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### Economic Commission for Europe

#### Committee on Trade

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**UNECE contribution to trade development in the region: recent initiatives**

### **UNECE contribution to trade development in transition economies: other programmes**

#### *Summary*

This document provides an overview of trade-related activities undertaken by UNECE subprogrammes other than the Trade subprogramme. The document is meant to assist line Ministries responsible for trade development in the UNECE region in identifying activities outside the Trade subprogramme that may be of interest to them.

The secretariat would appreciate feedback from delegations as to the usefulness of the review and how it might be improved.

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## I. Environment

1. The Environment subprogramme aims at safeguarding the environment and human health, improving environmental management throughout the ECE region, and further promoting integration of environmental policy into sectoral policies and of environmental concern into the economy. Activities involve:

- Improving the response to environmental challenges in the ECE region by ECE constituencies.
- Strengthening the implementation of ECE regional environmental commitments.
- Strengthening countries' capacity for environmental monitoring and assessment systems in the countries of Eastern Europe, the Caucasus, Central Asia and South-Eastern Europe.
- Improving environmental performance in countries with economies in transition.

2. The following describes briefly some activities that may be of interest to the Committee on Trade.

### A. The “Environment for Europe” process

3. Since its launch in 1991 the “Environment for Europe” (EfE) process has been supporting countries' efforts to advance in environmental governance. The EfE process is a unique partnership of member States within the region, organizations of the United Nations system represented in the region, other intergovernmental organizations and bodies, regional environmental centres, non-governmental organizations, the private sector and other major groups. ECE, which has been closely associated with the EfE process since its inception, acts as its secretariat.

4. The process and its ministerial conferences provide a high-level forum for stakeholders to discuss, decide on and join in efforts addressing environmental priorities across the 56 countries of the ECE region, and is a regional pillar of sustainable development. At the same time, the process focuses on supporting the countries of Eastern and South-Eastern Europe, the Caucasus and Central Asia in their efforts to raise environmental standards and comply with international commitments.

5. Following a decision by The 6th Ministerial Conference “Environment for Europe” that took place in Serbia in 2007, the ECE Committee on Environmental Policy reformed the EfE process in 2009 to ensure that it remains relevant and valuable, and to strengthen its effectiveness. The EfE process continues to provide the framework for the development of governance policies and initiatives, legal instruments, policies and practical actions and tools that promote and improve environmental governance and strengthen sustainable development at the regional level, as well as contribute to enhancing global sustainability.

6. The Seventh EfE Ministerial Conference (Astana, 21-23 September 2011) was the first EfE conference organized in accordance with the reform plan of the EfE process. The Conference gathered more than 1,500 participants from Governments, the international community, civil society, business and the media throughout the ECE region to discuss two main themes: sustainable management of water and water-related ecosystems; and greening the economy—mainstreaming the environment into economic development.

7. The Conference culminated in the adoption of the Astana Ministerial Declaration “Save water, Grow Green!” — a concise and comprehensive document in which ministers confirmed their commitment to improving environmental protection and promoting sustainable development in the ECE region through the EfE process. The Declaration also set out a number of agreed follow-up and further actions under the two themes of the Conference.

8. The main outcomes of the Conference included: (a) ratifying and implementing the relevant multilateral environmental agreements (MEAs); (b) implementing the Astana Water Action; (c) promoting a green economy in the region and the Green Bridge Partnership Programme; (d) conducting a third cycle of environmental performance reviews (EPRs); (e) establishing a regular process of environmental assessment and developing a Shared Environmental Information System (SEIS); and (f) continuing the work of the Organisation for Economic Co-operation and Development Environmental Action Programme Task Force and strengthening the work of the regional environmental centres (see ECE/ASTANA.CONF/2011/2/Add.1).<sup>1</sup>

9. In accordance with the EfE reform plan, and following a decision by ministers in Astana, the Committee on Environmental Policy convened a mid-term review (as part of its nineteenth session, 22–25 October 2013) to assess the progress in the implementation of the main outcomes of the Astana Conference.<sup>2</sup> The review should provide renewed impetus to the process, and its findings will be taken into account in the preparatory process for the next conference.

## **B. Environmental performance review programme**

10. An environmental performance review is an assessment that a country requests of the progress it has made in reconciling its environmental and economic targets and in meeting its international environmental commitments. A peer review of the report and of its recommendations is carried out by the Committee on Environmental Policy. The main objectives of the EPRs are:

- To help countries to better manage the environment and associated environmental performance through concrete recommendations for better policy design and implementation.
- To promote the exchange of information among countries about policies and experiences.
- To help integrate environmental policies into sector-specific economic policies.
- To promote greater accountability to other countries and to the public.
- To strengthen cooperation with the international community.

11. At the “Environment for Europe” Conference, Ministers reaffirmed their support for the EPR Programme and encouraged ECE to go ahead with the third cycle. Third-cycle EPRs include environmental governance, financing in a green economy context, countries’

<sup>1</sup> The Astana Ministerial Declaration and other Conference documents are available on the ECE website ([www.unece.org/env/efe/astana/welcome.html](http://www.unece.org/env/efe/astana/welcome.html)).

<sup>2</sup> Documents for the nineteenth session of CEP, including the EfE mid-term review, are available on the ECE website (<http://www.unece.org/env/cep/2013sessionoctober.html>).

cooperation with the international community and environmental mainstreaming in priority sectors.

12. In 2012, the second EPR reports Albania and Tajikistan, as well as the first EPR report Turkmenistan, were published. In 2013, the second EPR report of Romania was published. In 2012, the second EPR reports of the former Yugoslav Republic of Macedonia and Uzbekistan were officially launched.

13. In 2013, the Republic of Moldova was reviewed for the third time and Croatia for the second time. After the peer review in October, the final reports will be published in 2014. Montenegro and Serbia will be the next countries to be reviewed for the third time.

14. The effective methodology for the EPRs has led to requests for a transfer of know-how from ECE to other regional commissions of the United Nations. At the request of Morocco, ECE launched in 2012 the EPR of the country in cooperation with the Economic Commission for Africa (ECA). In November 2012, Morocco was reviewed in cooperation with ECA and the report was to be peer reviewed in October 2013. The final report will be published in 2014.

## **II. Transport**

15. The transport subprogramme of UNECE covers (a) the Inland Transport Committee (ITC), the sole intergovernmental body in the United Nations dedicated to inland transport, (b) the working parties under the Committee and (c) the Economic and Social Council Committee of Experts on the Transport of Dangerous Goods and on the Classification and Labelling of Chemicals.

16. The primary focus of the Inland Transport Committee and its subsidiary bodies is on administering the 58 United Nations conventions, agreements and other types of legal instrument that shape the international legal framework for road, rail, inland-waterway and intermodal transport, as well as vehicle construction and the transport of dangerous goods. Activities take the form of policy dialogue and regulatory work, analyses, capacity-building and technical assistance.

16. The following describes briefly some activities that may be of interest to the Committee on Trade.

### **A. Euro-Asian Transport Links**

18. The Euro-Asian Transport Links (EATL) project identifies the main Euro-Asian road and rail routes for priority development and cooperation. An expert group established under the project proved to be a good cooperation mechanism for the coordinated development of coherent Euro-Asian inland transport links. The 27 member countries of the EATL project continued to work closely with the secretariat to produce the final report. The project continued to attract interest and expanded its coverage to 29 countries after Poland and Serbia joined the group in 2012. The Phase II report was presented at the Second Meeting of EATL Ministers of Transport in Geneva on 26 February 2013.

19. The primary goal of Phase II was to revise the priority transport infrastructure projects identified in Phase I and develop an updated international investment plan for new projects that would entail a consistent and realistic short-, medium- and long-term investment strategy for the identified EATL routes. This included an extensive inventory of specific road, rail, inland-waterway, maritime port, inland terminal and other infrastructure projects for the participating countries, together with their estimated budget and an implementation timetable.

20. In Phase II, some 311 transport-infrastructure projects were proposed for inclusion in the updated EATL investment plan, consisting of non-completed Phase I projects and new projects added in Phase II. The implementation of all projects identified as critical to improve the entire EATL network would require up to US\$ 215 billion.

21. When the studies have been completed, a unique EATL research database will be produced containing internationally agreed EATL routes, a list of priority infrastructure investments, data on obstacles to transport and the Global Information System Internet application to display this database. In addition, the work of the EATL expert group made it possible to develop and pursue a “North–South demonstration block train proposal (Mumbai-Bandar Abbas-St. Petersburg)” that will aim at promoting regular and commercially viable inter-modal transport operations along that route.

22. The expert group is further developing Phase II, which aims at coordinating infrastructure planning. This work will include evaluating and prioritizing infrastructure projects; studying and analysing economically viable inland transport options; examining non-physical obstacles; and collecting data on transport flows in the EATL region; strengthening national capacities; sharing experience and best practices along the Euro-Asian transport routes; and further developing the GIS database.

## **B. Border-crossing facilitation and the TIR Convention**

23. In 2012, the accession of Morocco to the International Convention on the Harmonization of Frontier Controls of Goods (1982) brought the number of Contracting Parties to 56. The secretariat and Contracting Parties, in cooperation with international railway organizations such as the Organisation for Cooperation between Railways and OTIF, developed a plan of action to speed up the introduction at national level of the provisions of annex 9, which entered into force on 30 November 2011. This annex introduces a wide set of measures to facilitate rail freight border crossing, which promotes:

- minimum infrastructure and staff requirements for border (interchange)stations
- cooperation between adjacent countries at border (interchange) stations
- reciprocal recognition of all forms of control
- selective and simplified controls on the basis of risk assessment
- moving of certain forms of controls to the stations of departure and destination
- setting up time limits for border clearance and monitoring actual border delays
- use of electronic data interchange systems
- use of the combined CIM/SMGS railway consignment note, as a customs document.

24. Other issues of relevance to the Inland Transport Committee include the extensive package of amendment proposals brought for adoption to the TIR Administrative Committee. These amendments define the responsibilities of major players in the TIR system (customs, operators and guarantors). Meanwhile, the secretariat has prepared and published a new edition of the TIR Handbook in all United Nations official languages. The Handbook includes not only the full text of the TIR Convention, but also comments, recommendations and numerous examples of best practices.

### C. Harmonization of vehicle regulations

25. In addition to the new vehicle regulations adopted in 2012, a new United Nations Global Technical Regulation, in the framework of the 1998 Agreement, was published on the identification of controls, tell-tales and indicators for motorcycles.

26. Regulations were updated with 99 amendments, bringing them to the latest level of technical progress and introducing more severe limits, among them the introduction of manoeuvring reversing lamps, avoidance of the risk of ejection of vehicle occupants, as well as new marking requirements for tyres to help the consumer in identifying their technical specifications.

### D. Transport of dangerous goods

27. The United Nations Recommendations on the Transport of Dangerous Goods adapt the GHS to the transport context, and address the transport conditions that are relevant for all modes of transport, such as listing of dangerous goods, packing, labelling, emergency response and carriage in portable tanks. They provide, in the *Manual of Tests and Criteria*, testing methods for physical hazards.

28. In 2011, UNECE published the fourth revised edition of the GHS, the seventeenth revised edition of the United Nations Recommendations on the Transport of Dangerous Goods, Model Regulations and an amendment to the fifth revised edition of the United Nations Recommendations on the Transport of Dangerous Goods, *Manual of Tests and Criteria*; further amendments to these were adopted in 2012.

29. These amended or new United Nations recommendations have led to the adoption of amendments to the UNECE legal instruments and the publication by UNECE in 2012 of revised editions of the European Agreement concerning the International Carriage of Dangerous Goods by Road (ADR 2013) the European Agreement concerning the International Carriage of Dangerous Goods by Inland Waterways (ADN 2013), for application as from 1 January 2013. ADR 2013 also contains revised provisions specific to road transport, e.g. regarding driver training and passage through tunnels. Additional amendments concerning stability of inland navigation chemical tankers and training of their crew were incorporated in ADN 2013 in response to the capsizing of the vessel *Waldhof* on the Rhine in January 2011.

30. The major challenge for the Working Party on the Transport of Dangerous Goods in 2013 were to prepare and adopt amendments to ADR, RID and ADN to reflect the provisions contained in the new United Nations recommendations. The catalogue of questions related to the training and examination of experts required to be on board inland navigation vessels carrying dangerous goods will have to be adapted to the new provisions included in ADN 2013.

31. Consideration will be given to the possible issuance of temporary derogations to the provisions of ADN to allow vessels to be powered by liquefied natural gas (LNG) or a combination of LNG and diesel. The carriage of LNG as a cargo will also be discussed. The Economic and Social Council Committee will cover a wide range of issues in 2013-2014 including classification criteria for polymerizing substances, corrosive substances, water-reactive substances, desensitized explosives, nanomaterial, refrigerant gases, testing of explosives and oxidizing solids, transport of electric storage systems, of used medical devices, and of environmentally hazardous substances.

## **E. Road transport**

32. In 2012, the secretariat presented a major paper describing the main issues and options for the European Agreement on the Work of Crews of Vehicles Engaged in International Road Transport (AETR) and supported a survey about the prevailing legal instruments applicable to road transport operations and third-party rights and obligations under the that Agreement. Arrangements were renewed for EU support to non-EU AETR Contracting Parties using the digital tachograph.

33. One of the central challenges in road transport will continue to be the implementation of the digital tachograph. A more pressing issue, however, will be reconciling the broader challenges of the AETR Agreement. To date, AETR Contracting Parties have demonstrated an urgent need to solve the problems related to the Agreement, including its complicated relationship with the European Union legal regime. While actions taken to address the issues relating to the AETR and the digital tachograph have been constructive, further continued efforts on the part of the secretariat and strong political impetus are essential.

## **G. Inland water transport**

34. A large package of amendments to the European Code for Inland Waterways (CEVNI) was adopted in 2012 that provides for harmonization and a pan-European framework of navigational rules applicable on canals and rivers, such as the Danube, Mosel, Rhine and Sava. Also, further steps were taken to facilitate at the pan-European level the mutual recognition of boatmasters' certificates and the harmonization of professional requirements in inland navigation.

## **III. Statistics**

35. The subprogramme on Statistics supports the implementation of internationally agreed upon statistical standards and methods to improve the quality of statistics and their international comparability. It also coordinates statistical activities across the UNECE region. A key aspect of this coordinating role is the maintenance of a database (<http://unece.unog.ch/disa>) of statistical activities carried out by around 30 international organizations. Activities of particular interest to the Committee on Trade include:

### **A. *Guide on Impact of Globalization on National Accounts***

36. This *Guide* ([www.unece.org/stats/groups/wggna.e.htm](http://www.unece.org/stats/groups/wggna.e.htm)) was produced to assist national-accounts statisticians in addressing the challenges posed by globalization. Most notable are the challenges related to international trade: e.g. recording of goods for processing, merchanting, international trade in intellectual property products and global manufacturing.

### **B. Sustainable development and environmental statistics**

37. A Joint UNECE/Eurostat/OECD Task Force is harmonizing the approaches to measuring sustainable development. The work follows up from a conceptual framework based on the capital approach (published in 2009) which focuses on monitoring the economic, environmental, human and social capital left for future generations. The

framework is extended to cover the issues of current well-being, quality of life and the international aspect of sustainable development.

A thorough analysis helps to identify indicators that have a sound conceptual basis and are relevant for monitoring the implementation of national sustainable development strategies. The resulting report is expected to be finalized in 2013. Furthermore, UNECE will promote the application of the framework for measuring sustainable development, taking into account the follow-up to the Rio+20 Conference and the development of the post-2015 development goals. This work will have a particular focus on countries of Eastern Europe, the Caucasus and Central Asia.

38. UNECE will provide support to its member countries in measuring progress towards the Millennium Development Goals (MDGs). The work will be conducted in close collaboration with the regional commissions and UNSD. In 2013, UNECE will organize a subregional workshop and advisory missions on the monitoring of MDGs. The UNECE database of MDG indicators will be further developed as a tool for resolving discrepancies of data from different sources. Specific attention will be given to the persistent data gaps, insufficient use of official national data, and discrepancies among indicator values compiled by national, regional and international agencies. The results will feed into the development and monitoring of post-2015 development goals and other work of the Inter-agency Expert Group on MDG Indicators.

### C. Technical cooperation activities

39. In a demand-driven approach, activities focus on key national priorities in areas where United Nations standards exist, such as population censuses, MDG-related indicators, short-term economic statistics, implementation of the new 2008 System of National Accounts and of new statistical classifications, gender disaggregated statistics and statistical data dissemination. In 2013, UNECE will continue to support the implementation of 2008 SNA in countries of Eastern Europe, the Caucasus and Central Asia by providing methodological guidance and training workshops. In addition, the preparations for the biennial Meeting of the Group of Experts on National Accounts in 2014 will begin.

## IV. Economic cooperation and integration

40. The subprogramme on Economic Cooperation and Integration promotes a policy, financial and regulatory environment that supports economic growth, innovative development and higher competitiveness of enterprises and economic activities in the region. The work involves developing synergies between the different thematic areas that form the focus of the subprogramme (including innovation and competitiveness policies, entrepreneurship and enterprise development, financing for innovative development, intellectual property rights and public-private partnerships) to ensure the best possible policy advice. Activities are designed along three directions:

- **Policy learning and knowledge sharing** on the basis of the international experience.
- **Capacity-building** to raise awareness and understanding of critical issues and increase technical competences.
- **Networking**, which facilitates contacts between stakeholders and creates communities of practice through which experience and opportunities circulate.

The following briefly describes some activities that may be of interest to the Committee on Trade.

### **A. Innovation performance reviews**

41. Innovation performance reviews are peer-reviewed policy-oriented documents offering advice to policymakers and other stakeholders in requesting countries on policy options to stimulate innovation and improve the overall efficiency of the national innovation system.

42. The reviews include overviews of the countries' international trade position and policies. Reviews have so far been conducted in Belarus, Kazakhstan and Ukraine. In these countries, follow-on policy advisory and capacity-building activities have been and continue to be carried out.

### **B. *Fostering Innovative Entrepreneurship***

43. The publication takes stock of enterprise development in countries with economies in transition and discusses policy options for strengthening the innovative capacity of enterprises. It discusses, for instance, the benefits of cross-border open innovation and technology transfer. There is a connection with the work of the United Nations Centre for Trade Facilitation and Electronic Business (UN/CEFACT) and the Working Party on Regulatory Cooperation and Standardization in that increased technology transfer and innovation can be among the benefits of reducing the transaction costs of international trade and of adopting international technology standards.

### **C. Public-private partnerships**

44. The activities of the Economic Cooperation and Integration Division and the UNECE Team of Specialists on Public Private Partnerships (PPP) seek to overcome the skills gap that prevents a wider use of PPP by facilitating increased awareness and understanding of this form of financing.

45. Policy aspects are emphasized, including the legal and institutional requirements for successful PPP, drawing lessons from international experience. Training workshops targeting participants from countries with economies in transition have been and are being organized in a number of countries. The Team of Specialists has started developing international standards for structuring and implementing PPPs based on the same validation methodology as used by UN/CEFACT. This work may also be of interest to the Working Party on Regulatory Cooperation and Standardization.

### **D. Development of sustainable biomass trade and export opportunities for selected regions of the Russian Federation**

46. Implementation of the "Project on Development of Sustainable Biomass Trade and Export Opportunities for Selected Regions of the Russian Federation" saw the development of the first Regional Biomass Action Plan for the regions of the Russian Federation. The action plans coordinate the development of the regional biomass sector and integrate the interests of the forestry and woodworking, agricultural, electricity and municipal heating, waste and recycling sectors. This project is now completed.

## V. Women's empowerment

47. UNECE's gender and economy group continued to successfully collaborate with the Golda Meir Mount Carmel International Training Centre in Haifa and Israel's Agency for International Development Cooperation in the Ministry of Foreign Affairs in organizing biannual training workshops for professional women from Eastern Europe, the Southern Caucasus and Central Asia, as well as discussions with a broader audience on the role of women in development.

48. The workshops focused on two main topics: support systems for women entrepreneurs at national and local levels (June-July 2013) and information and communication technologies (ICTs) (October 2013). In both workshops women received knowledge and skills that economically empower them in a range of activities including trade. Since 2006, over 350 women and men entrepreneurs from government institutions and SME-support agencies, NGOs dealing with small business support and development, professional associations, women's business associations and academia from EECCA countries have received training.

49. UNECE launched two assessments of the access of women to resources to empower them in political, economic and social life, and financing women entrepreneurs in the ECE region. The studies will provide empirical evidence of national policies and existing practices to reduce the gaps between women's and men's use of resources, including in entrepreneurship, which could serve as a guidance to policy-makers and other stakeholders to promote women's economic empowerment in the region.

50. UNECE started the preparations for the intergovernmental processes as part of the global review and appraisal of the implementation of the Beijing Platform for Action, Beijing +20, to be held in 2015. To facilitate the preparation of national reports, UNECE in cooperation with UN Women and all the regional commission has developed and sent out a Guidance note to collect information on the implementation and impact of the concrete actions taken at a country level. The Beijing+20 Regional review meeting in the ECE region will be held in Geneva in November 2014.

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