

Summary and key outcomes of the conference on “*Resilience of global supply chains in times of crisis – supporting a sustainable recovery with green and digital solutions*”

Attendance

Held on 10 May 2023, during the 40th UN/CEFACT Forum in Geneva, the conference was attended by 80 UN/CEFACT Forum participants.

Opening remarks – key takeaways

The role of UN/CEFACT in building resilient and sustainable supply chains

The opening remarks emphasized the importance of achieving resilience and sustainability in global trade systems, acknowledging the relevance and impact of United Nations Centre for Trade Facilitation and Electronic Business (UN/CEFACT) tools in advancing trade and in addressing the disruption of supply chains caused by the triple crisis (pandemic, regional conflict, and climate change). Exploring ways to further modernize and digitalize trade and to enhance green approaches through cooperation and joint commitment was a consistent theme in the opening speeches. The importance of a holistic and balanced approach to the green and digital transformation was underscored, along with the need for cooperation and commitment among countries and sectors. The ongoing triple crisis has highlighted the importance of digitalization and automation in mitigating supply chain disruptions, and this has led to increased use of digital tools in efforts to strengthen the resilience of international supply chains. The World Trade Organization (WTO) Trade Facilitation Agreement (TFA), which includes, among others, several digital trade facilitation measures that are supported by UN/CEFACT instruments, was highlighted as a powerful tool to seize the opportunities of digital trade. According to a study presented to the WTO Committee of Trade Facilitation in March 2023, the TFA has led to an estimated \$231 billion increase in trade during the years 2017-2019 and has the potential to further improve the exchange of global goods, especially if underpinned by digital tools.

The demand for cooperation towards the shared goal of green and digital transformations

Highlighting the value and fragility of global supply chains in the context of the emerging risks, the WTO keynote address emphasized the renewed awareness of the importance of uninterrupted supply chains. Integrating green and digital approaches with stepped-up efforts to facilitate trade was emphasized as essential for building resilient, sustainable, and inclusive supply chains. It was reported that the WTO members have been increasing their use of emerging technologies such as blockchain, artificial intelligence and the internet of things in their efforts to upgrade the transparency and predictability of the business environment for cross-border trade and to strengthen the resilience of international supply chains. The keynote also presented WTO initiatives on environmental sustainability and the green transition that focus on exploring ways to strengthen the contribution of trade and global supply chains to accelerate the net-zero transition and advance on achieving environmental goals. Several challenges in achieving the green and digital transition were flagged, such as political and regulatory barriers, investment costs, lack of a skilled workforce, and infrastructure limitations. Working together in a systematic manner and maintaining a commitment to overcome the above challenges in order to reap the potential benefits of this transition was strongly encouraged. More specifically, achieving full implementation of the WTO TFA, which currently stands at 75 per cent globally, would support a more efficient climate for doing business and would accelerate recovery from the triple crisis with a focus on future-proofing supply chains. The importance of further modernizing and digitalizing trade and enhancing green approaches was reiterated,

highlighting cooperation and a joint commitment as key to supporting a sustainable recovery of supply chains.

As highlighted by the United Nations Conference on Trade and Development (UNCTAD), there was an increased demand for programs supporting digitalization during the pandemic, which was addressed using international standards in trade and transport such as those developed by the United Nations Economic Commission for Europe (UNECE) and UN/CEFACT. Digital solutions like ASYCUDA (Automated System for Customs Data) enabled customs administrations to adhere to restrictions and minimize physical contact during the pandemic. Contactless processes, e-payments, single window solutions, and transparency through trade information portals played a crucial role in facilitating trade. UN/CEFACT standards and guidelines were highlighted as critical for advancing cross-border trade and transit facilitation.

The International Telecommunication Union (ITU) emphasized the crucial role of the digital transformation in improving global supply chains, promoting fair trade and creating resilient and efficient systems, which can be achieved through catalytic investments, supportive regulations, development of relevant skills and multi-stakeholder cooperation. It highlighted that the interconnected digital transformation of supply chains and services requires a national digital infrastructure with interoperable elements, simplifying the process and reducing costs. Partnerships and a shared vision were emphasized as key to advancing the digital transformation.

Cooperation among United Nations Member States, the public and private sectors was highlighted as key to overcoming barriers, addressing shared challenges, and building resilient and sustainable supply chains. These key takeaways are aligned with a UNECE member States' decision at the 70th session of the Commission held in April 2023, to focus on the cross-cutting theme of the digital and green transformations in support of sustainable development in the region, as well as with priorities of partner agencies, and the broader goals of the United Nations. As highlighted by the UNECE Deputy Executive Secretary and UN/CEFACT Chair, UN/CEFACT instruments play a significant role in advancing international trade and electronic business, in supporting global recovery in a multi-crisis era, and in supporting emerging economies in harnessing their full potential, through its nearly 50 recommendations and 950 standards.

Panel discussion – key takeaways

During the discussion, panellists covered supply chain resilience and sustainability, the role of traceability and transparency solutions, and the importance of multi-stakeholder partnerships in the digital and green transformation. Such transformation was also discussed in the context of affordability for developing countries, and global cooperation was encouraged to ensure a fair distribution of costs. A gradual and flexible approach to digitalization, allowing for the coexistence of paper and digital documents, was advocated to accommodate countries in transition.

Additional highlights included the following:

- **The role of traceability and transparency solutions in addressing both supply chain resilience and supply chain sustainability:** Supply chain resilience refers to the ability of a supply chain to withstand shocks and disruptions, while supply chain sustainability focuses on the quality of the supply chain and its compliance with environmental, social, governance (ESG) and circularity criteria. By having visibility into the origin of products and materials, businesses can make more sustainable supply chain choices and gain insights into their resilience. Digital solutions such as transparency and traceability platforms can assist in achieving these objectives.

- **Multi-stakeholder partnerships play a crucial role in the digital and green transformations by fostering inclusiveness.** The example of the European Commission's circular economy platform demonstrates how existing networks and multi-stakeholder platforms can be leveraged to gather knowledge and share best practices, leading to successful engagement beyond the usual group of experts. UNECE's multi-stakeholder knowledge sharing network Circular STEP offers a platform for its members and other stakeholders to share experience and practical solutions that can benefit policy making in entire region.
- **Balancing the affordability of transformation for developing and transition economies:** Panellists highlighted the need to consider the affordability of the digital and green transformations and the lack of a skilled workforce to drive these transformations. This also relates to UNECE's 17 program countries in Central Asia, Southern Caucasus, Western Balkans and Eastern Europe. Furthermore, while there is interest and understanding regarding the importance of digitalization and green initiatives, there is a need to address the level of priority and funding. Future discussions should revolve around finding a balance between countries that contribute significantly to carbon emissions and those that have limited resources. Global cooperation is necessary to ensure that the burden and costs of the transition are shared fairly and that it does not become a barrier to international trade.
- **Gradual and flexible approach to digitalization:** Governments are encouraged to invest in digital infrastructure, connectivity, and smart technologies to enhance trade facilitation. The implementation of measures like trade information portals, pre-arrival processing, risk management systems and single windows significantly improves supply chain efficiency. While the transition towards a paperless system and digitalization of business documents is imperative, eliminating paper documents in the short term is a challenge, particularly for transition economies. The need for a gradual and flexible approach, where digital and paper documents can coexist during the transition was emphasized. This blended approach would involve electronic processing of documents for different stages of the process, integrating them into the system, and utilizing technologies like QR-codes.

Key conclusions and the way forward

Increased application of UN/CEFACT standards and capacity building

The panel recognized the relevance and impact of UN/CEFACT standards and recommendations in supporting the digital and green transformation and in building the supply chains of the future. Furthermore, it was noted that the UN/CEFACT instruments were not widely known among some Member States and business communities. To address this, participants stressed the importance of capacity building to raise awareness and to educate entrepreneurs and stakeholders about the benefits of increased use and implementation of UN/CEFACT standards and recommendations.

Collaborative efforts for a sustainable and resilient recovery

The conference emphasized the need to step up collaborative efforts, scale up investments and knowledge sharing, and adopt international standards. To pave the way for a sustainable recovery and shockproof supply chains, it was stressed that stakeholders should join hands and redouble efforts towards their shared goal of a digital and green transformation. UNECE remains committed to advancing on the digital and green agenda and calls upon development partners to join hands in accelerating progress in emerging economies.

Resilience of global supply chains in times of crisis – supporting a sustainable recovery with green and digital solutions agenda

Agenda

Opening Remarks

Mr. Dmitry Mariyasin	Deputy Executive Secretary, UNECE
Ms. Shamika Sirimanne	Director, Division on Technology and Logistics, UNCTAD
Mr. Stephen Breaux	Deputy Director, Telecommunication Development Bureau, ITU
Ms. Sue Probert	Chair, UN/CEFACT

Keynote Speech: green and digital transition – challenges and opportunities

Ms. Suja Rishikesh Mavroidis	Director, Market Access Division, WTO
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Panel Discussion moderated by

Ms. Elisabeth Türk, Director, Economic Cooperation and Trade Division, UNECE

Ms. Paola Migliorini	Deputy Head of Unit, European Commission DG Environment
Mr. Ibrahima Nour Eddine Diagne	CEO of GAINDE 2000, UN/CEFACT HoD for Senegal
Ms. Celine Bacrot	Economic Affairs Officer, Trade Facilitation Section, UNCTAD
Mr. Steven Capell	Project Lead, UN/CEFACT
Ms. Nena Dokuzov	Ministry of the Economy, Republic of Slovenia
Mr. Aidarbek Samykbaev	Ministry of Economy and Commerce, Kyrgyz Republic
Ms. Jeanne Huang	Associate Professor, University of Sydney, Law School