CONCEPT NOTE

Trade as a means of implementing the 2030 Agenda: evidence-based tools

REGIONAL WORKSHOP

<table>
<thead>
<tr>
<th>Objective</th>
<th>To arrive at an agreed upon framework of indicators for measuring and monitoring the contribution of trade to the 2030 Agenda</th>
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</table>
| Participants | • Representatives of line Ministries, State agencies, enterprise support institutions from the Caucasus, Central Asia and Southeast Europe, involved in designing and implementing trade reforms and in measuring and monitoring trade performance  
• Representatives of the United Nations resident Coordinators in the said countries |
| Venue | Centre International de Conferences de Genève (CICG)  
Geneva, Switzerland |
| Dates | 26-27 March 2020 |

1. BACKGROUND

Adopted against a background of global warming and rising inequalities, the 2030 Agenda succeeds the Millennium Development Goals to set a new frontier in international development. It provides a multifaceted analytical lens, geared towards capturing the economic, social environmental dimensions of development processes; focuses policy action on common challenges through 17 global development goals (SDGs); integrates evidence-based approaches as a catalyst for policy action; and, emphasizes a focus on the national level as an impetus for global action.

This approach is supported by an intricate monitoring system, encompassing 169 targets for addressing policy issues and 232 (statistical and non-statistical indicators)\(^1\) for measuring progress. The strength of this system lies in its emphasis on generating standardized, comparable data for tracking implementation and supporting detailed reporting on achievements at both the national (e.g., the national voluntary reviews \(^2\)) and global levels (the UN Secretary General annual Sustainable Development Goals Report \(^3\)).

\(^1\) 232 is the number of indicators, once those appearing under more than one target are excluded. There are none such indicators, which when considered bring the number of indicators up to 244. The Global Indicator Framework for the Sustainable Development Goals and Targets of the 2030 Agenda for Sustainable Development lists 244 indicators. Further details are available at: https://unstats.un.org/sdgs/indicators/indicators-list/. Non-statistical indicators are meant to capture milestones (e.g., ratification of international conventions). A case in point is SDG 14.c.1: “Number of countries making progress in ratifying, accepting and implementing through legal, policy and institutional frameworks, ocean-related instruments that implement international law, as reflected in the United Nations Convention on the Law of the Sea, for the conservation and sustainable use of the oceans and their resources”.

\(^2\) https://sustainabledevelopment.un.org/vnrs/

\(^3\) General Assembly resolution 72/279 elevates the United Nations Development Assistance Framework (renamed the United Nations Sustainable Development Cooperation Framework) as “the most important instrument for planning and implementation of the UN development activities at country level in support of the implementation of the 2030 Agenda for Sustainable Development (2030 Agenda)” The United Nations Development Assistance Framework was renamed pursuant to
The challenge for governments is how best to adapt this monitoring system to the everyday life realities and capacities at the national, sub-national and local levels. The task of developing context-specific systems is rendered difficult by the multitude of information sources, which include, among others, national statistical offices, line ministries, State agencies and enterprise support institutions.

This task is particularly challenging for cross-cutting policies such as trade, which carry direct and indirect impact on other policy areas. The 2030 Agenda accord such policies a special status under SDG 17, conceptualizing them as “means of implementation” (MoI); to be understood as “the interdependent mix of financial resources, technology development and transfer, capacity-building, inclusive and equitable globalization and trade, regional integration, as well as the creation of a national enabling environment required to implement the new sustainable development agenda, particularly in developing countries”.  

The implication is that trade should be measured not only against its proper targets and indicators, but also in terms of the positive spillover effects it generates. Arriving at a framework for capturing such effects will form the focus of this workshop, which is organized within the context of the UNECE-led United Nations Development Account (UNDA) regional project “Strengthening the national capacities of selected UNECE countries for evidence-based regulatory and procedural trade policies to achieve SDGs”.

The workshop will involve a discussion of UNECE proposed framework, developed by the secretariat drawing on the experience gained from its research work. In particular, the UNECE demand-driven studies on regulatory and procedural barriers to trade, which bring forward the channels through which non-tariff measures (NTMs) and associated reforms influence the achievement of the global SDGs. The proposed framework captures these channels and feature a set of statistical and non-statistical indicators, which complement the trade-related indicators established under SDG 17 (See Annex). The aim is to enable the governments to: (i) ensure a more comprehensive reporting on trade as a MOI within the context of the National Voluntary Reviews and UN Sustainable Development Cooperation Framework; and (ii) increase the NTMs and associated reforms’ contribution to the achievement of the 2030 Agenda.

Given the multitude of agencies involved in designing and implementing NTMs and associated reforms, the discussions will take the form of a multi-stakeholder consultation. The views and suggestions of relevant line ministries, State agencies, enterprise support institutions will be solicited along with the views of national statistical offices. The views of the UN Resident Coordinator Offices will also be solicited, including on how best to use the suggested framework for supporting national reporting within the context of the National Voluntary Reviews and UN Sustainable Development Cooperation Framework (Section 3).

The workshop will also involve a discussion of the main agencies that could be involved in collecting the required data; the methodology for collecting such data; and, the challenges for implementing such a framework. These discussions will be guided by the UNECE Roadmap on Statistics for Sustainable Development Goals,  which provides clear guidance for ensuring that the framework of indicators is consistent with the principle of policy coherence, including


6 The Road Map is available in English and Russian at: https://www.unece.org/index.php?id=47510
policy coordination, multifaceted analysis, and respect of member States’ policy space and leadership in establishing and implementing development policies.\textsuperscript{7}

The results of the workshop and the framework of indicators will be presented to the UNECE Steering Committee on Trade Capacity and Standards (SCTCS), which is tasked with supporting member States’ efforts to achieve the 2030 SDGs drawing on the UNECE studies on regulatory and procedural barriers to trade.\textsuperscript{8}

2. OBJECTIVES

2.1 Discuss the UNECE proposed framework of statistical and non-statistical indicators, with a view to arrive at an agreement over the indicators that can be included.

2.2 Discuss the UNECE proposed methodology for collecting the required data in terms of its strengths, weaknesses and implementation challenges.

2.3 Discuss the list of the agencies that could be involved in collecting the data for the indicators and the main requirements for supporting their coordination, drawing on the UNECE Roadmap on Statistics for Sustainable Development Goals.

2.4 Discuss UNECE conventions, recommendations, standards and best practices of direct relevance for creating positive synergies between trade reforms and other economic policies.

2.5 Discuss how best the suggested framework can be used by Governments to support national reporting within the context of the National Voluntary Reviews and UN Sustainable Development Cooperation Framework.

3. PARTICIPANTS

3.1 Representatives of relevant the line Ministries and State agencies:
- Line Ministries (i.e., Ministries of Economy and Trade) involved in coordinating the development and overseeing the implementation of NTMs
- Specialized State agencies involved in developing and implementing NTMs: Customs authorities, standard setting and conformity assessment bodies

3.2 Representatives of enterprise support institutions and logistics service providers:
- Enterprise support institutions engaged in helping enterprises improve their production capacity and increase their participation in trade.
- Freight forwarders and customs brokers associations.

3.3 National Statistical offices

3.4 Representatives of the UN Resident Coordinators

4. FORMAT AND PROCEEDINGS

Participants will receive the UNECE proposed framework and background documents in advance of the workshop. The discussions will evolve around the below points:

4.1 Introductory remarks by the UNECE
4.2 The UNECE proposed framework

\textsuperscript{7} These are the basic tenets of policy coherence established under SDG 17 (17.13-17.19)

\textsuperscript{8} In 2018, the Steering Committee on Trade capacity and Standards terms of reference were revised to ensure targeted support of UNECE member States’ in their efforts to achieve the 2030 Agenda drawing on UNECE studies on regulatory and procedural barriers to trade (document ECE/CTCS/2018/2 Annex); available at: http://www.unece.org/fileadmin/DAM/trade/SCTCS_2018/ECE_CTCS_2018_02E.pdf
• Overview of the main elements of the UNECE framework of statistical and non-statistical indicators for measuring the contribution of trade to the achievement of the 2030 Agenda.
• Overview of the suggested methodology for collecting the required data

4.3 Implementation issues
• UNECE Roadmap on Statistics for Sustainable Development Goals
• National experiences in collecting the data required for measuring progress against the suggested statistical and non-statistical indicators included in the UNECE framework

4.4 Overview of UNECE conventions, recommendations, standards and best practices of direct relevance for creating positive synergies between trade reforms and other economic policies

4.5 Views from the UN Representatives of the United Nations Resident Coordinators

4.6 Wrap up and next steps

5. OUTPUTS
• Detailed list of revisions and suggestions for improving the framework of (statistical and non-statistical) indicators for gearing trade to serve as a MOI
• Detailed list of revisions and suggestions for improving the suggested methodology for collecting the required data
• A list of the agencies that could be involved in collecting the data and the main requirements for enriching their coordination
• Suggestions on how best to use the framework of indicators for supporting national reporting within the context of the National Voluntary Reviews and the UN Sustainable Development Cooperation Framework
• A list of UNECE conventions, recommendations, standards and best practices of direct relevance for creating positive synergies between trade reforms and other economic policies and reform initiatives
• An agreed upon list of next steps for further developing and pilot testing the framework of indicators

6. LANGUAGE
English and Russian.
Annex
Trade as a means of implementation
Towards a more comprehensive set of indicators

I. Trade-related indicators established under the 2030 Agenda

Countries have a choice of information sources for tracking progress against these indicators, including, in addition to official statistics by NSOs, the United Nations and the World Bank. As shown in table 1, these organizations provide statistical and non-statistical indicators, which capture the export performance of individual countries and the extent to which trade measures, including tariff and non-tariff, are in compliance with the requirements of the World Trade Organization (WTO)-administered multilateral trading system (MTS).

Table 1: Information sources for measuring progress against trade-related targets

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<tr>
<th>Targets</th>
<th>Indicators</th>
<th>Sources for measuring progress against the indicator</th>
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<tbody>
<tr>
<td>Target 17.10 Promote a universal, rules-based, open, non-discriminatory</td>
<td>Indicator 17.10.1: Worldwide weighted tariff-average</td>
<td>Sources for measuring progress against the indicator:</td>
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<tr>
<td>Organization, including through the conclusion of negotiations under</td>
<td>WTO (<a href="https://www.wto.org/english/tratop_e/tariff_e/tariff_data_e.htm">https://www.wto.org/english/tratop_e/tariff_e/tariff_data_e.htm</a>)</td>
<td>- WTO (<a href="https://www.wto.org/english/tratop_e/tariff_e/tariff_data_e.htm">https://www.wto.org/english/tratop_e/tariff_e/tariff_data_e.htm</a>)</td>
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<td>its Doha Development Agenda</td>
<td></td>
<td>Sources for measuring progress against the target:</td>
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<tr>
<td></td>
<td></td>
<td>- ePing (<a href="http://www.epingalert.org/en">www.epingalert.org/en</a>): provides up-to-date information about notifications on sanitary and phytosanitary</td>
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<td>measures and technical barriers to trade around the world as defined under the WTO Agreement on the Application</td>
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<td>of Sanitary and Phytosanitary Measures (SPS) and Agreement on Technical Barriers to Trade (TBT)</td>
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<td>provides detailed data on tariffs, para tariffs and non-tariff measures by product at HS 6-digit level, using the</td>
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<td>internationally recognized United Nations Multi-Agency Support Team classification of non-tariff measures (NTMs).</td>
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<td>The information generated through this system is integrated into the World Integrated Trade Solution (WITS). WITS</td>
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<td></td>
<td></td>
<td>((<a href="https://wits.worldbank.org">https://wits.worldbank.org</a>) provides analytical data on NTMs</td>
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<tr>
<td></td>
<td></td>
<td>- Trade Facilitation Agreement Facility (<a href="http://www.tfafacility.org/">www.tfafacility.org/</a>): provides up to date information on countries’ progress</td>
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<td></td>
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<td>in implementing commitments.</td>
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<tr>
<td>Target 17.11 Significantly increase the exports of developing countries,</td>
<td>Indicator 17.11.1: Developing countries’ and least developed countries’</td>
<td>World Bank DataBank (<a href="https://datactalog.worldbank.org">https://datactalog.worldbank.org</a>)</td>
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<td>in particular with a view to doubling the least developed countries’</td>
<td>share of global exports by 2020</td>
<td>- WTO (<a href="https://www.wto.org/english/tratop_e/tariff_e/tariff_data_e.htm">https://www.wto.org/english/tratop_e/tariff_e/tariff_data_e.htm</a>)</td>
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<td>share of global exports by 2020</td>
<td></td>
<td>Sources for measuring progress against the target:</td>
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<td>- UNCTAD (<a href="https://unctadstat.unctad.org/wds/TableViewer/tableView.aspx?ReportId=101">https://unctadstat.unctad.org/wds/TableViewer/tableView.aspx?ReportId=101</a>)</td>
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<td>World Bank DataBank (<a href="https://datactalog.worldbank.org">https://datactalog.worldbank.org</a>)</td>
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<td>- WTO (<a href="https://www.wto.org/english/tratop_e/tariff_e/tariff_data_e.htm">https://www.wto.org/english/tratop_e/tariff_e/tariff_data_e.htm</a>)</td>
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market access on a lasting basis for all least developed countries, consistent with World Trade Organization decisions, including by ensuring that preferential rules of origin applicable to imports from least developed countries are transparent and simple, and contribute to facilitating market access.

These indicators do not provide insights into the channels through which improved export performance and MTS compliance support the achievement of the 2030 Agenda. Information sources that provide such insights involve statistical and non-statistical indicators for capturing the cost of trade (both time and financial wise), as these constitute an immediate channel through which trade works itself into the economy (Box 1). Trade costs are inversely related to the enterprises’ competitiveness in national and global markets, since they not only inflate the prices of goods but may also create a disincentive for investments in new production lines and technology intensive activities.

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<th>Information Sources</th>
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<tr>
<td>market access on a lasting basis for all least developed countries,</td>
<td>countries, least developed countries and small island developing States</td>
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<td>consistent with World Trade Organization decisions, including by</td>
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<td>least developed countries are transparent and simple, and contribute to</td>
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<td>facilitating market access</td>
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Box 1
Indicators for measuring the contribution of trade to the 2030 Agenda

Average time to clear exports through customs (days):
Definition: The ease of arranging competitively priced shipments, rated from “very difficult” (1) to “very easy” (5).
Source: Logistics Performance Index, World Bank

Logistics performance index competence score
Definition: The competence and quality of logistics services, rated from “very low” (1) to “very high” (5).
Source: Logistics Performance Index, World Bank

Logistics performance index timeliness score
Definition: The frequency with which shipments reach consignees within scheduled or expected delivery times, rated from “hardly ever” (1) to “nearly always” (5).
Source: Logistics Performance Index, World Bank

II. The need for a more comprehensive set of indicators

But then prices are but one channel through which trade influence the achievement of sustainable development. In the short term, the links between trade and sustainable development work through, in addition to prices, returns to production factors and improved quality and/or availability of public utilities (e.g., electricity and water) and transport infrastructure. In the medium-term, the trade sector’s positive influence is realized through the utilization and upgrading of productive capacities. In the long-run, trade provides an incentive and resources for financing the accumulation of new physical, human and organizational capital needed for income diversification,
particularly through increased specialization in high value-added activities that are in compliance with international quality, safety and environmental requirements.

Development experiences suggest that the more diversified the economy’s structure, the greater the role of trade in achieving sustained growth. In other words, international trade can best serve as a vehicle for sustained growth when the economy matures. The challenge facing governments in UNECE developing countries and countries in transition is how best to increase the contribution of trade to structural transformation.

Needed, therefore, is a framework for capturing the different channels through which trade works itself- through direct and indirect relations of interdependence- into the economy, the environment and the social life of individual countries.

III. UNECE studies on regulatory and procedural barriers as a starting point developing additional indicators

The UNECE’s research work on trade and economic development provides a solid basis for such a framework. This work, which commenced in 2010, involves demand-driven assessment studies of regulatory and procedural barriers to trade in goods, using a comprehensive evaluation methodology for capturing the interplay between trade and structural transformation. The methodology combines desk research, legislative analysis and field surveys, focused on gaining a proper understanding of the institutional set-up underpinning the development and implementation of non-tariff measures (NTMs) and their impact on enterprise development.

The NTMs are seen as constituting a multi-faceted system of laws with direct and indirect bearing on the structure and functioning of the economy and the emphasis is on: (i) capturing shortfalls at the macro level of policy and associated legislation and the meso level of institutions (namely, State agencies responsible for managing trade and quality assurance as well as enterprise support institutions) and basic infrastructure; (ii) tracing the manner in which they combine to create non-tariff barriers to trade throughout the international supply chain; (iii) the resulting direct impact on trade costs; and, since 2018 (iv) the indirect impact on enterprises’ ability to improve their technological capability; that is their ability to achieve efficient specialization in

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10 The studies are based on extensive surveys, implemented through face-to-face interviews, targeting traders, public sector stakeholders and representatives of market support institutions using actor-oriented questionnaires. The questionnaires, which are adapted to the local context of the countries under review, draw on the analytical parameters established in UN/CEFACT Buy-Ship-Pay Reference Model (http://tfig.unece.org/contents/buy-ship-pay-model.htm), business process analysis and SCTCS Working Party on Regulatory Cooperation and Standardization Policies (WP.6) product life cycle approach to technical regulations development and application (http://www.unece.org/trade/wp6/Recommendations/Rec_L.pdf).

11 The studies cover 10 of the total 16 NTM Chapters under United Nations Multi-agency Support Team (UN/MAST) classification with direct impact on trade in goods. These chapters cover: Sanitary and phytosanitary measures (Chapter A); technical barriers to trade (Chapter B); pre-shipment inspection and other formalities (Chapter C); price control measures, including additional taxes and charges (Chapter F); finance measures (Chapter G); measures affecting competition (Chapter H); distribution restrictions (Chapter J); government procurement restrictions (Chapter M); rules of Origin (Chapter O); and, export-related measures (Chapter P).

12 the business processes are conceived as a chain of logically sequenced activities to establish commercial contracts (commercial procedures); arrange for the inland and cross-border transportation of goods (transport procedures); complete export and import formalities (regulatory procedures); and, secure payments (financial procedures).
technological activities, extend and deepen these activities/technologies, and draw selectively on other technologies to complement existing capabilities.\textsuperscript{13} 

The findings emerging from the studies are validated through public-private consultations,\textsuperscript{14} which also feature a discussion of proposed recommendations that are geared to support a whole-of-government approach to trade reforms. To date, UNECE has carried out eight studies in Albania, Armenia, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Republic of Moldova and Tajikistan with work underway to complete the ninth study on Serbia.\textsuperscript{15} 

The methodology is constantly revised to refine the analysis and support UNECE reviews in other areas. For example, the study on Armenia features an analysis of the impediments to the increased participation of female-owned enterprises in international trade. The methodology was also used to complement the UNECE research work in the areas of: (i) housing and land management, with the most recent country profile on Belarus featuring a chapter on the impact of quality control on the affordability of houses; and (ii) innovation, with the upcoming innovation policy review on Georgia, featuring a chapter on enterprise growth dynamics. In both cases, the methodology was supplemented with action-oriented questionnaires to gain further insights into the interplay between NTMs and the substantive area at hand.

The studies show that addressing non-tariff barriers alone is insufficient for boosting the contribution of trade to SDGs. At issue is the manner in which reforms are implemented, not only in terms of their sequence, but also in terms of the efforts made to create synergies with other economic policies and development initiatives. Of equal importance is to address the non-trade issues that set the limits to the enterprises’ ability to reap the expected benefits from trade reforms. The recommendations emerging from Georgia and Armenia highlight these issues and show how trade reforms can be used to support the implementation of SDGs 7 (affordable and clean energy), 16 (peace, justice and strong institutions) and 17 (partnerships for the goals). The recommendations also carry indirect contributions to SDGs 8 (decent work and economic growth) and 9 (industry, innovation and infrastructure).


\textsuperscript{14} The findings of the study and proposed recommendations are validated in stakeholder meetings, which bring together representatives from relevant State agencies and enterprise support institutions.

\textsuperscript{15} The studies are available at: https://www.unece.org/tradewelcome/studies-on-regulatory-and-procedural-barriers-to-trade.html