

**Economic and Social Council**Distr.: General
15 August 2022

Original: English only

Economic Commission for Europe

Executive Committee

Centre for Trade Facilitation and Electronic Business

Twenty-eighth session

Geneva, 10-11 October 2022

Item 10 of the provisional agenda

Future challenges in trade facilitation and electronic business in the context of the Seventieth session of the Economic Commission for Europe**ECE Executive Secretary Request to UN/CEFACT Chair and Reply***Summary*

The seventieth session of the Economic Commission for Europe (ECE) will take place in April 2023, at the Palais des Nations. After comprehensive consultations at its 119th meeting on 16 December 2021, the Executive Committee (EXCOM) designated a cross-cutting theme of the Commission session. Accordingly, ECE discussions in 2023 will focus on “Digital and green transformations for sustainable development in the ECE region” (EXCOM Informal Document No. 2021/32). The ECE Executive Secretary has addressed a letter to UN/CEFACT, through its Chair, requesting how UN/CEFACT and the secretariat would contribute to the cross-cutting theme of the Commission session, within approved mandates, ongoing work and existing resources.

Document ECE/TRADE/C/CEFACT/2022/INF.4 containing the letters sent by the ECE Executive Secretary to the UN/CEFACT Chair and her reply is submitted to the Plenary for information.



Ref.: 2021/OES/269

21 December 2021

**Preparations for the 70th session of the Commission
Status update on the implementation of decisions taken at the 69th session**

Dear Ms. Probert,

I have the honour of writing to you to inform about the preparations for the 70th session of the Economic Commission for Europe (UNECE), to be held in April 2023.

After comprehensive consultations, at its 119th meeting on 16 December 2021, the Executive Committee (EXCOM) designated a cross-cutting theme for the high-level segment of the 70th session. Accordingly, the Commission's discussions in 2023 will focus on **"Digital and green transformations for sustainable development in the UNECE region"**.

Contributions from UNECE's governance architecture to the 2023 high-level theme

EXCOM also decided to "invite relevant subsidiary bodies of UNECE and the secretariat to consider how they may contribute, as appropriate, to the cross-cutting theme of the 70th Commission session within their respective mandates, ongoing work and existing resources, and while making full use of the existing nexuses".

To guide further preparations, the secretariat is undertaking a **mapping of relevant instruments and key initiatives of its governing architecture**. In this context, I would like to solicit from the United Nations Centre for Trade Facilitation and Electronic Business and its subsidiaries, as appropriate, a brief stocktake of pertinent UNECE tools and instrument. In addition to thematic action already completed (incl. impact examples), we would welcome a short overview of relevant ongoing work, as contained in your Programmes of Work for 2022 and 2023.

For ease of reference, please find a short template attached to this letter. The secretariat would be grateful to receive **feedback from the Bureau of your Committee by 15 March 2021** (To: unece.excom@un.org, cc: koch@un.org). The secretary of your Committee, as well as the Secretary of the Commission, Ms. Nicola Koch, stand ready to assist in the preparatory process, as needed.

Ms. Sue Probert
Chair
United Nations Centre for Trade Facilitation and Electronic Business
Berlin

United Nations Economic Commission for Europe
Palais des Nations, 1211 Geneva 10, Switzerland
Telephone: +41 (0)22 917 4144/6072
Email: executive.secretary@un.org



Draft decisions for consideration by the 70th session

The 70th session will also be opportunity for member States to provide direction to the work of UNECE going forward, and potentially approve new activities relevant to the high-level theme. For your upcoming plenary session, I would therefore encourage you to **dedicate an agenda item to the follow up/preparation of the Commission session and explore possible action items and draft decisions for consideration by the Commission**. These materials should be ready by the fall of 2022 to allow for review by the Executive Committee in the lead up to the session. The Commission Secretary, will reach out to your entity's secretariat to discuss further steps in the coming weeks.

Progress on implementing decisions from the 69th session

I would like to take this opportunity to thank you, and through you your entire Committee, for the active engagement with the Commission preparation and follow up. This cross-sectoral and cross-organization collaboration is highly appreciated by our membership. And it is yielding very positive results. I am very grateful for the significant progress already made on the implementation of the decision taken at the last Commission session. We are preparing an update for the Executive Committee in January 2022, and I wish to commend you on your leadership in steering further progress in your area of work.

Learning from our emerging practice

Finally, I would seek your managerial support in ensuring that the effort expended in support of the Commission preparation is adequate to your specific mandate and available resources.

In this regard, I would like to draw to your attention that the Executive Committee requested the secretariat "to assess, based on feedback from subsidiary bodies, their experience with the follow-up to the last theme and preparation for the next theme simultaneously. This should allow the EXCOM to assess the impact of designating and following up on a cross-cutting theme on the work of the relevant subsidiary bodies".

We will carry out this assessment towards the end of 2022. I thank you in advance for your leadership towards a productive engagement that will yield a good return on effort in your area of work, with prudent resource utilization within the capacity available.

I wish you a happy holiday season and send you my best personal wishes for a healthy, prosperous and successful 2022.

I would also like to thank you once again for your ongoing commitment to furthering the work of UNECE and look forward to our continued good collaboration.

Sincerely yours,

Olga Algayerova

Enclosure

cc: Ms. Maria Ceccarelli
Secretary of the United Nations Centre for Trade Facilitation and Electronic Business

UNECE
Palais de Nations
8-14 Avenue de la Paix
1211 Geneva 10

16 March 2022

Dear Ms. Algayerova,

I thank you for your letter dated 21 December 2021 informing me about the preparations for the 70th session of the Commission and updating on the status of the implementation of decisions taken at the 69th session. UN Centre for Trade Facilitation and Electronic Business (UN/CEFACT) stands ready to support you and the UNECE secretariat in preparing for the upcoming anniversary session in April 2023. I appreciate the importance of the designated theme for the high-level segment of the session, focusing on “Digital and green transformations for sustainable development in the UNECE region” and its relevance to the work of UN/CEFACT and its subsidiary bodies. With its deliverables to advance sustainable and digital trade facilitation and value chains management, UN/CEFACT has contributed with nearly 50 recommendations and 950 standards to international and regional processes to accelerate the transition towards a circular and green economy. Moreover, UN/CEFACT has been supporting member States of the UNECE region and beyond in their efforts to embrace their commitment to delivering on the SDGs of the 2030 Agenda for Sustainable Development.

Overview of challenges in the UNECE Region

Exacerbated by COVID-19, it has been long recognized, that improvements in implementing agricultural trade standards is essential for the UNECE region. The implementation rate across the UNECE region for the agricultural trade standards [reached 61 per cent in 2021](#). Caucasus and Turkey reached the highest implementation in the region at [81 per cent](#), while Central Asia and Eastern Europe are lagging behind at [56 per cent and 33 per cent](#), respectively. Only [24 countries](#) comply with electronic application and issuance of SPS certificates.

Women lack access to trade policies and trade facilitation bodies in the UNECE region. According to the Digital and Sustainable Trade Facilitation Report 2021, women in trade facilitation subgroup reached an average implementation rate of only 27% in the UNECE region. This is further exacerbated by inequality in access to digital tools. In Central Asia, women have [30 per cent less access](#) to the internet than men, undermining their chances to obtain skills necessary for e-commerce. During the pandemic, female employees were more seriously impacted. In select UNECE member States, women formed a high proportion of workers laid off across all firm sizes.

The COVID-19 pandemic led to further challenges to the region, causing struggles to recover the growth rates and making the region more vulnerable to shocks. The pandemic raised the need for dematerialization and electronic documents to limit physical contact and decrease costs. “Building back better” and transitioning to a circular economy is a priority for the region, which depends on a wide range of trade facilitation measures.

Contribution of the UN/CEFACT

UN/CEFACT is continuing its efforts in addressing these challenges by developing and diversifying digital agricultural standards in the UNECE region and by promoting a more gender sensitive trade facilitation policies and trade facilitation bodies. In connection with your request to provide a stockage of UN/CEFACT

tools and instruments of relevance to the digital and green transformation, I am pleased to outline the following:

Dematerialization.

For parties to exchange and reuse fully electronic messages, all information needs to be clearly defined and unambiguous, both from a semantic and syntactical perspective.

Trading partners wanting to exchange data will need to agree on the meaning of each individual data element to ensure that they all understand the information in the same way. This is equally true for governments and any other parties that may use or transmit this data. If the exchange is limited to two parties, a bilateral data dictionary is sufficient. As soon as there are multiple parties, however, or if the information may be reused in other contexts, a standardized data dictionary is useful. These standards help countries and companies cut trading costs, reduce bureaucracy and implement resilient infrastructure.

UN/CEFACT Transport and Logistics standards are based on the Multi-Modal Transport Reference Data Model (MMT RDM) and contain a variety of standards on International Forwarding and Transfer (including Booking, Waybill and Status messages), Packing list messages and multi-modal reach of all transport-related eBusiness standards, integrating air, rail and inland waterway needs. In support of the UNDA Transport and Trade Connectivity in the age of pandemics (UNTTC) initiative, UN/CEFACT developed a series of transport standards which enable data relating to transport operations to be exchanged electronically hands-free to replace current paper-based practices whenever cargo movements change from one mode of transport to another. The resultant standards provide a harmonised semantic solution based on the MMT RDM and these are published on the UNTTC website.

UN/CEFACT recommendations and standards outline how governments can stimulate technology development and innovation. For example, the implementation of a National Single Window for international trade implies streamlining regulatory border processes and implementing a portal to facilitate these procedures for traders. This, in turn, reduces the cost of compliance of traders and increases the added value of commodities. Likewise, governments can help the private sector to apply similar innovations, providing streamlined facilities to assist with compliance such as Port Community Systems or Customs Clearance Software (e.g. Single Submission Portals (SSP)).

UN/CEFACT promotes the dematerialization of processes to enable contactless and paperless trade through its set of global cross-industry supply chain data exchange standards including the e-Invoice standard all based on the Supply Chain Reference Data Model (SCRDM) which is an aligned sister to the MMT RDM. The commercial invoice is an important document exchanged between trading partners. In addition to its prime function as a request for payment from the seller to the buyer, the invoice is an important accounting document and, also has potential legal implications for both trading partners. Directive 2014/55/EU designates UN/CEFACT Cross Industry Invoice as one of the two obligatory standards within the within the EU for B2G (Business-to-Government) electronic invoicing.

Agriculture. UN/CEFACT standards for control of food quality, safety and soil contamination, such as eCERT, eCrop, and eQuality, help identify chemicals and contaminants, thereby enabling significant reductions of their presence in agri-food supply chains and reductions in accidental releases in soil. Use of these standards reduce waste across agri-food supplies and enhances the quality and productivity of soil. This reduces negative impacts on human health and the environment as well as encourages resource efficiency in a circular economy. These standards are applied in cross border trade where Electronic Sanitary and Phytosanitary SPS certification is required to facilitate the exchange of information for traded agricultural products between governmental regulators.

Traceability. To improve traceability for Sustainable Garment and Footwear, UNECE has launched "The Sustainability Pledge" inviting governments, garment and footwear manufacturers as well as industry stakeholders to pledge to apply UNECE – UN/CEFACT toolkit of measures and take a positive step towards improving the environmental and ethical credentials of the sector. UNECE is piloting Blockchain for Sustainable and Circular Cotton Value Chains, which defines the value chain, data and technology model for the traceability of digital and physical assets moving along the value chain. The pilot is implemented with industry partners (retail brands, manufacturers, farmers, certification entities, blockchain solution providers) and targets both advanced and developing economies, including large companies and SMEs in Egypt, Germany, Italy, Switzerland and the United Kingdom.

Fostering traceability in logistics, UN/CEFACT project Track and Trace enables tracking, tracing and monitoring of products and information sharing in standard electronic format. Enhancing visibility and preserving quality improves the business processes and promotes green and sustainable intermodal end-to-end transport chains. Considering that ninety percent of non-bulk cargo transported by sea worldwide is moved in standardized maritime containers, UN/CEFACT has identified over twenty use cases for Smart Containers and has provided a detailed Business Requirement Specification describing each of these processes. Smart container applications to monitor container related events such as temperature or humidity changes etc. enhance operational performance, improve security awareness, improve compliance, enable green maintenance, contribute to product quality controls and to provide visibility on infrastructure usage.

Green and sustainable use of resources. UN/CEFACT has developed a suite of electronic (eBasel) messages for all potential messages and processes in order to facilitate and dematerialize all potential exchanges between the actors of transboundary movement of waste under the Basel Convention. These are based on the UN/CEFACT Core Component Library, ensuring harmonization with other processes on the supply chain such as supply chain exchanges, transport messages and other regulatory declarations. The standard is currently in use for hazardous waste transports between Austria and Switzerland and the European Commission is preparing a technical specification on this topic which is to be based on the eBasel standard, addressing 2 trillion metric tons of hazardous and other waste transported by sea each year.

UN/FLUX is the first United Nations standard to collect and disseminate fishery catch data, supporting sustainable fishery management and combating legal, unreported and unregulated fishing. This UN/CEFACT communication tool allows for a standardized exchange of information about fishing data, vessel and trip identification, fishing operations, landing and sales information, license information and inspection data. The geographical coverage of this standard is global and the standard already enables the monitoring of 85,000 fishing vessels worldwide. It can be used by governments, fisheries management organizations and control and enforcement authorities. One of the primary users of this standard is the European Union, where 27 Member States use UN/FLUX to exchange of information between themselves, third countries and the Commission on fishing activity data and sales-related data messages. As of 2021, 40 UN member States transmit data using the UN/FLUX standard, including all 27 EU member States, Denmark, Iceland, Norway, the Russian Federation and the United Kingdom as well as the 8 signatories to the Sustainable Fisheries Partnerships Agreements with the EU (Cape Verde, the Gambia, Guinea-Bissau, Mauritius, Morocco, Sao Tome and Príncipe, Senegal, and the Seychelles).

UN/CEFACT standards and recommendations, including the eCITES standard, provide the foundation for the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) electronic permits. The issuance and control of permit and certificates that document legality and sustainability of CITES species trade transactions contribute to ensuring the survival of endangered species. This has contributed to the implementation of the CITES Convention and UN Resolution A/73/L.120 on tackling illicit trafficking in wildlife.

UN/CEFACT cooperation work

The UN/CEFACT Secretary is participating, as a co-chair with the International Telecommunication Union (ITU), in the UN Group for Digital Transformation in Europe and Central Asia. The objective of the United Nations Group on Digital Transformation for Europe and Central Asia is to provide a regional platform for UN agencies to facilitate cooperation and collaboration between different UN agencies and to promote coordinated UN support to Member States in their implementation of the 2030 Agenda through information and communications technologies.

The UN/CEFACT Secretary is also chairing (on rotational base) the Management Group of the ISO-IEC-ITU-UNECE Memorandum of Understanding on e-Business. This valuable Group of Experts provides intersectoral coherence in the field of electronic business, avoiding overlapping and duplications among Organizations and fostering digitalization in Member States.

UN/CEFACT broadened the focus of the Team of Specialists on Sustainable Fisheries to Environmental, Social and Governance traceability of sustainable value chains in the circular economy to increase the industry's ability to manage its value chain more sustainably, both consumers and businesses must first be aware of the nature and magnitude of these risks. The Team's current focus is to contribute to better and more informed decisions for sustainable production and consumption, through ESG traceability approaches and systems for the exchange of data and information along global value chain in priority industries for the circular transition.

I hope this letter will support you in showcasing the concrete impact of UN/CEFACT deliverables in conjunction with UNECE intergovernmental processes and advancing the shift to a digital and green transition in the region and beyond and working towards attaining member States' commitment and support in the important endeavour of preparing a successful 70th Commission session of the UNECE.

Yours sincerely,

Sue Probert

UN/CEFACT Chair