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**EXECUTIVE COMMITTEE**

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

**Report by the Chair**

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

The Chair of the Steering Committee on Trade Capacity and Standards (SCTCS), Ms. Damegul Kabiyeva (Kazakhstan), is pleased to submit her report to the 124th meeting of the Executive Committee on 30 September 2022.

### **I. Introduction**

1. This report describes the main achievements of SCTCS and its Working Parties and their subgroups in the period from June 2021 to June 2022, as well as major activities planned for the remainder of 2022 and 2023. More information is contained in the report of the SCTCS seventh session, which was held on 27 and 28 June 2022 in Geneva in hybrid mode (ECE/CTCS/2022/2).
2. The SCTCS activities in the reporting period are based on its Programme of work for 2022, as approved by the SCTCS sixth session on 21 and 22 June 2021 (ECE/CTCS/2021/7).
3. The current SCTCS organizational structure with its Working Parties and their subgroups is presented in Annex.

### **II. Achievements since October 2021**

#### **Steering Committee: Removing Regulatory and Procedural Barriers to Trade**

4. Since the last reporting to the Executive Committee, the United Nations Economic Commission for Europe (ECE) published a Study on Regulatory and Procedural Barriers to Trade in Serbia (ECE/TRADE/460). This study had been discussed during the SCTCS sixth session in 2021. ECE has also completed three studies that were presented to SCTCS seventh session in June 2022: a Study on Regulatory and Procedural Barriers to Trade in Uzbekistan; and two COVID-19 impact assessments targeting female-owned micro-, small and medium-sized enterprises (MSMEs) in Armenia and the Republic of Moldova.
5. The ECE Study on Regulatory and Procedural Barriers to Trade in Uzbekistan (ECE/CTCS/2022/3), funded under the United Nations Development Account (UNDA) COVID-19 Trade and Transport Connectivity project, was conducted in 2021–2022. The study uses the ECE evaluation methodology, which assesses the impact of non-tariff measures (NTMs) governing trade in goods. It elaborates the state of play vis-à-vis the following areas: trade facilitation, technical regulations and standardization, conformity assessment systems and metrology. Particular focus is given to the profile of MSMEs and their challenges in harnessing trade benefits. The findings and policy recommendations from this study contribute to the ongoing trade reform process of Uzbekistan, including as part of the World Trade Organization (WTO) accession process of Uzbekistan; and to supporting the post-COVID-19 recovery and development efforts in the trade area.
6. Following up on the five 2021 COVID-19 impact assessments targeting MSMEs in selected countries, the secretariat completed two further studies on the COVID-19 impact assessment targeting female-owned MSMEs in Armenia and the Republic of Moldova (ECE/CTCS/2022/4). These assessments, conducted as part of the UNDA Global Initiative Towards Post-COVID-19 Resurgence of the MSME Sector project, aim to scale up women's economic empowerment in the two countries. They look at the impact of NTMs on end-to-end supply chains and outline concrete challenges that female-owned enterprises face, focusing on the COVID-19 impact. The two studies provide policy recommendations on how to address these challenges.

7. The June 2022 SCTCS session also discussed the ECE follow-up work to earlier Studies on Regulatory and Procedural Barriers to Trade. Georgia and Kyrgyzstan presented their progress with trade reforms and implementing ECE recommendations. This also included developing NTMs databases jointly with ECE and the United Nations Conference on Trade and Development (UNCTAD) to foster transparency at the national level.

### **Working Party 6 on Regulatory Cooperation and Standardization Policies**

8. Quality infrastructure supports international trade on a fair market to promote safe products and services in a sustainable society while contributing to reducing non-tariff measures to trade. The Working Party on Regulatory Cooperation and Standardization Policies (WP.6) and its subgroups help harmonize regulatory approaches to quality infrastructure.

9. During the reporting period, the Working Party:

- endorsed Recommendation V on Addressing Product Non-Compliance Risks in International Trade (ECE/CTCS/WP.6/2021/5),
- revised Recommendation P on Risk Management in Regulatory Systems (ECE/CTCS/WP.6/2020/11) to integrate circular economy aspects, and
- updated the Standards4SDGs portal,<sup>1</sup> mapping over 20,000 standards from all major international standards development organizations across all 17 Sustainable Development Goals (SDGs), and uploaded 40 case studies and 10 expert comments.

10. The gender-responsive standards work had a sharp increase during the reporting period. This included information gathering on gender action plans, the establishment of a Guidelines on Developing Gender-Responsive Standards (GRS) (ECE/CTCS/WP.6/2022/9) as well as a series of workshops and conferences. Gender mainstreaming being a major topic in many government agendas, standards development organizations have largely embraced the Gender-Responsive Standards Initiative (GRSI) and are looking for further guidance to implement this. See section IV below. More details on the work of WP.6 are available in document ECE/CTCS/WP.6/2021/2.

### **Working Party 7 on Agricultural Quality Standards**

11. Trade is important for productivity in agri-food. The standards and guidance developed by the Working Party on Agricultural Quality Standards (WP.7) help facilitate trade of agricultural produce across the globe, while maintaining quality food production and reducing food loss.

12. During the reporting period, one meeting of the Working Party and four meetings of its Specialized Sections were held, along with several meetings of rapporteur's groups established by the Specialized Sections. Significantly, there has been enhanced involvement of countries in Central Asia, in particular, related to standards for dry and dried produce. The simultaneous interpretation and hybrid modality of the Specialized Sections' meetings greatly contributes to this participation.

13. At its 76th session in November 2021, the Working Party adopted twelve new or revised standards and five recommendations:

- Recommendation for inshell pecans (ECE/CTCS/WP.7/2021/6);
- Recommendation for pecan kernels (ECE/CTCS/WP.7/2021/7);

<sup>1</sup> <https://standards4sdgs.unece.org/>.

- Recommendation for dried persimmons (ECE/CTCS/WP.7/2021/8);
- Recommendation for raw and roasted inshell peanuts (ECE/CTCS/WP.7/2021/9);
- Recommendation for raw and roasted peanut kernels (ECE/CTCS/WP.7/2021/10);
- New standard for sweet apricot kernels (ECE/CTCS/WP.7/2021/11);
- New standard for pomegranates (ECE/CTCS/WP.7/2021/28);
- Revised standard for dates (ECE/CTCS/WP.7/2021/12);
- Revised standard for prunes (ECE/CTCS/WP.7/2021/13);
- Revised standard for carrots (ECE/CTCS/WP.7/2021/15);
- Revised standard for strawberries (ECE/CTCS/WP.7/2021/17);
- Revised standard for fresh figs (ECE/CTCS/WP.7/2021/18);
- Revised standard for Chinese cabbage (ECE/CTCS/WP.7/2021/19);
- Revised standard for cucumbers (ECE/CTCS/WP.7/2021/20);
- Revised standard for watermelons (ECE/CTCS/WP.7/2021/21);
- Revised standard for apricots (ECE/CTCS/WP.7/2021/22);
- Revised standard for cauliflower (ECE/CTCS/WP.7/2021/23);
- Revised Standard Layout for ECE Standards for Fresh Fruit and Vegetables (ECE/CTCS/WP.7/2021/24).

14. An online course on agricultural quality standards and food loss reduction in fresh produce supply chains<sup>2</sup> has also been developed under the UNDA project on Global Initiative Towards Post-COVID-19 Resurgence of the MSME Sector.

15. More details on the work of WP.7 are available in document ECE/CTCS/WP.7/2021/2.

### **III. Major activities planned for 2022 and beyond**

#### **Steering Committee: Removing Regulatory and Procedural Barriers to Trade**

16. At the 2022 annual session of SCTCS, Azerbaijan, Kyrgyzstan, Republic of Moldova, Turkmenistan, and Uzbekistan presented their capacity-building needs. In addition to specific requests to conduct tailor-made Studies on Regulatory and Procedural Barriers to Trade, several member States expressed their interest in integrating the circular economy analysis and digitalization dimension into these studies. The secretariat is exploring extrabudgetary funding possibilities to address these requests.

#### **Working Party 6 on Regulatory Cooperation and Standardization Policies**

17. The panel discussion of the forthcoming WP.6 annual session on 7–9 November 2022 will focus on cross-cutting theme designated for the high-level segment of the 70th Commission session. During this meeting, speakers and member States will have an opportunity to discuss how WP.6 can contribute to digital and green transformations for sustainable development and what deliverables might be expected. To build on the successful

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<sup>2</sup> <https://unece.org/trade/wp7/e-learning>.

work on gender-responsive standards, the secretariat is exploring extrabudgetary funding for a capacity-building project to help standards development organizations better integrate gender considerations into their standards and standards development.

### **Working Party 7 on Agricultural Quality Standards**

18. In addition to the regular meeting of the Working Party and its Specialized Sections, the secretariat is exploring extrabudgetary funding to continue and expand the capacity-building on agricultural quality standards and food loss and waste reduction. The work is planned to include: 1) translating the online course on agricultural quality standards and food loss reduction in fresh produce supply chains to other languages; 2) developing guidance material similar to the Code of Good Practice covering dry and dried produce; 3) developing a series of online webinars on seed potato certification and diseases. The secretariat will also seek funding to continue and expand the capacity-building work done in Central Asia over the past few years with partners. Work on food loss and waste reduction and management will continue to be undertaken as part of the UNDA project on Accelerating the Transition towards a Circular Economy in the ECE Region, including supporting Serbia to develop a roadmap for food loss and waste reduction.

## **IV. Any proposed change to the subsidiary structure of the Committee**

19. At its seventh session, the Steering Committee endorsed its Programme of work for 2023 (ECE/CTCS/2022/8) as well as the Programmes of work of WP.6 for 2022 (ECE/CTCS/WP.6/2021/10) and the Programme of work of WP.7 for 2022 (ECE/CTCS/WP.7/2021/27/Rev.1).

20. The Steering Committee also endorsed the creation of a Team of Specialists on Gender-Responsive Standards, as proposed by WP.6. Since its inception in 2016, the Gender-Responsive Standards Initiative (GRSI) has grown to a de facto regular group, holding on average six meetings per year and helping to develop guidance on gender considerations in relation to standards. The Declaration for Gender-Responsive Standards and Standards Development launched in 2019 now has been signed by nearly eighty standards development organizations. This declaration calls for the designation of a focal point on gender in each organization who are currently exploring how to implement the declaration (a first methodology has been developed by GRSI and will be presented to the WP.6 2022 annual session on 7–9 November 2022 (ECE/CTCS/WP.6/2022/9). Terms of Reference of the Team of Specialists on GRS is available in the document ECE/CTCS/WP.6/2021/2/Add.1.

21. The Steering Committee recommended the above decisions to the Executive Committee for approval.

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

22. In follow up to the sixty-ninth session of the Commission on circular economy and the sustainable use of natural resources, the secretariat conducted analytical work and organized outreach and capacity-building activities to explore how international trade and economic cooperation can enable the circular economy transition in an interconnected global economy.

23. As part of the UNDA project on Accelerating the Transition towards a Circular Economy in the ECE Region, ECE has established a platform, CIRCULAR STEP, to facilitate exchanges of experience, share best practices and engage stakeholders in the circular economy transition. The platform aims to facilitate dialogue among Governments, the private sector, academic and research institutions, civil society, and other actors from all

56 member States. CIRCULAR STEP aims at addressing three overall challenges that hamper concrete progress on the circular economy in the ECE region, especially in transition economies, such as:

- Low visibility of the specificities of transition economies in the overall circular economy policy debate (e.g. lack of information about circular economy initiatives, their relationship to other policy areas, and institutional arrangements),
- Lack of capacity to design and implement effective circularity policies (e.g. limited access by policymakers from transition economies to information about circular best practices, solutions, and policy frameworks), and
- Significant investment and financing gaps in transition economies for the circular economy transition (e.g. limited awareness of potential investors and financiers about circular economy needs and potentials).

24. To contribute to building capacity, the secretariat organized a high-level SCTCS side event on “Accelerating the circular economy transition: Policy options for harnessing the power of trade and economic cooperation”. This event and related analytical work identified several entry points for integrating circular economy considerations into trade as well as specific challenges for the circular economy shift in transition economies, including structural challenges, low productivity, challenging business environment, depleted industrial base, reliance on primary commodity sectors. Furthermore, COVID-19 made these challenges even more difficult. Specific challenges also relate to the lack of data.

25. The SCTCS side event also stressed the need for more support for the circular economy transition at different levels – international, regional and national – and suggested that the ECE work streams on trade facilitation, traceability, market access, innovation and competitiveness, and public-private partnerships (PPPs) can contribute to supporting transitioning to a circular economy. SCTCS, at its annual meeting, recognized the critical role of trade and economic cooperation in the circular economy transition and expressed its appreciation of the secretariat’s work on the topic of circular economy and the sustainable use of natural resources. Several member States expressed an interest in integrating the circular economy analysis into Studies on Regulatory and Procedural Barriers to Trade.

26. The secretariat regularly participates in related international and regular discussions on the circular economy. Examples of recent engagements included meetings organized by the United Nations Environment Programme (UNEP); WTO Trade and Environmental Sustainability Structured Discussions (TESSD);<sup>3</sup> Economist Impact’s Global Trade Week 2022; “Stockholm+50; the European Development Days; the annual Circular Economy Stakeholder Conference and together with the Finnish Innovation Fund (Sitra), a contribution to World Circular Economy Forum (WCEF). Building on conducted analytical and capacity-building work in the area of the circular economy transition, the secretariat jointly with the Permanent Mission of the Republic of Uzbekistan to the United Nations Office and other international organizations in Geneva, will organize a session on “Circular economy and trade: opportunities and challenges for transition economies” during the forthcoming WTO Public Forum on 30 September 2022.

27. At the regional level, related discussions on sustainable development and the circular economy took place at the Special Programme for the Economies of Central Asia (SPECA) Governing Council held in Uzbekistan in November 2021. The secretariat also recently launched an extrabudgetary project to facilitate the implementation of the SPECA Principles of Sustainable Trade (adopted in 2019), which promotes circular economy considerations.

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<sup>3</sup> <https://unece.org/climate-change/news/unece-contributes-advancing-links-between-trade-and-environment-international>.

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

28. The Trade subprogramme cooperates closely with the Economic cooperation and integration (ECI) subprogramme, including as part of the UNDA project on Accelerating the Transition towards a Circular Economy in the ECE Region. There are also important synergies between the work of WP.6 and WP.7 and the United Nations Centre for Trade Facilitation and Electronic Business (UN/CEFACT), including the work streams related to sustainable value chains and their traceability, and the digitalization of supply chains.

29. The ECE work on the Regulatory and Procedural Barriers to Trade Studies benefits from close engagement between the two subprogrammes hosted in the Economic Cooperation and Trade Division, Trade (subprogramme 6) and Economic cooperation and integration (subprogramme 4) to maximize the development impact of tools and recommendations.

30. Further, the Trade subprogramme has cooperated with the ECI subprogramme and with the Sustainable energy subprogramme in implementing the UNDA project on Global Initiative Towards Post-COVID-19 Resurgence of the MSME Sector. The UNDA COVID-19 project on Trade and Transport Connectivity has been jointly implemented by the Trade subprogramme, including its Regional Advisor, and the Transport subprogramme.

## **VII. Technical cooperation activities**

### **Working Party 6 on Regulatory Cooperation and Standardization Policies**

31. The e-learning platform on key areas of quality infrastructure<sup>4</sup> was developed with the support of extrabudgetary funds from Germany. Four e-learning modules have been completed on: market surveillance, conformity assessment, risk management and gender-responsive standards. These modules provide an introduction to each of these topics targeting non-subject matter experts. The platform is currently in English, but the French and Russian versions are expected to be available in early October and the versions in Arabic, Chinese and Spanish soon thereafter. The secretariat is seeking extrabudgetary funds to enhance this work and cover all fifteen themes of the WP.6 Education on Standardization model modules (ECE/TRADE/C/WP.6/2012/6).

32. Four capacity-building workshops on gender-responsive standards and standards for SDGs were held between April and May 2022. This was supported by extrabudgetary funds from Germany. The workshops targeted the gender focal points that have been established through the Declaration for Gender-Responsive Standards and Standards Development. The training material and a full report on the workshops are available on the event web page.<sup>5</sup>

### **Working Party 7 on Agricultural Quality Standards**

33. An online course on agricultural quality standards and food loss reduction in fresh produce supply chains has been developed under a project funded by the UNDA Global Initiative Towards Post-COVID-19 Resurgence of the MSME Sector in the form of four interconnected video-based modules. Over the coming year, the secretariat plans to make the course available in other ECE languages, subject to the availability of extrabudgetary funding.

<sup>4</sup> <https://learnqi.unece.org/>.

<sup>5</sup> <https://unece.org/info/Trade/WP.6-Meetings/events/366923>.

34. In connection with the annual WP.7 meeting, a roundtable on “Circular Economy – Fostering Circularity in Food Trade” was organized on 16 November 2021 (<https://unece.org/info/events/event/360739>). The second edition of the Code of Good Practice was developed, along with four leaflets to support the implementation of the Code. Work on food loss and waste has continued under the UNDA project on Accelerating the Transition towards a Circular Economy in the ECE Region, where the secretariat supports Serbia in conducting a gap analysis and developing a roadmap for food loss and waste management.

35. Through the Issue-based Coalition (IBC) on Sustainable Food Systems, which consists of ECE, the Food and Agriculture Organization (FAO), the International Fund for Agricultural Development (IFAD), the United Nations Development Programme (UNDP), the United Nations Children’s Fund (UNICEF), the World Food Programme (WFP), the World Health Organization (WHO), and the World Meteorological Organization (WMO), seminars on sustainable food systems were jointly organized.

### **Accelerating the transition towards a more circular economy and fostering sustainable value chains**

36. Through the UNDA project on Accelerating the Transition towards a Circular Economy in the ECE Region, the secretariat supports the transition towards a more circular economy with the development of regional policy studies, the organization of national policy dialogues, the assessment of gaps and the development of roadmaps in specific areas (agri-food sector, traceability, innovations). The development of gap analyses and roadmaps has been initiated for Georgia, Serbia and Tajikistan. In July 2022, the first national policy dialogue in Serbia focused on existing gaps in the Agri-food sector. In September 2022, a first national policy dialogue will be held in Tajikistan, focusing on preventing circular economy transition and ways to improve the traceability of products along international value chains. In this regard, ECE “Sustainability Pledge” (comprising a UN/CEFACT Policy Recommendation, information exchange standard and implementation guidelines), aimed at improving traceability and transparency throughout the garment and footwear value chains, is of relevance.<sup>6</sup>

### **Micro-, small and medium-sized enterprises**

37. Since the last reporting, analytical and capacity-building activities have continued as part of the UNDA project Global Initiative Towards Post-COVID-19 Resurgence of the MSME Sector. In addition to seven COVID-19 impact assessments conducted during 2020–2022 and two COVID-19 impact assessments targeting female-owned MSMEs undertaken in 2021–2022, the secretariat organized a successful webinar series on “Empowering MSMEs to harness the opportunities from transitioning to sustainable trade and a circular economy in the context of the post-COVID 19 recovery” in May–June 2022.<sup>7</sup> The webinars covered issues related to trade, trade facilitation and innovation; two of the six webinars were specifically targeted at MSME stakeholders in SPECA countries. The secretariat also enabled four capacity-building sessions for the promotion of entrepreneurship for MSMEs (based on the United Nations Empretec methodology and supported by certified Empretec trainers).<sup>8</sup> Further, the Trade subprogramme developed an online self-paced training programme of studies on standards implementation for MSMEs.<sup>9</sup> In collaboration with WP.7, an online

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<sup>6</sup> <https://thesustainabilitypledge.org/>.

<sup>7</sup> <https://unece.org/trade/events/empowering-msmes-harness-opportunities-transition-sustainable-trade-and-circular>.

<sup>8</sup> Empretec is a flagship capacity-building programme of UNCTAD.

<sup>9</sup> <https://e-learning.unece.org/>.



course on agricultural quality standards and food loss reduction in fresh produce supply chains<sup>10</sup> focused on smaller producers and traders.

38. The secretariat also participated and contributed to the MSMEs-related discussions at the international level. This includes the WTO Informal Group on MSME and its online platform Trade4MSMEs Network, which aims to collect existing tools related to supporting MSMEs. This online platform, among other things, presents ECE trade-related tools.

### **Digital and green transformations for sustainable development**

39. The secretariat has supported supply chain digitalization including through the UNDA project on COVID-19 Trade and Transport Connectivity in partnership with several other organizations such as the International Civil Aviation Organization (ICAO), the International Federation of Freight Forwarders Association (FIATA), UNCTAD and others. Further work has been done with Ukraine on trade facilitation and digitalization, building on the ten years of experience supporting the Odessa port community system. The digitalization of alternative trade routes is currently being explored as part of the United Nations support to Ukraine. Work also progresses within the Western Balkans, notably North Macedonia, on digitalization of information exchange for the Single Window systems for import and export clearance in the region.

40. Work on the digitalization of trade facilitation processes is also carried out under UN/CEFACT, one of the Working Parties serviced by the Economic Cooperation and Trade Division. UN/CEFACT will hold its twenty-eighth Plenary on 10 and 11 October 2022. The Chair of UN/CEFACT will thereafter deliver her report to the Executive Committee.

### **Supporting World Trade Organization accessions**

41. As part of the SPECA Working Group on Trade, the secretariat organized a high-level SPECA meeting on cooperation in the WTO processes on the margins of the WTO Ministerial Conference in June 2022. Given that several SPECA countries are in the process of WTO accession (Azerbaijan, Turkmenistan and Uzbekistan), support and experience sharing regarding the WTO accessions have been identified as priority areas.

42. In March 2022, the secretariat organized a national capacity-building seminar on WTO accession for Turkmenistan, following Turkmenistan's initiation of the WTO accession process in November 2021. In addition to the contribution by the secretariat, the seminar benefitted from the contributions of key WTO accession negotiators from other SPECA countries, the United Nations Resident Coordinator Office in Turkmenistan and the WTO secretariat.

43. The secretariat has also been engaged in related capacity-building activities as part of the activities organized by the WTO Accessions Division and the WTO Chairs Programme.

## **VIII. Cooperation with other organizations**

44. An annual report on the Trade subprogramme's collaboration with other organizations and ECE bodies is available in document ECE/CTCS/2021/6. The secretariat cooperates with more than 50 different partners.

45. The Trade subprogramme continues to collaborate with the other United Nations regional commissions, in particular the Economic and Social Commission for Asia and the Pacific (ESCAP), including on SPECA. It also continues to collaborate with other United Nations agencies, including FAO, UNCTAD, UNEP and the United Nations Forum on Sustainability Standards (UNFSS).

<sup>10</sup> <https://unece.org/trade/wp7/e-learning>.

46. Through WP.6, ECE is a permanent observer at the WTO Committee on Technical Barriers to Trade (TBT) and participated in all official Committee meetings. ECE also contributes to the discussions within the WTO Committee on Trade and Environment, Working Parties on Accession, TESSD, Informal Group on MSMEs and the WTO Chairs Programme.

47. ECE has a long-standing cooperation with the Organisation for Economic Co-operation and Development (OECD) Fruit and Vegetables Scheme to facilitate the common interpretation of ECE standards and their application in international trade. Moreover, WP.6 is a founding member of the OECD-led Partnership on International Organisations for Effective International Rulemaking (IO Partnership), which aims to promote greater quality, effectiveness and impact of international instruments.

48. Through the IBC on Sustainable Food Systems, ECE is also working with FAO, IFAD, UNDP, UNICEF, WFP, WHO, and WMO on issues related to sustainable food systems.

49. Under the UNDA project on Accelerating the Transition towards a Circular Economy in the ECE Region, through the stakeholder engagement platform CIRCULAR STEP, the secretariat has engaged with key circularity players, such as Centre for innovation research at Lund University "CIRCLE", Chatham House, Circular Economy Centre (CEC) at the Cambridge Judge Business School, the Ellen MacArthur Foundation, International Telecommunication Union (ITU), the Sitra, UNEP, the United Nations Industrial Development Organization (UNIDO).

**Annex**

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

