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EXECUTIVE COMMITTEE

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

**Report by the Chair**

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

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

1. This report outlines the main achievements of the Steering Committee on Trade Capacity and Standards in implementing its work programme for the period 2018–2019, as well as key developments related to the work of the Steering Committee through July 2019. More information is contained in the report of the Steering Committee's 5th session, which was held on 28 and 29 May 2019 in Geneva, Switzerland (ECE/CTCS/2019/2).

#### **I. Achievements since the last session**

##### **Removing regulatory and procedural barriers to trade**

2. Since the last reporting to the Executive Committee at its 100<sup>th</sup> meeting in September 2018, the UNECE has completed a Study on Regulatory and Procedural Barriers to Trade in Armenia which had been conducted over the course of October 2017 to January 2019 with financing from the United Nations Development Account. The study identified growth bottlenecks stemming from regulatory and procedural trade measures, using the UNECE extended survey-based evaluation methodology. It drew on face-to-face interviews with relevant public stakeholders, business support institutions, logistic service providers and 91 enterprises from across the country, including 30 female-owned enterprises. The study provided action-oriented recommendations, which addressed immediate and long-term capacity-building needs for ensuring the removal of the identified barriers.

3. The study showed that trade facilitation efforts had resulted in a high level of trade transparency through online publication of up-to-date information on trade-related regulations and administrative procedures; an efficient home-grown information and communications technology (ICT) systems for issuing customs declarations and trade permits electronically; a well-established integrated border management system for facilitating customs clearance.

4. Another indicator of successful reforms deduced from the study was the strong competitive position of Armenia's top 20 exports in all target countries including in the European Union (EU) and the Eurasian Economic Union, with the value of the revealed comparative advantage (RCA) index exceeding 1. These exports, which include food and beverages, chemical products and manufactured goods, had registered a consistent improvement in their overall competitiveness, with the value of RCA rising steadily. This meant that the exports of said products were unlikely to be substituted by alternative sources if the EU decided to lower its most favoured nation rate or extend preferential treatment to countries exporting similar products. This was significant, since as the study shows, Armenia had registered almost full and complete utilization of preferential treatment under the EU's generalised scheme of preferences.

##### **Developing and implementing agricultural quality standards**

5. The UNECE Working Party on Agricultural Quality Standards (WP.7) adopted and published 12 new or revised standards in 2018 and 13 in 2019. In addition to the 4 regular sessions of the specialized sections, a series of technical meetings (rapporteurs' sessions) were held in Italy, the Netherlands and Turkey with an overall participation of over 600 participants.

6. Food loss and food waste are increasingly important issues in the debates under the Working Party and its Specialized Sections. Food loss and food waste are increasingly important issues in the debates under the Working Party and its Specialized Sections. According to several studies undertaken by the United Nations Food and Agriculture Organization (FAO), one third of food is lost<sup>1</sup>. UNECE's work aims at increasing awareness and appreciation of the problem, making it visible, and providing purposeful approaches to reducing losses and waste. UNECE's work aims at increasing awareness and appreciation of the problem, making it visible, and providing purposeful approaches to reducing losses and waste.

7. WP.7 supports the achievement of Sustainable Development Goal (SDG) 12 by developing codes of Good Practice to address handling practices and by developing voluntary minimum marketing quality guidelines that aim at real, measurable impact on food-loss prevention and reduction. To this end, the UNECE, in cooperation with development partners and the private sector, is developing an Enhanced Food Loss Marketplace Application for a Food Loss Management System based on the blockchain technology. Co-financed and organized with the United Nations Development Programme (UNDP), GIZ Hilfswerk Austria International; FAO and the United Nations Conference on Trade and Development (UNCTAD), the project aims at increasing women's employment opportunities and peace-building in the Fergana Valley region with high impact on the capacity of Central Asian trainers to carry on independently, to increase the number of sales contracts, to apply new produce standards with the support of inspection training (private and public).

8. The Central Asian Working Group (CAWG) is a new regional initiative aimed at taking advantage of the results of UNECE's work independently. The initiative has a high social and economic importance for women's and young persons' employment as one of the main focuses of the CAWG is to provide employment opportunities through labour resource intensive work in export-oriented marketing and sales, based on compliance with international standards and assisting local producers to apply e.g. UNECE's standards to diversify exports. So far, 15 UNECE standards have been implemented and a new standard for dried melons has been developed. A total of 20 participants from the initiative participated in the latest session of the UNECE Specialized Section on Dry and Dried Produce.

#### **Promoting regulatory cooperation and internationally agreed standards**

9. The twenty-eighth session of the Working Party on Regulatory Cooperation and Standardization Policies (WP.6) was held on 14 – 16 November 2018 with 87 delegates attending.

10. In 2018, the Working Party adopted two new recommendations on “Standards and Regulations for Sustainable Development” and on “Gender-Responsive Standards” and approved a new “Common Regulatory Arrangements” for the initiative on equipment for explosive environments. It also agreed on directions for future work for the sectoral initiative on cybersecurity that had been approved in 2017.

11. The Advisory Group on Market Surveillance (MARS) reviewed regional and national best-practice models and discussed enhanced cooperation with educational institutions and between global and regional market surveillance networks.

12. The Working Party participated in the first workshop of the International Council for the Exploration of the Sea in support of SDG 14 “Life Below Water” and identified risks to delivering targets associated with SDG 14.

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<sup>1</sup> <http://www.fao.org/food-loss-and-food-waste/en/>

13. The Technical Assistance Project in Kyrgyzstan was completed with the development of training materials to strengthen the knowledge of trade-support institutions on risk management in regulatory frameworks, conformity assessment and market surveillance.

14. The new project on “Standards and SDGs” aims at raising awareness among standards bodies on the 2030 Agenda and at promoting the use of standards as a tool for policy makers, authorities, civil society and business communities for sustainable development. A joint event was organized with the International Standardization Organization in September 2018 with the participation of over 800 people. The event focused on SDG 11 on smart cities and disaster risk management, SDG 6 on water, SDG7 on energy and SDG13 on the climate change. As part of the event, a series of case studies were developed and presented.

15. A new databased covering over 1,600 standards allows users to cross-reference standards through a dynamic search, to identify standards that support specific policies and to link standards to SDGs and associated target.

16. One of the biggest and continuing efforts in this line of work is the UNECE’s Gender-Responsive Standards Initiative in support of SDG5. It aims at integrating a gender lens in standards and technical regulations and at elaborating gender indicators and criteria for standards development. UNECE led the work that resulted in the signature of the universal Declaration for Gender-Responsive Standards and Standards Development that is embedded in UNECE’s Recommendation U. After the initial opening ceremony on 14 May 2019, the total number of signatories amounts to 60 in July 2019.

## **II. Major activities planned for the remainder of 2019 and beyond**

17. The secretariat is preparing to undertake further studies on regulatory and procedural barriers to trade, based on requests from member States. Below is a brief description of the planned activities by WP.6 and WP.7.

### **Working Party on Regulatory Cooperation and Standardization Policies (WP.6)**

18. The twenty-ninth session of the Working Party will take place on 20 – 22 November 2019, preceded by a meeting of the Gender Responsive Standards Initiation and the UNECE START-Ed Group on “Education and Standards Related Issues” on 20 November.

19. The 17<sup>th</sup> session of the Advisory Group on Market Surveillance (MARS) will be held in Moscow on 8 and 9 July, at the invitation of the Eurasian Economic Commission.

### **Working Party on Agricultural Quality Standards (WP.7)**

20. WP.7 will hold its seventy-fifth session on 20 – 21 November 2019, preceded by an annual session of the Specialized Section on Meat on 19 November. The programme of the WP.7 session will also include a Conference on Sustainable Food Production and Consumption on 20 November.

21. The training programme of WP.7 in 2019-2020 will include a UNDP Regional Symposium on Trade (including Agri Trade) for Central Asia in September 2019, two workshops on food loss action and prevention in the autumn of 2019 and study tours, primarily for Central Asian agri trade experts in the autumn/winter season of 2019.

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

22. There are no proposals to change the subsidiary structure of the Steering Committee on Trade Capacity and Standards.

23. The Steering Committee endorsed the:
- a) Programme of work of the Trade subprogramme for 2020, as contained in document ECE/CTCS/2019/10;
  - b) Revised Terms of Reference of the Working Party on Agricultural Quality Standards, as contained in document ECE/CTCS/2019/12; and
  - c) Revised Programme of work of the Working Party on Agricultural Quality Standards for 2019–2020, as contained in document ECE/CTCS/2019/11;
24. The Executive Committee is invited to adopt the above decisions.

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

##### **Regulatory Cooperation and Standardization Policies**

25. WP.6 secretariat has continued cooperation with many partners, such as the International Standardization Organization, the International Organization of Legal Metrology, the European Commission and the Eurasian Economic Commission.

##### **Agricultural Quality Standards**

26. WP.7 secretariat is actively collaborating with the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP), the Economic Commission for Africa (ECA) and the Economic and Social Commission for Latin America and the Caribbean (ECLAC) in implementing a United Nations Development Account (UNDA) project on “Increased policy coherence and sustainability of national production and consumption patterns in North-South and South-South agriculture trade”.

27. Since the 4<sup>th</sup> session of the Steering Committee, cooperation had been developed among others, under a United Nations Development Account project on Increased policy coherence and sustainability of national production and consumption patterns in North-South and South-South agriculture trade with FAO, UNCTAD and UNDP; GIZ and Hilfswerk Austria International. Within UNECE, the secretariat cooperates with the Transport Division on the provisions on the transport of perishable goods and with UN/CEFACT on electronic quality certificates for fresh fruit and vegetables.

#### **IV. Technical cooperation activities**

28. An exhaustive table of capacity-building activities undertaken by the secretariat under the Steering Committee, Working Parties 6 and 7 and UN/CEFACT is presented in the secretariat’s report on “capacity-building and technical assistance activities” (ECE/CTCS/2019/7). Further details can also be found in the secretariat’s report on “cooperation with other UNECE bodies and other organizations” (ECE/CTCS/2019/8).

##### **V. Cooperation with other organizations**

29. The secretariat maintains close cooperation with most UNECE programmes, notably with Transport and Environment and with many other organizations in implementing its core activities. Full details can be found in document ECE/CTCS/2019/8 “Cooperation with other organizations and Economic Commission for Europe bodies”.