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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

1. The Chair of the Steering Committee on Trade Capacity and Standards (SCTCS), Mr. Zdenko Lucić (Croatia) is pleased to submit this report to the 130th meeting of the Executive Committee on 9 October 2023.

I. Introduction

2. This report describes the main achievements of the SCTCS and its subsidiary bodies over the last twelve months, as well as major activities planned for the remainder of 2023 and 2024.

3. This report specifically showcases activities that have contributed to the circular economy transition and to the digital and green transformations in response to the respective decisions of the Economic Commission for Europe (ECE) at its sixty-ninth and seventieth sessions. The Committee's activities contribute to the achievement of the United Nations Sustainable Development Goals (SDGs), with a particular focus on SDGs 5, 8, 9, 12 and 17. More information is contained in the report of the SCTCS of its eighth session, which was held on 26 and 27 (am) June 2023 in Geneva (ECE/CTCS/2023/2).

4. The SCTCS activities in the reporting period are based on its Programme of work of Trade subprogramme for 2023,¹ as approved by the SCTCS at the seventh session on 27 and 28 (am) June 2022 (ECE/CTCS/2022/8).

6. In 2021–2023, the Office of Internal Oversight Services (OIOS) evaluated subprogrammes 4 and 6 (implemented by the ECE Economic Cooperation and Trade Division, (ECTD)).² The SCTCS noted with satisfaction the evaluation's conclusions, notably that the Division had found its niche in a crowded space of trade and economic cooperation by leveraging its comparative advantages towards strengthening member States' economic cooperation and integration.

7. The Committee also welcomed the evaluation's recommendations, notably, that ECTD should establish a technical cooperation request tracking mechanism; develop a division-wide integrated strategic plan; develop divisional action plans to operationalize ECE strategies on resource mobilization, partnerships, and technical cooperation; and ensure integration of gender, environment, disability inclusion, and human rights considerations in its various workstreams.

II. Achievements over the past twelve months

A. Steering Committee: Removing Regulatory and Procedural Barriers to Trade

8. Since the seventh session of the SCTCS, the Study on Regulatory and Procedural Barriers to Trade (RPBT) in Kyrgyzstan (ECE/CTCS/2023/3) was conducted. It responds to the capacity-building request for enhancing the country's agricultural export potential. The preliminary findings and recommendations of the study were discussed during the SCTCS eighth session in 2023. In particular, it was highlighted that despite several positive

¹ The Programme of work of the Trade subprogramme also includes activities of the United Nations Centre for Trade Facilitation and Electronic Business (UN/CEFACT), which reports separately to the Executive Committee.

² See informal document 2023/21, presented to the 128th meeting of the Executive Committee on 15 May 2023.

developments, further modernization and streamlining of trade-related procedures were required to enhance the potential contribution of the agricultural sector to economic growth.

9. The SCTCS also discussed the findings of the RPBT Study for the Republic of Moldova, which was conducted following the request from the government (ECE/CTCS/2023/4/Rev.1). The findings showed that the Republic of Moldova had made significant progress regarding trade facilitation reforms. The study identified areas for further capacity-building assistance needed for full implementation of the World Trade Organization (WTO) Agreement on Trade Facilitation and indicated ECE tools that could support this process.

10. Responding to the SCTCS request in 2022 to prepare a follow-up report on lessons learned from the RPBT studies and a possible way forward (ECE/CTCS/2022/2, Decision 2022-10), the eighth session of the SCTCS discussed and endorsed a report on lessons learned from RPBT studies undertaken since 2012 (ECE/CTCS/2023/5). The report suggests options for the way forward, which include: (i) revising the current RPBT studies' methodology; (ii) exploring cross-cutting issues such as the green transition, circular economy and digitalization; (iii) offering sector-specific studies to address countries' specific requests; and (iv) conducting reviews to summarise countries' implementation of recommendations under RPBT studies.

11. The Committee's session in 2023 made important decisions with regard to integrating cross-cutting Commission topics into the scope of RPBT studies. It endorsed two documents and asked the secretariat to support the implementation and use of these approaches through demand-driven Studies where requested by a member State, subject to extra-budgetary funding:

- The document (ECE/CTCS/2023/6) on integrating circular economy considerations into RPBT studies explores regulatory and procedural barriers to circular trade flows (in the areas of trade facilitation, regulatory and standardization policies, and international and regional initiatives), which could be supportive of circular economy agenda and offer targeted and country-specific recommendations to minimize the negative impact of related barriers. The document also provides a sector-specific assessment matrix that identifies key lifecycle stages for a particular product and necessary actions to accommodate the circular economy transition.
- The document (ECE/CTCS/2023/7) on integrating digital economy considerations into RPBT studies provides several options for integrating the digital dimension into RPBT studies, especially in the context of existing trade facilitation and regulatory policy chapters. These options include expanding and refining the analysis on the digitalization of trade-related procedures and including demand-driven separate chapters on e-commerce.

B. Working Party 6 on Regulatory Cooperation and Standardization Policies

12. 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. The Working Party on Regulatory Cooperation and Standardization Policies (WP.6) and its subgroups help harmonize regulatory approaches to quality infrastructure. At its thirty-second session on 7–9 November 2022, the WP.6 hosted a panel discussion on the relationship between quality infrastructure and the seventieth Commission theme of digital and green transformations.

13. After its thirty-first session in 2021, the Working Party initiated an internal process to streamline its work, which resulted in the Revised terms of reference (ECE/CTCS/WP.6/2022/11) and a questionnaire to WP.6 stakeholders.

14. The Advisory Group on Market Surveillance (MARS) progressed in experience sharing of best practices, notably on the role of market surveillance in combatting counterfeits. The Group of Experts on Risk Management in Regulatory Systems (GRM) launched (i) a survey to gather feedback on the implementation of its recommendations and

(ii) a project on integrated risk management in single-window systems. The Ad Hoc Team of Specialists on Standardization and Regulatory Techniques (START) Initiative on Education and Standardization on education on standardization achieved success in the first six months of the e-learning platform³ with over 400 registrations. The gender-responsive standards work sharply increased during the reporting period, including the establishment of the Team of Specialists on Gender-Responsive Standards (ToS GRS). This included information gathering on gender action plans and expanding the list of signatories to the Declaration on Gender-Responsive Standards and Standards Development (as of June 2023, this number stood at 81 signatories). More details on the work of the WP.6 are available in document ECE/CTCS/WP.6/2022/2.

15. At its thirty-second session on 7–9 November 2022, the WP.6 adopted the following deliverables:

- Revised Glossary of Market Surveillance Terms (ECE/CTCS/WP.6/2022/4)
- Revision of Recommendation T on Standards and Regulations for Sustainable Development (ECE/CTCS/WP.6/2022/6)
- Guidelines on Developing Gender-Responsive Standards (ECE/CTCS/WP.6/2022/9)

C. Working Party 7 on Agricultural Quality Standards

16. The standards and guidance developed by the Working Party on Agricultural Quality Standards (WP.7) are essential for facilitating international trade in agricultural produce, maintaining quality food production, and reducing food loss and waste in agricultural supply chains.

17. During the reporting period, one meeting of the Working Party and four meetings of its Specialized Sections⁴ were held, along with several online meetings of rapporteur's groups established by the Specialized Sections. Over the past several years, there has been enhanced involvement of countries in Central Asia, particularly related to standards for dry and dried produce. The simultaneous interpretation and hybrid modality of the meetings of the WP.7 and the Specialized Sections during 2021–2022 and the availability of an online channel for the 2023 sessions helped facilitate participation from Central Asia.

18. During 2021–2022, ECE and the Organisation for Economic Co-operation and Development (OECD) collaborated on an econometric study assessing the impact of agricultural quality standards on the trade of fruit and vegetables, the results of which showed a positive effect of agricultural quality standards. More details on the work of WP.7 are available in document ECE/CTCS/WP.7/2022/2.

19. At its seventy-seventh session on 14–16 November 2022, the WP.7 adopted the following new and revised standards and recommendations:

- Standard for dried persimmons (ECE/CTCS/WP.7/2022/10)
- Standard for raw and roasted inshell peanuts (ECE/CTCS/WP.7/2022/11)
- Standard for raw and roasted peanut kernels (ECE/CTCS/WP.7/2022/12)
- Revised standard for asparagus (ECE/CTCS/WP.7/2022/3)
- Revised standard for cherries (ECE/CTCS/WP.7/2022/4)
- Revised standard for leafy vegetables (ECE/CTCS/WP.7/2022/5)
- Revised standard for pomegranates (ECE/CTCS/WP.7/2022/6)

³ See <https://learnqi.unece.org>.

⁴ Specialized Section on Standardization of Fresh Fruit and Vegetables (GE.1), Specialized Section on Standardization of Dry and Dried Produce (GE.2), Specialized Section on Standardization of Seed Potatoes (GE.6), Specialized Section on Standardization of Meat (GE.11).

- Revised Standard Layout for ECE Standards on Dry and Dried Produce (ECE/CTCS/WP.7/2022/9)
- Recommendation for certain small fruits (ECE/CTCS/WP.7/2022/7), one-year trial
- Recommendation for inshell pecans (ECE/CTCS/WP.7/2022/13), extended by one year.
- Recommendation for pecan kernels (ECE/CTCS/WP.7/2022/14), extended by one year.

20. It also adopted the revisions to the explanatory brochure on the standard for persimmons (ECE/CTCS/WP.7/2022/8).

21. In early 2023 the second edition of the ECE Code of Good Practice: Reducing food loss and ensuring optimum handling of fresh fruit and vegetables along the value chain (ECE/TRADE/470) was published in English, French and Russian.

III. Major activities planned for 2023 and beyond

A. Steering Committee: Removing Regulatory and Procedural Barriers to Trade

22. Following the decisions of the SCTCS in 2022 and 2023, the ninth session of the SCTCS will take place during 2.5 days on 26 (pm)–28 June 2024. Ahead of this session in 2024 and building on insightful discussions⁵ and decisions by the SCTCS in 2023, the work will continue reviewing the methodology of RPBT studies, also with the objective to integrate more prominently circular economy and digital trade dimensions.

23. Ahead of the 2024 SCTCS, the work will also continue on the ongoing and new RPBT studies. At the 2023 SCTCS session, Armenia, Azerbaijan, Kyrgyzstan, and the Republic of Moldova presented requests for capacity building and technical cooperation. Building on the fruitful discussions on RPBT studies in Kyrgyzstan and the Republic of Moldova in 2023, the secretariat is exploring the possibility of organizing related technical assistance activities in both countries in 2023. The secretariat is seeking extra-budgetary funding to respond to these requests (see also document ECE/CTCS/2023/8).

B. Working Party 6 on Regulatory Cooperation and Standardization Policies

24. In response to the seventieth session of the Commission, the WP.6 annual session on 23 and 24 November 2023 will feature a panel discussion on “How to target continuous compliance: conformity assessment, legal metrology and market surveillance tools for the changing dynamic of digital goods”. Digitalization and advanced technologies like artificial intelligence pose certain challenges to compliance as they may, by their very nature, change after entering the market. Mechanisms for quality infrastructure needs to adapt to ensure the continuous safety of these products to society and the economy.

25. Earlier, a webinar of the GRS will take place on 27 September 2023 on the topic of “Sustainability and Standards: Incorporating a gender perspective in standards for sustainability”.

26. Building on the success of the forum of the WP.6 subgroups’ annual meetings over the past two years, in 2024, it is expected that this will be a week-long, in-person meeting in Madrid, Spain (to be confirmed). The WP.6 is also finalizing an informal summary of its working practices, which will be presented at its annual session.

⁵ See https://unece.org/sites/default/files/2023-07/SCTCS_Agenda.pdf.

C. Working Party 7 on Agricultural Quality Standards

27. The WP.7 annual session on 13–15 November 2023 will consider the adoption of new standards for sweet potato, certain small fruits, inshell pecans and pecan kernels, revisions to several existing standards, as well as feature discussions on digitalization needs for agricultural trade.

28. In the coming year, the Specialized Section on Standardization of Meat (GE.11) will conduct a review of the standards for ovine and poultry meat and work on developing a proposal for full digitization of the standard for bovine meat.

29. The Specialized Section on Standardization of Seed Potatoes (GE.6) is conducting a full review of the ECE standard for seed potatoes, planned to be completed in 2024. It will hold a rapporteur's meeting in Brest, France, on 10–12 October 2023, hosted by the French Interprofessional Organisation for Seeds and Plants (SEMAE).

30. The Specialized Section on Standardization of Fresh Fruit and Vegetables (GE.1) is also working on reviewing a selection of standards from a food loss and waste perspective and will undertake a review of the list of varieties annexed to the standard for pears.

31. The Specialized Section on Standardization of Dry and Dried Produce (GE.2) will conduct a review of all its standards to ensure alignment with the revised standard layout for dry and dried produce, review the standards for almonds and dates, develop explanatory material, and planning to conduct capacity building in Central Asia.

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

32. There are no changes proposed to the subsidiary structure of the SCTCS. The organizational structure of the Committee is shown in the annex to this report.

33. At its eighth session, the SCTCS adopted the Programme of Work of the Trade subprogramme for 2024, as contained in document ECE/SCTCS/2023/10. The Committee also endorsed the Programme of Work of the WP.6 as contained in document ECE/CTCS/WP.6/2022/12, the Programme of Work of the WP.7 as contained in document ECE/CTCS/WP.7/2022/20, as well as the revised terms of reference of the WP.6 as contained in document ECE/CTCS/WP.6/2022/11. The Committee recommended the above decisions to the Executive Committee for approval.

V. Follow-up to the 2023 session of the Economic Commission for Europe

34. Fruitful discussions and related decisions of the SCTCS and its Working Parties indicate significant synergies between two cross-cutting themes of the high-level segment of the sixty-ninth Commission sessions held in 2021 (“Promoting circular economy and the sustainable use of resources in the ECE region”) and the seventieth session, held in 2023 (“Digital and green transformations for sustainable development in the ECE region”). Thus some activities described in the context of the 2023 Commission theme may also be pertinent to the 2021 Commission theme.

35. The increasing relevance of the ECTD's work on digitalization was discussed at the SCTCS session in June 2023. As mentioned above, the document with options for further integrating the digital dimension into RPBT studies was presented to the Committee. These discussions benefitted from the insightful contributions from member States, international organizations, and academic institutions, reiterating that a focused assessment of regulatory barriers regarding e-commerce suggested by ECE could be a significant step to facilitate digital trade flows in the region.

36. The United Nations Special Programme for the Economies of Central Asia (SPECA) is also an important avenue to support digital transformation in the region. Prior to the

Committee session, ECE hosted a side event on the role of digitalization for sustainable trade for the Central Asian region at the Astana International Forum (9 June 2023). The insightful discussions, with the contribution of high-level representatives from Kazakhstan, Turkmenistan, OECD, the Economic and Social Commission for Asia and the Pacific (ESCAP), and the United Nations Resident Coordinator Office in Kazakhstan provide a concrete example of the strong interface between two cross-cutting topics of the Commission.

37. The ECE also organized several outreach activities and participated in international and regular discussions on digital and green transformations. This includes activities organised by the WTO,⁶ the Chatham House, the Ellen MacArthur Foundation, Economist Impact's Global Trade Week 2022, "Stockholm+50", the European Development Days, the Finnish Innovation Fund (Sitra), the World Circular Economy Forum (WCEF) and the WTO-related Remaking the Global Trading System for a Sustainable Future Project (Villars, May 2023 and Taormina, April 2023).

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

38. The Trade subprogramme cooperates closely with the Economic Cooperation and Integration (ECI) subprogramme, including as part of the United Nations Development Account project on Accelerating the Transition towards a Circular Economy in the ECE Region. In particular, the SCTCS works closely with the multi-stakeholder engagement platform, Circular STEP, established under this project to support the circular economy transition in the region, which will hold its first in-person meeting on 18–20 October 2023 in Belgrade, Serbia. Under this project, dedicated gap analyses and roadmaps have been initiated for Georgia, Serbia and Tajikistan.

39. There are also important synergies between the work under RPBT studies and in the framework of WP.6 and WP.7 and the UN/CEFACT and the work streams related to sustainable value chains and their traceability and the digitalization of supply chains under the Team of Specialists on ESG Traceability of Sustainable Value Chains in the Circular Economy (ToS ESG VC CE).

40. In response to the OIOS evaluation, these synergies and areas for future cooperation were discussed at the SCTCS session in June 2023, where representatives of the Trade and ECI subprogrammes presented relevant work, particularly on issues related to digital and green transformations. This additional cooperation is especially relevant in the context of the newly established ECE Transformative Innovation Network (ETIN), which underscores future horizon scanning as a crucial element of the platform's work.

VII. Technical cooperation activities

A. Steering Committee: Removing Regulatory and Procedural Barriers to Trade

41. In June 2023, the secretariat organized a national capacity-building training on regulatory and procedural trade measures as part of the WTO accession process for Turkmenistan. This training builds on a series of ECE visits to the country in November 2022 and May 2023, also with the objective to launch the RPBT study for Turkmenistan. The ECE secretariat actively cooperated with the United Nations Resident Coordinator Office in Turkmenistan and the WTO secretariat on this process. The secretariat has also been engaged

⁶ This includes: 1) a session on "Environmental, social and governance (ESG) traceability of supply chains" during the WTO "Trade and Environment Week 2022" in October 2022; and 2) a session on "Circular economy and trade: opportunities and challenges for transition economies" during the WTO Public Forum on 30 September 2022 organized jointly with the Permanent Mission of the Republic of Uzbekistan to the UN Office and other international organisations in Geneva.

in related capacity-building activities as part of the activities organized by the WTO Accessions Division and the WTO Chairs Programme. The secretariat is seeking extra-budgetary funds to respond to deliver these capacity-building activities (see also document ECE/CTCS/2023/8).

B. Working Party 6 on Regulatory Cooperation and Standardization Policies

42. In September 2022, the WP.6 secretariat completed a three-year extra-budgetary project funded by the German Physikalisch-Technische Bundesanstalt. A summary of the achievements of this project was provided to the WP.6 session in 2022 (ECE/CTCS/WP.6/2022/10). These included the launch of the e-learning platform on key areas of quality infrastructure.⁷ This project also updated the “Standards for SDGs” portal,⁸ with more than 21,000 standards mapped to all SDGs from all major international standardization organizations. This portal was enhanced with new case studies on how standards have helped to achieve the SDGs (accounts 64 case studies). Four capacity-building workshops on gender-responsive standards and standards for SDGs were held between April and May 2022.⁹

43. As per the recommendations of the evaluation of this project,¹⁰ the secretariat is seeking extra-budgetary funds to continue disseminating and supporting the work on gender-responsive standards, as well as for maintaining and further developing the e-learning platform.

C. Working Party 7 on Agricultural Quality Standards

44. At the annual WP.7 meeting in December 2022, the Central Asian Working Group requested the Working Party to organize practical trainings in Central Asia for representatives of relevant State agencies for standardization and metrology on methods and tools for inspections and sampling for (i) fresh fruit and vegetables; and (ii) dry and dried produce. The WP.7 took note of this request and stressed that implementing trainings would require extrabudgetary funding.

VIII. Cooperation with other organizations

45. An annual report on the Trade subprogramme’s collaboration with other organizations and ECE bodies is available in document ECE/CTCS/2023/9.

46. The secretariat cooperates with more than 50 different partners, including other United Nations regional commissions, particularly ESCAP, in particular on SPECA. It also continues to collaborate with other United Nations agencies, including UNCTAD and the United Nations Forum on Sustainability Standards (UNFSS), and with Food and Agriculture (FAO) and other agencies in the framework of the regional Issue-based Coalition on Sustainable Food Systems (IBC-SFS) for Europe and Central Asia.

47. ECE is a permanent observer at the WTO Committee on Technical Barriers to Trade. ECE also contributes to the discussions within the WTO Committee on Trade and Environment, Working Parties on Accession, TESSD, Informal Group on micro-, small-, and

⁷ <https://learnqi.unece.org/>. The platform is currently in English, but the French and Russian versions are expected to be available in early October 2023 and the versions in Arabic, Chinese and Spanish soon thereafter.

⁸ <https://standards4sdgs.unece.org/>.

⁹ <https://unece.org/info/Trade/WP.6-Meetings/events/366923>.

¹⁰ The final report and recommendations from this project are available at https://unece.org/evaluation-reports#accordion_7 (see project XB E330 under the “Trade” tab).

medium-sized enterprises (MSMEs), Informal Working Group on Trade and Gender and the WTO Chairs Programme.

48. ECE has a long-standing cooperation with the OECD in the context of the WP.6 and WP.7 activities, as well as emerging cooperation in the context of RPBT Studies.

49. Building on the fruitful discussions at the SCTCS session in June 2023, there are important synergies for further cooperation in the context of RPBT studies with the World Bank Group, the Advisory Centre on WTO Law (ACWL), and leading academic institutions such as the World Trade Institute (WTI) of the University of Bern and the University of Lucern.

Annex

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

