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Summary of the work of the Economic Commission for Europe, 2021–2022

Note by the Secretary-General

The Secretary-General has the honour to transmit herewith a summary of the work of the Economic Commission for Europe for the period 2021–2022.



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Summary

The recent implementation of the 2030 Agenda for Sustainable Development in the Economic Commission for Europe (ECE) region has taken place in a context in which countries have continued to struggle to leave behind the coronavirus disease (COVID-19) pandemic and deal with its legacy. The pandemic has given a fresh impulse to existing trends or heightened ongoing concerns, resulting in a renewed emphasis on digitalization and resilience. The urgency of climate change action and the need to reduce environmental pressures and their detrimental impact on pollution and biodiversity are prompting a search for policy initiatives that facilitate a green transition, including through a shift to a more circular economy. These issues have been well reflected in the work of ECE, which has continued to support its member States in crafting responses to these challenges.

Normative outputs have been developed to address these problems, followed by policy advice that is increasingly integrated, thus bringing together ECE expertise across multiple sectors to provide recommendations in which different perspectives are taken into consideration. ECE has complemented the focus on normative development and policy advice with increased efforts to mobilize different types of partners, including successful initiatives to engage the private sector and local authorities. In a region where gaps among the States members of the Commission remain wide, the provision of technical assistance remains a critical concern for ECE.

I. Introduction

1. Over the past year, the Economic Commission for Europe (ECE) has continued to support its member States in addressing the multiple challenges that the region faces, as it seeks to leave behind the legacy of the coronavirus disease (COVID-19) pandemic and accelerate the still-insufficient progress towards the implementation of the 2030 Agenda for Sustainable Development. In developing normative outputs, ECE has sought to better confront these challenges and deal with new issues that require attention. Policy advice is increasingly integrated, bringing together ECE expertise across multiple sectors to provide recommendations in which different perspectives are taken into consideration. This integration has been particularly clear in the ongoing work on the circular economy, which was given an important impulse at the sixty-ninth session of the Commission, and on other activities related to environmental protection.

2. A vast array of analytical products has increased knowledge of the situation and the available policy options, thus providing a solid foundation for the assistance rendered to member States. ECE has complemented the focus on normative development and policy advice with increased efforts to engage and mobilize different types of partners. These efforts have targeted a broad range of actors, including successful initiatives to engage with local authorities and the private sector. The provision of technical assistance remains an important priority in ECE activities, as there is a need to bridge gaps in a region where differences among the States members of the Commission are significant.

3. Addressing climate change is central to the implementation of the 2030 Agenda, and many different streams of ECE work are related to this challenge in a year marked by the twenty-sixth session of the Conference of the Parties to the United Nations Framework Convention on Climate Change, held in Glasgow, United Kingdom of Great Britain and Northern Ireland.

II. Advancing the implementation of the 2030 Agenda for Sustainable Development in the region

4. The recent implementation of the 2030 Agenda in the ECE region has taken place in a context in which countries have continued to struggle to leave behind the COVID-19 pandemic and deal with its aftermath. The pandemic has given a fresh impulse to existing trends or heightened ongoing concerns, resulting in a renewed emphasis on digitalization and resilience. The urgency of climate change action, as well as the need to reduce environmental pressures and their detrimental impact on pollution and biodiversity, are prompting a search for policy initiatives that facilitate a green transition, including through a shift to a more circular economy. These are issues that are well reflected in the work of ECE, which has continued to support its member States in crafting responses to these challenges.

5. The pace of implementation in the region remains mixed. The 2022 report prepared by ECE on progress in the achievement of the Sustainable Development Goals showed that, on the basis of the data available so far, which do not yet fully cover the impact of the COVID-19 pandemic, the region will, by 2030, have achieved only 26 of the Goals' targets, which represent a quarter of all the targets for which there is sufficient evidence. Importantly, these indicators of progress mask significant differences across countries. ECE aims to provide a platform for countries to share experiences and render assistance that is tailored to national needs so that these differences can be bridged.

6. Normative outputs, which are the core concern of ECE work, are critical in prompting and shaping actions in support of the 2030 Agenda. ECE has continued to facilitate the implementation of existing frameworks while developing and adapting normative production to tackle relevant issues that have continued not to be fully addressed. Increased attention has been paid to the engagement of multiple actors and governance questions in cross-sectoral settings where different stakeholders are involved. This orientation aims to increase the effectiveness of policymaking and the impact of collective action to accelerate the achievement of the Goals.

7. ECE multilateral environmental agreements have made a critical contribution to tackling environmental problems in the region. In particular, the reduction of air pollution under the Convention on Long-range Transboundary Air Pollution in recent decades embodies a major success of international cooperation. New guidance has been adopted to help the implementation of the amended Protocol to Abate Acidification, Eutrophication and Ground-level Ozone (Gothenburg Protocol), which entered into force in 2019, opening new ground for the reduction of air pollutants in the region.

8. The guidance concerned agricultural waste burning, which has many negative economic and environmental impacts, ranging from air pollution, greenhouse gas emissions and soil erosion to loss of biodiversity and soil nutrients. By contrast, fire-free methods not only eliminate emissions of air pollutants and greenhouse gases, but also provide some level of adaptation and resilience to climate change and extreme weather events, showcasing the synergies between air and climate policies.

9. Agricultural practices were also the topic of a new assessment report on ammonia. In order to avoid damage to ecosystems and health, a 30–50 per cent reduction in ammonia emissions is required in areas of the ECE region with a high density of livestock and use of nitrogen fertilizers. While the damage caused by ammonia emissions to public health and ecosystems costs €10–€25 per kilogram of ammonia, abatement measures are cost-efficient and vary from €0 to €4 per kilogram of ammonia for most countries.

10. Decisions in 2022 on the future of the Gothenburg Protocol, which has been undergoing a review process, will be a milestone in how the Convention will further evolve in the years to come. Key to the Convention's success in the future will also be stronger cooperation both within and beyond the ECE region. Recognizing this need, the parties launched a new initiative in 2019, the forum for international cooperation on air pollution. In 2021, a new Task Force for International Cooperation on Air Pollution was established, operationalizing the work under the forum initiative.

11. The COVID-19 pandemic has served as a crucial reminder that water, sanitation and hygiene are the first line of defence against the spread of infectious diseases. ECE, together with the World Health Organization (WHO) Regional Office for Europe, provides joint secretariat services for the Protocol on Water and Health to the 1992 Convention on the Protection and Use of Transboundary Watercourses and International Lakes. Work under the Protocol has explored how to build back better from the pandemic, and how to attract investments and close the financing gap for the water and sanitation sector, which is key to accelerating the achievement of Goal 6.

12. ECE, as a co-custodian agency for indicator 6.5.2 of the Goals, on transboundary water cooperation, completed the second reporting exercise on the indicator in 2021. The exercise was a success, as 129 of 153 countries that share transboundary waters responded to the request to report on the indicator. All parties to the Convention on the Protection and Use of Transboundary Watercourses and International Lakes submitted national reports. Such a high response rate despite the pandemic demonstrated countries' strong commitment to reporting on the status of transboundary water cooperation. These national reports have informed policy

processes, such as the preparation of voluntary national reviews and the high-level meeting on the implementation of the water-related goals and targets of the 2030 Agenda.

13. Addressing risks before they materialize is in line with the preventative orientation of the 2030 Agenda. The ECE Convention on the Transboundary Effects of Industrial Accidents (Industrial Accidents Convention) has for more than 20 years contributed to the prevention of, preparedness for and the response to industrial accidents.

14. In line with the long-term strategy for the Convention until 2030, aligned with the Sustainable Development Goals and the Sendai Framework for Disaster Risk Reduction 2015–2030, ECE launched a new process of national policy dialogues on industrial safety in Serbia and the five Central Asian countries. The goal is to establish intergovernmental cooperation mechanisms that bring together authorities in charge of industrial safety, State inspections, environmental management and emergency situations, among others. National policies and legislation are reviewed in line with the requirements of the Convention.

15. Some additional work has been carried out in Central Asia. In Kazakhstan and Tajikistan, dedicated inter-institutional working groups on tailings safety and the prevention of accidental water pollution have been established to consider, among other aspects, the possible effects of climate change on tailings management facilities through natural hazard-triggered technological (Natech) accidents. In addition, ECE has supported four Central Asian riparian countries in preventing and mitigating water pollution in the Syr-Daria river basin, under both the Industrial Accidents Convention and the Convention on the Protection and Use of Transboundary Watercourses and International Lakes. Both industrial and water-related pollution sources are mapped and analysed, while lessons are drawn from past accidents, with the ultimate goal of supporting mitigation of and adaptation to future climate change impacts.

16. Putting the post-COVID-19 recovery on a solid foundation that addresses the future implications of actions from multiple perspectives is a common aspiration, as member States seek to give content to their programmes to build back better. The ECE Convention on Environmental Impact Assessment in a Transboundary Context (Espoo Convention) and its Protocol on Strategic Environmental Assessment contribute to countries' implementation of a wide range of Sustainable Development Goals, through the incorporation of environmental and health concerns in the early stages of development plans and projects. These normative instruments can play a role in a healthy and green recovery from the COVID-19 pandemic and the prevention of future pandemics, by ensuring a prior assessment of significant environmental and health impacts of activities, plans and programmes, in close consultation with environmental and health authorities.

17. In 2021, ECE, jointly with the Organization for Security and Cooperation in Europe, continued to strengthen national and regional capacities and cooperation on strategic environmental assessment in Central Asia, to promote sustainable economic development and address climate change in Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan. As a result, detailed action plans for the establishment of strategic environmental assessment systems in each country were developed.

18. Over the past year, great strides have been made in the development of environmental monitoring and assessment systems, which have a fundamental role in tracking environmental protection and the exposure of human beings to hazardous substances and pollution, and in measuring progress in policy implementation. While gaps that need to be addressed remain, member States have successfully established national environmental information systems, making environmental information and data available and accessible to various users, with the support of ECE, the European

Union, the European Environment Agency and the United Nations Environment Programme (UNEP). This was confirmed in the final review report on the establishment of the Shared Environmental Information System ([ECE/CEP/AC.10/2021/6](#)), which will be forwarded to the ninth “Environment for Europe” Ministerial Conference (5–7 October 2022).

19. Supportive normative frameworks are required in order to collect and assess the necessary environmental information and take appropriate decisions that are not only technical but also respectful of the rights of all involved. The ECE Convention on Access to Information, Public Participation in Decision-making and Access to Justice in Environmental Matters (Aarhus Convention) plays a critical role in this regard. An important focus of the work under the Convention has been improving the protection of environmental defenders through a rapid response mechanism. Pollutant release and transfer registers have been promoted as a useful tool for decision-making in various areas, such as public health, resource consumption, urban planning and emissions reduction.

20. In addition, efforts have been made, inter alia, to adapt to and take advantage of technological developments to meet the Convention’s goals. Recommendations have been adopted to promote the use of electronic tools in line with digitalization trends, while the participation of vulnerable and marginalized groups in decision-making has been sought. Transparency and public engagement in decision-making in critical areas such as geoengineering, biosafety and – in relation to genetically modified organisms, energy and climate – the extractive industries sector, are paramount concerns.

21. Parties to the Convention received assistance to improve their legislation and practice regarding access to information, public participation in decision-making and access to justice in such areas as oil and gas extraction, gold mining, nuclear power plants, renewable energy, power lines, urban and spatial planning, litter, forestry, and the safety of environmental defenders.

22. The complexity of certain problems demands integrated advice that cuts across various policy areas and economic sectors to draw on the comparative lessons that the experiences of other countries offer. The ECE Environmental Performance Reviews Programme continued to support countries’ efforts to enhance environmental performance and advance the implementation of the 2030 Agenda, tackling multiple issues with an environmental impact. The latest example is the third environmental performance review of Romania, published in 2021, which provides the Government with 61 recommendations to enhance the environmental performance of the country. In the second review of Morocco, which will be published in 2022, 80 Sustainable Development Goal targets are reviewed.

23. In addition, ECE helped countries in South-East Europe to develop relevant policy options to support the achievement of the Goals, mitigate and recover from the COVID-19 pandemic and take action to reduce the effects of future possible pandemics, building on the work done on environmental performance reviews in those countries. In Uzbekistan, ECE is supporting development partners’ efforts to assist the Government in the preparation of a green growth strategic framework to advance the green transition, including in relation to circularity issues.

24. The transport sector, in particular, is called upon to make a central contribution to the green transition while representing a major source of economic dynamism, both directly and through its impact on facilitating connectivity. ECE has developed the normative backbone for this critical sector through the work of the Inland Transport Committee, which celebrated its seventy-fifth anniversary in February 2021. The Committee oversees 59 conventions and other legal instruments that have formed the core international regulatory framework for inland transport regionally and globally.

Today, 151 States Members of the United Nations are contracting parties to at least one of the conventions.

25. In a ministerial resolution entitled “Ushering in a decade of delivery for sustainable inland transport and sustainable development” ([ECE/TRANS/2022/2](#)), Member States expressed their commitment to building on the progress made by the Committee in creating safer, more accessible and sustainable inland transport, while also embracing new, changing technology, and stressing the need to address challenges such as climate change and disruptions caused by the pandemic.

26. The digitalization of transport instruments remains an important area of work. On 25 May 2021, the package of amendment proposals introducing the computerized TIR procedure, known as eTIR, entered into force. The procedure not only further secures the TIR system but also allows paperless and contactless border crossing for goods. This is particularly significant in view of the COVID-19 pandemic, thus contributing to the safety of drivers and customs officers.

27. Further digitalization initiatives have been taken in relation to the rules for transporting goods internationally, which are covered by the Convention on the Contract for the International Carriage of Goods by Road. Until recently, consignment notes existed only in paper form. However, with the creation of the electronic consignment note, there has been a shift towards an electronic format, making border crossing and shipping faster and contactless. A Group of Experts has been established to discuss the requirements that would enable the electronic consignment note to become the new standard.

28. For landlocked countries, improving connectivity represents a major aspiration to facilitate increases in prosperity. Transport connectivity has multiple dimensions, including both domestic and bilateral or subregional perspectives and the impact of soft and hard infrastructure. ECE, in cooperation with the Economic and Social Commission for Western Asia and the Economic Commission for Latin America and the Caribbean, has developed a set of 215 sustainable inland transport connectivity indicators as part of a United Nations Development Account-funded project on sustainable transport connectivity and implementation of transport-related Sustainable Development Goals in selected landlocked and transit or bridging countries. The indicators also offer Governments the possibility to measure the extent to which they implement the relevant United Nations legal instruments, agreements and conventions, and the degree to which their inland transport systems are interoperable with the systems within their respective subregions.

29. Transport not only has implications for the planet and prosperity but can also have direct negative impacts on human health. Unfortunately, global progress in addressing the challenges of road safety remains limited; accordingly, a new impulse has been provided. The core United Nations road safety conventions under the purview of the Inland Transport Committee, as well as the Committee Recommendations for Enhancing National Road Safety Systems, have been integrated in the Global Plan for the Decade of Action for Road Safety 2021–2030. The Global Forum for Road Traffic Safety has continued its work in ensuring that new technology is accompanied by new traffic rules when necessary.

30. As a unique financing mechanism connecting expertise across United Nations organizations and uniting Governments, the private sector and all stakeholders, the United Nations Road Safety Fund, whose secretariat is hosted by ECE, can be a catalyst for the investments necessary for safer transport. The Fund mobilized \$18 million for its first phase in 2018–2021, and has launched 10 new projects in 14 low- and middle-income countries. In 2022, it launched a platform for engagement on low-carbon cities, which will discuss how to improve road safety, and integrate it into sustainable mobility and transport infrastructure planning and design.

31. The transport sector also has an indirect impact on health. The COVID-19 pandemic showed the important role of active mobility and the need to strengthen resilience to crises and disasters. At the fifth High-level Meeting on Transport, Health and Environment (17–18 May 2021), it was agreed that post-pandemic recovery packages needed to focus on innovative approaches to expanding clean, safe, healthy and inclusive mobility and transport, including by reducing car dependency, improving rail traffic and public transport, and significantly increasing safe walking and cycling.

32. The Pan-European Master Plan for Cycling Promotion, a first-of-its-kind initiative, was adopted at the Meeting. Implementing the Plan, which is intended to double cycling in the region by 2030, could unlock major benefits, preventing 30,000 premature deaths (primarily from increased physical activity) and reducing greenhouse gas emissions by 8 million tons of carbon dioxide equivalent per year.

33. The pandemic brought increased attention to the importance of transport and mobility but also, as lockdowns were imposed and remote working practices adopted, to housing. Moreover, realizing the aspiration to leave no one behind requires addressing housing problems, which are a key influencer of living conditions. Approximately 50 million people in the ECE region live in inadequate housing conditions. Based on a survey in which housing affordability challenges, policies and priorities for member States were analysed, the *#Housing2030* report, developed by ECE, the United Nations Human Settlements Programme and Housing Europe, provided solutions to the housing affordability crisis in the region. In the report, existing policy instruments and good practices were highlighted in four areas: housing governance and regulation; access to finance and funding; access and availability of land for housing construction; and climate-neutral housing construction and renovation.

34. The pandemic highlighted the urgent need to strengthen urban economic resilience, which requires rethinking urban planning and policymaking. At the Ministerial Meeting on Urban Development, Housing and Land Management 2021, held on 6 and 7 October that year, member States endorsed *Place and Life in the ECE – A Regional Action Plan 2030: Tackling challenges from the COVID-19 pandemic, climate and housing emergencies in region, city, neighbourhood and homes* ([ECE/HBP/2021/2](#)) to assist Governments and cities in addressing the challenges brought about by the COVID-19 pandemic for an already stretched affordable housing system across the region. The Plan is intended to tackle inequalities, strengthen the capacities of local actors, and pursue a green, resilient and inclusive economic recovery.

35. ECE has developed evidence-based recommendations to support local authorities in their efforts to address the ravages of the pandemic. The “Regional policy brief on building urban economic resilience during and after COVID-19 in the UNECE region” was based on the principles of policy coherence; participatory, people-centred approaches; and knowledge-sharing. Addressing the needs of the most vulnerable is central to the implementation of the 2030 Agenda. To support this goal, ECE published the COVID-19 Recovery Action Plan for Informal Settlements in the ECE Region ([ECE/HBP/WP.7/2021/7](#)), covering nine broad policy areas with detailed goals, targets and proposed actions.

36. Cities’ growing role in the implementation of the 2030 Agenda has led to increased global attention on the localization of the Sustainable Development Goals. To further support such localization, the Guidelines for the Development of Voluntary Local Reviews in the ECE Region ([ECE/HBP/2021/4](#)) were developed, providing a useful tool for cities and subregions to catalyse action towards the Goals and to support efforts to recover economically and socially from the COVID-19 pandemic.

Many cities in the ECE region, mostly in Western Europe, have developed and published voluntary local reviews, but very few cities in countries with economies in transition have developed similar initiatives. ECE intends to organize exchanges of experiences and provide other forms of support to facilitate more widespread use of voluntary local reviews in the region.

37. The annual Regional Forum on Sustainable Development for the UNECE Region (6 and 7 April 2022), as the prominent sustainable development platform in the region, brought multiple stakeholders together to share experiences and perspectives concerning the Goals that are under in-depth review at the 2022 high-level political forum on sustainable development and the overall challenges faced by the region. Following the outbreak of the COVID-19 pandemic and its adverse impacts on the achievement of the Goals, discussions related to the 2030 Agenda have focused on exploring policy options that simultaneously accelerate progress towards the Goals and achieve a sustainable, resilient COVID-19 recovery. The war in Ukraine was noted as a major factor that is derailing the achievement of the Goals and clouding further progress.

III. Strengthening the means of implementation of the 2030 Agenda

A. Data and statistics

38. Informed decision-making and progress assessment require integrated, relevant, timely and easily accessible data. Adequate monitoring programmes, data and information management systems, and assessment and reporting routines must be in place.

39. The work of ECE on statistics facilitates country-led reporting of statistics for the Sustainable Development Goals in three main ways. First, ECE is supporting national statistical offices as providers and national coordinators of statistics related to the Goals. That support includes the preparation of a number of practical tools to facilitate the implementation of the Conference of European Statisticians Road Map on Statistics for Sustainable Development Goals at the country level. The second edition of the Road Map was published in February 2022. By the end of 2021, 43 countries in the ECE region had established national reporting platforms.

40. Second, ECE has started regular reporting on the progress of its member countries in implementing the Goals. In March 2022, the second report on the implementation of the 2030 Agenda in the ECE region, entitled “Is the UNECE region on track for 2030?”, was prepared. In the report, progress in the region was assessed with a common methodology used by the five regional commissions. The report featured stories from the United Nations country teams and agencies active in the region, and took a closer look at how various regional and country-level actions relate to sustainable development outcomes.

41. In 2021, ECE continued to maintain and improve its regional platform for statistics related to the Goals, launched in 2020. The platform consists of a knowledge hub, and a dashboard and database of selected indicators. The purpose of the platform is to communicate developments on measuring progress towards the Goals in the ECE region, provide easy access to up-to-date indicators on implementing the Goals, and disseminate data and metadata. In 2021, the Russian version of the dashboard became available.

42. Third, ECE carries out methodological work and national statistical capacity development to inform policy decisions on demographic, social, economic and

environmental statistics, for the achievement of the Goals. Five methodological guidelines, which were developed in cooperation with multiple partners, were endorsed by the Conference of European Statisticians. They addressed the following topics: waste statistics; assessing the quality of administrative sources for use in censuses; statistics for the Goals; measuring social exclusion; and producing consumer price indices under lockdown. Six draft guidelines and recommendations were prepared for discussion by the Conference in 2022, covering such issues as statistics on children, measuring new forms of employment, the value of official statistics, migration, and measuring the impact of the COVID-19 pandemic on women and men.

43. The work of ECE on statistics is particularly attentive to new developments and emerging issues. In 2021, the ECE High-level Group for the Modernization of Official Statistics implemented two priority projects: the input privacy preservation project and the synthetic data guide project. Two ECE publications were prepared on the basis of project outputs from previous years: *Strategic Communications Framework for Statistical Institutions* and *Machine Learning for Official Statistics*.

44. Capacity-building initiatives have helped to translate methodological work into real change. ECE carries out assessments to analyse the progress of countries that have developing statistical systems in implementing international standards and complying with the Fundamental Principles of Official Statistics. In 2021, ECE finalized an assessment of the national statistical system of Kyrgyzstan. Various online training workshops and webinars for the countries of Eastern Europe, the Caucasus and Central Asia were held. Capacity development funds were refocused on COVID-19 resilience activities in a number of countries.

45. Besides general work on statistics, ECE carries out specific sectoral activities, in particular on environmental data. The Joint Task Force on Environmental Statistics and Indicators, at its session in October 2021, adopted a set of priority indicators from the revised ECE environmental indicators for future application. The revised indicators will support member States in improved decision-making and in measuring progress towards global, regional and national policies, including policies for emerging topics. Various training materials on environmental monitoring and assessment have been developed, including on the revised indicators.

46. Over the past year, the ECE Environmental Monitoring and Assessment Programme carried out a series of capacity-building events on environmental data production and use in policymaking and for informing the public. Good practices and innovative approaches, such as tracking COVID-19 through wastewater monitoring, were presented.

B. Finance

47. ECE has been developing normative standards and policy guidance regarding public-private partnerships for many years, complementing that normative work with a range of policy advisory and capacity-building activities. The adoption in 2021 of the ECE People-first Public-Private Partnerships Evaluation Methodology for the Sustainable Development Goals for assessing the conformity of projects with the Goals and the ECE guiding principles for people-first public-private partnerships marked a new milestone. The Methodology was used to rate 66 projects from 25 countries, including from outside the ECE region, in a competition on initiatives to “build back better” from the COVID-19 pandemic. The Methodology has also been piloted in Ukraine to help to guide investments for a resilient, inclusive and sustainable post-COVID-19 recovery. In addition, the use of circularity principles on public-private partnerships has become an important area of normative work.

48. In cooperation with its partners in the United for Smart Sustainable Cities initiative, ECE developed a compendium of innovative financing for smart cities projects which uses the People-first Public-Private Partnerships Evaluation Methodology. Based on the use of the Methodology, ECE supported several cities, including Bishkek and Podgorica, in the preparation of bankable projects on urban infrastructure.

49. ECE has also developed guidance on funding and financing transboundary water cooperation and basin development in a publication in which experiences, options and opportunities are reviewed. More than 60 per cent of the world's freshwater flow is shared between two or more riparian States; the sustainable and cooperative management of transboundary water resources is therefore crucial for access to water and sustainable development, as well as regional stability and peace. However, many countries and basins struggle to identify and mobilize the funding needed for transboundary water cooperation processes and basin development projects.

50. ECE also contributes to facilitating the engagement of international financial institutions and dialogue among stakeholders to mobilize the necessary financing. In this regard, ECE concluded a memorandum of understanding with the European Investment Bank that will contribute to expanding the use of ECE legal instruments and disseminating its standards and good practices on practical investment decisions more widely.

C. Trade

51. The COVID-19 pandemic created unprecedented disruptions in the global economy and severely depressed world trade. Reigniting trade as a driver of economic dynamism is an important component of recovery efforts. The supply chain bottlenecks created by the pandemic have highlighted the significance of resilience and the role that infrastructure plays in ensuring trade flows and facilitating diversification.

52. ECE and its subsidiary body, the United Nations Centre for Trade Facilitation and Electronic Business, have contributed to building digital infrastructure by introducing a set of aligned standards for the digitalization of intermodal transport data exchanges to ensure effective and uninterrupted global supply chain cargo movements. This includes work done in the context of the United Nations Development Account-funded project on transport and trade connectivity in the age of pandemics.

53. Food prices increased sharply in 2021, reaching an all-time high in early 2022. In this adverse context, facilitating exchanges to alleviate supply bottlenecks and contain the growth of prices is of paramount importance. The long-standing work of ECE on trade facilitation helps to make trade more efficient by enhancing the electronic exchange of information, including through the development of a number of business standards by the United Nations Centre for Trade Facilitation and Electronic Business to facilitate trade in and the traceability of agricultural and food products, such as the electronic sanitary and phytosanitary certificate. The ECE agricultural quality standards, close to 20 of which were revised and/or adopted in 2021, facilitate trade in fresh fruit and vegetables, nuts and dried fruit, meat and seed potatoes by providing a common terminology, thus reducing transaction costs and risk. The ECE Code of Good Practice for Reducing Food Loss in Handling Fruit and Vegetables, revised in 2021, and related guidance help to reduce food loss and waste in agricultural supply chains.

54. Micro-, small and medium-sized enterprises are the backbone of many economies, including transition economies in the ECE region. Such enterprises have

been particularly exposed to the pandemic's economic impact and trade-related challenges. ECE COVID-19 impact assessment studies for micro-, small and medium-sized enterprises in selected transition economies, including studies focusing on women-owned businesses, provided concrete recommendations and policy options to address pandemic-induced challenges and harness trade opportunities for such enterprises.

55. The COVID-19 pandemic has shown that digital tools offer the potential to make trade more efficient and more inclusive, including for micro-, small and medium-sized enterprises. However, it is critical to prevent uneven deployment and regulatory fragmentation. Timely and harmonized standards can play a pivotal role in shaping the digital transformation process, complementing regulations and contributing to good governance. ECE and United Nations Centre for Trade Facilitation and Electronic Business standards offer a harmonized approach, developed in a multi-stakeholder context and adopted through the ECE intergovernmental machinery. That role has been recognized in the recent World Trade Organization-International Chamber of Commerce Standards Toolkit, which includes a number of standards developed by the Centre.

56. The pandemic heightened concerns regarding sustainability and resilience, leading to an increased interest in the circular economy, and trade is essential to scaling up circularity approaches. ECE has engaged in multiple experience-sharing and analytical activities to support policymaking in these areas. This includes the establishment of "Circular STEP", a stakeholder engagement platform to accelerate the circular transition in the ECE region. Policy papers on trade and the circular economy and related topics have been prepared, supported by the creation of the platform. In addition, assistance has been provided to the implementation of the principles of sustainable trade established by the United Nations Special Programme for the Economies of Central Asia, and a new team of specialists on environmental, social and governance traceability of sustainable value chains in the circular economy has started its work.

57. In line with Goal 17, the value of an open, non-discriminatory and equitable multilateral trading system has been further reinforced by the pandemic. Several ECE member States are still in the process of acceding to the World Trade Organization. ECE supports them through its technical assistance activities and analytical tools, including studies on regulatory and procedural barriers to trade, such as those recently undertaken in Serbia and Uzbekistan.

D. Innovation

58. Innovation is central to sustained increases in prosperity and to fostering sustainable development. Its relevance has increased as countries try to cope with the more adverse economic environment created by COVID-19. For the countries in Eastern Europe, the Caucasus and Central Asia, accelerating innovation and raising productivity are central to reducing income gaps with other parts of the region. ECE supports these countries through multiple activities. Over the past year, many of the recommendations from the *Subregional Innovation Policy Outlook* have been implemented, including through the development of new programmes to enhance innovation capabilities.

59. The Innovation for Sustainable Development Reviews continued to engage a broad range of stakeholders to produce analysis and recommendations to improve innovation performance. After the publication of the review of the Republic of Moldova, the review of Armenia is under preparation. In Uzbekistan, the forthcoming review is expected to feed into and help to shape the country's strategy for innovative

development for the period 2022–2030. ECE supported Kyrgyzstan with the development of an innovation road map, drawing on recommendations of the Innovation for Sustainable Development Review, the Innovation Strategy for Sustainable Development of the United Nations Special Programme for the Economies of Central Asia and national priorities for innovation policy and sustainable development.

60. To guide reform efforts to foster the development of innovative high-growth enterprises in Armenia, Azerbaijan, Belarus, Georgia, the Republic of Moldova and Ukraine, ECE published a policy handbook outlining principles, examples and good practices for private sector support.

E. Technical cooperation

61. In 2021, ECE continued its efforts to strengthen collaboration with the 17 United Nations programme countries in the ECE region. It implemented a number of targeted field projects in response to the impact of COVID-19, with funding from the United Nations Development Account and in cooperation with other United Nations entities and national Governments and agencies, including on transport and trade connectivity in the age of pandemics; social protection for pandemic responses, from identifying the vulnerable to building resilience; a global initiative towards post-COVID-19 resurgence of the micro-, small and medium-sized enterprises sector; and building urban economic resilience during and after COVID-19.

62. ECE also launched five cross-sectoral small-scale field projects, funded from the regular programme on technical cooperation, in the areas of energy, transport, environment, housing and innovation, complementing the regular advisory services provided by the regional advisers.

63. ECE was actively engaged in providing support to the 17 programme countries of the region in the implementation and preparation of the new cycle of United Nations Sustainable Development Cooperation Frameworks. This included participation in the results groups, integrating ECE activities into the joint workplans, annual United Nations country team reporting, and active engagement to develop six new Cooperation Frameworks for 2022–2026 and 2023–2027 for Albania, Kyrgyzstan, Montenegro, the Republic of Moldova, Tajikistan and Ukraine.

IV. Spotlight on climate action

64. The 2022 report prepared by ECE on progress in the achievement of the Sustainable Development Goals showed that more rapid change is required on climate action in the region to meet related 2030 Agenda targets. Available data so far are not encouraging: in critical targets, such as climate change policy, existing trends need to be reversed to meet targets by 2030. There have been advances in increasing the share of renewable energy or raising energy efficiency, but an acceleration is needed. Through its multiple streams of work, ECE is assisting its member States to step up the pace of change and meet the urgent challenges of climate change mitigation and adaptation.

65. The built environment and the construction sector are central to tackling climate change, as buildings consume 70 per cent of electricity globally and account for 40 per cent of carbon dioxide emissions. ECE relaunched its High-Performance Buildings Initiative at the twenty-sixth session of the Conference of the Parties to the United Nations Framework Convention on Climate Change to deliver on the Paris Agreement and the 2030 Agenda. Eight international centres of excellence on high-

performance buildings joined the network of centres at the heart of the initiative, and another 35 centres are in the process of joining.

66. An ECE-led partnership has been launched with the goal to improve the energy efficiency of the global building supply chain and its products in Armenia, Georgia, Kyrgyzstan, the Republic of Moldova, Tajikistan, Ukraine and Uzbekistan. National studies will help Armenia, Kyrgyzstan and the Republic of Moldova to develop and implement energy efficiency standards for buildings.

67. Innovative urban planning can boost climate actions through a focus on prioritizing ecologically valuable areas, such as agricultural land or critical water streams; minimizing the use of cars; integrating urban green spaces in local planning frameworks; establishing cross-sectoral regulatory systems; and building information and communications technology tools for increasing civic engagement in urban planning and decision-making.

68. ECE promoted action-oriented engagement on the part of local authorities to address climate change challenges. It convened a dialogue on climate change with mayors from around the world during the 2021 United Nations Climate Change Conference, in partnership with the City Council of the host city, Glasgow, and other key actors.

69. Together with Housing Europe and the United Nations Human Settlements Programme, ECE published a joint study, *#Housing2030: Effective Policies for Affordable Housing in the UNECE Region*, which contains a toolkit on affordable climate-neutral housing to demonstrate its use in mitigating the potential negative social impacts of decarbonization strategies on vulnerable sections of society, particularly young people. An online #Housing2030 platform was also launched to support the exchange of experience and mutual learning in ECE cities and beyond.

70. Transport plays a central role in climate change actions concerning both mitigation and adaptation. The shift to transport modes with lower emissions, such as railways and inland water transport, will play a role in reducing the overall emissions intensity of the sector. The Working Party on Intermodal Transport and Logistics continued its efforts to strengthen frameworks and policies for sustainable intermodal transport and logistics operations. Work also continued on developing a framework and potential legal agreement on international railway passenger hubs, which would further facilitate access to railways and shift long-distance passenger journeys from other modes.

71. Increased use of electric vehicles will facilitate overall decarbonization of the transport sector. Sales of electric and hybrid vehicles are surging in major markets. According to International Energy Agency projections, their global market share could reach between 10.4 per cent and 19 per cent in 2025. However, a myriad of technical issues need to be addressed to facilitate uptake. The World Forum for Harmonization of Vehicle Regulations endorsed a proposal for a new legal instrument to ensure minimum durability of batteries fitted in full electric and plug-in hybrid cars, the first international effort to regulate the issue of battery degradation.

72. Climate change is already a reality that will continue to test the resilience of existing transport infrastructure, which should be taken into account when planning new developments. The Group of Experts on Assessment of Climate Change Impacts and Adaptation for Inland Transport continued its work in 2021 to raise awareness, build capacity and integrate knowledge from member States and the scientific community on climate change impact assessment and adaptation for inland transport.

73. The twenty-sixth session of the Conference of the Parties to the United Nations Framework Convention on Climate Change was unprecedented in the attention given to the role of forests in climate change mitigation and adaptation. This question is of

great significance to the ECE region, where forests, which have increased by about 33.5 million ha in the past three decades, account for 42 per cent of all forests worldwide. Boreal forests, which account for more than 60 per cent of total forests in the ECE region, are the largest terrestrial carbon storehouse in the world. With climate change accelerating, boreal forests might turn from significant carbon sinks to sources of carbon and other greenhouse gases as the thaw of permafrost soils releases methane.

74. Understanding the future carbon balance of the forests in the ECE region, including boreal forests, and how climate change and forest use and management will alter the carbon balance is essential for the design of natural climate solutions. Scientific findings need to be communicated widely to prompt adequate policy responses. The *Forest Sector Outlook Study 2020–2040* for the ECE region supports policymaking by showing the possible medium- and long-term consequences of specific policy choices and structural changes in the forest sector, including under different climate change scenarios.

75. The findings from the *Forest Sector Outlook Study* have not only national but also regional and global implications, including the ability to shift carbon emissions and sequestration among countries and regions based on forest and forest product market policies. This will influence the design of carbon markets and national emissions reduction targets.

76. Some of the principal strategies for enhancing the forest sector's contribution to climate change mitigation highlighted at the twenty-sixth session of the Conference of the Parties to the United Nations Framework Convention on Climate Change include boosting carbon storage by existing forests, restoring degraded forest lands and reforesting new lands. ECE has supported its member States in scaling up their efforts to restore degraded forests and landscapes by strengthening capacities and providing policy advice for the development of national and regional strategies, technical monitoring and finance.

77. A ministerial meeting with countries of Eastern and South-East Europe on 12 October 2021 resulted in pledges of more than 4 million ha of land to be restored under the Bonn Challenge by 2030. In the ECCA30 Ministerial Declaration, adopted at the meeting, the need for voluntary and measurable forest landscape restoration commitments was stressed. In 2021, ECE published the results of a study on forest landscape restoration in Eastern and South-East Europe, in which key drivers of forest degradation were identified and the potential for forest landscape restoration was assessed in 17 countries of Eastern and South-East Europe.

78. At the twenty-sixth session, the important potential contribution of urban forests to climate mitigation and adaptation was also highlighted. ECE has been promoting urban forestry through its Trees in Cities Challenge, which has resulted in 11.2 million trees planted so far in more than 40 cities, and its engagement with local authorities.

79. Food waste makes a sizeable contribution to climate change, as it is estimated that around 8–10 per cent of greenhouse gas emissions are used to grow food that ends up being discarded. Given their perishable nature, fresh fruit and vegetables are particularly vulnerable to spoilage. In connection with its work on agricultural quality standards, ECE has developed multiple resources to reduce food loss in supply chains, including the ECE Code of Good Practice for Reducing Food Loss in Handling Fruit and Vegetables and a measuring methodology.

80. Climate change will test the resilience of water and sanitation services. The ECE-WHO Protocol on Water and Health supports countries in strengthening resilience in the water and sanitation sector. ECE has worked on the development of a background note that compiles country examples on activities carried out under the

Protocol, including the development of climate-sensitive targets on water, sanitation, hygiene and health.

81. Sustainable, inclusive and resilient climate action is enhanced by transparency, the rule of law and participatory approaches, as promoted by the Aarhus Convention and its Protocol on Pollutant Release and Transfer Registers. In the Geneva Declaration adopted in October 2021, parties to the Convention stressed that infrastructure and spatial planning should embrace nature-based solutions that provide opportunities to limit and mitigate climate impacts and biodiversity loss, while at the same time increasing the resilience of the infrastructure itself. Since infrastructure has implications for climate and biodiversity, a broad array of stakeholders must be involved throughout the entire infrastructure planning and development cycle.

82. Analysis and policy advice in the Environmental Performance Reviews Programme address multiple aspects related to climate, in line with the needs expressed by the reviewed country. The latest example, the third environmental performance review of Romania, published in 2021, includes a chapter on climate change in which current and foreseeable environmental and economic impacts from climate change, greenhouse gas emissions from economic sectors, and mitigation and adaptation scenarios are examined and the legal, policy and institutional frameworks are assessed. The review also included an assessment of the targets under Goal 13 (climate action).

V. Leveraging partnerships for sustainable development

83. ECE engages with multiple partners to carry out joint activities, spread the dissemination of its outputs or create new platforms of engagement that promote actions in support of sustainable development. There has been a marked shift in recent years towards more structured forms of partnerships that create long-lasting vehicles for collaboration and seek to engage new and multiple actors.

84. The implementation of a joint workplan since 2021, covering activities in support of the 2030 Agenda and the Sendai Framework for Disaster Risk Reduction, has boosted the partnership between ECE and the United Nations Office for Disaster Risk Reduction. Close cooperation between ECE and the Organisation for Economic Co-operation and Development (OECD), the Joint Environment Unit of UNEP and the Office for the Coordination of Humanitarian Affairs, and the Joint Research Centre of the European Commission is underpinning the development of guidance on risk management with regard to Natech risks.

85. Overall, ECE environmental work relies on strong partnerships. For example, environmental performance reviews are carried out in collaboration with multiple organizations, including the United Nations Development Programme, UNEP, WHO, the Office for the Coordination of Humanitarian Affairs, OECD and the European Union. Over the past year, ECE has been developing closer relations with the European Environment Agency, UNEP, WHO, OECD and other partners in the area of environmental monitoring and assessment.

86. Often, the goal of collaboration with other organizations is to advance the implementation of standards. ECE has continued to seek the engagement of standards organizations in gender actions envisaged in the ECE Gender-Responsive Standards Declaration. Another example is the collaboration with the International Fire Safety Standards Coalition to implement the International Fire Safety Standards: Common Principles, endorsed by the Committee on Urban Development, Housing and Land Management.

87. Digitalization is an important area in the work of ECE as it reacts to a changing context and seeks to take advantage of new possibilities. Enlisting partners in its efforts is part of an overall implementation strategy. This is critical in the digitalization of transport instruments. For example, ECE and the International Road Transport Union signed a memorandum of understanding to implement the Customs Convention on the International Transport of Goods under Cover of TIR Carnets (TIR Convention) and, more specifically, its annex 11, establishing the eTIR procedure. ECE and the International Touring Alliance/International Automobile Federation also signed a memorandum of understanding in 2021 on the revitalization and digitalization of relevant United Nations inland transport conventions.

88. Since the onset of the COVID-19 pandemic, the ECE secretariat, with the support of the other regional commissions and the private sector, has been maintaining the Observatory on Border Crossing Status due to COVID-19, with information from almost all States Members of the United Nations, providing daily updates on the status of inland transport border crossings. Updated information is collected and provided for 174 Member States. The Observatory is officially supported by the five regional economic commissions and key transport organizations.

89. Collaboration with the private sector and the use of digital technologies underpin a major initiative undertaken by ECE to promote circularity and sustainable supply chains through traceability in the garment and footwear sector. The Sustainability Pledge provides a United Nations-brokered way for industry stakeholders to advance due diligence and responsible business models and verify sustainability claims for conscious consumption choices. It builds on policy recommendations, implementation guidelines and an information exchange standard for traceability and transparency of value chains. In 2021, under the project, an ECE blockchain platform was developed and pilot initiatives were conducted for the cotton and leather sectors. Sixty industry partners are now engaged, covering the full spectrum of the value chain, in 18 countries.

90. ECE is seeking to engage local actors to promote a more inclusive and networked multilateralism, in line with the goals of Our Common Agenda, and to advance the implementation of the 2030 Agenda through local action. For a second year, it held the Forum of Mayors in Geneva, bringing together local representatives from across the region to realize the common aspirations set out in the Geneva Declaration of Mayors. The Forum offers a multilateral platform for cities to engage with Governments and international organizations and to present their creative solutions and specific actions to make cities resilient, focusing in particular on post-COVID-19 recovery and climate change challenges. In doing so, it seeks to be a catalyst for city-to-city collaboration and for partnerships that engage a broader range of actors.

91. Strengthening collaboration with the United Nations regional system remains an important area of the work of ECE, which, as part of the joint secretariat, has played a key role in steering the Regional Collaborative Platform for Europe and Central Asia, the United Nations central inter-agency platform on sustainable development at the regional level. ECE is co-chairing or a member of three of the existing issue-based coalitions (environment and climate change, gender equality, and sustainable food systems) which have been created under the Regional Collaborative Platform to bring together United Nations system-wide expertise in response to identified regional and national challenges. It is also part of the United Nations Digital Transformation Group for Europe and Central Asia. Issue-based coalitions support joint analytical work, joint advocacy and positioning, provide technical support to United Nations country teams and ensure knowledge-sharing, thus facilitating the emergence of different partnerships.

VI. Conclusions

92. The initial focus on emergency measures in the early months of the pandemic was gradually complemented by the realization of the pressing need to address structural issues. Climate change is an emergency that requires urgent action. Without substantial acceleration, the implementation of the 2030 Agenda will not be possible. While the pandemic restricted action, it also provided an opportunity to rethink existing policies to better align them with long-term goals, an essential focus that should inform all actions. ECE has been assisting member States in making that alignment effective.

93. It has become increasingly clear that, in order to provide effective support to member States, integrated solutions that transcend sectoral boundaries are needed. This has been a major area of the activities of ECE in recent years and is shaping new initiatives, including the impulse for the work on the circular economy resulting from the sixty-ninth session of the Commission.

94. One of the legacies of COVID-19 is the stronger emphasis on resilience and risk prevention. A key lesson in this regard is the importance of adopting a multi-hazard, multi-risk approach, which prompts the need for increased collaboration across disciplines and institutions at the national, regional and local levels to advance policy coherence. Integrated strategies, policies and governance are necessary to strengthen resilience and foster sustainable development.

95. Knowledge-sharing, both within the region and beyond, offers the possibility to replicate successful experiences and provides critical inputs for policymaking. This is an important dimension of international cooperation to which ECE remains strongly committed, through an increasingly varied range of channels and partners. Some ECE normative instruments, such as the Convention on the Protection and Use of Transboundary Watercourses and International Lakes, are of a global nature and therefore make it possible to share lessons within this large membership. In other cases, experience gained at the regional level, for example regarding disaster risk management, offers insights that may be of use to countries outside the region. Cross-regional collaboration provides fertile ground for developing new ideas and for scaling up successful experiences.

96. Normative outputs codify existing knowledge, including on best practices, and enshrine commitments to action. Continued work is required to adapt these outputs to evolving circumstances. However, this is insufficient to translate into effective change if other obstacles, for example those related to governance, financing or technical capacity, are not addressed. Broad partnerships offer the potential to increase the scope of action and are actively pursued by ECE to better assist its member States.
