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Summary of the work of the Economic Commission for Europe, 2022–2023

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 2022–2023.

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Summary

Despite progress in some areas and the continued political commitment to the 2030 Agenda for Sustainable Development, the implementation of the Sustainable Development Goals is facing sustained challenges. After the coronavirus disease (COVID-19) pandemic, the war in Ukraine and the worsening of the economic outlook have created a more complex and difficult context to navigate for policymaking in support of sustainable development. In these adverse circumstances, the Economic Commission for Europe (ECE) has continued to help its member States to advance the implementation of the Goals in its mandated areas of work.

The digital transformation is shaping new realities, but also shifting perspectives on the advancement of sustainable development. ECE is adapting to a changing world and assisting its member States in taking advantage of the opportunities created by digitalization.

The urgency of accelerating decarbonization efforts is mounting. Environmental pressures remain excessive and are having detrimental consequences for health. The transition to a green economy and more sustainable management of natural resources is central to the implementation of the Goals, with implications that transcend national boundaries, but also regional limits. ECE offers a set of relevant normative outputs, which are finding increased acceptance, including beyond the region. Advancing the 2030 Agenda requires the contribution of multiple actors, at the local, national and regional levels, who are confronted by different types of problems and offer different capacities to act and mobilize resources. Seeking this varied engagement is playing an increased role in the work of ECE.

I. Introduction

1. Despite progress in some areas and the continued political commitment to the 2030 Agenda for Sustainable Development, the implementation of the Sustainable Development Goals is facing sustained challenges. After the coronavirus disease (COVID-19) pandemic, the war in Ukraine and the worsening of the economic outlook have created a more complex and difficult context to navigate for policymaking in support of sustainable development. Over the past year, the rise in food and energy prices has resulted in a deterioration of living standards, which has hit the most vulnerable sectors of the population the hardest, while underlining the fragility of existing systems and the need to enhance resilience against shocks.

2. The negative effects of climate change are becoming increasingly visible. The urgency of accelerating decarbonization efforts is mounting, but there is also a growing need to address the adverse immediate consequences of changing weather patterns. Environmental pressures remain excessive and are having detrimental consequences for health and food systems. Population ageing is a long-term trend with multiple ramifications that requires continued policy attention.

3. In these adverse circumstances, the Economic Commission for Europe (ECE) has continued to support its member States to advance the implementation of the Goals in its mandated areas of work. It has also provided assistance to Ukraine and other countries directly affected by the war, with a view not only to addressing immediate needs but also to contributing to the future reconstruction.

4. The urgency of the tasks ahead and the constraints on resources underline the need to identify transformative approaches that can be taken to accelerate considerably the implementation of the Goals. The digital transformation is shaping new realities, but also shifting perspectives on the advancement of sustainable development. ECE is adapting to a changing world and assisting its member States in taking advantage of the opportunities created by digitalization.

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

5. The picture that emerges from the 2023 progress report on the Goals prepared by ECE[1] shows that, at the halfway point to 2030, a substantial acceleration in the implementation of the Goals is required. This annual study, which was prepared based on a methodology shared by all regional commissions, shows that, on the basis of current trends, the region would achieve only 21 of the targets of the Goals by 2030, down from 26 targets in 2022. For 79 of the targets, progress needs to be accelerated, up from 64 targets. As in the previous assessment, current trends need to be reversed for 15 of the targets. Data availability has improved, as it was possible to cover 10 more targets than in 2022. However, data remain insufficient for assessing 54 of the targets.

6. This assessment shows, to a large extent, the initial impact of the COVID-19 pandemic, as data collected in 2020 are available for 125 of the 156 indicators used. The report, however, does not reflect the challenging circumstances that emerged in 2022, in particular the negative consequences of the war in Ukraine across multiple sustainable development indicators and the overall deterioration in the economic context.

[1] *Growing Challenges for Sustainable Development: Can the UNECE Region Turn the Tide in 2023?* (United Nations publication, 2023).

7. Reducing environmental footprints continues to be a challenge for sustainable development, with implications that extend beyond the region. ECE plays a key role in: (a) regularly reviewing and assessing the status and trends of the environment; and (b) providing guidance to its member States on how to address identified challenges in support of the 2030 Agenda. The seventh pan-European environmental assessment showed that while progress has been achieved in terms of environmental protection in certain areas, significant shortcomings remain and pose a threat to the health of both people and the environment. They are related to air and water quality, waste and chemicals management, water and sanitation services and the overall material footprint.

8. The costs of environmental damage are staggering. New research on the costs of inaction on air pollution published in December 2022 revealed that in nearly half of ECE countries, the current monetary damage costs to health and ecosystems owing to ambient air pollution are equivalent to over 5 per cent of gross domestic product (GDP). In at least six countries, the damage is more than 10 per cent of GDP.

9. Air pollution is a transboundary phenomenon that needs to be addressed through multilateral cooperation. Reduction measures, supported by binding emission reduction commitments made by countries under the Convention on Long-range Transboundary Air Pollution, save billions of dollars in damage costs each year. The monetary damage incurred as a result of air pollution in the region over the period up to 2030 is expected to be reduced by at least 14 per cent compared to 2020, supported by the implementation of existing national emission reduction obligations and current emission limit values set in the protocols to the Convention.

10. However, a report on the effectiveness of international cooperation on cleaner air prepared within the framework of the Convention on Long-range Transboundary Air Pollution and issued in late 2022 (ECE/EB.AIR/2022/3) showed that there is still much work to do. Despite significant reductions in emissions of major pollutants under the Protocol to Abate Acidification, Eutrophication and Ground-level Ozone (Gothenburg Protocol), sustained damage from air pollution to health, ecosystems and food production can be expected in the absence of strengthened measures. The report, prepared over the past three years by leading scientists and policymakers in the region, called for further targeted emission reduction measures across sectors, including agriculture, energy, transport and shipping, and wide-ranging societal changes in areas such as diet and heating.

11. Nitrogen emissions are a particular concern. The massive use of fertilizers and the production and utilization of manure in agriculture over an extended period have led to significant amounts of nitrogen being emitted into the air and released into water and on land. Burning of fossil fuels is another source of nitrogen emissions. Among the dire consequences of these nitrogen emissions are air, soil and water pollution, which can damage human health, threaten the biodiversity of forests and rivers and lead to coastal and marine pollution, thus exacerbating the effects of climate change. A report, published under the Convention on Long-range Transboundary Air Pollution in October 2022, showed that ecosystems are more sensitive to atmospheric nitrogen pollution than previously thought.

12. Scarce water resources are threatened by rising demand, pollution and climate impacts, such as drought and flooding. Cooperation on shared water resources is a vital tool for promoting sustainable development and climate change adaptation. In 2022, some 80 countries gathered to celebrate 30 years of achievements of the Convention on the Protection and Use of Transboundary Watercourses and International Lakes, which is now a global instrument with great significance for promoting water cooperation worldwide. In 2022, Cameroon became the forty-seventh party to the Convention. More than 20 countries are in the accession process.

13. Addressing biodiversity threats requires action at all levels. ECE has published updated guidelines for developing national biodiversity monitoring systems. The guidelines offer advice to countries on how to develop plans and strategies for the conservation and sustainable use of biodiversity, while mainstreaming biodiversity conservation objectives across sectors. In addition, they provide recommendations on how to assess progress in achieving policy targets and the effectiveness of conservation measures. The goals are to minimize health, environmental and socioeconomic risks resulting from biodiversity loss and ecosystem degradation, while maximizing the benefits of biodiversity and ecosystems. The guidelines will support the implementation of the Sustainable Development Goals and the Kunming-Montreal Global Biodiversity Framework adopted in December 2022.

14. Besides developing norms and providing policy advice, ECE has supported stronger action on critical environmental issues in the region to align economic development with the green and low-carbon transition. The Environment for Europe process, whose secretariat is hosted by ECE, facilitates green economy policies and commitments. It provides a unique pan-European platform for addressing environmental challenges, improving environmental governance, promoting environmental and cross-sectoral cooperation and information-sharing among countries.

15. At the ninth “Environment for Europe” Ministerial Conference, held in Nicosia from 5 to 7 October 2022, government delegations from 53 States Members of the United Nations, as well as many other stakeholders, agreed that new sustainable infrastructure should promote resource efficiency to reduce long-term environmental impacts. Innovation, nature-based solutions and cooperation with the private sector should be fostered. Countries pledged to support efforts to reduce water and energy use and greenhouse gas emissions from tourism, particularly in high-impact subsectors (including cruise liners, aviation and accommodation), as well as to favour a life cycle approach and support resource efficiency and waste prevention in production and consumption.

16. In this context, the Pan-European Strategic Framework for Greening the Economy, through the Batumi Initiative on Green Economy for mobilizing voluntary commitments and sharing positive experiences, offered new opportunities for action. The continued strong interest in the Batumi Initiative on Green Economy was confirmed as 67 new commitments were submitted prior to the Conference. The new commitments include actions focused on applying the principles of circular economy to different sectors, such as tourism and infrastructure development, as well as improving education for sustainable development, including skills related to the green and circular economy.

17. The Convention on Access to Information, Public Participation in Decision-making and Access to Justice in Environmental Matters (Aarhus Convention) and its Protocol on Pollutant Release and Transfer Registers are central components of environmental governance in the region. Over the past year, the parties reaffirmed their pledge to protect the human right to a clean, healthy and sustainable environment and undertook additional commitments in this regard.

18. A number of areas and activities were of particular significance. Pollutant release and transfer registers were promoted as useful tools for decision-making in various areas, such as the circular economy, chemicals management, plastic pollution and reporting on international agreements and processes dealing with pollution. Electronic information tools in a context of growing digitalization are being increasingly used.

19. Greater protection of environmental defenders through a rapid response mechanism has also been fostered. The election of Michel Forst by the Meeting of the

Parties to the Aarhus Convention as the first Special Rapporteur on environmental defenders was a landmark event. The Special Rapporteur works to protect any person experiencing or at imminent threat of penalization, persecution or harassment for seeking to exercise their rights under the Aarhus Convention.

20. In the face of climate-related shocks and stresses, building resilient energy systems is essential. This requires prioritizing energy efficiency, digitalizing the energy system, accelerating fuel switching, managing resources effectively and sustainably, and deploying low- and zero-carbon technologies. In order to ensure fairness and social acceptance of the transition, policies must be focused on alleviating the expected social shocks and providing protective measures for affected communities.

21. A massive shift from fossil fuels to renewable energy sources is necessary, along with investments to increase the electric grid capacity, to achieve carbon neutrality by 2050. The ECE Carbon Neutrality Toolkit estimates that the region would need to invest $12.3 trillion to increase the capacity between 2020 and 2050 in order to achieve this goal. The road map to carbon neutrality for Europe, North America and Central Asia prepared by ECE offers a path to transition to a low-carbon energy system and increased regional cooperation.

22. Climate action requires a complete shift in the paradigm of unabated use of natural resources. Today, less than 10 per cent of materials consumed are recycled. Between 1970 and 2017, the extraction of minerals worldwide more than tripled, reaching 92 billion tons annually. If current trends continue, the world would require 190 billion tons of materials per annum by 2060. The new United Nations Resource Management System, which was approved by the Expert Group on Resource Management in October 2022, offers countries, industries, the financial community and civil society a new way to manage resources.

23. The United Nations Resource Management System will help to move away from a linear and unsustainable extractive approach towards a responsible and balanced one. The System, as a unifying framework for the integrated management of natural resources, is based on the globally accepted United Nations Framework Classification for Resources, which has incorporated a unique methodology for assessing resources through the triple lens of environmental-social-economic viability, technical feasibility and degree of confidence in estimates. The approval of the United Nations Framework Classification for Resources guidance for Europe will facilitate decision-making by stakeholders on material stocks and flows.

24. The shift to clean energy depends on the availability of critical raw materials, such as lithium, nickel, copper, cobalt, manganese, graphite and rare earth elements. Sustainable resource management frameworks, such as the United Nations Framework Classification for Resources and the United Nations Resource Management System, can facilitate the responsible extraction, processing and recycling of these minerals.

25. Hydrogen can make an important contribution to a low-carbon and resilient energy system that provides access to affordable, reliable, sustainable and modern energy for all. The Committee on Sustainable Energy, at its thirty-first session, held in September 2022, discussed the terminology, classification and taxonomy for hydrogen, and decided that the United Nations Framework Classification for Resources should be extended to hydrogen through the development of particular specifications. While greenhouse gas emissions are the key criterion, there are other economic and social concerns that should be considered, which will be facilitated using the United Nations Framework Classification for Resources.

26. The post-war reconstruction of Ukraine will give offer an opportunity to make improvements to the local extractive and energy sectors so that they are compatible with the requirements of the green economy. The country has significant resource potential for many critical raw materials and the implementation of the United Nations Framework Classification for Resources and the United Nations Resource Management System will ensure that the production, refining and use and, crucially, reuse and recycling of these materials will involve paying careful attention to environmental, economic and social considerations. ECE is assisting the country in these areas.

27. As we enter an age of rising climate volatility and uncertainty, natural disasters are increasing in frequency and reverberating more violently, and thus pre-emptive and strategic planning will be increasingly necessary. Anticipatory measures should be adopted to overcome the bureaucracy involved in providing aid, to strengthen multilateral cooperation and instil flexibility and adaptability into aid protocols at borders. In order to address these issues, ECE, through the United Nations Centre for Trade Facilitation and Electronic Business, in cooperation with the Office for the Coordination of Humanitarian Affairs and the Importation and Customs Clearance Together Working Group, produced a set of recommendations for the simplification and harmonization of cross-border trade and administration processes to facilitate the delivery of disaster relief goods and services.

28. The recommendations underscore the need for the simplification and harmonization of border processes in disaster scenarios and detail a number of solutions to achieve this. They include the creation of "one-stop shops", which would be physical locations where multiple agencies are responsible for the arrival and processing of relief items and personnel. They would serve as the contact point for all key stakeholders in disaster relief and improve efficiency in the processing of registrations for eligible assisting actors and the handover of relief goods.

29. Road safety is a key development issue that costs developing countries between 2 per cent and 5 per cent of GDP every year. The first high-level meeting on improving global road safety, held on 30 June and 1 July 2022 and convened by the President of the General Assembly, enshrined the commitment of the international community to halve road deaths and injuries by 2030. The Secretary-General of the United Nations encouraged all States Members of the United Nations to accede to the United Nations road safety conventions administered by ECE, which also houses the secretariat of the United Nations Road Safety Fund. At the meeting, 16 partners pledged over $15 million to the United Nations Road Safety Fund to finance projects in low- and middle-income countries in the period 2022–2025. To date, the Fund has been financing 25 high-impact projects in 30 countries worldwide, but much greater resources are still needed.

30. The implementation of the Sustainable Development Goals has an important local dimension that is being increasingly recognized. ECE has fostered the engagement of local authorities to support them in their efforts to address sustainability challenges. The second Forum of Mayors was held under the theme "Recovering from the COVID-19 pandemic while advancing the implementation of the Sustainable Development Goals" in April 2022. Mayors and vice-mayors from 44 cities across the ECE region and beyond shared their experiences in finding people-centred solutions which simultaneously meet the needs and aspirations of their citizens, hedge against disasters and rise to the challenges of climate change in a manner that ensures the successful implementation of the 2030 Agenda.

31. ECE has elaborated the "Guidelines for the development of voluntary local reviews in the ECE region", which provide cities with a standardized approach to localizing the Goals and to reviewing the implementation of the 2030 Agenda. The

guidelines, which are supported by online training, are to be tested in cities in the region.

32. Urban-centred activities are a central component of ECE assistance to the Government of Ukraine. ECE is developing the “UN4Kharkiv and UN4Mykolaiv” initiative, on integrated rehabilitation of settlements (territories) in Ukraine, which aims to support urban planning for immediate reconstruction efforts. The initiative includes two projects on the development of urban reconstruction plans in the cities of Kharkiv and Mykolaiv. The plans are expected to become a blueprint for the reconstruction of other Ukrainian cities and towns.

33. Education for sustainable development is of critical importance in advancing the implementation of the 2030 Agenda, by increasing awareness of critical environmental issues and contributing to behavioural choices that lead to overall lower environmental impacts. The third high-level meeting of education and environment ministries, which was held in Nicosia on 5 October 2022 within the framework of the ninth “Environment for Europe” Ministerial Conference, adopted the Nicosia Ministerial Statement on Education for Sustainable Development. A new framework for the implementation of the Strategy for Education for Sustainable Development up to 2030, focusing on the special role that education should play in addressing the unprecedented challenges currently faced by our planet and societies, was also adopted. It emphasizes the central role played by youth, as a catalyst for change, in creating a better and resilient future, and the importance of actively empowering and engaging youth in formulating and implementing sustainable development policies and practices.

34. Amid heightened levels of uncertainty, the global demographic transformation is a trend that can be projected with confidence. Today, one in six people in the ECE region are over the age of 65; by 2050 this will be the case for one in four. Ministers at the fifth Ministerial Conference on Ageing, held in Rome on 16 and 17 June 2022, affirmed the region’s collective commitment for even closer cooperation to achieve a world in which everyone, of any age, can live their life to the fullest. Within the framework of the Rome Declaration, they pledged to work towards achieving three policy goals by 2027: promoting active and healthy ageing through life; ensuring access to long-term care and support for carers and families; and mainstreaming ageing to advance a society for all ages.

35. The period since the outbreak of the COVID-19 pandemic has been marked by slow progress in achieving gender equality in the ECE region and by pushbacks in parts of the region. Given the importance of women’s equal participation and leadership in public life and following the success of the Gender Responsive Standards Initiative, member States of ECE tasked the secretariat with establishing a Team of Specialists on Gender-Responsive Standards. The main focus of the Team is marshalling standards and technical regulations towards attaining Sustainable Development Goal 5.

36. Advancing the 2030 Agenda requires the engagement of all stakeholders, including through broad platforms for the mobilization of efforts and exchange of experiences. As the region finds itself mired in multiple crises, the Regional Forum on Sustainable Development for the Economic Commission for Europe Region, held in 2023, brought together over 1,000 participants to scale up action for the Sustainable Development Goals. At the centre of the Regional Forum were the peer learning round tables, which were an opportunity for a wide variety of stakeholders to share policy expertise, advice and analyses of the Goals to be reviewed at the high-level political forum on sustainable development in 2023, namely Goals 6, 7, 9, 11 and 17. Discussions emphasized transformational areas, which can have a significant impact on progress with regard to the Goals. Representatives of youth and civil society

underlined the importance of equity and inclusivity in the drive for sustainable development, but also the crucial role of young people and civil society actors in driving progress.

III. Strengthening the means of implementation of the 2030 Agenda for Sustainable Development

A. Data and statistics

37. The rapid change in technology, including artificial intelligence and machine learning, and the use of data analytics and data science have created new opportunities for statistical offices. The use of new data sources can increase the speed and efficiency of production and the quality of statistics. However, obtaining access to these new sources, which are often privately owned, requires a legal basis and new methodologies, skills and technology. It also poses the challenge of ensuring data quality and confidentiality. ECE has been developing its statistical work in this evolving environment, addressing a range of emerging issues, ranging from collaborations with private data providers to the use of machine learning and other advanced techniques.

38. In collaboration with the main international partners working in the respective areas, ECE has developed methodological guidelines and recommendations on a range of issues over the past year, including, among others, statistics on children, forms of employment, the use of new data sources for measuring international migration and the measurement of the gendered impact of the COVID-19 pandemic.

39. While censuses underpin statistical work, they are complex and expensive to perform, which calls for detailed planning. In January 2023, ECE launched a multi-year project to produce internationally agreed guidance and advice for conducting the next round of censuses, scheduled for 2030. The past decade has seen a fundamental shift in the way that census information is collected, hence the importance of updating guidance to harness new methods and adapt to changing needs. An updated set of recommendations is expected to be published in 2025.

40. Integrated, relevant, timely and easily accessible data are fundamental for assessing progress towards environmental targets and informed decision-making. The ninth “Environment for Europe” Ministerial Conference recognized the crucial importance of having access to diverse information sources and reliable, up-to-date, quality data and statistics, by using modern tools and techniques, to address both current and emerging needs and challenges. ECE is actively engaged in supporting efforts to ensure that adequate monitoring programmes, data and information management systems, supplemented by assessment and reporting routines, are in place.

41. Over the past year, ECE has continued to assist countries in enhancing their environmental monitoring and information systems and in producing high-quality and comparable data and statistics by applying revised ECE environmental indicators, in particular under the Working Group on Environmental Monitoring and Assessment and the Joint Task Force on Environmental Statistics and Indicators. The revised indicators will support member States in improving decision-making and in measuring progress, including regarding emerging topics and environment-related human health issues.

42. ECE has been collecting data and information on forest and forest products in an increasingly detailed way. This continued monitoring helps to identify vulnerability to natural and human-caused threats that could put forest areas at risk.

ECE data may be used to better understand the impact of climate change, fires, pests and severe weather on forests. In 2022, ECE launched the next cycle of the pan-European data collection process; the collection represents a primary source of information on forests and the environmental, social and economic dimensions of sustainable forest management in the region. Publicly available data, which will be collected for the first time via a digital online platform, will assist with the implementation of climate agendas in the ECE region.

43. The role that wood-based construction could play in reducing carbon emissions has attracted increased attention in the ECE region in recent years. At the same time, there has been a surge in the trade of engineered wood products for construction. Data collection on these products, which started in early 2023, will help to better understand the cascading use of forest products and the carbon they sequester, thus supporting regional action on climate change.

B. Finance

44. The lingering effects of the COVID-19 pandemic, public support provided to offset the impact of higher food and energy prices, increased borrowing costs and a deteriorating economic outlook are putting public finances under pressure in parts of the region. In these circumstances, mobilizing private resources for developmental purposes becomes even more critical. Public-private partnerships are a financing mechanism for investments in infrastructure projects that not only mobilize resources but can also have additional benefits. However, setting up a public-private partnership project that has a significant developmental impact presents many challenges and requires that a number of conditions be in place.

45. To address these challenges, ECE built on its long-standing expertise acquired through its public-private partnership for the Sustainable Development Goals approach and launched a practical, user-friendly evaluation methodology, the Public-Private Partnerships and Infrastructure Evaluation and Rating System. This methodology helps governments to set up public-private partnerships and maximize their developmental impacts in a way that is consistent with the Addis Ababa Action Agenda of the Third International Conference on Financing for Development and leads to the advancement of the Goals. The methodology enables governments to undertake comprehensive ex ante and ex post quantitative and qualitative assessments of the developmental impacts of all types of infrastructure projects, irrespective of their size and the terms of procurement.

46. The Public-Private Partnerships and Infrastructure Evaluation and Rating System is complemented by detailed guidelines on promoting circular economy in public-private partnerships for the Sustainable Development Goals (ECE/CECI/WP/PPP/2022/4). The guidelines provide practical industry examples and policy options to ensure that public-private partnership infrastructure projects support the transition towards a circular economy.

47. The ECE regional forum on climate initiatives to finance climate action and the Sustainable Development Goals, held in Geneva on 17 October 2022, focused on improving sustainable management and financing for the critical raw materials required for the low-carbon transition. The forum underlined the transformative potential of targeted financing for ambitious climate projects and the key role of ECE tools in mitigating environmental, social and ethical risks. Investment projects across the region were discussed, resulting in a portfolio of 30 high-impact climate action projects, covering such areas as scaling up the deployment of renewable sources of energy, energy storage, critical raw materials, waste and digitalization. Ten of these projects were presented at the twenty-seventh session of

the Conference of the Parties to the United Nations Framework Convention on Climate Change as part of a United Nations compendium of climate finance initiatives.

48. Insufficient financing limits the ability to effectively address the challenges cities face. They include, among others, the consequences of climate change, implications of biodiversity loss, air pollution, waste management, ageing populations and migration. ECE has prepared a *Compendium of Practices on Innovative Financing*, which is used as training material to support capacity-building activities in cities in the ECE region.

C. Trade

49. Trade plays a key role in increasing prosperity and lifting people out of poverty, while advancing sustainable development. At the same time, unsustainable trade patterns continue to contribute to greenhouse gas emissions and deplete the Earth's natural resources, thereby aggravating the triple planetary crises of climate change, biodiversity loss and pollution.

50. To help reduce these environmental pressures, ECE has stepped up its efforts to mainstream circularity considerations in its trade-related work. The policy brief entitled "Accelerating the circular economy transition: policy options for harnessing the power of trade and economic cooperation" addressed general and sector-specific challenges to scale up the circular economy with a focus on the needs of countries with economies in transition.

51. The ECE Team of Specialists on Environmental, Social and Governance Traceability of Sustainable Value Chains in the Circular Economy has developed solutions enabling environmental, social and governance traceability throughout international supply chains, using digital standards, including United Nations Centre for Trade Facilitation and Electronic Business e-business standards for tracing environmental, social and governance performance. Following achievements in the garment and leather sector, the mandate of the Team was extended to other areas, such as the agrifood and extractive industries and the critical raw materials sector.

52. In the area of regulatory cooperation, recent achievements include the revision of "recommendation T: standards and regulations for sustainable development" of the Recommendations on Regulatory Cooperation and Standardization Policies, which calls on regulators to maintain current levels of safety in the transition to circularity. The recommendation provides a practical, risk-based approach for considering the impact of technical regulations regarding the promotion of circular products on supply chain activities.

53. Standards are powerful tools for facilitating trade. ECE continued to update its suite of over 100 voluntary agricultural quality standards, which are aimed at improving end-to-end supply chain activities (from harvest to retail outlets). In addition, the ECE *Code of Good Practice for Reducing Food Loss in Handling Fruit and Vegetables* helps prevent food loss and waste, by offering practical guidance on how to reduce loss and waste in fresh fruit and vegetable supply chains. With separate chapters for producers, traders, transporters and retailers, the *Code* provides resources for all actors in the sector, in support of the circular economy transition.

54. Through the activities of its Steering Committee on Trade Capacity and Standards, ECE builds capacities in countries with economies in transition, helping them better integrate in the world economy. In 2022, ECE concluded a study on regulatory and procedural barriers to trade in Uzbekistan, which offers a series of recommendations to support the Government's trade development agenda in the

context of its accession to the World Trade Organization. Preparations are under way to launch a similar study in Turkmenistan.

55. ECE is also helping countries to implement the Agreement on Trade Facilitation of the World Trade Organization. Recent initiatives have included strengthening the capacity of the Trade Facilitation Council of Kyrgyzstan and the provision of technical assistance to the Ministry of Economy and Commerce to develop a national trade facilitation road map for the period 2021–2025. Further support is provided through the United Nations Special Programme for the Economies of Central Asia.

56. Trade in forest products is playing an increased role in the transition to a circular economy. For example, ECE, in addition to its ongoing analysis of forest products trade, works to facilitate the tracking of global trade in wood waste, paper for recycling and recovered pulp. Data and forecasts included in annual reports such as *Forest Products Annual Market Review* and *Forecast of the Committee on Forests and the Forest Industry: Forest Products Production and Trade* support these goals.

D. Innovation

57. Innovation drives structural transformation and can provide answers to critical sustainability challenges. ECE, through its programme of Innovation for Sustainable Development Reviews, helps countries to improve their innovation performance by mobilizing more resources and increasing the effectiveness of their use. The Innovation for Sustainable Development Review of Uzbekistan supported the implementation of the national innovation strategy for the period 2022–2030. ECE is also assisting the Republic of Moldova in implementing the recommendations of its Innovation for Sustainable Development Reviews, including through the development of a road map on innovation and technology transfer. A number of regional training workshops for innovation stakeholders have been conducted in countries in Central Asia and the Caucasus.

58. In November 2022, ECE launched the Transformative Innovation Network, a large-scale joint initiative with the Federal Agency for Disruptive Innovation of Germany. The Network brings together public and private sector stakeholders to harness transformative innovation for sustainable development, with a particular emphasis on the catalytic role of the Government in fostering innovation. The overall focus is on transformative innovation, including radical and disruptive innovation, which emerges as the result of multiple and mutually reinforcing innovation processes that bring about fundamental changes to the way we consume, produce or create societal value.

E. Technical cooperation

59. The ECE Technical Cooperation Strategy provides the overall framework for technical cooperation. The Strategy reflects collaboration with the resident coordinator system and United Nations country teams in United Nations programme countries in the region to develop integrated solutions. ECE activities seek, among other goals, to improve the capacity of countries to implement ECE legal instruments, norms, standards and regulations, while forming extensive networks of stakeholders to participate in these activities.

60. In 2022, ECE was actively engaged in developing the new generation of United Nations Sustainable Development Cooperation Frameworks for the period 2023–2027. It also provided substantive contributions to quality assurance through the inter-agency Peer Support Group for Europe and Central Asia.

61. The war in Ukraine has reverberated across the region's food, energy and finance systems. Under a Joint Sustainable Development Goals Fund development emergency modality, ECE promoted innovative technologies and adaptive agricultural practices in Ukraine and energy efficiency initiatives in rural areas of Georgia. In response to requests by the Government of Ukraine, it repurposed part of the regular programme of technical cooperation to meet demands in the areas of urban reconstruction planning, energy, trade facilitation, transport and public-private partnerships.

62. Throughout the region, ECE has carried out a number of projects in support of sustainable development. It has reached significant milestones in its efforts to improve road safety and modernize international transportation in its member States, assisting in the development of national strategies and carrying out related analyses. It developed guidelines for the safe and efficient closure of mines in Albania and Serbia, and carried out a pilot project on blockchain technology for due diligence and sustainability in cotton value chains in Uzbekistan.

63. ECE supports United Nations country teams in the region in integrating environment and climate change into their programming cycle. In addition, forest-related issues and urban greening are receiving increased policy attention. ECE supported efforts in these areas through technical cooperation in Central Asia (Kyrgyzstan and Uzbekistan) as well as in the Republic of Moldova.

IV. Spotlight on digitalization

64. Digitalization is creating a new context for policy action and overhauling economic sectors that are key for decarbonization. The pandemic accelerated the ongoing process of digital transformation, which will have profound economic and social implications. Across the ECE region, governments are upscaling initiatives to promote digital technologies as part of broader efforts to increase prosperity, bolster resilience and advance the green transition. The seventieth session of the Economic Commission for Europe, held on 18 and 19 April 2023, put a special focus on digital and green transformations for sustainable development. It provided a new impetus to the work of ECE on these topics, building on existing initiatives and harnessing the potential of digitalization to deliver its mandates across its multiple areas of activity.

65. Digitalization provides opportunities to improve the management of natural resources and safeguard the environment. However, it can also have significant adverse impacts on the environment and human health, for example as a result of the growing demand for hardware or electricity, if not implemented in a sustainable manner. ECE supports activities to green the digital future, for instance by promoting energy efficiency, the use of renewable energy sources and the shift to a circular and green economy.

66. Digital innovations can help address existing energy challenges, optimize energy use, reduce carbon footprints and facilitate the transition to more sustainable and resilient energy systems. As part of its work on sustainable energy, ECE has highlighted the benefits of using big data and advanced analytics to optimize the energy used by buildings over a lifetime. Improved efficiency can help to reduce energy poverty.

67. The digitalization of energy systems is, however, a complex process with multiple interdependencies across borders, sectors and actors. It is important to consider system security requirements, individuals' privacy risks and potential disruptions; for that reason, appropriate preventive and corrective measures are taken.

68. The development of renewable energy requires significantly improved infrastructure and will increase the demand for critical raw materials, which are also necessary for electric vehicles and digital equipment. The application of circular principles in meeting this demand would reduce the need for resources. Digital technologies can be used to trace materials and bring together stakeholders across the life cycle of products, thus facilitating circular approaches. ECE has elaborated multiple tools to support its member States in their efforts to secure the resilient, sustainable and ethical supply of critical raw materials for the transition to a net-zero economy.

69. ECE is shaping the regulatory framework for inland transport in line with technological and social developments. It is leading normative work on automated and connected vehicles, which is a critical area for the future of mobility. It has elaborated regulations and technical provisions on multiple related areas, such as cybersecurity, software updates and data storage.

70. Existing normative instruments have evolved to take advantage of the opportunities created by digitalization. The Customs Convention on the International Transport of Goods under Cover of TIR Carnets provides an internationally recognized procedure to facilitate the cross-border transportation of goods in transit using a standard, internationally recognized customs document, the TIR carnet. Legal changes were introduced to create an eTIR procedure in 2021 and, over the course of 2022, the TIR secretariat finalized the development of the eTIR international system and started its interconnection with national customs systems.

71. So far, Azerbaijan, Georgia, Uzbekistan and the International Road Transport Union have finalized the interconnection with the eTIR international system and passed the mandatory conformance tests. In 2023, the TIR secretariat plans to expand the interconnection of national customs systems with the eTIR international system to as many of the 77 contracting parties as possible, particularly along the corridors connecting countries in Central Asia and the Middle East. This expansion will increase the overall competitiveness of the TIR system for intermodal transport, thereby reducing costs and time.

72. Digitalization offers significant opportunities to facilitate the movement of goods across borders, reducing costs and delivery times. Through its subsidiary body, the United Nations Centre for Trade Facilitation and Electronic Business, ECE developed a new package of standards for the digitalization of information flows along multimodal supply chains, which offers a unique basis for enhancing interoperability of information flows across modes of transport.

73. Digitalization is critical in collating and making accessible environmental information. The ninth “Environment for Europe” Ministerial Conference saw the launch of the latest review report on the establishment of the Shared Environmental Information System in Europe and Central Asia. While national systems are in place, there are remaining gaps. The systems established at the national level organize environmental information according to agreed key principles to create online platforms that make environmental information available to multiple users for improved decision-making. They facilitate regular environmental assessments, monitoring and reporting on progress regarding multilateral environmental agreements and the 2030 Agenda for Sustainable Development. This evidence provides the basis for sound policymaking.

74. Initiatives to develop or upgrade pollutant release and transfer registers, as integrated data portals, have drawn particular attention, as part of efforts to establish coherent digital systems supporting work on environmental matters. The integration of pollutant release and transfer register data on pollution and waste with other environmental, health and socioeconomic data provides users with important context

and facilitates data comparability for benchmarking and environmental performance evaluation. Digitalization of pollutant release and transfer register systems also allows governments to improve data quality and make data available more quickly to support decision-making.

75. Recommendations on more effective use of electronic information tools under the Aarhus Convention have assisted governments in developing, maintaining, upgrading and using nationwide digital environmental information systems and supporting the early identification of risks. These tools are being used to raise public awareness of product information, including through product databases, digital product passports, eco-labelling, energy efficiency and eco-auditing schemes and environmental product declarations. In addition, they help to spread knowledge of good practices and guidelines related to the green economy transition, green procurement and sustainable use of natural resources and facilitate reporting on the Sustainable Development Goal indicators and other relevant international and national targets.

76. Digital technologies have shifted perspectives on the management of natural resources and created relevant opportunities for the exchange of information. In recent years, forests have taken centre stage in advancing climate change mitigation and adaptation, the global biodiversity framework and the transition to a circular economy.

77. To address the demand for information and support policymakers in their efforts to sustainably manage forests and the forest industry, ECE launched INForest in 2021. This dedicated platform disseminates and analyses all ECE data on forests in a single place and provides a curated and comprehensive overview of the status and use of forests. By gathering data and information from scattered sources and presenting them in an accessible format, INForest builds awareness and supports evidence-based policymaking. In 2022, ECE expanded the scope of the data on this popular platform and began the process of developing a comprehensive information system around this tool.

78. Technology and digitalization are reshaping land administration by enabling land-related data to be stored, processed and analysed more efficiently and accurately. This allows for better management of land information, including property boundaries, ownership rights and land use. ECE, in cooperation with the Food and Agriculture Organization of the United Nations and the International Federation of Surveyors, developed a study, *Digital Transformation and Land Administration: Sustainable practices from the UNECE region and beyond*, and organized webinars on the digitalization of land administration.

79. Smart cities rely on digital technologies to optimize the delivery of public services, improve the management of natural resources, reduce pollution and traffic congestion and lower the environmental footprint of buildings. ECE is part of the United for Smart Sustainable Cities initiative, a global platform that advocates for public policies that support the transition to smart cities. Together with the International Telecommunication Union, it developed a set of key performance indicators, which have been refined to better reflect the Sustainable Development Goals. Over the past year, ECE has assisted the local governments of Almaty (Kazakhstan) and Tbilisi and the Government of San Marino in developing evidence-based policies on sustainable housing and urban development through the application of these key performance indicators and the preparation of smart sustainable cities profiles with policy recommendations.

80. New forms of collaboration, which are based on the pooling of information, are made possible by digital technologies. ECE has launched the International Transport Infrastructure Observatory, a web-based platform that hosts data on a wide variety of

transport infrastructure networks, including roads, railways, inland waterways, ports, airports, intermodal terminals, logistics centres and border crossing points across Europe, Asia, the Middle East, the Western Mediterranean and North Africa.

81. The Observatory, which currently hosts geographic information system transport network data from 79 States Members of the United Nations, operates as a virtual marketplace for financing transport infrastructure by providing an electronic interface between four user groups: governments, multilateral development banks, regional cooperation organizations and the wider public. A phased approach will be taken to expand the geographical scope of the Observatory, with a further 27 States Members of the United Nations expected to join by 2024.

V. Leveraging partnerships for sustainable development

82. Strong partnerships are an important contributor to the successful delivery of ECE mandates and advancement of the 2030 Agenda. Over many years, ECE has worked successfully in partnership with other entities. Areas for joint action include knowledge production and exchange with other actors, dissemination of normative work and standards, and capacity-building initiatives, among others.

83. Peer learning and the exchange of experiences are among the key objectives of partnerships. ECE has collaborated with other organizations to hold numerous policy debates addressing urgent sustainable development issues, at the intersection between trade, innovation and investment, including at the Ministerial Conference of the World Trade Organization and the World Trade Organization Public Forum and Trade and Environment Week held in 2022.

84. As part of its overall efforts to promote the circular economy, ECE launched “Circular STEP”, a stakeholder engagement platform for policy dialogue. It brings together different stakeholders from the ECE region and beyond to support the circular economy transition through experience-sharing, capacity-building and analytical activities. In addition to government representatives, “Circular STEP” engages the private sector, academia, civil society and other stakeholders. In order to leverage further the impact of this broad platform, “Circular STEP” also fosters partnerships with other United Nations initiatives, including One Planet network and the issue-based coalition on sustainable food systems.

85. In the area of environment, ECE has created an extensive range of partnerships with key organizations operating in this area. Over the past year, cooperation with the European Environment Agency, the United Nations Environment Programme, the World Health Organization, the Organisation for Economic Co-operation and Development, the European Space Agency and other partners in the area of environmental monitoring and assessment continued on a range of issues.

86. With water stress on the rise in shared river basins and aquifers, over 30 governments and organizations have decided to join forces to push for greater cross-border water cooperation. ECE is a member of the Transboundary Water Cooperation Coalition, a multi-stakeholder partnership that is working to highlight the critical importance of cooperation in the management of shared water resources for water security and sustainable development.

87. Target 12 of the Kunming-Montreal Global Biodiversity Framework adopted at the fifteenth meeting of the Conference of the Parties to the Convention on Biodiversity highlights the importance of urban trees and forests. ECE partnered with Local Governments for Sustainability (ICLEI) to further action in support of urban trees and forests at the local and national levels. This contributes to the work of ECE on urban forestry through its Trees in Cities Challenge initiative, which has resulted

in 13 million trees being planted in nearly 80 cities to date, and its engagement with local and national authorities across the region.

88. ECE partnered with the Food and Agriculture Organization of the United Nations, Forest Europe, the European Environment Agency and the European Forest Institute Integrate Network to establish an informal cooperation facilitation network on forest-related work. The initiative seeks to support information exchange and strengthen cooperation. A partnership with the United Nations Development Programme on urban greening actions and forest master planning seeks to help stop desertification and landscape degradation while promoting sustainable development and the restoration of large, degraded areas, such as the Aral Sea.

89. More broadly, ECE plays a leading role in regional cooperation among United Nations organizations in Europe and Central Asia. The Executive Secretary of ECE serves as Vice-Chair of the Regional Collaborative Platform for Europe and Central Asia, the central mechanism for fostering cooperation and joint activities among United Nations entities in the region. Through its multi-agency issue-based coalitions, the Regional Collaborative Platform focuses its activities on the cross-cutting issues of gender equality; adolescents and youth; social protection; large movements of people, displacement and resilience; environment and climate change; sustainable food systems; digital transformation; and data and statistics. Joined-up support is provided to United Nations country teams, for instance through joint policy analysis and advice, inter-agency programmes at the subregional and regional levels, capacity-building initiatives, public awareness campaigns and knowledge management systems.

VI. Conclusions

90. In a world and a region experiencing significant turbulence, but also facing unresolved challenges, the role that the 2030 Agenda plays in providing a sense of direction and a rallying point for the efforts of multiple actors has acquired new relevance. The preventative orientation of the 2030 Agenda, which aims to identify risks and address them before they materialize into adverse consequences, offers critical guidance on navigating these challenging times.

91. The transition to a green economy and the more sustainable management of natural resources is central to the implementation of the Sustainable Development Goals, with implications that transcend national boundaries, but also regional limits. ECE offers a set of relevant normative outputs, which are finding increased acceptance, including beyond the region. Given the transboundary dimensions of actions with environmental impacts, strengthening and broadening international cooperation remain critical. This includes ensuring that appropriate support is given to those countries that need it the most to advance sustainability.

92. Integrated approaches are the most valuable, not only because they are more resource-effective in addressing problems, but also because they help to identify gaps and the potential downside effects of policy interventions. Broad collaboration and strong partnerships are therefore critical, including to develop a shared view of what the future may hold. Advancing the 2030 Agenda requires the engagement and contribution of multiple actors, at the local, national and regional levels, who are confronted by different types of problems and bring different capacities to act and mobilize resources. These considerations are playing an increasing role in the work of ECE.