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Matters arising since the twenty-eighth session

Report from the Economic Commission for Europe Regional Adviser

Submitted by the secretariat

Summary

This is the report of the Economic Commission for Europe (ECE) Regional Adviser for Subprogramme 6 (Trade) regarding trade facilitation and United Nations Centre for Trade Facilitation and Electronic Business (UN/CEFACT)-related activities. The Regional Adviser participates in capacity-building activities and the implementation of technical cooperation projects. His activities facilitate the sharing of experiences and good practices among the ECE membership, particularly the 17 programme countries. This document provides a report of his activities and impact since the twenty-eighth session of the UN/CEFACT Plenary covering the period from August 2022 to August 2023.

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I. Introduction

1. The Regional Adviser's work follows from the mandate of the United Nations Economic Commission for Europe (ECE) and the mandate of the United Nations Centre for Trade Facilitation and Electronic Business (UN/CEFACT) to set standards for trade facilitation and e-business, improving cooperation and integration in the ECE region. This includes helping the seventeen ECE "programme countries" to implement such standards, and to ultimately facilitate and develop their trade capacity in the pursuit of achieving the United Nations 2030 Agenda Sustainable Development Goals (SDGs).

2. As evidenced in the OIOS evaluation report¹ on the activities of the ECTD on technical cooperation and capacity-building, which includes the services of the Regional Adviser, is seen by the beneficiary community as a "reliable source of technical assistance to specific needs of the member States and capacity-building services on topics related to economic cooperation and trade."

3. The Regional Adviser manages projects and activities that support countries in the implementation of the above mentioned ECE and UN/CEFACT trade facilitation recommendations and standards. In 2022–2023, the Regional Adviser supported countries in three focus areas:

- **Implementation of UN/CEFACT standards and reference data models for digitalization of data and document exchange along supply chains** as international public goods to move from document exchange to digital dataset exchange. In so doing, this work shows unique foresight and responds to the "digital transformation" (part of the cross-cutting theme of the 70th ECE Commission session), and the effects of the war in Ukraine and other crises on connectivity, trade, and transport. Ten transition economies (Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, Türkiye, Uzbekistan, and Ukraine) received assistance and several pilot implementation projects were undertaken with the involvement of these and other countries.
- **Assisting transition economies with their engagement with the World Trade Organization (WTO), implementing the WTO Trade Facilitation Agreement (TFA), and sustainable trade.** The Regional Adviser helped three WTO acceding countries (Azerbaijan, Turkmenistan, and Uzbekistan) advance their bids to join WTO, notably through implementing measures of the WTO Trade Facilitation Agreement (TFA) where use of ECE and UN/CEFACT standards and tools offer a comparative advantage. Other countries received assistance in implementing the TFA, which led to improvement in their TFA implementation status, as evidenced by the notifications these countries made to the WTO. This contributed to the achievement of SDG 17.10.
- **Support for the States participating in the United Nations Special Programme for the Economies of Central Asia (SPECA)² to make their region a connectivity hub with global outreach, using the UN/CEFACT standards,** notably through support to the Azerbaijani chairmanship of SPECA. Under the overall guidance of ECE Deputy Executive Secretary, the Regional Adviser supported the Azerbaijani chairmanship realize its key objective — transforming the SPECA region into a connectivity hub with global outreach — by promoting UN/CEFACT standards and instruments. He supported the implementation of the strategic documents of SPECA and the SPECA Working Group on Trade, for which he provides secretarial support: the "Ashgabat initiative on reducing barriers to trade and transport, using United Nations legal instruments, norms, standards and recommendations while bolstering

¹ Evaluation of the Economic Commission for Europe: Subprogramme 4: Economic Cooperation and Integration, and Subprogramme 6: Trade, document E/AC.51/2023/5 from 8 March 2023

² The SPECA participating States are Azerbaijan, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan, while Afghanistan does not participate in the SPECA activities. See www.unece.org/speca.

connectivity in the SPECA region³; the SPECA Trade Facilitation Strategy⁴; the SPECA Principles of Sustainable Trade⁵.

4. Activities of the Regional Adviser led to several major achievements in 2022-2023:
 - There was practical implementation of the UN/CEFACT standards for data sharing in the supply chain. Member States, sectorial organizations, business associations and other stakeholders endorsed the package of standards for the digitalization of data and documents accompanying goods in various modes of transport, which are aligned to the UN/CEFACT semantic standards and Multimodal Transport Reference Data Model (MMT RDM).
 - Azerbaijan, Turkmenistan, and Uzbekistan made tangible steps forward in their WTO accession, and some transition countries that were already WTO Members made progress in the implementation of WTO TFA measures. Among others, ECE support includes the finalization of the National Trade Facilitation Roadmap of Uzbekistan. This progress was praised by the governments of these countries and by the United Nations Country Teams as important steps towards achieving SDG 17.10.
 - SPECA was revitalized in 2022-2023, specifically through the preparations for and roll out of the Azerbaijani chairmanship of SPECA, which took place under the theme “Transforming the SPECA Region into a Connectivity Hub with Global Outreach”.⁶ Several of the preparatory meetings on the topic of the Azerbaijani chairmanship benefited from direct contribution from UN/CEFACT experts: the International High-Level Conference on Digital Transformation of Information Exchange in Supply Chains Using United Nations Standards, Baku, 31 October 2022⁷, and the fourteenth ECE “Odessa” seminar on trade facilitation, single window and data sharing, Baku, 22-23 May 2023⁸. This, in turn, contributed to the popularization and practical implementation of UN/CEFACT standards and instruments.

II. Implementation of UN/CEFACT standards and reference data models for digitalization of data and document exchange along supply chains

5. In response to the latest challenges to international trade, connectivity, regional integration, and, more broadly, sustainable development, caused by the effects of the COVID-19 pandemic and the war in Ukraine, the Regional Adviser undertook a series of activities highlighting the usefulness of UN/CEFACT standards and tools.

6. The Regional Adviser finalized the implementation of the ECE Trade segment of the United Nations Development Account (UNDA) project “Transport and Trade Connectivity in the Age of Pandemics” in 2022. This multi-agency project resulted in the development of United Nations solutions for contactless, seamless, and collaborative transport and trade: (a) a package of standards for the digitalization of the key documents accompanying goods in the five modes of transport, and (b) several pilot implementation projects, including the test of multimodal data exchange for concrete products, the implementation of a digital FIATA

³https://unece.org/fileadmin/DAM/SPECA/documents/gc/session14/IV._AHGABAT_INITIATIVE_English.pdf.

⁴https://unece.org/fileadmin/DAM/SPECA/documents/gc/session14/SPECA_Trade_Facilitation_Strategy_English.pdf

⁵https://unece.org/fileadmin/DAM/SPECA/documents/gc/session14/Principles_of_Sustainable_Trade_Trade_English.pdf

⁶ ECE is coordinating SPECA from the UN in 2023. ECE and ESCAP are the two UN Regional Commissions that support SPECA, and they rotate every year in coordinating the UN support. The Regional Adviser is the Deputy Coordinator of SPECA in ECE.

⁷ <https://unece.org/info/Trade/events/372145>.

⁸ <https://unece.org/info/Trade/events/377875>.

multimodal bill of lading, etc. These results, including the package of standards and the reports of the pilot implementation project, are published on the project website.⁹

7. Given the success of the above project, a follow-up UNDA T14 project was approved, and implementation began in 2022. It is called “Enhanced capacities of selected countries in the ECE region for pandemic-resilient, sustainable cross-border trade and transport”, and it focuses on further pilot implementation of UN/CEFACT standards. Several activities focused on support for the digitalization of information exchange along the emergency corridor from Odessa, Ukraine to the Romanian and Polish borders with Ukraine. Reports are published on the project web site (unttc.org). In January 2023, consultants produced a study on the possibility of building a data pipeline for exports of grain from Ukraine through the Black Sea Grain Corridor.¹⁰ This study uses the results of the two UNDA projects by now and can be used further to develop the concept of data pipelines in UN/CEFACT.

8. In 2023, work on pilot implementation projects focused on projects related to railway information exchange, in response to requests from several countries (Azerbaijan, Georgia, Kazakhstan, Türkiye, Ukraine, and others). Upon request from the Organization for Cooperation of Railways (OSJD), UN/CEFACT and ECE provided advice on the use of UN/CEFACT standards and artefacts for the SMGS and CIM/SMGS consignment notes. This resulted in a collaboration plan between OSJD and UN/CEFACT experts to prepare an OSJD technical specification for the SMGS and CIM/SMGS consignment notes, using the UN/CEFACT standards to support pilot testing projects. Collaboration between UN/CEFACT and OSJD experts was also established for accounting messages (COACSU).

9. A meeting, initiated by the International Rail Transport Committee (CIT), involving experts from CIT, the European Railway Agency (ERA), RailData, UN/CEFACT, as well as the Regional Adviser took place on 20-21 July 2023. It significantly advanced the subset for railways in the data set developed for the EU 2020/1056 Regulation on Electronic Freight Transport Information (eFTI)¹¹, expected to come into force in 2025 and become the legal basis for multimodal data exchange in the EU. That dataset is based on the UN/CEFACT MMT RDM, while taking into account the legacy railway legislation in the EU¹². As a result, an agreement was reached to work together on pilot projects (notably with TRACECA¹³) on the digitalization of a railway consignment note using the package of standards.

10. The Regional Adviser’s work on technical assistance and capacity-building made a tangible contribution to the normative work of UN/CEFACT and responded to the theme of the 70th ECE Commission session, through the development and updates to the standards. Whenever possible, the updated standards were published at the UN/CEFACT streamlined presentation standards website and UNDA COVID-19 Trade and Transport Project website.¹⁴ A major success in this innovative work has been the combination of legacy documents, new legislation, and practical implementation. A critical point for the digitalization of information flows in the supply chain is that the world is moving from (paper and digital) document exchange to the exchange of datasets. The UN/CEFACT standards and artefacts are major tools in this process.

11. Important pilot projects on the digitalization of multimodal data exchange, with a focus on railways, have started on this basis. At the capacity-building event organized by the

⁹ For more information, see the UNDA COVID-19 Trade and Transport Project website: <https://unttc.org/stream/electronic-trade-and-transport-documents-and-data>.

¹⁰ The project report is available at https://drive.google.com/file/d/1R1-04pHZ3fLlBm_39ZLhf9xA0XjRI-Ix/view.

¹¹ <https://eur-lex.europa.eu/EN/legal-content/summary/electronic-freight-transport-information.html>

¹² Regulation (EU) No 1305/2014 of 11 December 2014 on the technical specification for interoperability relating to the telematics applications for freight subsystem of the rail system in the European Union (TAF TSI), online https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv%3AOJ.L_2014.356.01.0438.01.ENG

¹³ The Intergovernmental Commission TRACECA promotes the development of regional transport dialogues to ensure efficient and reliable Euro-Asian transport links. TRACECA stands for transport corridor Europe, Caucasus, Asia.

¹⁴ Available at <https://unece.org/trade/uncefact/mainstandards> and <https://unttc.org/stream/electronic-trade-and-transport-documents-and-data>.

Regional Adviser on 22-23 May 2023 in Baku, Azerbaijan, the railway services of five countries signed a memorandum of understanding (led by TRACECA) launching a pilot project to digitalize the railway consignment note (as part of a promotion of the multimodal standards of UN/CEFACT). Cooperation began on the integration of port community systems and the overall corridor flow of information, with the participation of the port community systems of Odessa and Baku and the International Port Community System Association (IPCSA).

12. Pilot implementation continued through several projects, including those involving standardized digitalization of exports from Ukraine to Western Europe and via the Black Sea grain corridor, data mapping and implementation of the standards and artefacts for the digitalization of railway consignment notes, and others. Noteworthy, among the activities on data sharing and alignment with the MMT RDM, which have taken place, are:

- The Thirteenth ECE Odessa Seminar on Trade and Transport Facilitation entitled “EU Electronic Freight Transport Information Regulation and UN/CEFACT Semantic Standards and Multimodal Transport Reference Data Model” took place online, on 22 December 2022. It provided core information to stakeholders in Ukraine and neighbouring countries on the EU eFTI regulation¹⁵ and the UN/CEFACT semantic standards and MMT RDM, which serve as foundation for multimodal interoperability in the implementation of the eFTI Regulation. Non-EU eFTI platforms – like the port community system in Odessa – can be certified for work with eFTI information exchange.
- The Fourteenth ECE Odessa Seminar on Trade and Transport Facilitation¹⁶ took place in hybrid format in Baku, Azerbaijan, 22-23 May 2023, under the title “Trade Facilitation and Digital Transformation of Multimodal Information Exchange in Eastern Europe and SPECA, using United Nations Standards”. Presentations made by the Chair of UN/CEFACT, the Regional Adviser, eFTI, DTLF and other experts led to the preparation of a methodology for digitalization of data and document exchange in the trans-Caspian corridor and a draft roadmap for digitalization of multimodal data and document exchange in the region. Apart from signing the memorandum of understanding on digitalizing the railway consignment note (see above), cooperation started on integrating port community systems in the overall flow of information in the trans-Caspian corridor, involving the port community systems of Odessa and Baku and the International Port Community System Association (IPCSA). This led to discussing collaboration with TRACECA, the United States Agency for International Development (USAID), EU4Digital and others on support for countries and pilot projects.

13. Work on the UNDA COVID-19 project has strengthened collaboration with the European Commission, the Eurasian Economic Commission (EEC), railway, air, and other sectorial organizations to advance the digitalization of multimodal transport data and document exchange with reference to the UN/CEFACT standards. Collaboration with the European Commission, the International Civil Aviation Organization (ICAO), OSJD, CIT and the International Union of Railways (UIC) at numerous events attests to their support for the implementation of the standards. Similarly, press releases by ECE and other organizations attest to the success of the initiative.

III. Assisting transition economies with their WTO engagement, implementing the TFA, and sustainable trade

14. Out of the 17 programme countries, 6 countries are at different levels of accession to the WTO (Azerbaijan, Belarus, Bosnia and Herzegovina, Serbia, Turkmenistan, and Uzbekistan). ECE is providing technical cooperation and capacity-building to the acceding countries. Support was provided in the overall process of accession, collaboration of SPECA participating States (both WTO Members and acceding countries) as a regional group, and to

¹⁵ <https://eur-lex.europa.eu/EN/legal-content/summary/electronic-freight-transport-information.html>

¹⁶ <https://unece.org/info/Trade/events/377875>.

both Members and acceding countries in the implementation of the WTO TFA. Advisory services were provided during a visit to Turkmenistan in May 2023 on its accession to the WTO, and the Regional Adviser will continue to provide support for the readiness of Turkmenistan to implement the WTO TFA.

15. At the Seventeenth session of the SPECA Working Group on Trade, held in Singapore on 1 September 2022, representatives of the SPECA participating States built further on the results of the side event at the 12th WTO Ministerial Conference in Geneva, which had taken place on 14 June 2022, on collaboration among the SPECA States WTO negotiators. The objective, supported both by ECE and the WTO secretariat, is to strengthen collaboration among the SPECA countries as a group. It is expected that the Eighteenth session of the Group in November 2023 in Baku, hosted by Azerbaijan, will advance this process further.

16. Building on five years of support to WTO accession and implementing the TFA, ECE is supporting the preparation of a national trade facilitation roadmap in Uzbekistan. The preparatory work has been done under the supervision of the Regional Adviser, and ECE plans to finalize this work in 2023. The core of this roadmap is concentrated on the assessment of the readiness of Uzbekistan to implement the WTO TFA (finalized in 2022), which included the categorization of measures, and the plan of action to implement these measures. Uzbekistan launched its Trade Facilitation Enquiry Point in 2022 following the recommendations of the readiness assessment and technical assistance from ECE.

17. Regarding sustainable trade and the implementation of the SPECA Principles of Sustainable Trade¹⁷, a first successful training for the implementation of this strategic SPECA document took place on 21 November 2022, in Astana, Kazakhstan. The Regional Adviser, in collaboration with the organization QazTrade, held the first national training seminar under the E379 project: “Building Cross-border Cooperation for Sustainable Trade in the SPECA subregion”. The seminar, which benefited from the participation of ECE’s Circular Economy team, offered a successful model to be followed in other countries under the project. It focused on sustainable trade, water management and food security. The meeting gathered relevant substantive experts and offered the possibility to review working materials on sustainable trade. One of the documents for review was a substantive report on business process analysis on exports of products related to sustainable trade in the SPECA countries.

IV. Support for the SPECA participating States to make their region a connectivity hub with global outreach, using the UN/CEFACT standards

18. At the seventeenth session of the SPECA Working Group on Trade, organized by ESCAP, in cooperation with ECE, in Singapore on 1 September 2022, representatives from the capitals of the SPECA countries advanced understanding on all topics in the programme of work of the Group: regional cooperation in the WTO process; implementation of the SPECA Trade Facilitation Strategy, the SPECA Principles of Sustainable Trade, non-tariff barriers, and standardized digitalization of information flows along SPECA multimodal trade corridors (new topic). The eighteenth session of the Group, scheduled for 20 November 2023, in Baku, Azerbaijan, is expected to advance this process further.

19. At multiple meetings in 2022-2023, the SPECA participating States requested a draft roadmap for information exchange digitalization in the trans-Caspian Corridor using UN/CEFACT standards. The [International High-level Conference on Digital Transformation of Information Exchange in Supply Chains using United Nations Standards](#), held in Baku, Azerbaijan on 31 October 2022,¹⁸ launched this process. Among the resulting recommendations were to strengthen training and capacity-building for experts in the region on UN/CEFACT standards, and to develop and implement pilot projects in the trans-Caspian corridor. The UN/CEFACT Chair, three key UN/CEFACT experts and the Regional Adviser

¹⁷https://unece.org/fileadmin/DAM/SPECA/documents/gc/session14/Principles_of_Sustainable_Trade_English.pdf

¹⁸ <https://unece.org/info/Trade/events/372145>.

made key contributions at this conference, which was highly appreciated by the participating States.

20. Major results of and follow up activities to this conference include:
- **A request by the Minister of Digital Transformation and Transport of Azerbaijan to the ECE Executive Secretary for a roadmap for the digitalization of multimodal data and document exchange in the trans-Caspian corridor**, based on the work and materials presented at this conference, notably, using the UN/CEFACT standards.
 - **A request from the SPECA Ministers of Economy in their Joint Ministerial Statement issued at the SPECA Ministerial Meeting, held in Geneva on 17 April 2023**, back-to-back with the biannual UN ECE session, to “develop a roadmap for digitalization of multimodal data and document exchange along the trans-Caspian transport corridor using relevant United Nations standards”. This would include a regional pilot project for SPECA participating States.¹⁹
21. Activities in response to these requests include:
- Draft concept for digitalization of data and document exchange, using UN/CEFACT standards, for the trans-Caspian corridor (SPECA), prepared by the Regional Adviser,
 - Draft high-level roadmap for the digitalization of data and document exchange along the trans-Caspian corridor, using the UN standards and legal norms, developed jointly by the Economic Cooperation and Trade and Sustainable Transport Divisions of ECE.
 - In November 2023, Azerbaijan will host a SPECA Summit and the 2023 Forum on transforming SPECA into a connectivity hub with global outreach using United Nations standards, where the topic of a possible roadmap is expected to be on the agenda.
22. Several additional activities sought to reinforce the impact of this work in the SPECA and neighbouring countries:
- On 22 November 2022, in collaboration with QazTrade, the Regional Adviser held a brainstorming session to clarify the responsibilities of various agencies in Kazakhstan on digitalization of supply chain information exchange and using United Nations standards.
 - On 22 December 2022, at the Thirteenth International ECE Odessa seminar, attended online by representatives of most SPECA countries, it was recommended that data exchange be aligned with the UN/CEFACT MMT RDM and the EU Electronic Freight Transport Information Regulation (eFTI).

V. Liaison with United Nations Resident Coordinators

23. The Regional Adviser has special responsibilities to liaise with the United Nations Resident Coordinators in three specifically identified transition economies in the ECE region: Kazakhstan (changed to Tajikistan in 2023), North Macedonia and Turkmenistan. The Regional Adviser has fostered special collaborations on issues related to trade and trade facilitation in these countries.

24. As regards the support to North Macedonia, the Regional Adviser plans to organize a seminar in December 2023 for the Western Balkans on the EU eFTI Regulation and the UN/CEFACT standards, along the lines of the seminar on 22 December 2022 for Ukraine and the neighbouring countries.

25. UN/CEFACT recommendations, standards and data models offer a unique tool in support of electronic business and trade facilitation. Their implementation, including in a

¹⁹ Meeting of Ministers of SPECA Participating States. *Joint Ministerial Statement*, online: <https://unece.org/sites/default/files/2023-05/SPECA%20Ministerial%20Meeting%2017.04.23%20Joint%20Ministerial%20Statement%20.pdf>

digital context, can help increase trade and sustainable development benefits globally, in developed, developing and emerging economies. This includes countries with economies in transition, such as ECE's seventeen (17) programme countries in Central Asia, South Caucasus, Western Balkans, and Eastern Europe. The ECE secretariat's activities, including the Regional Adviser, in the field of technical cooperation and capacity-building, undertaken in a demand-driven manner, aim to support the roll-out of ECE's normative tools, including UN/CEFACT tools, in the 17 programme countries. As noted in a recent OIOS evaluation, these ECTD activities are seen by beneficiary countries as a "reliable source of technical assistance to the specific needs of the member States".

26. The secretariat is committed to stepping up its efforts to seek the necessary extra-budgetary funding to enable the efficient and effective implementation of further demand-driven technical cooperation and capacity building activities. In this regard, the secretariat is calling upon member States and development partners to support these efforts.²⁰

²⁰ This is also in response to the OIOS recommendations to "develop divisional action plans to operationalize ECE strategies on resource mobilization, partnerships, and technical cooperation."