



Ministry of
Transport and
Maritime Affairs
Ministry of Economy



UNECE

How to achieve Transport- and Trade-related SDGs

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BACKGROUND PAPER

Introduction

The Sustainable Transport Division and the Economic Cooperation and Trade Division of the United Nations Economic Commission for Europe jointly with the Government of Montenegro organized a seminar on the achievement of the transport- and trade-related Sustainable Development Goals, outlined in the 2030 Agenda for Sustainable Development. The following is a background paper for the seminar, for discussion by the participants with a view to formulate policy recommendations to be used in national and regional cooperation plans and work programmes for sustainable development. The paper is divided into two parts: transport (p.1) and trade (p.10).

TRANSPORT

Background

On 1 January 2016, the world officially began implementation of the 2030 Agenda for Sustainable Development¹—the transformative plan of action based on 17 Sustainable Development Goals (SDGs)—to address urgent global challenges over the next 15 years. A robust follow-up and review mechanism for the implementation of the new 2030 Agenda for Sustainable Development will require a solid framework of indicators and statistical data to monitor progress, inform policy and ensure accountability of all stakeholders.²

With transport playing a critical role in the 2030 Development Agenda, with targets and indicators spread across multiple goals, it is crucial that specific capacity building activities are carried out to allow the consistent measurement, monitoring of the goals, targets and indicators related to transport, with follow-up and reporting activities. In particular, the following indicators are considered of most relevance:

- 3.6.1: to halve the number of road fatalities by 2020;
- 9.1.2: measuring passenger and freight volumes, by mode of transport; and
- 11.2.1: the proportion of population that has convenient access to public transport, by sex, age and persons with disabilities.

With the aim of improving understanding and knowledge of transport-related SDGs in individual countries and facilitating the participation of member States in UNECE data collection through the Web

¹ <https://sustainabledevelopment.un.org/sdgs>

² <http://unstats.un.org/sdgs/>

Common Questionnaire (WebCoQ), the UNECE Sustainable Transport Division plan a series of capacity-building workshops for autumn 2017, to share the information on transport SDGs, support development of SDGs monitoring and reporting mechanism, strengthen national transport statistics capacity and improve upon data quality. The three proposed workshops are:

1. Podgorica, Montenegro, 11-12 October 2017, for countries of South East Europe and Moldova.
2. Astana, Kazakhstan, 2-3 November 2017, principally for the Special Programme for Economies in Central Asia (SPECA) countries.
3. Ljubljana, Slovenia, 16-17 November 2017, in partnership with the European Union Strategy for the Danube Region.

The goal of the Workshops is to strengthen the transport-related SDGs knowledge of invited countries. As such, the Workshops will help participants understand how the SDGs affect their day-to-day business and how they can benefit from the activities related to the SDGs. The workshop will allow attendees to connect SDGs achievement with national transport policies, and give them information on the statistical tools to accurately measure and monitor SDGs implementation. A key aspect of the workshop will be the exchange of information and experiences of the participants in relation to gathering information for, and reporting on, the SDGs.

The Workshops will seek to increase knowledge of transport SDGs and assist in understanding the methodology for gathering transport statistics as well as how best to make this information available to decision-makers, the transport community and the general public. UNECE will present the transport related SDGs, highlight the importance of robust transport statistics, data collection processes at UNECE level and the Web Common Questionnaire (WebCoQ). Furthermore, invited experts will present national best practices in data collection and dissemination, and how to use available data to monitor/report SDGs achievement.

Data Context

Transport is an integral part of daily life in the UNECE region. Measuring how people are traveling and goods are delivered is therefore crucial to understanding and improving sustainable transport systems in all countries.

Data availability in the UNECE region and in particular the beneficiary countries is mixed. Most countries provide some transport data on a regular basis to international organisations. But completeness, quality and comparability are not universally robust. Taking UNECE's Transport Statistics Infocards³ publication as the basis, all beneficiary countries have at least some data for recent years (2012 onwards), and over half (six out of ten) had data for (at the time) the latest year, 2014. Most of these countries' Infocards were complete for road passenger and goods traffic statistics. This is a solid achievement and shows that most countries do have some top-level data. The principal challenge therefore, is to get these data at a detailed level, and in a regular, timely manner.

Therefore, the organised workshops will share country data collection best practices and challenges and present examples of innovative uses of administrative data in order to improve the data situation in targeted countries.

UNECE Data Collection, methodology and dissemination

In the context of the 2030 Sustainable Development Agenda, the UNECE Sustainable Transport Division supports the SDGs monitoring and reporting mechanisms through three main ways:

1. By participating in the discussions on the statistical indicators used to track progress on the goals.
2. By collecting data that directly feed into the SDG indicators, notably for 3.6.1 and 9.1.2.
3. By providing internationally-agreed methodologies for these data to be collected.

³ A new annual publication, available at <https://www.unece.org/trans/main/wp6/infocards.html>

UNECE's data collection is based upon two sources: an Excel road accident questionnaire, and the Web Common Questionnaire, where data are collected in collaboration with Eurostat and the International Transport Forum. The three organisations work closely together in order to minimise the reporting burden on countries, while at the same time improving harmonisation of definitions (and thus comparability).

UNECE works on improving data harmonization through publishing the Glossary for Transport Statistics⁴, in cooperation with Eurostat and the ITF. The Glossary is a set of common definitions for all transport modes, covering infrastructure, transport equipment (vehicles), traffic measurement and safety, in addition to minor topics on transport employment, energy consumption and economic performance. This flagship methodology document means countries across the region and beyond can collect and provide data to any of the three organisations that are internationally comparable.

All data collected by UNECE are published online, available free of charge, at <http://w3.unece.org/PXWeb/en>. The transport database covers all inland modes of transport (rail, road, inland waterways and pipeline), and infrastructure, transport equipment, traffic volumes and safety. In addition to the online database, two biennial publications are produced, Inland Transport Statistics of Europe and North America (the latest version of which was released this year, <https://www.unece.org/index.php?id=45989&L=0>) and Statistics of Road Traffic Accidents of Europe and North America (the 2017 version of which should be released in October 2017) <https://www.unece.org/index.php?id=41891&L=0>.) Furthermore, the Transport Statistics Infocards (mentioned above) summarise key infrastructure, traffic and road safety data in a format that is easy to understand.

SDG 3 - Road Safety

Following the adoption of resolution 64/255 by the General Assembly in 2010, the period 2011-2020 was declared as the Decade of Action for Road Safety, with a goal to stabilize and then reduce the forecast level of road traffic fatalities around the world by increasing activities conducted at the national, regional and global levels. Around 1.25 million people died from road traffic injuries globally in 2013. Halving the number of global deaths and injuries from road traffic accidents by 2020 (SDG Target 3.6.1) is an ambitious target given the dramatic increase in the number of vehicles, which nearly doubled between 2000 and 2013.

The data provided for the most recent decade where road safety data are available (2005-2015) show that in the UNECE region progress has already been made in terms of the number of road accidents with injuries as well as the number of both fatalities and injuries in those accidents. Between 2005 and 2015, the total number of fatalities in road traffic accidents decreased by almost 24% in the UNECE region. Despite this positive trend, data on road traffic fatalities per inhabitant show large disparities between countries; in 2015, the member States with the highest fatality rates reported incident rates almost 10 times higher than those with the lowest fatality rates (see Figure 1). This is a very basic indicator of road safety as it corrects for population size, while not taking into account level of development, modal share, road safety strategies or other factors. We see from this that top-level road safety numbers of road fatalities for most UNECE countries are reported, but then data broken down (by road user, time of day, road type, etc.) are not universally available.

⁴ Available at <https://www.unece.org/index.php?id=4190>

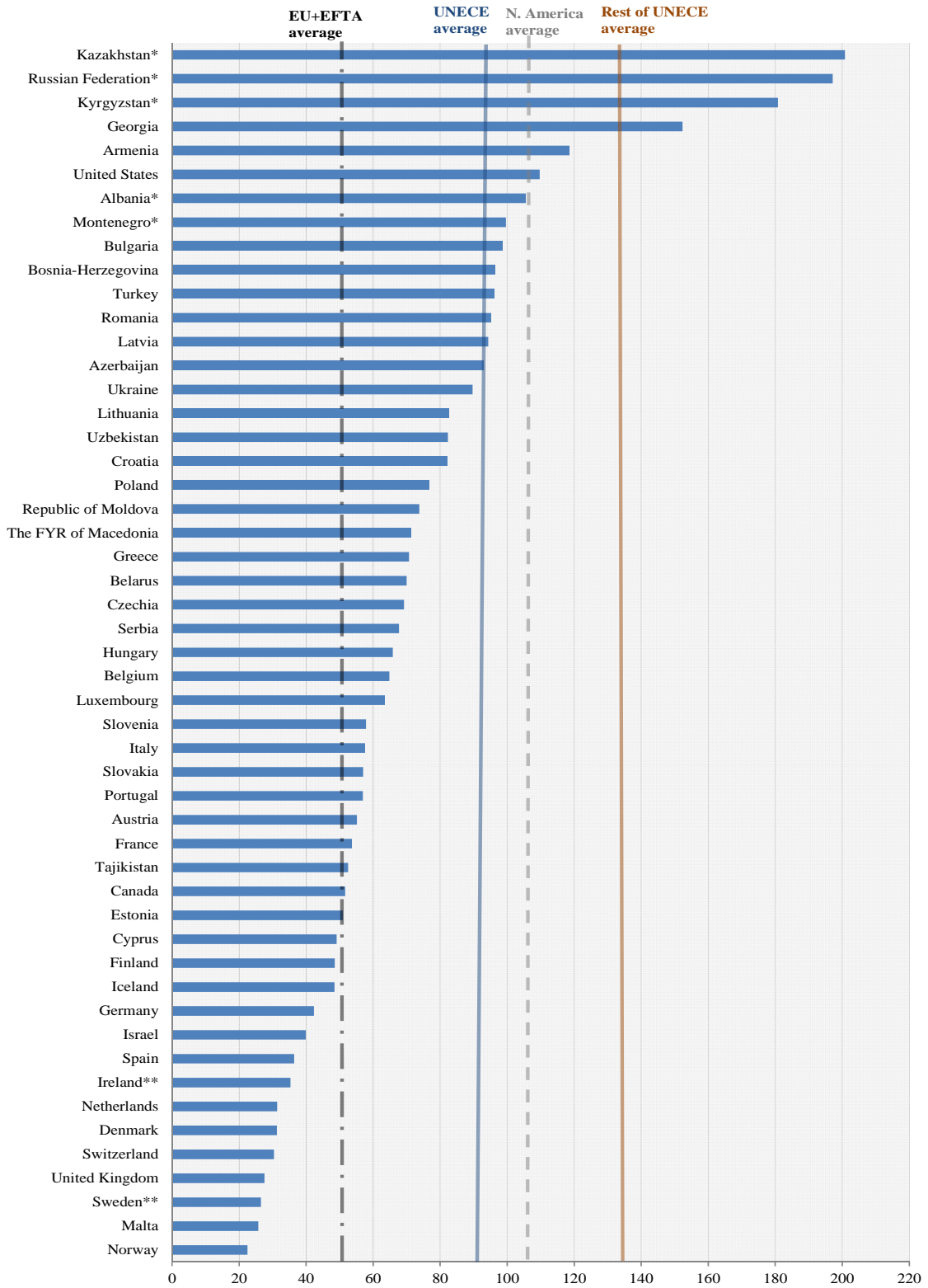


Figure 1: death rate per million inhabitants, by UNECE member State, 2015

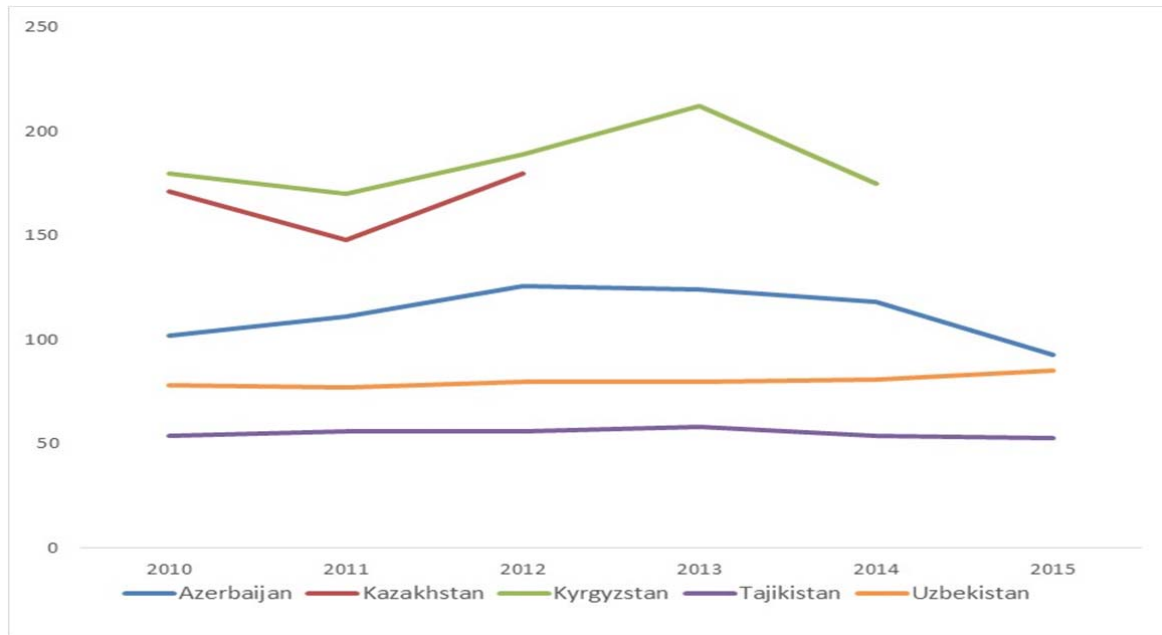


Figure 2: road fatalities per million inhabitants, SPECA region

Figure 2 shows the rate of road fatalities per million inhabitants for SPECA countries, 2010-2015. As can be seen in the graph, the safety record varies significantly, with Kyrgyzstan and Kazakhstan having nearly triple the fatality rate reported by Tajikistan. This could be attributable to many factors, including levels of economic development (level of motorization, mobility, etc.), although there could be differences in data quality between countries. Data for Turkmenistan have not been available for recent years (for deaths or injuries).

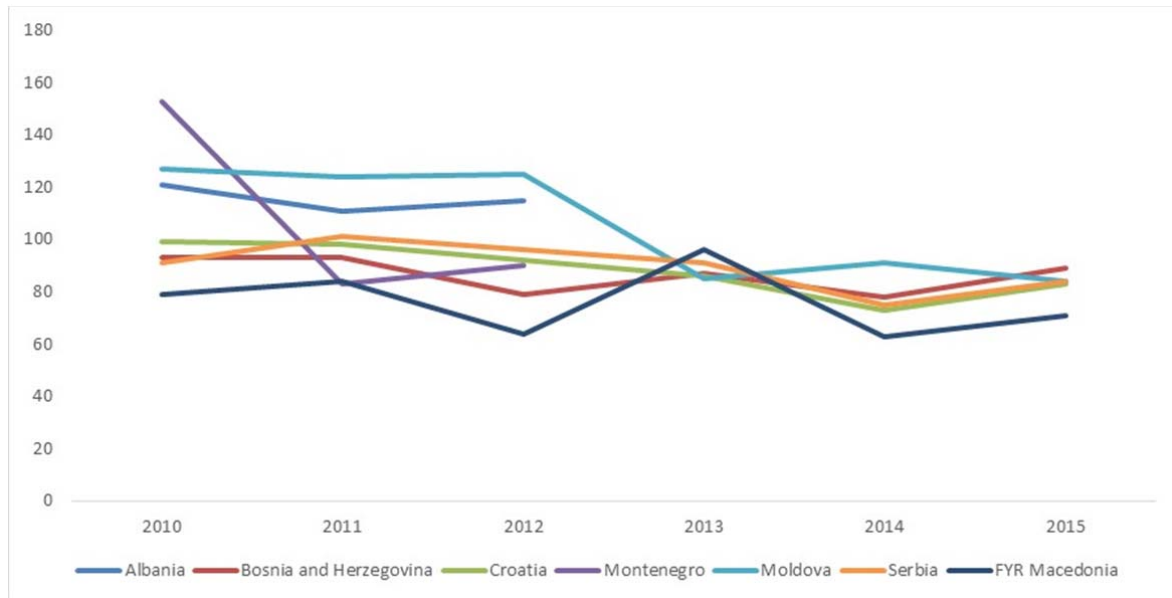


Figure 3: road fatalities per million inhabitants, Western Balkans and Moldova

Figure 3 shows the same indicator for the Western Balkan countries and Moldova. We see a broadly positive trend in the data, with most countries making progress on road safety in the period. Some countries' latest year provided is 2012, however.

Comparing deaths versus injuries provides possible insight into the importance of harmonising definitions. For whereas in the fatality graph Kazakhstan and Kyrgyzstan have two to three times the rate of fatalities as Tajikistan, when looking at the injury rate per million inhabitants (figure 4), this ratio is closer to six or seven times.

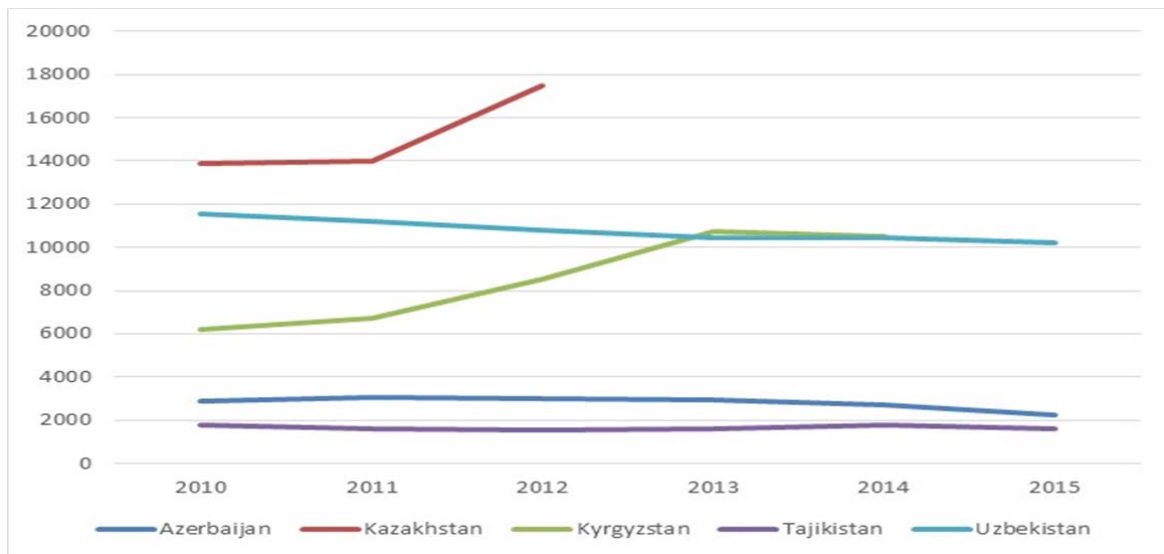


Figure 4: Road injury rate per million inhabitants, SPECA countries

Figure 5 shows the same data on injuries for the Western Balkans and Moldova. We again see the larger disparity of accident rates as compared to death rates, further highlighting the need for the harmonised definitions of the Glossary to be better communicated to, and used by countries.

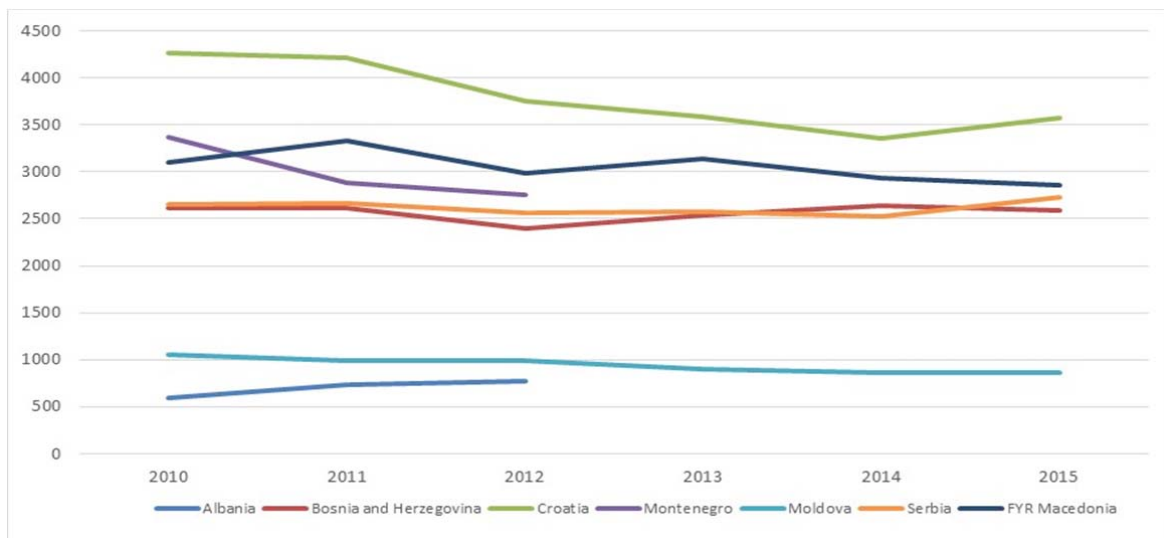


Figure 5: Road injury rate per million inhabitants, Western Balkan countries and Moldova

UNECE traffic injury and fatality data typically come from police reports of traffic accidents. However, accidents are not always reported to the police, and some countries may use hospital data (or other sources) to calculate accident numbers while some may use the police data. This may explain bigger differences seen in accident numbers, and is an area where more collaboration on definitions and better metadata could improve data comparability.

SDG 3: These data as collected can feed directly into measuring SDG target 3.6.1, which aims to halve the number of road accidents and fatalities by 2020.

SDG 9 - Road transport

Measuring sustainable road transport is essential to tracking progress on SDG 9, which aims to build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation. In 2015, approximately 4780 billion passenger km and 2537 billion ton-km occurred on the roads of the UNECE

Europe region, (covering countries reporting data to the UNECE Secretariat in recent years⁵). This took place over a road network of around 5.7 million kilometres, nearly 200,000 kilometres of which is designated as motorway. These journeys were made in approximately 337 million passenger cars, 2.7 million coaches and buses, and 42 million lorries.

Looking more generally at the statistics situation, basic infrastructure data and vehicle fleet information are reported by many member States. Yet passenger and freight volumes are harder to come by. To a certain extent this reflects that infrastructure and vehicle data can often be derived from existing administrative data sources, while vehicle traffic movements require their own dedicated collection activities (although in the case of freight carried this may be partly available from customs information).

Figure 6 shows the length of “Other” roads (roads not classified as motorways) for countries of the Western Balkans region and Moldova. Unsurprisingly, there is not a lot of variation in these figures over time, as these countries have a well-developed highway system. Data for Montenegro are not available.

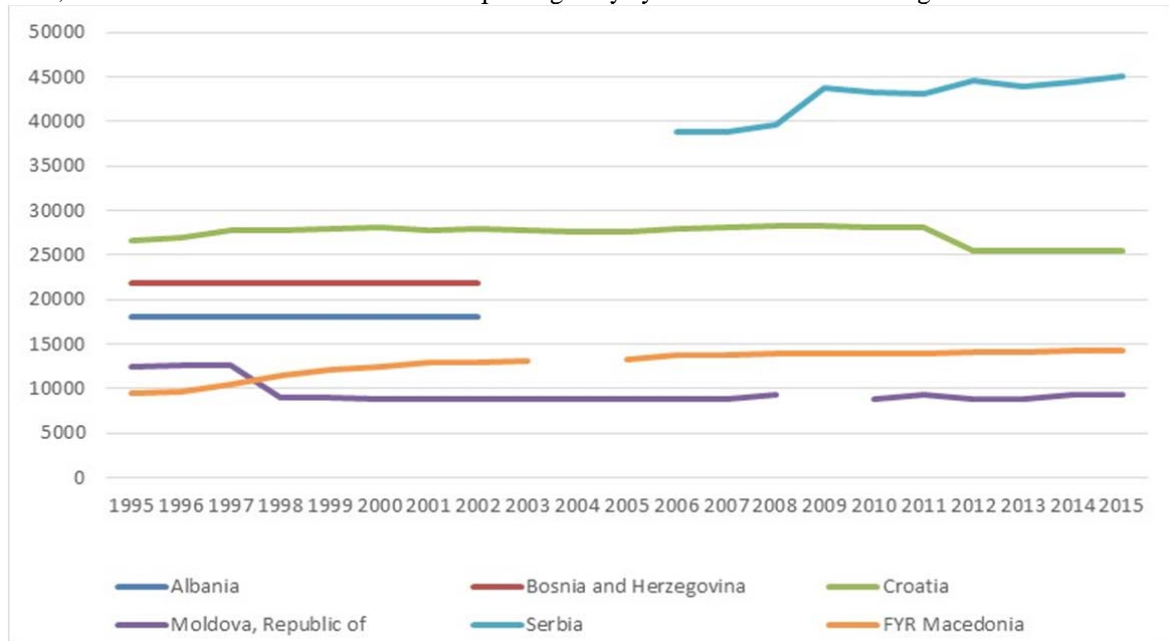


Figure 6: Length of “Other” road networks, km, Western Balkan countries and Moldova

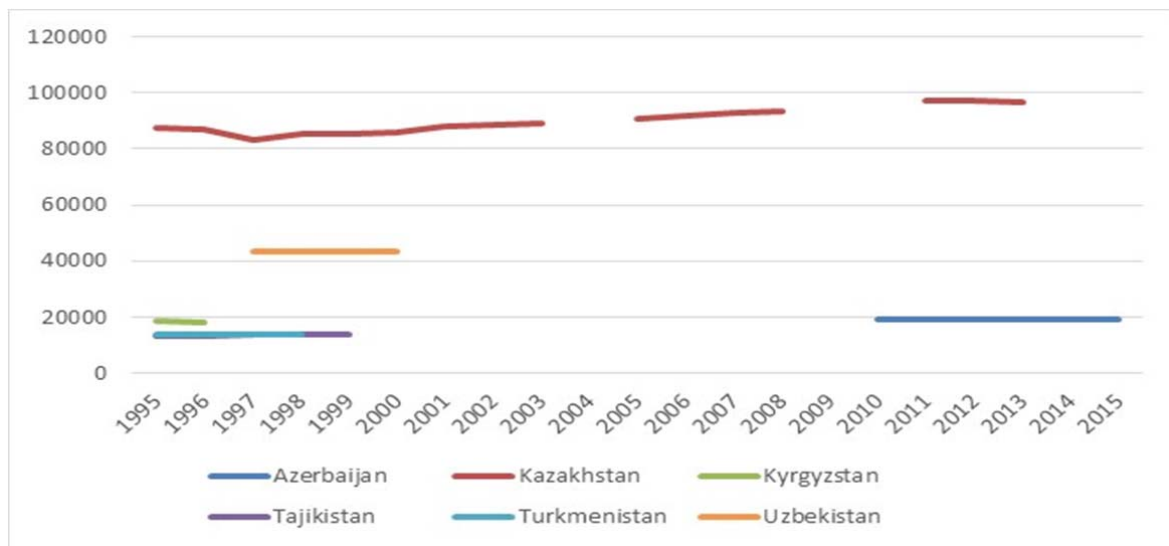


Figure 7 Length of “Other” road networks, km, SPECA countries

⁵ All of the numbers in this paragraph are derived from the UNECE statistical database at <http://w3.unece.org/pxweb/en/>, and have used data for either 2015 or the last available year

Figure 7 shows that for SPECA countries, again highlighting the lack of variability but showing that better data are needed for recent years.

For freight transport, data for million tonne-km are available for most countries invited to the workshops. Table 1 shows the recent figures for SPECA countries (data for Turkmenistan and Uzbekistan were unavailable). Kazakhstan has by far the largest figure out of these countries, even after population values are taken into account. This somewhat reflects the huge size of the country, and gives an insight into the transport challenges faced by large nations, such as adequate fuel supply and the challenge of timely movements of perishable goods.

Tonne-kilometres (millions)	2010	2011	2012	2013	2014	2015
Azerbaijan	11325	12356	13307	14140	14516	15532
Kazakhstan	80261	121074	132297	..	..	..
Kyrgyzstan	1071	1095	1143	..	..	..
Tajikistan	5005	..	5783	..	5783	..

Table 1: Million tonne kilometres for goods by road, SPECA countries

Table 2 shows the same indicator for the Western Balkan countries and Moldova. Here Croatia and The former Yugoslav Republic of Macedonia have the largest values, despite not being the largest countries by size nor population. Data for Albania were unavailable.

Tonne-kilometres (millions)	2010	2011	2012	2013	2014	2015
Bosnia and Herzegovina	2039	2309	2301	2658	3216	3405
Croatia	8780	8926	8649	9133	9381	10439
Montenegro	167	102	76	..	..	..
Moldova, Republic of	3230	3597	3955	4423	4307	..
Serbia	1689	1907	2474	2824	2959	..
The former Yugoslav Republic of Macedonia	4235	8933	8965	7466	10622	10192

Table 2: Million tonne kilometres for goods by road, Western Balkans and Moldova

Looking at total mobility (measured by vehicle-kilometres), there are no data at all for any of the selected countries since 2002. Vehicle movement data are often collected from a combination of direct vehicle measurement (with manual or automatic traffic counters) and odometer readings (taken for example when vehicles are put through a periodic road worthiness test), and these data may be more challenging for countries to collect.

Passenger mobility (passenger-kilometre) data however, are more widely available, shown in Table 3 for SPECA countries (Turkmenistan and Uzbekistan were unavailable) and Table 4 for Western Balkans and Moldova (Albanian data were unavailable). This may reflect that these values are typically be derived from household and business surveys, either transport-specific ones or more general data collections. These surveys are generally inexpensive and straightforward to carry out.

Total Passengers-km (millions)	2011	2012	2013	2014	2015
Azerbaijan	3936	20034	21880	22992	23825
Kazakhstan	164201	184825	..	..	..
Kyrgyzstan	7379	7943	..	..	..
Tajikistan	..	7234	..	7306	..

Table 3: passenger kilometres by road, millions, SPECA countries

It should be noted however, that for countries reporting figures, documented issues exist with the numbers. A common problem is that only public transport (and/or taxi) passenger-kilometre data are reported, as these are the only ones available (from administrative data sources). This will evidently only

represent a minority (and often, only a very small fraction) of the total passenger-kilometres, as it excludes private car use which makes up the majority of passenger-kilometres.

Total Passengers-km (millions)	2011	2012	2013	2014	2015
Bosnia and Herzegovina	1926	1925	1764	1665	1690
Croatia	29580	30586	30859	30962	31171
Montenegro	80	111	..	..	..
Moldova, Republic of	3086	3250	3542	3303	..
Serbia	4652	4640	..	..	..
The former Yugoslav Republic of Macedonia	1640	7110	7944	9243	9263

Table 4 Passenger-kilometres by road, millions, Western Balkans and Moldova

SDG 9: Data on passenger and tonne kilometres in the road sector can feed directly into SDG Target 9.1.2, which measures passenger and freight volumes for all modes of transport.

SDG 11 – Sustainable cities

UNECE through the Inland Transport Committee provides best practices and policies for the development of sustainable urban transport systems, i.e. systems that are efficient, interconnected, affordable, safe and environmentally friendly allowing greater wider mobility and access for all within dense urban environments. For example, in the publication: Sustainable Urban Mobility and Public Transport in UNECE Capitals⁶, many best practices in the role of public transport and non-passenger mobility are presented, and specifies how the quality of public transport and its infrastructure and networks as well as the infrastructure for non-motorized transport can impact preferences for citizen's mobility.

In UNECE, data specifically on SDG Target 11.2.1 (proportion of population that has convenient access to public transport by sex, age and persons with disabilities) are not collected.

Conclusion

- Sub-regional cooperation on improving transport-related SDG knowledge and SDGs achievement could give a boost to national efforts to create efficient and sustainable transport systems.
- Presently the data situation for the beneficiary countries varies widely. Some countries are not providing any data at all in recent years, whereas most provide some data but with room for improvement on the breakdown. Capacity building workshops hope to improve data completeness and timeliness.
- For road safety data, countries are encouraged to provide as much data as they have, and embrace internationally-agreed methodology for metadata collection, notably the Glossary for Transport Statistics.
- For road transport data, most countries already collect some freight data. Improvements in timeliness and quality of passenger transport data could be considered a priority.
- Countries are encouraged to be pragmatic on estimation, exploring administrative data sources and making reasonable estimates based on firm facts whenever they can.
- UNECE is offering a whole spectrum of technical assistance in transport statistics to member States in their data collection, and help on technical matters such as how to submit their data to UNECE through WebCoq.

⁶ <http://www.unece.org/index.php?id=41845>

TRADE

International Trade and Sustainable Development

Background

Work on the SDGs in the UN and its member States increasingly brings together trade and sustainable development, making trade an engine for sustainable growth and poverty eradication. Policies in support of trade development should focus on both the creation of new and better jobs and fostering more environmentally friendly production and trade.

Direct references to trade are found in several SDG targets:

- “Correct and prevent trade restrictions and distortions in world agricultural markets, including through the parallel elimination of all forms of agricultural export subsidies and all export measures with equivalent effect, in accordance with the mandate of the Doha Development Round” (SDG 2, Zero hunger, target 2.b)
- “Support the research and development of vaccines and medicines for the communicable and non-communicable diseases that primarily affect developing countries, provide access to affordable essential medicines and vaccines, in accordance with the Doha Declaration on the TRIPS Agreement and Public Health, which affirms the right of developing countries to use to the full the provisions in the Agreement on Trade-Related Aspects of Intellectual Property Rights regarding flexibilities to protect public health, and, in particular, provide access to medicines for all.” (SDG 3, Health, target 3.b),
- “Increase Aid for Trade support for developing countries, in particular least developed countries, including through the Enhanced Integrated Framework for Trade-Related Technical Assistance to Least Developed Countries” (SDG 8, Decent work and economic growth, target 8.a)
- “Implement the principle of special and differential treatment for developing countries, in particular least developed countries, in accordance with World Trade Organization agreements” (SDG 10, Inequalities, target 10.a)
- “By 2020, prohibit certain forms of fisheries subsidies which contribute to overcapacity and overfishing, eliminate subsidies that contribute to illegal, unreported and unregulated fishing and refrain from introducing new such subsidies, recognizing that appropriate and effective special and differential treatment for developing and least developed countries should be an integral part of the World Trade Organization fisheries subsidies negotiation” (SDG 14, Life below water, fisheries, target 14.6)
- “Promote a universal, rules-based, open, non-discriminatory and equitable multilateral trading system under the World Trade Organization, including through the conclusion of negotiations under its Doha Development Agenda” (SDG 17, Strengthen the means of implementation and revitalize the global partnership for sustainable development, target 17.10)
- “Significantly increase the exports of developing countries, in particular with a view to doubling the least developed countries’ share of global exports by 2020” (SDG 17, target 11)
- “Realize timely implementation of duty-free and quota-free market access on a lasting basis for all least developed countries, consistent with World Trade Organization decisions.” (SDG 17, target 12)

Most SDGs, however, have some form of linkage to trade and trade policies. A couple of examples are SDG 4, notably the creation of more employment and decent jobs, and SDG 9, industry, innovation and infrastructure. As the links between trade policies and SDGs are relatively indirect there is a risk that this very important policy area does not sufficiently take into account the global goals adopted in 2015 by the 194 countries of the UN General Assembly.

Major recent programming documents clearly outline the link between trade and sustainable development. The Sustainable Development Goals (SDG 17.10) and the Addis Ababa Action Agenda of the Third International Conference on Financing for Development (July 2015)⁷ define international trade as “an engine for inclusive economic growth and poverty reduction”. Both documents clearly promote the “universal, rules-based, open, transparent, predictable, inclusive, non-discriminatory and equitable multilateral trading system under the World Trade Organization (WTO)” as a tool for achieving growth and development around the world. Focus Area 6 of the Pan-European Strategic Framework for Greening the Economy adopted in Batumi on 10 June 2016, promotes “Green and Fair Trade”.⁸ All documents stress that trade plays an important role in allocating global resources more efficiently.

The objective of this paper is to point the attention of decision makers in the countries of the Western Balkans to the need to define a list of principles for environmentally friendly trade, on which to focus their policy objectives. It will thus provide a general framework for governments when they define next steps in terms of national work programmes for the achievement of the SDGs, regional cooperation plans, and exchange of best practices. The key point is to understand the importance of the link between trade development and sustainable development in the region and, on this basis, mark areas for possible cooperation among the countries for the achievement of the SDGs related to trade.

The work on trade and sustainable development may focus on such topics as trade as a source of sustainable growth, more employment, elimination of poverty, and improved trade practices with a view to achieve the environmental sustainable development goals: notably, water management, energy efficiency, sustainable transport, innovation, and other areas. The overall goal is to achieve parallel improvements in the fields of trade, environment, food security, water management and others related to the SDGs.

If the right trade policies and regulation are implemented, international trade can help countries benefit from investment and integration into international value chains for environmental goods and services. The transition to an inclusive green economy enhances trade opportunities by opening new export markets for such environmental goods and services. Demand increases for resource and energy efficient production and processing methods and for sustainability-certified products, as markets for them are growing fast. “There are economic gains to be made from making trade more socially and economically sustainable. Growing trade in environmental goods and services, as well as the diffusion of sustainability standards and the greening of global value chains, can significantly influence”⁹ job markets, production and cross-border trading patterns.

⁷ UN Sustainable Development Knowledge platform, “Addis Ababa Action Agenda of the Third International Conference on Financing for Development”,
<https://sustainabledevelopment.un.org/frameworks/addisababaactionagenda>

⁸ UNECE (2016), Eighth Environment for Europe Ministerial Conference Batumi, Georgia, “Pan-European Strategic Framework for Greening the Economy”,
<http://www.unece.org/fileadmin/DAM/env/documents/2016/ece/ece.batumi.conf.2016.6.e.pdf>

⁹ UNEP (2016). Green Economy and Trade Opportunities Project: Synthesis Report. Geneva: UNEP, p.11

Trade and environmental sustainability

Countries are encouraged to develop policies supporting imports and exports of green technologies, environmental goods and services, and creating market access for sustainably certified products. In order to make informed policy decisions, countries and their development partners may wish to carry out studies to identify economic incentives that would integrate these technologies and products into efficient cross-border supply chains. Political will grows for building green economies, circular economy, and “green energy”, yet much needs to be done on national and regional level to foster this development.

In order to support sustainable development, the international trading system rules should provide for responsible, socially and environmentally sound trading practices. It is important to integrate sustainable development into trade policy at all levels, involving increase and diversification of the production and exports of the Western Balkan countries on a sustainable basis.

Principles of sustainable trade

International trade has the potential to bolster the achievement of a number of sustainable development objectives, especially if its development abides by a number of principles that respect the following:

1. Encourage long-term investment in productive capacities, including diversification and innovation of production and trade, aligning them to the requirements of sustainable development;
2. Adopt appropriate regulation, so that trade can facilitate the transition to more sustainable and equitable growth and to a green economy by fostering the exchange of environmentally preferable goods and services, by increasing resource and energy efficiency, and by generating economic and employment opportunities for all;
3. Foster productive employment and decent work conditions, through trade policies and practices, in order to create jobs and eliminate poverty in all countries;
4. Reduce inequality by letting poorer countries and people accede to markets, investments, new technologies and higher working and living standards;
5. Support environmental preservation through environmentally sound trading practices, notably by further developing rules for environmentally friendly trade;
6. Identify and harness trade opportunities associated with transition to a green economy;
7. Eliminate trade subsidies that negatively affect the environment;
8. Invest in food security by providing access to agricultural products for a larger portion of society, thus offering more, broadly accessible and higher standard food products on the markets;
9. Promote international and regional trade governance frameworks that foster sustainability; integration of national and international initiatives that build up synergies between trade and green economy development;
10. Develop national sustainability standards for trade, which are related to international standards and best practices (connecting such standards in exporting and importing countries);
11. Encourage new forms of public-private partnership to support the parallel advancement of trade and the green economy;
12. Further women’s empowerment, increasingly involving women in managing trade operations and the advancement of sustainable trade;
13. Advance the development of financing mechanisms to support the shift to green trade, including capacity-building for the public and private sectors; and

14. Cultivate a new ethics in the trading community that would support the overall achievement of the sustainable development goals.

Areas for further work

Bringing together trade and sustainable development will not come by itself. It needs purposeful analysis of current development approaches and incorporating a sustainable development mind set into current work on trade development priorities. Several priority areas, which can be taken up include:

1. **Trade facilitation** and liberalization suppose the integration of countries and their companies in international supply chains; the facilitation of movements of goods across borders, which would save precious resources for society that are otherwise wasted in bureaucratic procedures; together with raising the efficiency of official controls necessary for the protection of society. Long-term investment in productive capacities would go hand-in-hand with trade facilitation that reduces the waste of time and resources, but also lead to better working conditions and employment in the region. Trade diversification and innovation should that take sustainable development into account, as well as, so that a regional market and regional supply chains can form. At the same time trade facilitation and paperless trade should take into account the need to protect the environment; create new jobs; and foster such innovation that would lead to more decent jobs and poverty reduction.

Trade facilitation (including the implementation of the WTO Trade Facilitation Agreement by members or aspiring members of the WTO) can have the following impact on green trade:

- increase efficiency and reduce costs, waste and negative environmental impacts, saving precious human and natural resources for better use by society;
- improve border control procedures by simplifying, harmonizing, standardizing and automating them, reducing delays and rejections of goods at the border, enabling trade operators to bring their goods to the destination markets faster and sell them, rather than having them delayed, turned back or, in the case of perishable goods, spoiled. These savings can then positively impact access to food and create more and better jobs for broader sections of society, if properly planned and implemented;
- streamline procedures, thus avoiding wasted paper, gasoline and inputs used for the production of goods, including reduction of pollution from idle trucks and other vehicles;
- allow for increased trade in environmental goods, services and technology, access to which should be facilitated in compliance with the Sustainable Development Agenda, leading to better deployment of renewable energy technologies. In combination with reducing other trade barriers, trade facilitation may boost “green trade”.

2. Encouraging **environmentally sound production and trading patterns** in the subregion would have a positive impact on tackling important environmental issues there. International organizations (e.g. OECD) are working on indices for such environmentally friendly trade.
3. **Promoting diversification of the economy.** Trade of some countries of the regions is still dominated by products with low intellectual property component, despite the beneficial proximity of the major markets of the European Union, Russia, and Turkey. The countries are looking now for innovative ways of diversifying their economies and trade, including through integration into regional and global supply chains and focusing on environmental goods. They work on developing a green industry, and expanding the market for green products to other countries in the region can boost such production. A conscious effort towards regional trade cooperation focused on sustainable development will be important, as such change in economic patterns and mind-sets will not come by itself.

4. **Ensuring financing for green trade.** Encouraging environmentally sound production and trading patterns will have a positive impact on tackling important environmental issues in the region. National budgets and donors that support projects on trade in the subregion and trade financing can play a significant role in promoting sustainable trade. While providing market-oriented trade finance and remedies for market failures associated with trade finance, these institutions can play a significant role in promoting the SDGs in trade, *inter alia*, by increasing the analysis of issues and requirements for sustainable development considerations in trade finance projects.
5. Trade development must be used to **facilitate the creation of productive employment** and to **address the inequality of opportunities** faced by specific groups. Women, ethnic and racial minorities, among others, can get more access to the management of international trade and the from the gains of development. Policy measures must address the inequality of both opportunities and outcomes.
6. The right trade policies can help **manage risks associated with economic and financial crises, and to build economic resilience** in order to ensure that growth is stable and sustained. The more dependent a country is on a pattern of growth focused on external sources of revenue and investment, the more vulnerable it is to global trade shocks. Activities to manage risks and building economic resilience include promoting export and economic diversification; address volatility of private capital flows; addressing commodity price volatility; adopting income stabilization measures for commodity producers; enforcing labour standards and social insurance for workers in export sectors; and promoting environmental safety standards and safe-guards for foreign investments.

Western Balkan countries, trade and the green economy

The Green economy concept was recognized as an important tool for achieving sustainable development in the outcome document of the United Nations Conference on Sustainable Development in 2012 (Rio+20), and since that time a number of countries around the world have adopted green economy strategies and policies. Western Balkan countries have started to include trade and the SDGs in their voluntary SDG reports and adopt sustainable development strategies, some of which contain green economy and sustainable trade elements.

Montenegro

Montenegro's Voluntary National Review at the HLPF 2016, for example, points out that Chapter five of the National Strategy for Sustainable Development (NSSD) until 2030 sets out recommendations for the establishment of a financing framework for sustainable development of Montenegro. It gives a detailed presentation of the basic principles of financing for sustainable development, including international trade as a development engine and as a possible source of support for sustainable development.

“International trade will be the engine of inclusive economic development and poverty reduction that must contribute to promoting sustainable development. In the context of international trade, particularly important will be strengthening partnerships through regional trade and interconnectivity, which will promote inclusive growth and sustainable development. Regional integration of Montenegro through CEFTA, bilateral trade arrangements and the Stabilization and Association Agreement with the EU will contribute to reducing barriers to trade in the

region and lead to faster economic reforms. At the same time this enables companies, including micro, small and medium enterprises, to integrate into regional and global supply channels.”¹⁰ The national responses in the context of achieving the NSSD define the following tasks with relation to trade:

- Foster transparent, inclusive and non-discriminatory international trade, with reference to SDG 8 (8.a)
- Foster transparency, inclusive and non-discriminatory international trade (improvement of the access to market for less developed and insufficiently competitive countries) through greater access to credits, guarantees, insurance, factoring and innovative financial instruments, including the ones for micro, small and medium-size enterprises; also, in the framework of this measure, it is necessary to foster regional trade and inter-connectivity, SDG 10 (10.6) as well as SDG 17 (17.10, 17.11, 17.12);

The achievement of the development projections of Montenegro on the principles of sustainable development assumes, among others, the improvement of the “country’s position in international economic relations (international trade), as well as the capacity for the mobilization of funds from international public and private sources (FDI, credits, international development cooperation)”.¹¹

The recommended means of implementation of the SDGs with reference to trade emphasise that the plans to reduce import dependency and to strengthen priority sectors of economy will positively affect the reduction of the trade deficit and/or reduction of the current transactions account deficit.¹²

Albania

The Programme of Cooperation for Sustainable Development of the Government of Albania and United Nations for 2017 - 2021 points out that “in the area of trade, more needs to be done to harness trade for inclusive economic growth. While the Government has achieved important progress in aligning its overall trade regulations and procedures with the EU *acquis communautaire* requirements, capacity shortfalls within Government agencies impede full realization of reform benefits. These shortfalls manifest themselves in regulatory and procedural barriers to trade, which inflate transaction costs and, thereof, undermine the competitiveness of manufacturing and agribusinesses in local and global markets with adverse consequences for employment generation and poverty levels. There is also a need to further develop the country’s overall system of standardization, quality assurance and metrology.”¹³

In order to respond to this challenge, the programme strategy aims at making economic growth priorities, policies and programmes more inclusive and sustainable. In the case of trade, the strategy will:

- “Enhance capacity to build/revitalize infrastructure *inter alia* through public-private partnerships and foster innovation sector;
- Support integration of traders into regional and global value chains.”¹⁴

¹⁰ Voluntary National Reviews at the HLPF 2016: Montenegro, p. 62

¹¹ Ibid. p. 133

¹² Ibid, p.135.

¹³ Government of Albania and United Nations Programme of Cooperation for Sustainable Development 2017-2021, p.29-30 - See UNECE Study on Regulatory and Procedural Barriers to Trade in the Republic of Albania (ECE/TRADE/427), accessed

¹⁴ Government of Albania and United Nations Programme of Cooperation for Sustainable Development 2017-2021, p.29-30 - See UNECE Study on Regulatory and Procedural Barriers to Trade in the Republic of Albania (ECE/TRADE/427)

The former Yugoslav Republic of Macedonia

The former Yugoslav Republic of Macedonia signed Partnership for Sustainable Development with the UNECE in the framework of the United Nations Strategy for 2016-2020. UNECE has committed to contribute to the NPDF outcomes so that:

- “By 2020, more women and men are able to improve their livelihoods by securing decent and sustainable employment in an increasingly competitive and job-rich economy;
- By 2020, national and local institutions are better able to design and deliver high-quality services for all users, in a transparent, cost-effective, non-discriminatory and gender-sensitive manner;
- By 2020, individuals, the private sector and state institutions base their actions on the principles of sustainable development, and communities are more resilient to disasters and environmental risks.”¹⁵
- The means for achieving these outcomes include “improving the innovation policies, trade facilitation and development of agricultural supply chain”¹⁶ which will lead to the increased competitiveness of the economy and sustainable development.

Moldova

The National Report for UN CSD 2012 Rio+20 for Moldova introduced specific measures aimed at fostering a green economy, including such trade-related targets as:

- “Promote the Green Economy in all new draft national development policy documents, social, economic and environmental strategies, in all relevant legislation (including the definitions) and into the sectors development strategies (including energy, agriculture, industry, trade, transport, constructions, as well as public health, waste management and natural resource sector);
- Promote Green Public Procurement by introducing e-procurement system, to minimize the volume of the paper and resources used;
- Develop the national “Green Moldova” trademark for products and processes. Identify the ‘green’ companies receiving the right to use the “Green Moldova” trademark through transparent and fair selection.”¹⁷

A new Partnership Framework for Sustainable Development (PFSD) for the period 2018-2022 was also signed between the Government of Moldova and UNDP Moldova, which is “attuned with the provisions of the 2030 Agenda and the EU-RM Association Agreement and will support implementing effective reforms aiming at modernizing both our economy and society”.¹⁸

¹⁵ United Nations Economic Commission for Europe Official Website, Press release: “UNECE signs Partnership for Sustainable Development with the former Yugoslav Republic of Macedonia”, accessed 9 September 2017, <https://www.unece.org/info/media/presscurrent-press-h/ecid/2016/unece-signs-partnership-for-sustainable-development-with-the-former-yugoslav-republic-of-macedonia-united-nations-strategy-for-2016-2020/doc.html>

¹⁶ UNECE Official Website, Press release: “UNECE signs Partnership for Sustainable Development with the former Yugoslav Republic of Macedonia”, accessed 9 September 2017, <https://www.unece.org/info/media/presscurrent-press-h/ecid/2016/unece-signs-partnership-for-sustainable-development-with-the-former-yugoslav-republic-of-macedonia-united-nations-strategy-for-2016-2020/doc.html>

¹⁷ UNDP, National Report for UN CSD 2012 Rio+20, Chisinau, 2012, p.57

¹⁸ Statement by Mr. Lilian Darii~ Deputy Minister of Foreign Affairs and European Integration of the Republic of Moldova High-Level Political Forum on Sustainable Development

Regional trade growth and sustainable development. Promotion of the international rules-based trading system. Sustainable growth of exports

Apart from Bosnia and Herzegovina and Serbia all countries have acceded to the WTO and all have made steady progress in the achievement of SDG 17.10: promotion of the international rules-based trading system based on the WTO, notably with regard to the implementation of the WTO Trade facilitation agreement. The indicator identified for this measure is “worldwide weighted tariff-average”. Yet for the region one can assess the level of integration of the countries into the international rules-based trading system on a more specific basis. For example, for Bosnia and Herzegovina and Serbia, the following points can be made:

Bosnia and Herzegovina is in WTO’s strategic focus for accession in 2017. The Working Party on Bosnia and Herzegovina’s accession was established in 1999. The Working Party Chair is Amb. Rajmund Kiss from Hungary. The Working Party has held 12 meetings, and the status of accession is estimated as “advanced”. The outstanding issues as of July 2017 were: Law on Internal Trade and the bilateral market access negotiations. The next steps include circulation of the draft Accession Package. The final Working Party meeting is planned for October 2017.

Serbia's Working Party was established on 15 February 2005. The Working Party met for its thirteenth meeting in June 2013. The Working Party Chair is Ambassador Marie-Claire Swärd Capra (Sweden). At the 13th meeting, on 13 June 2013, Amb. Swärd Capra called for completion of bilateral negotiations and enactment of the final bits of outstanding legislation for Serbia’s finalization of its accession negotiations already in 2013.

With regard to SDG 17.11: increase the share of developing countries in world exports (the countries participating in the workshop had defined themselves as developing by categorizing differently the measures in the WTO trade Facilitation Agreement), the focus of the countries may be on increasing intra-regional trade, which is still low (see fig.1 and fig 2) despite their cooperation in CEFTA2006. Export values of all Western Balkan countries and Moldova to the world in 2016 declined compared to 2014. For the same period, total world export values decreased as well by 16% (see fig.2 and fig.3). Export share of the Western Balkan countries and Moldova steadily grew from 0,12 percentage points in 2006 to 0.14% in 2010, to 0.16% in 2014 and to 0,18% in 2016 (see fig.4). There is a high potential to improve regional trade as well as the countries’ share in world exports.

	Albania		Bosnia Herzegovina		Serbia		The FYR of Macedonia		Rep. of Moldova		Montenegro	
	Import	Export	Import	Export	Import	Export	Import	Export	Import	Export	Import	Export
Trade with the world	4,669	1,962	9,130	5,327	19,231	14,852	6,757	4,785	4,020	2,045	2,263	0,354
Trade with the other countries in the table	0,307	0,266	1,153	0,700	0,767	2,649	0,664	0,600	0,026	0,011	0,689	0,140
Trade with the other countries in the table in percentages of total trade	6.58	13.57	12.63	13.14	3.99	17.84	9.83	12.55	0.65	0.52	30.46	39.79

Figure 2: Trade among the Western Balkan countries plus Moldova (in millions US dollars) 2016

Source: UnctadStat and UNCOMTRADE databases

The numbers on the share of Western Balkans and Moldova in World export were based on UNCOMTRADE database and WTO Statistics database. They were calculated as a ratio of each country's exports to the World to the total World export for every indicated year.

Conclusion and recommendations

The countries of the Western Balkans, which are not yet members of the European Union, have both the commitment to implement the SDGs related to trade and the potential to achieve them. Some of them have strong traditions in protecting the environment, forest management, and consumer protection, to name a few. Promoting rules and practices that foster the parallel advance of trade and sustainable development can lead to an efficient shift to sustainable trade in Southeast Europe. Economic and trade diversification, as well as economic, environmental and social innovations related to sustainable development would create more trade opportunities and generate larger scale efficiency, while creating new “green” jobs. The Western Balkan countries may wish to take into account the following recommendations for further action:

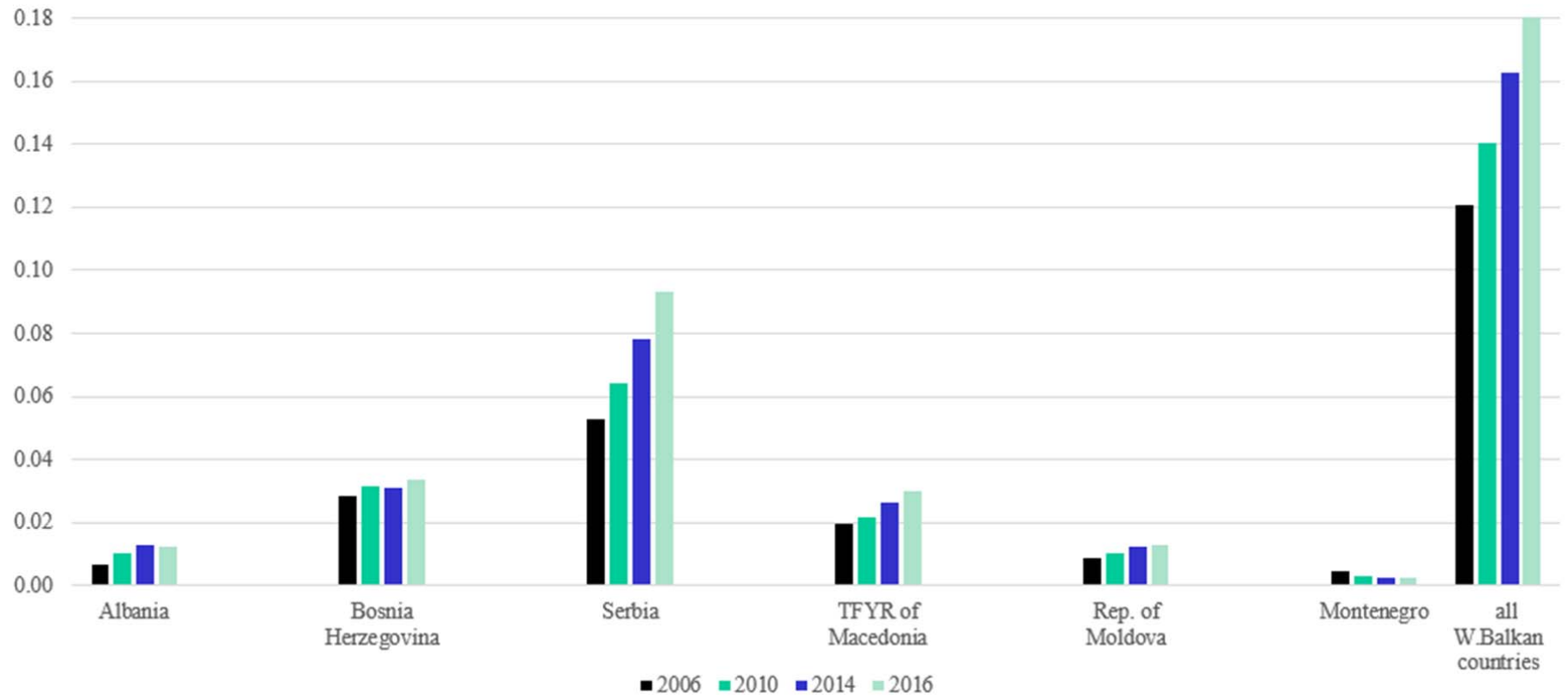
- Continue cooperation for the further integration of the Western Balkans into the international rules-based trading system under the WTO (SDG 17.10), notably for implementing rules that support sustainable development. Their European integration process is also aligned to this objective.
- Analyse the effects of potential growth of intra-regional trade in the Western Balkan countries on the growth of their share in global exports (SDG 17.11), for their integration into international supply chains, for improved access to environmentally friendly technologies, creating conditions for growing employment and decent jobs.
- Identify next steps, in terms of national sustainable development plans and voluntary SDG reviews, work programmes, cooperation plans, exchange of best practices, standards and tools for sustainable trade, water management and food security, in order to achieve the trade-related SDGs in the region.
- Develop national policies supporting imports and exports of green technologies, environmental goods and services, as well as market access for sustainably certified products. In order to make informed decisions on these policies, carry out studies to identify economic incentives that would integrate these technologies and products into efficient cross-border supply chains.
- Work on creating a market for environmentally friendly goods. Trade plays an important role in allocating global resources more efficiently and in enabling countries to benefit from investment and integration into global value chains of environmental goods and services.
- Identify and harness trade opportunities that are associated with green economy transition and generation of new, decent jobs.
- Promote international and regional trade governance frameworks that foster sustainability.
- Abstain from introducing new and eliminate existing trade subsidies that negatively affect the environment.
- Ask National Trade Facilitation Committees to include alignment of trade facilitation and sustainable development into their work programmes.
- Define areas, in which subregional projects would be likely to attract funding for these next steps.

Figure 3: Trade among Western Balkan countries (in thousands US dollars) 2014/2016.

2014	Albania		Bosnia Herzegovina		Serbia		The FYR of Macedonia		Rep. of Moldova		Montenegro	
	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports
Albania			5,296	30,463,797	18,096	127,209	47,766	74,932	6,812	165	43,303	20,063
Bosnia Herzegovina	31,766	4,427			534,407	1,318,985	64,243	93,078	2,286	973	168,071	42,136
Serbia	280,687	193,712	1,105	540,475,055			635,150	491,401	21,050	2,475	637,599	105,819
TFYR of Macedonia	79,015	50,376	97	63,701,292	252,215	603,264			1,879	1,259	34,512	4,450
Rep. of Moldova	209		2,117	2,077,478	55,376	17,010	2,122	988			234	6
Montenegro	21,724	33,450	48,681	199,230,769	67,044	756,101	3,860	31,753				
World	5,229,972	2,430,723	10,990,420	5,892,102	20,608,585	14,843,348	7,301,343	4,964,132	5,316,959	2,339,530	2,366,751	440,658
Total w. W.Balkans	413,402	281,965	1,252,304	835,948	927,137	2,822,570	753,142	692,152	32,026	4,872	883,720	172,474
Trade with W. Balkan in %	7.90	11.60	11.39	14.19	4.50	19.02	10.32	13.94	0.60	0.21	37.34	39.14

2016	Albania		Bosnia Herzegovina		Serbia		The FYR of Macedonia		Rep. of Moldova		Montenegro	
	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports	EXPORTS
Albania			8,938	25,678	29,017	99,285	41,518	62,756	307	362	31,124	15,897
Bosnia Herzegovina	29,238	7,420			445,276	1,229,394	73,716	82,021	2,108	1,603	123,599	29,439
Serbia	192,752	171,676	1,026,762	461,646			541,003	423,706	17,479	3,707	505,072	90,593
TFYR of Macedonia	62,675	51,740	86,061	74,629	212,416	587,015			6,034	4,831	29,280	5,002
Rep. of Moldova	610	193	2,598	1,971	16,026	10,275	2,372	4,232			188	41
Montenegro	21,913	35,278	28,553	136,151	64,251	723,003	5,762	27,615	32	58		
World	4,669,290	1,962,117	9,129,611	5,326,732	19,230,913	14,851,777	6,757,023	4,784,605	4,020,358	2,045,341	2,262,764	354,316
Total W. Balkan	307,190	266,308	1,152,913	700,074	766,986	2,648,972	664,371	600,330	25,961	10,562	689,263	140,972
Trade with W. Balkan in %	6.58	13.57	12.63	13.14	3.99	17.84	9.83	12.55	0.65	0.52	30.46	39.79

Source: UNCOMTRADE database

Figure 4: *Share of Western Balkan Countries and Moldova in World Exports*

Indicators for Monitoring and Measuring Progress

Trade is mentioned in the following SDG targets: 2.b (agriculture), 3.b (health), 8.a (Aid for Trade), 10.a, 14.6 (fisheries) and 17.10-17.12. Consequently there are indicators to measure all these targets. Indicators were adopted by the UN Statistical Commission in the document E/CN.3/2016/2/Rev.1 - look at **Annex IV** (final list at the end of the document) (<http://unstats.un.org/unsd/statcom/47th-session/documents/2016-2-IAEG-SDGs-Rev1-E.pdf>).

The need for regional and national indicators is foreseen already in the UN General Assembly Resolution on Agenda 2030 “The Goals and targets will be followed up and reviewed using a set of global indicators. These will be complemented by indicators at the regional and national levels which will be developed by Member States ...” (para 75).

When adopting the global list of indicators, the Statistical Commission reconfirmed that: “[The Statistical Commission] emphasised that the global indicators proposed are intended for global follow-up and review of the 2030 Agenda for Sustainable Development and are not necessarily applicable to all national contexts. Indicators for regional, national and subnational levels of monitoring will be developed at the regional and national levels.” (Decision 47/101 (i)) (Report of the UNSC session in March 2016 - <http://unstats.un.org/unsd/statcom/47th-session/documents/Report-on-the-47th-session-of-the-statistical-commission-E.pdf>)

All information about the work on developing the indicator list is available at the website of the Interagency and Expert Group on SDG indicators. It is possible to trace back what was proposed, countries' comments, etc. More information about the proposed indicators is available in metadata, even if not for all of them (<http://unstats.un.org/sdgs/iaeg-sdgs/metadata-compilation/>). Many trade related indicators were proposed by ITC/UNCTAD/WTO.

The latest version of the indicator table is available at: <https://unstats.un.org/unsd/statcom/48th-session/documents/Report-on-the-48th-session-of-the-statistical-commission-E.pdf> (p. 9 -33). There might be some small changes to the formulation of indicators, so it is safer to use this version (approved by UN Statistical Commission, ECOSOC and GA). All relevant information on the indicators (custodian agencies, metadata, etc.) can be found on the IAEG-SDG website <https://unstats.un.org/sdgs/iaeg-sdgs/>

Figure 3: Indicators of achievement for SDGs related to trade:

2.b Correct and prevent trade restrictions and distortions in world agricultural markets, including through the parallel elimination of all forms of agricultural export subsidies and all export measures with equivalent effect, in accordance with the mandate of the Doha Development Round	2.b.1 Agricultural export subsidies
3.b Support the research and development of vaccines and medicines for the communicable and non-communicable diseases that primarily affect developing countries, provide access to affordable essential medicines and vaccines, in Accordance with the Doha Declaration on the TRIPS Agreement and	3.b.1 Proportion of the target population covered by all vaccines included in their national programme 3.b.2 Total net official development assistance to medical research and basic health sectors 3.b.3 Proportion of health facilities that have a

Public Health, which affirms the right of developing countries to use to the full the provisions in the Agreement on Trade-Related Aspects of Intellectual Property Rights regarding flexibilities to protect public health, and, in particular, provide access to medicines for all.	core set of relevant essential medicines available and affordable on a sustainable basis
8.a Increase Aid for Trade support for developing countries, in particular least developed countries, including through the Enhanced Integrated Framework for Trade-related Technical Assistance to Least Developed Countries	8.a.1 Aid for Trade commitments and disbursements
10.a Implement the principle of special and differential treatment for developing countries, in particular least developed countries, in accordance with World Trade Organization agreements	10.a.1 Proportion of tariff lines applied to imports from least developed countries and developing countries with zero-tariff
14.6 By 2020, prohibit certain forms of fisheries subsidies which contribute to overcapacity and overfishing, eliminate subsidies that contribute to illegal, unreported and unregulated fishing and refrain from introducing new such subsidies, recognizing that appropriate and effective special and differential treatment for developing and least developed countries should be an integral part of the World Trade Organization fisheries subsidies negotiation.	14.6.1 Progress by countries in the degree of implementation of international instruments aiming to combat illegal, unreported and unregulated fishing
17.10 Promote a universal, rules-based, open, non-discriminatory and equitable multilateral trading system under the World Trade Organization, including through the conclusion of negotiations under its Doha Development Agenda	17.10.1 Worldwide weighted tariff-average
17.11 Significantly increase the exports of developing countries, in particular with a view to doubling the least developed countries' share of global exports by 2020	17.11.1 Developing countries' and least developed countries' share of global exports
17.12 Realize timely implementation of duty-free and quota-free market access on a lasting basis for all least developed countries, consistent with World Trade Organization decisions, including by ensuring that preferential rules of origin applicable to imports from least developed countries are transparent and simple, and contribute to facilitating market access	17.12.1 Average tariffs faced by developing countries, least developed countries and small island developing States