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2020 SPECA ECONOMIC FORUM:

Regional Cooperation to Support Socioeconomic Recovery in the Wake of COVID-19

Mitigating the Effects of the COVID-19 Crisis for the Economies of SPECA Countries

Ms. Elisabeth Tuerk
Director, Economic Cooperation and Trade Division, UNECE
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Outline



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COVID-19 Health & Economic Impact

- Health Dimension: Public Health Situation Remains Precarious
- Economic Dimension: Pre-crisis Challenges Amplified

COVID-19-induced Challenges & UNECE Response Tools

- UNECE Action Framework for Responses to the COVID-19 Crisis
- UNECE ECTD Response Tools for COVID-19-induced Challenges for SPECA Countries

Building-Back-Better & UNECE Response Tools

- Fostering Sustainability, Inclusivity & Circularity
- UNECE ECTD Response Tools for SPECA Countries
- Circular Economy & the Sustainable Use of Natural Resources – Theme for UNECE's 2021 Commission

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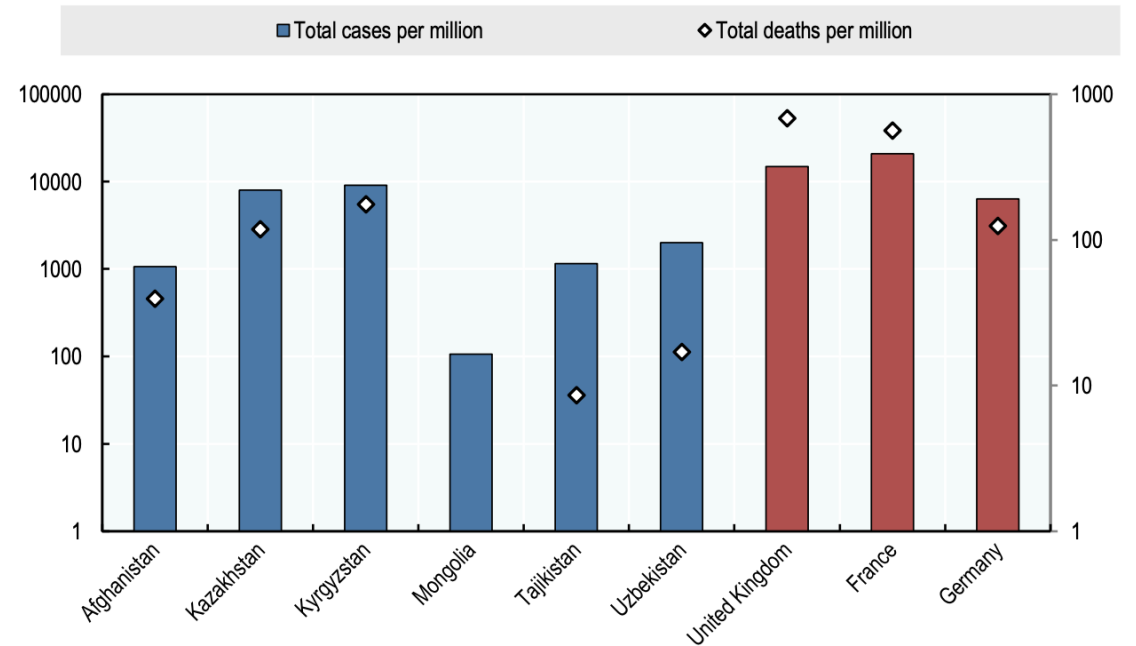
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COVID-19 Impact – Health Dimension



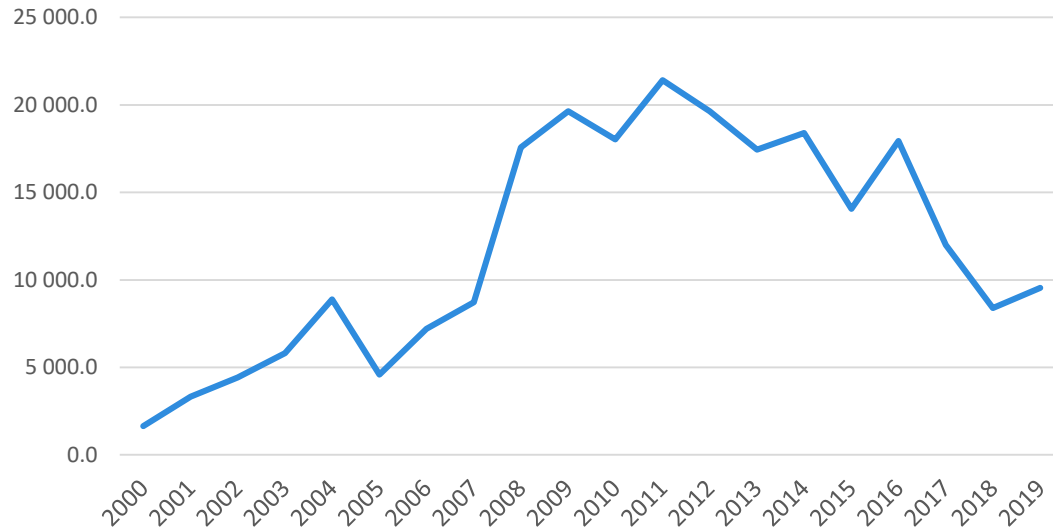
“As of autumn 2020, the crisis has had a more severe impact on the region’s economies than it has had on public health, with Central Asia avoiding the morbidity and mortality rates seen in some OECD member countries....The public health situation nevertheless remains precarious.”



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COVID-19 Impact – Economic Dimension

All SPECA countries' FDI inflows (million USD), 2000-2019



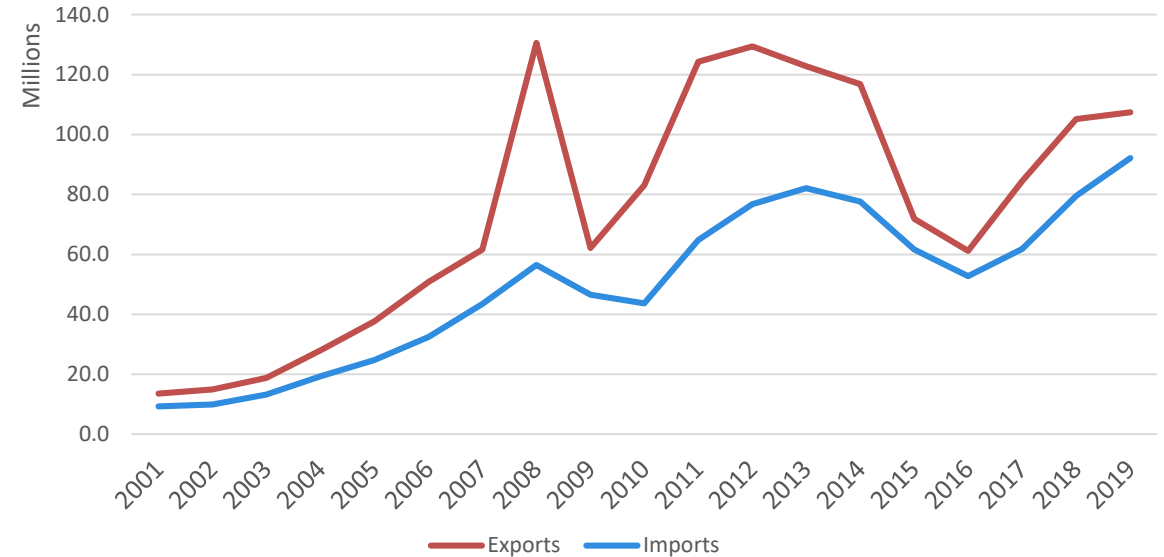
Source: UNCTAD

COVID-19 impact on SPECA economies is significant

- Time & transport costs increased
- Investment & trade plummeted
- Private sector & SMEs are strongly affected
- Rural areas are particularly hard hit

Trade, FDI and innovation can serve as sources of growth & development for SPECA countries

All SPECA countries' imports and exports (millions USD), 2001-2019



Source: ITC calculations based on UN COMTRADE and ITC statistics

Pre-crisis challenges are amplified

- Heavy dependence on select growth drivers (e.g. remittances, low value exports)
- Low-productivity & resource-intensive growth model (e.g. extractive sector exports/commodities)
- High levels of informality in the economy
- Low connectivity and digitalization

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UNECE Action Framework for Responses to the COVID-19 Crisis



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FACILITATE CONNECTIVITY

Enhance cooperation and implementation of a harmonized regulatory framework for border crossing

Promote digital implementation of existing legal transport instruments

Facilitate trade through the exchange of electronic information and harmonisation of standards and regulations

ADDRESS TRANSBOUNDARY AND OTHER RISKS

Promote the use of existing multilateral environmental agreements to deal with various risks

Foster transparency, traceability and risk management through the use of standards

Promote and enhance statistical frameworks to improve the basis for decision-making, including in relation to disasters

SUPPORT A GREEN AND RESILIENT RECOVERY

Enhance resilience and efficiency through focus on resource use, including through circular economy approaches

Address the implication of the crisis in urban centers and engage cities as drivers of the recovery

Promote sustainable infrastructure, including through private sector participation

Note: Blue highlights indicate the areas of work to which the Economic Cooperation and Trade Division (ECTD) contributes.

Source: Responding to the Socio-Economic Impacts of the COVID-19 Pandemic in the UNECE Region, June 2020

https://www.unece.org/fileadmin/DAM/UNECE_COVID_Brochure_EN.pdf

UNECE Action Framework for Responses to the COVID-19 Crisis (cont.)



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FACILITATE CONNECTIVITY

Harnessing digital trade facilitation tools

- UNDA project: using existing and new standards for data exchange along digital corridors – eliminating person-to-person contacts, raising efficiency
- Training for NTFCs

Removing non-tariff barriers to trade

- Policy advice for economic recovery through streamlined trade procedures

Assessing the impact of COVID-19 on regional integration in Central Asia (SPECA)

- Regional trade facilitation strategy
- Study on border-crossing formalities in times of COVID-19
- Studies on non-tariff measures, supply chain disruptions, impact of COVID on SMEs/MSMEs
- Online training modules to support SME recovery

ADDRESS TRANSBOUNDARY AND OTHER RISKS

Reducing risks and strengthening resilience

- Transparency and traceability of value chains to help identify risks and impacts, and to devise actions to mitigate business disruptions

Improving regulatory cooperation at the border

- Implementation of Single Window facilities, electronic data exchange, and digital documents for streamlined processes and compliance
- Trade Facilitation recommendation to harmonize the regulatory framework

Use of new technologies to reduce risks

- Blockchain, Internet of Things, Big Data, Artificial Intelligence

SUPPORT A GREEN AND RESILIENT RECOVERY

Reducing risks and strengthening resilience

- UN/CEFACT standards for the traceability of agri-food (eCERT), fisheries (UN/FLUX), wildlife (eCITES), Rapid Alert Systems for Feed and Food (RASFF) and the electronic Animal Passport (eAP)
- SPECA Principles for Sustainable Trade

Harnessing People-First PPPs

- People-First PPP Principles and Project Evaluation Methodology for resilient infrastructure and public services in the face of emergencies

Harnessing innovation to drive a sustainable recovery

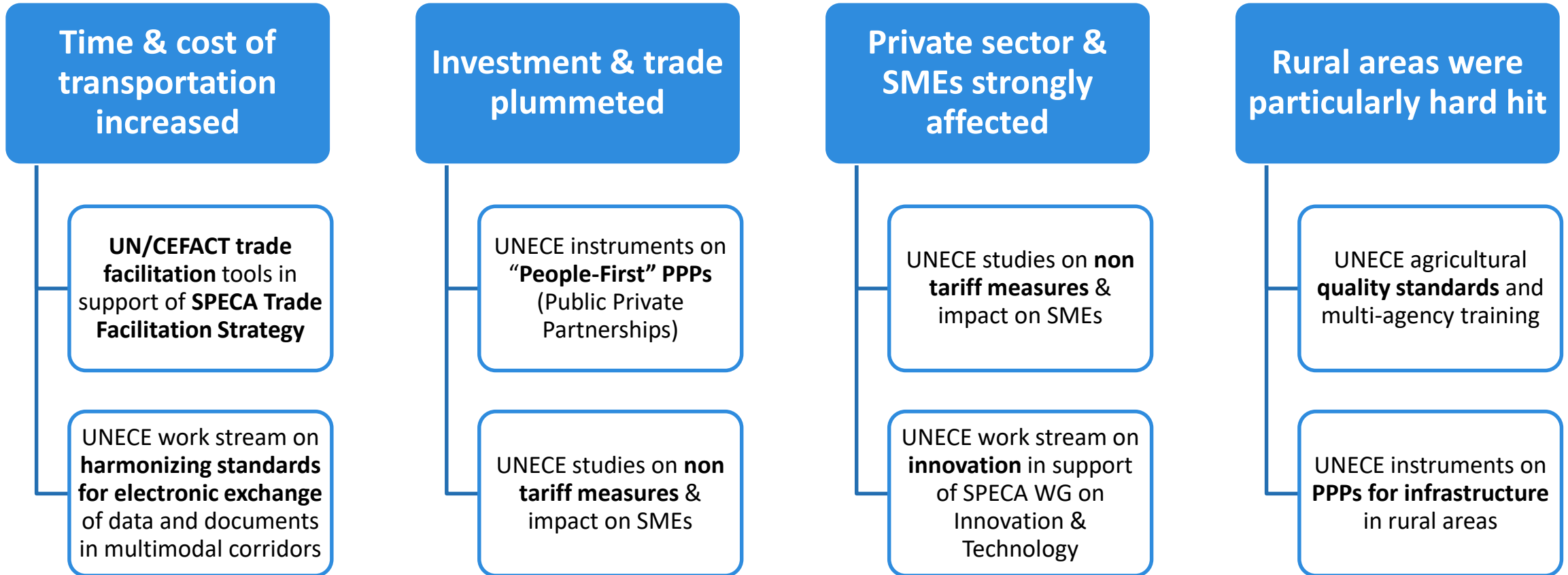
- Regular policy dialogue and capacity building, I4SD Reviews and peer-reviewed policy recommendations
- Surveys on innovation in Eastern Europe and South Caucasus

Source: ECTD, based on: Responding to the Socio-Economic Impacts of the COVID-19 Pandemic in the UNECE Region, June 2020.

COVID-19-Induced Challenges in SPECA: Selected UNECE ECTD Response Tools



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Source: UNECE, ECTD

UNECE tools on innovation & public private partnerships (PPPs) also offer cross-cutting responses

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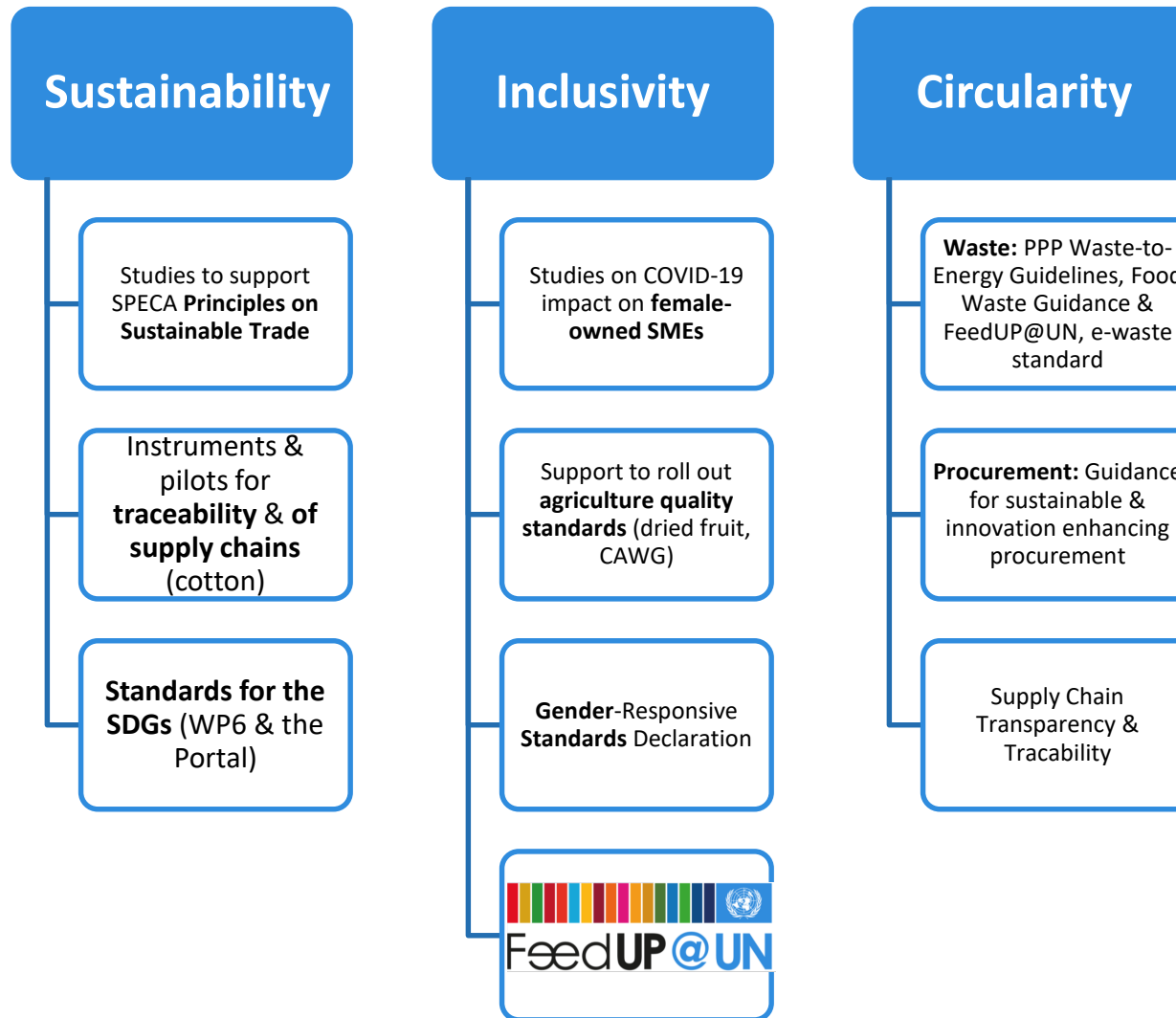
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Building-Back-Better: Selected UNECE ECTD Response Tools



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Source: UNECE, ECTD

Building-Back-Better: Fostering Sustainability (Example)



SPECA Principles on Sustainable Trade

Adopted in November 2019, at Ashgabat Trade Working Group

Aimed to drive transition to an inclusive green & circular economy, that

- Enhances trade opportunities, by
- Integrating into **value chains, opening new export markets** for environmental goods & services & **facilitating investment**

Implementation supported by UNECE through six analytical studies

- Analysing current & potential strengths & weaknesses of SPECA countries from policy, legal & economic perspectives
- Developing policy options for the way forward for more sustainable, diversified & circular trade approach in SPECA countries
- To be combined into a regional study with recommendations for the SPECA region



Traceability of Value Chains

Advancing sustainability through transparency & traceability of value chains, to transform sectors that are particularly resource intensive

- **Can foster sustainability** by identifying hotspots, tracing the use of resources, and linking to norms and standards
- **Can help create export opportunities** for circular/sustainable goods

Enhancing Transparency and Traceability for Sustainable Value Chains in the Garment and Footwear industry

UNECE Tools: Policy Recommendation (No 46, ongoing public review) + Guidelines + Call to Action & Traceability Standard.

Can help to:

- Enable robust **sustainability claims** about products and processes
- Empower consumers to make **informed consumption choices** (reliable information)
- Allow for better access to **public incentive systems** for advancing green & circular economy



Building-Back-Better: Inclusivity (Example)

Reducing Food Loss and Waste

THE SOLUTION

THE PROBLEM

#FoodLossAndWaste – Circular economy in action

- Making the business case for digital agri trade and data collection for “invisible food”
- Creating and enabling alternative flexible, fast reacting trade supply chains for food currently lost or wasted along the entire supply chain

- 88 million tonnes of food waste generated annually (€143 billion)
- Set to rise to around 126 million tonnes by 2020



THE PRODUCT



UNECE's Smart Food Loss Management System



- Systematic tracing of food loss
- Data generation

- Online blockchain-supported marketplace



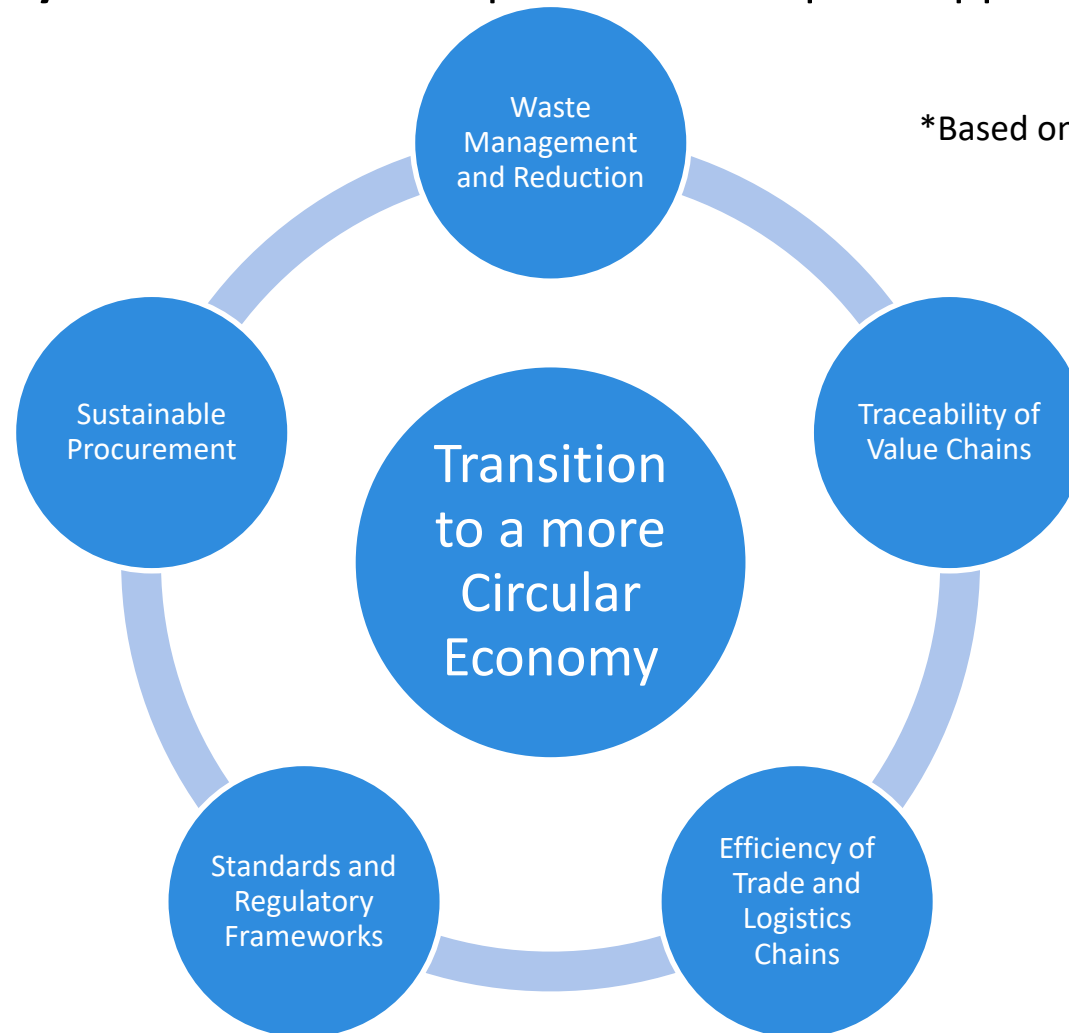
Building-Back-Better: Circularity (Overview)

5 Entry Points for ECTD: a possible conceptual approach*

*Based on existing mandates and deliverables.

3 Means of Implementation for the 2030 Agenda

- Trade
- Innovation
- Finance (e.g. PPPs)



3 Sector Examples

- Agriculture
- Agri-food
- Garments and footwear

Source: UNECE, ECTD

Building-Back-Better: Circularity (Example)



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Waste Management & Reduction

Advancing circularity by fostering reduction and reuse of waste

- Linear economy: waste is thrown away
- Circular economy: waste is seen as a valuable resource (“reuse, recycle, repurpose”)

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- Advocates the end of “throwaway” culture/mentality
- Focuses on new highly valued activities (e.g. Waste-to-Energy), topical issues (e.g. food waste/loss) and multilateral cooperation (e.g. Basel Convention)
- Engages with member States on the CE to foster transition

UNECE Guide on Promoting Best Practices People-first PPP Waste-to-Energy Projects

- Draft, for Dec. 2020 WP on PPP

UN/CEFACT Standard for the Transboundary Movement of Waste

- Allows the tracking & tracing of transboundary movements of hazardous waste & its disposal/exchange in compliance with the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal



The total amount of global waste expected to be generated by 2050 is estimated to increase **by 70 percent** from current levels

ECTD Norms, Standards & Support Tools to Advance Circularity



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Traceability of Value Chains

- Improving transparency & traceability of value chains, to transform sectors that are particularly resource intensive

- UN/CEFACT work stream for transparency & traceability of sustainable & circular garment and footwear products & processes
- Recommendation, Standard and Call to Action (under development)

Sustainable Procurement

- Integrating circularity principles into public procurement criteria

- UN/CEFACT Recommendation on Sustainable Procurement (2019)
- UNECE's Good International Policy Practices on Innovation for the Circular Economy (2018)
- UNECE Policy Note (forthcoming), following ToS ICP virtual meeting (Oct 2020)

Waste Management & Reduction

- Fostering reduction & reuse of waste

- UN/CEFACT Standard for the Transboundary Movement of Waste (2008)
- Code of Good Practice for Food Loss and Waste Prevention (2019), Methodology for Food Loss and Waste Measuring (2019), FeedUP@UN – just launched
- Guide for Promoting Best Practices f. Waste to Energy Industry (draft, for Dec. 2020 WP on PPP)

Standards & Regulatory Frameworks

- Harnessing the power of standards and regulatory cooperation

- UNECE Portal on Standards for the SDGs
- UNECE Studies on Regulatory and Procedural Barriers to Trade

Efficiency of Trade & Logistics Chains

- Using new technologies to make trade logistics chains more efficient and circular

- UN/CEFACT's more than 400 electronic messages covering the entire supply chain, clear semantic libraries for electronic data exchanges and over 40 recommendations aiming to simplify trade procedures (ex. Buy-Ship-Pay)



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THANK YOU!