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Contribution to the sustainable development goals

Sustainable Development Goals relevant to Subprogramme 6. Trade

Submitted by the Secretariat

Note by the Secretariat

On 1 January 2016, the United Nations started implementing the 17 universal Sustainable Development Goals (SDGs) with 169 targets, which address the inter-related challenges of growth, inequality, sustainability and resilience.

The United Nations regional commissions have a strategic role to play in ensuring the successful achievement of SDGs through actions geared towards bridging the gap between global frameworks and national development agendas in relation to the integration, implementation, follow-up and review of the SDGs.

This paper elaborates how the Steering Committee on Trade Capacity and Standards (SCTCS) and the ECE Trade subprogramme could support the achievement of the SDGs. Delegates are invited to discuss this paper and provide guidance to the secretariat.



I. Introduction

1. The SDGs are a fundamental shift from the Millennium Development Goals (MDGs) in that they are applicable for all countries, and move beyond the exclusive focus on economic development to allow for a systemic coverage of economic and social inclusion as well environmental sustainability. The SDGs are geared to nurture the interlinkages between these essential pillars, support government-civil society-business partnerships and ensure public participation at the planning and implementation levels. Trade features prominently as a growth enabler, which allows countries to achieve the much needed economies of scope and scale to consolidate national productive capacities in a manner that allows for moving up international supply chain¹.

2. Irrespective of the policy mix that Governments pursue, reaping the expected benefits from trade will be difficult without targeted efforts to simplify, streamline and harmonize trade-related regulatory and procedural measures. Research to date provides ample evidence on the negative consequences that complex and restrictive measures generate. Most notable are the significant increases in transaction costs (both time and financial wise), which act as a trade barrier of greater significance than tariffs. For some countries, trade development is further restricted by their long distance from the markets, difficult terrain, and inadequate trade-related infrastructure and support services².

3. The simplification, harmonization and streamlining of trade-related regulatory and procedural measures have ranked high on the development and reform plans of Governments in the ECE region. However, the limited resources available to the less development countries have meant that implementation remains slow. In some countries, the lack of political stability has rendered it difficult to ensure undivided attention to reform efforts. Still in other countries, achieving meaningful progress has been defeated by piecemeal approaches and weak institutional capacity.

4. The above-mentioned factors are in addition to the inherent complexities associated with reforming regulatory and procedural trade measures, given the vast range of areas to be tackled, including: customs, logistics, technical regulations, standardization, quality control and quality assurance. Addressing these areas requires developing the institutional capacity of relevant State agencies and logistics service providers; reforming the legal framework; modernizing quality control and quality assurance infrastructure (including testing laboratories and metrology systems); developing the management information systems underpinning administrative procedures; and, developing the knowledge and expertise skills of traders, so that they can adhere to the reformed regulations and administrative procedures.

5. These issues form the focus of ECE's Trade subprogramme. Consistent with its mandate and the broader strategic orientations adopted by the United Nations regional commissions, ECE's activities aim at bridging the gap between global frameworks and national development through technical support; leveraging means of implementation (MOI); and facilitating effective follow-up and review.

¹ See also chapter 2 of Agenda 21; Chapter V and Chapter X of the Johannesburg Plan of Implementation.

² See for example World Trade Organization (2012) World Trade Report; Carrère, Céline, and J. de Melo (2011) "Non-Tariff Measures : What Do We Know, What Should Be Done ?", *Journal of Economic Integration*, (26) 169-196; and, World Bank Doing Business Reports.

6. The emphasis is on supporting the exchange of experiences, good practices and effective public policies; promoting partnerships and policy coherence, including at the subregional level and in support of countries with special needs such as least developed countries (LDCs), landlocked developing countries (LLDCs) and countries in conflict; fostering a progressive agenda and guiding transformational change; generating synergies and complementarities; and, factoring in the realities of interaction among various spheres and stakeholders and devising solutions anchored in such realities³.

II. Contribution to SDGs

7. ECE's activities involve the development of standards and recommendations for improving national productive capacities, reducing the cost of trade (time and financial wise) and supporting regional and global integration. These standards and recommendations are developed in three inter-related areas: trade facilitation; regulatory cooperation and standardization policy; and, agricultural quality standards. They are complemented with capacity building efforts to support national and regional trade development and reforms. The activities have a bearing on the following SDGs:

A. Goal 1: End poverty in all its forms everywhere

8. In particular target 1.4 (ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services) and 1.5 (build the resilience of the poor and those in vulnerable situations and reduce their exposure and vulnerability to climate-related extreme events and other economic, social and environmental shocks and disasters).

B. Goal 2: End hunger, achieve food security and improved nutrition and promote sustainable agriculture

9. In particular, target 2.3 (double the agricultural productivity and incomes of small-scale food producers, in particular women, indigenous peoples, family farmers, pastoralists and fishers, including through secure and equal access to land, other productive resources and inputs, knowledge, financial services, markets and opportunities for value addition and non-farm employment).

C. Goal 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

10. In particular, target 8.2 (achieve higher levels of productivity of economies through diversification, technological upgrading and innovation, including through a focus on high value added and labour-intensive sectors), 8.a (increase Aid for Trade support for developing countries, particularly LDCs, including through the Enhanced Integrated Framework for LDCs).

D. Goal 9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

11. In particular target 9.1 (Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for

³ <http://www.regionalcommissions.org/2030RCpaper.pdf>

all); and 9.2 (Promote inclusive and sustainable industrialization and, by 2030, significantly raise industry's share of employment and gross domestic product, in line with national circumstances, and double its share in least developed countries).

E. Goal 10: Reduce inequality within and among countries

12. In particular, target 10.3 (Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard); and 10.6 (Ensure enhanced representation and voice for developing countries in decision-making in global international economic and financial institutions in order to deliver more effective, credible, accountable and legitimate institutions).

F. Goal 17: Strengthen the means of implementation and revitalize the global partnership for sustainable development.

13. In particular, indicator 17.9 (enhance international support for implementing effective and targeted capacity building in developing countries to support national plans to implement all sustainable development goals, including through North- South, South-South, and triangular cooperation) and 17.10 (promote a universal, rules-based, open, non-discriminatory and equitable multilateral trading system under the WTO including through the conclusion of negotiations within its Doha Development Agenda).

14. Activities are grounded in a participatory approach to support mutual interests and the interdependence between ECE members, through public-private sector consultations and national ownership. The ECE's participatory approaches take two forms: expert networks and national advisory committees. As shown below, the expert networks are linked to Working Party on Regulatory Cooperation and Standardization Policies (WP.6); Working Party on Agricultural Quality Standards (WP.7) and; the UN Centre for Trade Facilitation and Electronic Business (UN/CEFACT). The advisory committees drive ECE studies on regulatory and procedural barriers to trade.

III. Working party 6

15. WP.6 develops best practices in the areas of: technical regulations and regulatory cooperation; standardization policies, conformity assessment; consumer protection; and market surveillance at the national, regional and international levels. In addition to national delegation, participation is open to businesses, standards-making bodies, market support institutions and international organizations. To date, WP.6 has developed 15 recommendations; all of which are widely implemented by governments as well as industry and international organizations. The most recent recommendations focus on crisis and risk management in regulatory frameworks and on good market surveillance policies and practices. Other important, recent results include: four regulatory frameworks (on telecommunications equipment, earthmoving machinery, equipment used in environments with an explosive atmosphere, and pipeline safety) a glossary of market surveillance terms; and a database on market surveillance authorities. The recommendations improve the efficiency and effectiveness of regulatory frameworks and boosts the resilience of economies in a wide range of areas, e.g. disaster risk reduction.

IV. Working party 7

16. WP.7 brings together a network of experts from developed and transition economies in order to develop agricultural quality standards covering a wide spectrum of products

under the following clusters: fresh fruit and vegetables (FFV); dry and dried produce (DDP); seed potatoes; meat, eggs and egg products.. In addition, explanatory materials and other activities are developed to support a consistent application of the standards. To date, WP.7 has developed more than 100 agricultural standards; all of which have been implemented in ECE region and beyond. These recommendations at: (i) supporting high-quality production; (ii) improving agricultural profitability; and, (iii) protecting consumer interests. The standards contribute to efficient markets, and provide avenues for farmers to increase income. Most recently, WP.7 has initiated discussions on the link between agricultural standards and food loss.

V. UN/CEFACT

17. UN/CEFACT works with experts from both the public and private sectors to simplify national and international transactions by harmonising business processes, procedures and information flows in order to render them more efficient and streamlined. These efforts take the form of trade facilitation recommendations, electronic business standards and technical specifications, and support projects. UN/CEFACT has produced over 30 trade facilitation recommendations and various best practices guides and standards, which are used throughout the world by both governments and the private sector. They reflect best practices in trade procedures and data and documentary requirements.

18. Recent examples include the web-based, interactive knowledge management tool for simplifying cross-border, trade facilitation implementation guide (TFIG). The guide which provides a single source bringing together essential trade facilitation information, including all the major instruments from all key international organizations.⁴ In 2015, the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) has developed an electronic version of its trade declaration using the Core. Component Library of UN/CEFACT and generating an XML message according to the specifications of UN/CEFACT⁵.

19. The CITES declaration is used in customs clearance procedures in all countries around the globe. It allows countries to control the trade in certain environmentally sensitive commodities and endangered species, and to combat illegal trade.

20. Yet another example is the UN/CEFACT Fisheries Language for Universal eXchange (FLUX), which is an open and global standard to automate the collection and dissemination of the fishery catch data needed for sustainable fishery management. FLUX is an efficient tool for detecting and combatting illegal, unreported and unregulated fishing, and thus for monitoring the implementation of SDGs 1 and 14 (Conserve and sustainably use the oceans, seas and marine resources for sustainable development). UN/CEFACT has also developed Sanitary and Phytosanitary (SPS) Schema, which allows for automating administrative processes associated with issuing SPS certificates.

VI. UNECE studies on regulatory and procedural barriers

21. Drawing on the work of WP6, WP7 and UB/CEFACT, ECE studies help countries design holistic, time-bound strategies for removing regulatory and procedural barriers to

⁴ tfig.unece.org

⁵ CITES is an international agreement between governments, which seeks to ensure that international trade in specimens of wild animals and plants does not threaten their survival.

trade. These strategies are informed by face-to-face interviews with main supply chain actors using the ECE in-house evaluation methodology.

22. The actor-oriented questionnaires are adapted to the national context with a view to ascertaining regulatory and procedural barriers to trade stemming from: (i) trade facilitation measures; (ii) quality control systems embodied in standardization policies, technical regulations, quality assurance, accreditation and metrology; and (iii) trade-related infrastructure, including transport and logistical support.⁶

23. The results of the studies could be used to help countries establish evidence-based systems for monitoring progress towards the achievement of SDGs 8 and 17. Moreover, the methodology could be further developed to help countries monitor progress towards the achievement of SDG 1.

⁶ The studies and evaluation methodology are available at: <http://www.unece.org/tradewelcome/studies-on-procedural-and-regulatory-barriers-to-trade.html>. The studies on Albania and the Republic of Moldova are ongoing