their significant contribution to the achievement of social and economic development objectives, including employment generation and the promotion of entrepreneurship. The Government launched several initiatives to support the MSMEs' development, including the State programme "Produce in Georgia" to improve the competitiveness of manufacturing MSMEs and those involved in the hotel industry, and the State programme "Credit Guarantee Scheme" for improving access of MSMEs to finance.

50. At present, the Government is focusing on brining the national quality infrastructure – including the overall management of standardization policies, technical regulations, metrology, market surveillance, accreditation, and conformity assessment – up to the requirements of the Deep and Comprehensive Free Trade Area with EU. However, private conformity assessment bodies need additional support to achieve full compliance with the EU requirements as well as with international standards and best practice guidelines. Achieving such compliance is important for providing enterprises with internationally recognized product certification services.

51. The Government of Georgia is also focusing on strengthening micro enterprises, so that they could meet the tough requirements in global markets. The Government stands ready to cooperate with ECE, UN RC in Georgia and the United Nations specialized agencies to achieve sustainable growth that leaves no one behind and contribute to economic growth in the region.

52. The representative of the Ministry of Economy and Infrastructure of the Republic of Moldova noted that the COVID-19 impact assessment describes very well the situation of MSMEs during the pandemic, and the findings and recommendations are in line with the Government's priorities and strategic documents. The Government has launched several initiatives to support MSMEs, including the Pilot Program for the creation of 18 Multifunctional Industrial Platforms (PIM) that was approved on 13 October 2020 to increase the competitiveness of the industrial sector. In addition, with the support of international experts, the Ministry of Economy and Infrastructure drafted a strategic planning document to promote cross-sectoral policies to attract FDI, develop exports, strengthen the competitiveness of enterprises, improve the business and investment climate, support the SME sector, promote innovation and technological modernization and support a transition to a sustainable and digital economy.

53. The United Nations Resident Coordinator in Armenia said we have faced not only the pandemic and the lack of political stability. The UN Resident Coordinator Office and the UN CT have worked closely with the Government to support the rollout of relief packages involving over 20 measures, which targeted the most vulnerable, including the MSMEs. The United Nations system also collaborated with development partners in setting out a social economic response and recovery plan to foster complementarity between the Government efforts and those of the international community.

54. The ECE study brings into focus several issues to consider when addressing the economic impact of the pandemic:

- There is more to trade than economic liberalization. Non-tariff measures matter for ensuring that legislative reforms trickle down to the vulnerable; namely, the MSMEs. In Armenia MSMEs also account for most of the registered enterprises and are hindered by their weak productive capacity.
- NTM reforms are not generating the expected growth due to capacity gaps, which amplified the impact of the pandemic.

- The fungibility of income and its harmful impact on the welfare of households. The enterprises used their personal savings to keep their companies afloat.
- The need to link relief to development. Development is not linear and is challenging, especially considering the current conditions.
- The importance of developing the social capital and sense of solidarity.
- The need to address the weaknesses in the transport sector.

55. Developing the MSMEs is at the centre of the UN Sustainable Development Cooperation Framework for Armenia (2021-2025). The recommendations emerging for the ECE impact assessment contribute to outcomes 1 (People benefit from a universal, affordable, accessible, and quality health system, while adopting healthy lifestyle practices); 3 (People exercise their talents and skills, benefitting from age-appropriate, life-long learning, inclusive, and quality education in an enabling and safe environment); and 4 (People, communities, and regions benefit from equitable economic opportunities, decent work, and sustainable livelihoods, enabled through competitiveness and inclusive green growth). Circularity is important, and the UN CT is working closely with the ECE Environment Division on this.

56. The United Nations Resident Coordinator in Belarus said that the pandemic has proved very demanding to the economy and many MSMEs were forced to close. The ECE COVID-19 impact assessment shows that the pandemic has deepened pre-existing challenges. Like in many other countries, MSMEs in Belarus suffer from several growth obstacles, including weak innovation capacity, limited access to finance, burdensome taxation and permitting systems and low level of digitalization. Despite these limitations, several innovative information and communication technology MSMEs have emerged over the past few years, benefiting from the special tax regime in the Minsk Hi-Tech park. There is also a small but growing sector of organic food producers. These were particularly affected by the pandemic but proved to be agile and managed to quickly adapt to the new economic reality.

57. For the UN CT in Belarus, the green economic transition and digital transformation, will continue to be a strategic priority. This is reflected in the United Nations Sustainable Development Cooperation Framework (UNSDCF) 2021–2025 and in the COVID-19 Socio-Economic Response Plan (SERP). Pillar 3 focuses on MSME development for building a more resilient economy and reducing informality.

58. The SERP includes programmatic interventions by ECE, United Nations Industrial Development Organization (UNIDO), UNCTAD, United Nations Food and Agriculture Organization of the United Nations (FAO) and UNDP, which focus on MSME development, covering such topics as, among others, enhancing innovation ecosystems in less developed regions, bolstering circularity, strengthening value chains in agriculture, developing clusters and industrial parks for transfer of technology and digitalizing trade procedures.

59. This is in line with the recommendations contained in the ECE impact assessment, which were endorsed by the Government. Furthermore, the recent decisions by ECE at its sixty-ninth session on the circular economy, and the catalytic role of trade and economic cooperation will certainly increase the scope for engagement with UN CT.

60. The United Nations Resident Coordinator in Georgia thanked ECE, the Government of Georgia and the 330 Georgian MSMEs that contributed to the impact assessment, and thus helped understand the evolving challenges and needs. In 2020 and the first half of 2021, the UN CT in Georgia continued to closely work with the Government as well as many other partners to provide proactive, consistent and effective national emergency response to the COVID-19 crisis. The new-generation UNSDCF for 2021–2025 was signed in October 2020. The new Cooperation Framework is firmly anchored in national development objectives of Georgia, elaborates a clear pathway for the United Nations support to Georgia in leaving no one behind, and has one overarching priority for the coming years, namely, enhancing human well-being, capabilities and social equality.

61. The ECE analysis and recommendations offer a valuable framework to enhance and consolidate joint efforts by the Government and the development partners to enable inclusive

and sustainable economic transformation in Georgia. The study also supports UN CT in the ongoing analysis of the impact of COVID-19 on various population groups and prioritizing support for the vulnerable. For instance, only 45 per cent of agricultural MSMEs suspended export activities altogether. Furthermore, around 79 per cent of manufacturing MSMEs and 85 per cent of farmers emphasized that their survival hinged on continued Government support. This will also be reflected in the valuable data on the deterioration in the living conditions of the MSME households, and in particular the use of personal savings to maintain operations and loss of property after defaulting on mortgage and loans.

62. The ECE analysis also brings valuable reflections and recommendations on a range of issues from strengthening innovation ecosystem to fostering circular economy to the United Nations family, as well as the Government and other partners. The UN RC Office looks forward to continuous contributions of ECE to the work of UN CT, including the thematic results group on inclusive economy, which will hopefully bring new ideas and partnership opportunities. As the Government of Georgia is working on the post-pandemic recovery measures and a strategic ten-year national development plan, ECE technical assistance and normative frameworks provide crucial guidance and recommendations.

63. The United Nations Resident Coordinator in the Republic of Moldova noted the importance and relevance of the joint work in addressing non-tariff measures and regulatory and procedural barriers to trade in goods, and sustainable development in the context of COVID-19. This is an area where there has been much interest and considerable research undertaken, and the substantive support of ECE in this process is appreciated.

64. The key challenges faced by MSMEs in the Republic of Moldova include the limited access to finance, their weak technological capabilities, and the difficult regulatory and procedural requirements for access to the EU market. For instance, as pointed out in the ECE COVID-19 report, and before that in the Study on Regulatory and Procedural Barriers to Trade, although the Deep and Comprehensive Free Trade Area with EU offers export opportunities for Moldovan products on the EU market, the Republic of Moldova does not have adequate institutional capacities and tools to monitor and certify the quality of products. The Government of the Republic of Moldova is committed to finding solutions, such as migrating to paperless trade, but progress has been slow due to the lack of financial resources.

65. The pandemic resulted in a further weakening of export-oriented MSMEs. Apart from the growing need for financial assistance, the ECE study highlighted many key structural weaknesses that must be addressed to ensure fast and sustainable economic recovery, including: enhancing access to information on trade regulations and procedures; supporting technological upgrade of production facilities; promoting digitalization; and facilitating economic connections between the two sides of the Dniester River. Feedback from the enterprises, collected during the assessment, suggests that those that have implemented international standards have been able to more easily adapt and are likely to emerge with fewer losses.

66. The United Nations in the Republic of Moldova remains committed to working with the Government counterparts in addressing the recommendations from the COVID-19 impact assessments – clearly trade-related issues and measures will play an exceptionally important role in the speed and the depth of the economic recovery in the Republic of Moldova. As the UN RC Office updates the Common Country Analysis, it looks forward to additional consultations with the Government and ECE member States.

67. Participants also shared experiences and raised important topics during the general debate on issues discussed under agenda items 4 and 5. The role of trade in ensuring environmental sustainability and supporting a transition to a circular economy was raised along with the importance of scaling up collaboration and partnerships between ECE and development partners.

68. The representative of the Permanent Mission of Canada to the United Nations Office and other international organizations in Geneva said that environmental sustainability is truly a global challenge, which requires global solutions. Since trade policies have an important role to play in supporting such solutions, fifty WTO members decided to launch structured discussion on trade and environmental sustainability.

69. The structured discussions are co-chaired by Canada and Costa Rica, with a view to providing a forum where interested parties can explore challenges and policy issues. The meetings are opened to public and private stakeholders outside of the 50 member States as well as to international organizations, academia, non-governmental organizations and the private sector.

70. ECE member States and stakeholders are invited to participate in these discussions. The aim is to arrive at solutions in an open and transparent manner. In 2021, the structured discussions held three meetings focusing on NTMs, greening aid for trade and the circular economy. The WTO Twelfth Ministerial Conference that will take place in late 2021 will provide clarity on how to advance work on trade and environmental sustainability.

71. The representative of the Permanent Mission of Hungary to the United Nations Office and other international organizations in Geneva said that his country welcomes the findings and recommendations of the ECE impact assessments, and the recommendations for supporting recovery and development of MSMEs.

72. The representative of the Permanent Mission of the Russian Federation to the United Nations Office and other international organizations in Geneva noted the importance of the ECE COVID-19 impact assessments. The analysis of non-tariff measures highlighted problems in institutional capacities and gaps in regional integration. ECE needs to keep addressing the lack of compatibility between the national electronic declaration systems and the lack of clarity over applicable health and food safety measures.

73. The representative of the Permanent Mission of the United Kingdom of Great Britain and Northern Ireland to the United Nations Office and other international organizations in Geneva said that trade has an important role in facilitating access to green technologies, environmental goods and services as well as achieving economies of scale, which are needed for transitioning from the linear “take, make, use and throw” model to more resource efficient models where materials are kept in circulation for longer. Less than 10 per cent of production in EU is circular, and the United Kingdom environmental bill makes producers more responsible for reducing the environmental impacts of their activities.

74. The United Kingdom is working in cooperation with WTO, the United Nations Environment Programme and the International Trade Centre to deliver on the circular economy. ECE has a valuable role to play through its practical tools and recommendations for helping governments, businesses and other stakeholders enhance traceability in supply chains. The work of UN/CEFACT on traceability in the garment industry, business standards and cross-border trade is welcomed. The United Kingdom welcomes the opportunity to exchange information and experiences and looks forward to engaging in discussions on circular economy.

75. The representative of WTO introduced the WTO Chairs Programme. This programme is part of the WTO technical assistance portfolio, aimed at helping universities build their research capacity. WTO received 130 applications from universities across the globe, including the ECE region, and will select around 20 universities to participate in the programme.

76. The representative of the WTO Expertise Center, Moscow, Russian Federation said that the ECE COVID-19 impact assessments could be useful for the WTO work, as they offer ideas, proposals and recommendations. Research by the Center also shows that the MSME sector in the Russian Federation was negatively affected by the pandemic, and the Government launched numerous support measures at the federal and regional levels. On the topic of circular economy, the speaker highlighted the role of trade and the WTO discussions on, among others, plastics.

77. The representative of the Austrian Federal Economic Chamber presented the results of a recent survey-based COVID-19 impact assessment, which involved the participation of 6,000 MSMEs. The survey, which is the largest to date, identified the main challenges facing MSMEs operating in the country, including: skill shortage, supply chain problems, labour costs, energy prices, and lack of financial resources for covering investments in business development.

78. The representative of the International Chamber of Commerce (ICC) of Albania briefed the Steering Committee about the ICC suite of services for helping MSMEs withstand the COVID-19-induced challenges. These include: the ICC AOKpass mobile app, launched in partnership with International SOS to provide trusted recognition of individuals' COVID-19 compliance status; the ICC Trade Now, which comprises a suite of digital products and services to tackle the global trade finance gap; the ICC SME Fund, which is aimed at supporting trade in bulk commodities; and the ICC SME Climate Hub, which provides a one-stop-shop to help enterprises make climate commitments and access best-in-class tools and resources. Additional COVID-19 studies by ECE covering other countries in the region would be helpful, so that more specific actions can be taken by the private sector, specifically in the areas covered by the ICC services.

79. The representative of the Graduate Institute, Geneva said that ECE is well placed to contribute to an understanding of the role of trade and trade policy in promoting the transition to circular economy. ECE is already doing vital work in this area, focusing on enhancing transparency and traceability of supply chains. The ECE tools help countries track and trace the movement of goods across borders electronically, including waste, and their emphasis on standards is important to sustainable trade and circularity. It is important to hear from ECE member States to better understand their views on the challenges and the opportunities as well as priorities pertaining to circularity and sustainability.

Decision 2021-05

The Steering Committee took note of the five demand-driven assessments of the impact of the COVID-19 pandemic on trade and structural transformation in Armenia, Belarus, Georgia, the Republic of Moldova and Serbia, pursuant to the General Assembly's Resolution on Global Solidarity to Fight the Coronavirus Disease 2019 (A/RES/74/270) of 2 April 2020. It congratulated the Governments and invited them to report on the implementation of the recommendations at the 2022 session.

VIII. Agenda Item 6. Country follow-up to the Economic Commission for Europe studies on regulatory and procedural barriers to trade

80. Delegates were briefed about country follow-up to ECE studies on regulatory and procedural barriers to trade and the demand-driven assessments of the impact of COVID-19 on trade and structural transformation.

81. The representative of Ministry of Economy and Sustainable Development of Georgia reported that as a follow-up to the COVID-19 impact assessment, and with the support of ECE and UNCTAD, the Government is in the process of integrating national NTM legislation into the UNCTAD online Trade Analysis Information System (TRAINS). This work 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 their trading partners.

82. The representative of the State Enterprise Single Window Centre for Foreign Trade under the Ministry of Economy and Finance of Kyrgyzstan reported that following the successful integration of the country's NTM legislation into TRAINS, work is underway for developing a national platform for facilitating the exchange of information on NTMs between the different State agencies and line ministries.

83. This work commenced in 2020 with the support of ECE and UNCTAD and it will allow for the automatic transfer of new/revised NTMs to TRAINS. The online publication of up-to-date information has become especially relevant in the COVID-19 context, and the platform will be pilot tested and launched in the coming months. The next step would be to populate this platform with NTM legislation of other countries. The Agency for the Promotion and Protection of Investments of the Kyrgyz Republic requested this additional function, to provide traders with up-to-date information on the NTM requirements in export markets. The national experts are discussing this with UNCTAD, and a detailed report on the work carried out and proposals for further improvements will be presented to the Steering Committee in 2022.

84. The representative of UNCTAD commended Georgia and Kyrgyzstan for the progress made in implementing the recommendations emerging from the ECE studies and for their commitment to enhancing transparency in trade. Transparency is important for ensuring compliance with regulatory requirements, e.g., NTMs. For enterprises, these requirements are often difficult to identify because they are hidden in many laws and regulations that are difficult to find. Mapping and publishing these requirements by measure and product reduces complexity not only for producers and traders, but also for investors. Transparency also facilitates policy decisions for achieving national safety, health and environmental conservation objectives. Regulations and procedures for closing the digital gap and improving trade facilitation are all enshrined in NTMs.

85. Mapping regulatory requirements by measure is also critical for regional integration and economic cooperation. Harmonizing regulations based on common objectives facilitates trade and compliance, whereas differences in NTM regulations increase trading costs. NTMs constitute the glue that brings together all national objectives on all issues such as traceability and circular economy. Georgia and Kyrgyzstan will be able to reap these benefits and their experiences offer positive examples for other countries.

86. Kyrgyzstan is developing a central online NTM platform that is integrated into the national e-governance system. The platform, which is being developed by national experts with the support of ECE and UNCTAD, is based on TRAINS model and can be used by all national agencies for the purposes of exchanging data and updating NTMs that are published on TRAINS. ECE and UNCTAD, together with Kyrgyzstan, hope to extend platform to all Eurasian Economic Union countries to facilitate cooperation and harmonization.

87. Georgia also went beyond data collection and standard capacity-building and invested in strengthening the Government with expertise knowledge of NTMs. The entire Government is involved in data collection and classification together with national experts. Staff from the different agencies participated in online training sessions, and the national experts received intensive training on data collection and the coding of NTMs by product.

88. UNCTAD looks forward to furthering its cooperation with Georgia and Kyrgyzstan together with ECE and would like to invite them to share their experiences with UNCTAD member States. UNCTAD stands ready to assist other countries in mapping their national NTM legislation following the above approach, which combines NTM mapping with capacity-building. UNCTAD has been collaborating with ECE to improve transparency and access to NTMs in Central Asia and Eastern Europe, including Armenia, Azerbaijan and Kazakhstan and is looking forward to continuing and strengthening its close cooperation with ECE.

Decision 2019-06

The Steering Committee took note of the updates on the implementation of the recommendations made following the previous ECE studies on regulatory and procedural barriers to trade and congratulated Georgia and Kyrgyzstan for their achievements. It invited the countries to continue reporting to the Steering Committee in 2022.

C. Continuation of the General Segment

IX. Agenda item 7. Programme of work

(a) Updates from subsidiary bodies

89. The secretariat of the Working Party on Regulatory Cooperation and Standardization Policies (WP.6) reported on ongoing and future activities. WP.6 met on 2–3 November 2020 in the format of Virtual Informal Consultations with a subsequent adoption of decisions following the ECE Silence Procedure. WP.6 also marked its thirtieth anniversary with a Jubilee Anniversary Conference on Building Back Better that had highlighted shared solutions as a critical tool for sustainable development in the era of COVID-19.

90. The highlights of the work included a new Recommendation V on “Risk of Product Non-Compliance in International Trade” providing options for cost-effective management of

non-compliance risk, including through enhanced cooperation among product regulators and Customs, IT infrastructure and data integration. The meeting had also progressed a revision of Recommendation P on “Crisis Management within a Regulatory Framework” reiterating the importance of integrating continuity management in every regulatory system. Recommendation P, originally developed in 2011, had retained its value as, it was stated, every dollar invested in risk reduction and prevention could save up to USD 15 in post-disaster recovery.

91. The Gender Responsive Standards Declaration had been signed by 77 countries and international standards setting organizations from all regions of the world. The secretariat was maintaining a repository as an open platform which hosts presentations, meeting notes and gender action plans from the signatories. The Gender Responsive Standards Initiative continued work in three working groups on knowledge sharing & training; methodology for assessing and developing gender responsive standards; and network development.

92. Further support to sustainable development was being provided by the Portal on “Standards for the SDGs” that showcased the role of standards for the achievement of the SDGs with over 2,000 standards and over 30 case studies presented.

93. The secretariat invited member States to make nominations for the post of the Chair and Vice Chair of WP.6.

Decision 2021-07-01

The Steering Committee expressed its satisfaction with the work undertaken by the Working Party on Regulatory Cooperation and Standardization Policies (WP.6) and endorsed the Chair’s Note on the Informal Virtual Consultations of the Working Party in document ECE/CTCS/WP.6/2020/2 and the programme of work of WP.6 in document ECE/CTCS/WP.6/2020/10. It invited WP.6 to continue implementing its programme of work and report to the 2022 session.

94. The Chair of the Working Party on Agricultural Quality Standards (WP.7), Ms. Agnieszka Sudol presented the work undertaken by WP.7 and its Specialized Sections to achieve the three overarching goals (a) Market transparency; (b) Food security; and (c) Collaboration for capacity-building.

95. The four Specialized Sections bring together over 1,100 experts for public and private sectors at five intergovernmental meetings every year. The Specialized Sections on Fresh Fruit and Vegetables; Nuts and Dried Fruit; Seed Potatoes; and Meat had produced over 100 commercial quality standards used by governments, EU, and companies for domestic, as well as import/export trade, together with several guides, illustrative materials, publications, and a code mark registry.

96. In 2020–2021, WP.7 had adopted ten new or revised standards, issued four explanatory posters and an explanatory brochure, together with the UNECE Minimum Quality Specifications for Fresh Fruit and Vegetables.

97. The secretariat, together with WP.7 had furthered its cooperation with FAO in developing the FeedUP@UN application for monitoring and tracing invisible food in supply chains and with the “Issue-Based Coalition on Sustainable Food Systems” (IBC) on a sustainable approach to address food security, nutrition and health risks sharing tools and practical solutions.

Decision 2021-07-02

The Steering Committee congratulated the Working Party on Agricultural Quality Standards (WP.7) for its results and endorsed the Chair’s Note on the Informal Virtual Consultations of the Working Party in document ECE/CTCS/WP.7/2020/2. It invited the Working Party to implement the decisions made and prepare a biennial programme of work for adoption for the Steering Committee’s session in 2022.

(b) Capacity-building and technical assistance activities

98. The secretariat reported on ongoing and future capacity-building and technical assistance activities (ECE/CTCS/2021/5).

Decision 2021-07-03

The Steering Committee took note of the Report on capacity-building and technical assistance activities implemented since 2019 in document ECE/CTCS/2021/5. It congratulated the secretariat for the results achieved and requested the secretariat to report again at the 2022 session. The Steering Committee thanked the secretariat for the completion of the United Nations Development Account financed project on Strengthening the National Capacities of Selected UNECE Countries for Evidence-Based Regulatory Procedural Trade Policies to Achieve SDGs. The Steering Committee requested the secretariat to submit a new report on capacity-building in 2022.

(c) Cooperation with other organizations and Economic Commission for Europe bodies

99. The secretariat introduced the report on the Trade subprogramme's collaboration with other organizations and ECE bodies (ECE/CTCS/2021/6).

100. The secretariat briefed the Steering Committee about ongoing and future activities of UN/CEFACT since its twenty-sixth plenary session (ECE/TRADE/C/CEFACT/2021/2).

Decision 2021-07-04

The Steering Committee took note of the Report on cooperation with other organizations and ECE bodies in document ECE/CTCS/2021/6. It thanked the secretariat for the information and requested it to continue reporting in 2022. The Steering Committee noted the report of the United Nations Centre for Trade Facilitation and Electronic Business on its twenty-seventh Plenary session in document ECE/TRADE/C/CEFACT/2021/2 and requested the Centre to keep the Steering Committee informed of its activities at the 2022 session.

(d) Stakeholder needs and priorities

101. The delegation of Uzbekistan requested to support the initiative of the President of the Republic of Uzbekistan to create a Regional Center for the Development of Transport and Communication Connectivity under the auspices of the United Nations, which has been put forward during the seventy-fifth session of the United Nations General Assembly.

102. The delegation of Belarus requested ECE to support the country's transition to circular economy. Specifically, under the corresponding UNDA technical assistance project, ECE could assist Belarus in developing a draft National Strategy on Circular Economy until 2035, and in preparing findings and recommendations for reducing the use of plastics. Another area of interest for the Government is the development of recommendations on resource-efficient production models for Belarusian enterprises.

Decision 2021-07-05

The Steering Committee noted the needs and priorities expressed by member States and invited the Bureau to review them and decide how these could be addressed.

(e) Status of implementation of the Trade subprogramme 2021 programme of work

103. The secretariat reported on the status of the implementation of the Trade subprogramme's programme of work currently under way including on the impact of the COVID-19 pandemic on the implementation.

Decision 2019-07-06

The Steering Committee noted the good level of implementation of the programme of work that was under way and commented the secretariat's contribution to the United Nations COVID-19 surge effort.

(f) Trade subprogramme's programme of work for 2022 and outline of key components of the programme of work for 2023

104. The secretariat presented the Trade subprogramme's draft programme of work for 2022 which was based on the Trade subprogramme's proposed programme budget for 2021 (ECE/CTCS/2021/7). The proposed programme budget for 2022 was reviewed by the ECE Executive Committee in December 2020 and submitted for consideration by the seventy-

sixth session of the United Nations General Assembly. The programme of work reflects the annual format presented in 2020 in line with General Assembly resolution 72/266, with modifications reflecting General Assembly resolutions 74/251 adopted on 27 December 2019 and 75/243 adopted on 31 December 2020.

105. The secretariat also informed that at its meeting on 5 March 2021, the ECE Executive Committee adopted a document entitled “Sequential review of the proposed programmes of work of ECE subprogrammes” (doc. 2021/8). In line with the sequential review procedure, the secretariat presented the outline of key components of the Trade subprogramme’s programme of work for 2023 (ECE/CTCS/2021/INF.1) and invited the Steering Committee to consider and provide recommendations on these components, as necessary.

Decision 2021-07-07

The Steering Committee endorsed the Trade subprogramme’s programme of work for 2022 (ECE/CTCS/2021/7) and the Outline of key components of the Trade subprogramme’s programme of work for 2023 (ECE/CTCS/2021/INF.1). It requested the secretariat to prepare the programme of work for 2023, together with an outline for 2024, for review and endorsement at the 2022 session.

X. Agenda Item 8. Other business

Decision 2021-08

The Steering Committee decided to hold its seventh session in June 2022.

XI. Agenda item 9. Adoption of the report

Decision 2021-09

The Steering Committee decided, as part of the special procedures established by the ECE Executive Committee for the COVID-19 pandemic period (paragraph 3 of document ECE/EX/2020/L.12), to circulate the decisions agreed at the session through all Geneva Permanent Representations for approval Silence Procedures by the participating delegations of the session.

The Steering Committee further requested the secretariat to prepare a draft report of the session and distribute it to all Geneva Permanent Representations, the Bureau and Steering Committee delegations for subsequent approval by Silence Procedure in accordance with paragraph 21 of Appendix III of document E/ECE/1464 (Guidelines on procedures and practices for ECE bodies). Once the draft report is adopted, it will be published in English, French and Russian.
