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Keynote address

by

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Promoting economic progress and security in the OSCE area through energy cooperation, new technologies, good governance and connectivity in the digital era

Excellencies, ladies and gentlemen, Good Morning.

I am pleased to join you today to consider how we can promote sustainable economic growth in our region, in line with the 2030 Agenda for Sustainable Development.

Technology and digitalization are advancing by leaps and bounds every day. These advances represent a tremendous opportunity for addressing inequalities, poverty, environmental protection and many of our other issues. But these technologies must be deployed safely and efficiently if we want to harness their benefits. This requires **good governance**. At the UN Economic Commission for Europe (UNECE), these considerations are at the heart of our work. We are pleased to collaborate with you on related issues. As always, cooperation between us and all relevant stakeholders is key if we want to achieve our goals.

UNECE's bread and butter is the development of regulatory frameworks, standards and norms that facilitate, simplify and harmonize cross-border interaction in many domains. We have found this approach beneficial also where digitalization, connectivity, energy and good governance are concerned.

Let me give a few examples.

I don't need to tell you how important trade facilitation is for enhancing growth and connectivity. And good governance is key for trade facilitation. Cumbersome trade procedures are still prevalent in the region. We address this issue through our UN Centre for Trade Facilitation and Electronic Business (UN/CEFACT). It has some 40 Policy recommendations, 600 standards, and guidelines, used by countries and companies worldwide to boost competitiveness, optimize business processes, enhance e-business, and access global markets. One important example is the Single Window Recommendations which establish a single entry point for all for all import-export documents. We have helped establish national Single Windows and trade facilitation committees in Kazakhstan, Kyrgyzstan and Tajikistan. This also supports implementation of the WTO Trade Facilitation Agreement and the advancement of paperless trade. Moreover, to assist these countries in using our standards and alleviating bureaucracy, we carry studies on regulatory and procedural barriers to trade and conduct surveys on sustainable and digital trade facilitation.

OSCE and UNECE have cooperated on trade facilitation issues in the past, including in the Central Asia region, and we welcome further

collaboration.

We have likewise worked together to provide seminars on the TIR Convention, hosted at UNECE. This is another example of how good governance and strong legal frameworks can further connectivity and sustainable growth. Inefficiencies at borders cost twice the amount spent on tariffs, duties, import taxes and fees, and block access to markets. Thanks to international customs guarantees, the TIR Convention enormously reduces the transit time and costs for trucks. To link to digitalization, we have also launched e-TIR for paperless border transit.

Another area where UNECE and OSCE cooperate is **environmental protection**. Economically-, socially- and environmentally-sustainable infrastructure is vital for the subregion's connectivity. We must improve environmental governance by enhancing the capacity of public authorities to ensure effective planning and implementation. UNECE's five key multilateral environmental agreements, such as the Aarhus, Espoo and Water Conventions, can help, and I warmly acknowledge OSCE's key role in advancing the implementation of the Aarhus Convention via Aarhus Centres, as well as our partnership under the Environment and Security Initiative, where UNECE has contributed through its work on water management, industrial safety,

and public participation in environmental decision-making.

New technologies such as automated vehicles and Intelligent Transport Systems (ITS) are already revolutionizing our mobility. They will shape the next generation of transportation. Automated driving, in particular, has important implications for connectivity, for safety, energy consumption, air pollution, CO_2 emissions, employment, urban development and accessibility. But it also raises regulatory issues. What are the technical regulations for autonomous cars and traffic rules for machine drivers? How can we ensure the security of autonomous cars against cyber attacks and mis-use? How can we divide responsibilities appropriately between manufacturers and users? Solving these and many other questions will require international cooperation and close collaboration with all relevant industry sectors. UNECE hosts the World Forum for Harmonization of Vehicles Regulations. This is a unique platform that brings governments, vehicle manufacturers, ICT industries, insurances, consumers and academia together, to shape the technical regulations for conventional vehicles and automated/autonomous/connected vehicles, and ensure the safe introduction of future artificial intelligence and machine learning technologies. We also host the Global Forum for Road Traffic Safety, which helps develop traffic rules to regulate the use of vehicles, including automated vehicles. I

invite all interested stakeholders to join us in this work – once again, a strong demonstration of how good governance is key for connectivity and safe deployment of new technologies.

The use of ICT in transportation also yields multiple benefits in terms of diagnostics, equipment optimization (for fuel economy, performance, and emissions), congestion management, and types and locations of needed capital investments. Further, the increasing penetration of electric vehicles opens the possibility of making the battery storage in transport available to power networks for instantaneous balancing, and enabling deeper penetration of intermittent renewable energy.

Which brings me to the topic of **energy cooperation and digitalization**. In modern economies, without a digital infrastructure there would be no energy production, distribution or use. Challenges of security, dependency, privacy, and disruption are emerging as both traditional and new industrial players digitalize. There is insufficient understanding of the value that digital technology provides to the energy industry.

UNECE has a recent initiative aimed at improving the energy efficiency of our buildings. Called the High Performance Buildings

Initiative, it embraces the use of information and communication technology, or ICT, to manage building systems, connect buildings into the built environment, and connect smart appliances and smart buildings to smart networks. Expanded use of building management systems to monitor and control both the quality of the indoor environment and the performance of electrical systems reduces energy requirements within buildings. The connection to the external environment will result in increased consumer participation in energy markets (also known as raising the price elasticity of electricity demand), improved quality of life, and overall system resilience.

The use of ICT throughout the electricity system enables broader penetration of distributed or intermittent generation resources. It improves the ability of the network to anticipate and respond to system disturbances, thereby enhancing resilience. And it provides clear information on the types and locations of needed capital investment.

Energy systems face a plethora of risks including natural disasters, technical failures, unintentional human errors, or intentional faults such as cyber-attacks or terrorism. Digitalisation of the energy system will contribute to reduction of, or at least improved management of, most of these risks. But it will also expose the system to greater risk

of intentional attacks. Operators are obliged to take precautionary measures.

A sustainable energy system will address all aspects of sustainable development in line with national priorities and concerns, including climate change and natural resource use, job creation, energy security, social tolerance, health and energy access, and others. All nations are committed to achieving their interpretation of sustainable energy and the 2030 Agenda. It is necessary that each country recognizes the perspectives and the drivers of the others. There is not a single approach to the transition but a multitude of approaches. What truly matters is that the collective outcome delivers the needed results. A collective approach can also achieve targets faster than individual national or sectoral actions. Therefore, we must strengthen dialogue and co-operation on energy issues in our region.

I would like to thank OSCE for inviting me to join you here today. I welcome our continued close cooperation on a wide range of topics. Thank you for your attention.