

CONFERENCE OF EUROPEAN STATISTICIANS

Approved

Meeting of the 2020/2021 Bureau
Geneva (online), 17-18 February 2021

Item III (d) of the Provisional
Agenda

**TERMS OF REFERENCE FOR A TASK FORCE ON
MEASURING CIRCULAR ECONOMY**

Note by the Secretariat

*This document presents the terms of reference for the Task Force on Measuring Circular Economy. In October 2020, the Bureau carried out an in-depth review of measuring circular economy based on a paper by Finland et al. The Bureau agreed with the recommendations for further work and decided to create a Task Force on measuring circular economy.
The Bureau reviewed and approved the terms of reference for the Task Force.*

I. BACKGROUND

1. In the past two decades, many countries and the European Union have been orienting their waste and materials management policies towards preventive and integrated approaches, with emphasis on the life-cycle and supply chains of materials and products. Policy initiatives aimed at establishing a circular economy (CE) have increased as an essential contribution to the development of a sustainable, low carbon, resource efficient and competitive economy.

2. There is no single or internationally agreed upon definition of a circular economy. But the definitions used by countries, international institutions and NGOs have many common elements. In all definitions the notion of material circularity is key. Definitions also tend to include reduced demand for certain natural resources and the materials and products derived from them.

3. International organizations, such as the European Environment Agency (EEA), Eurostat, FAO, OECD, UNECE, UNEP and UNSD have initiated important methodological work for measuring CE which forms the basis for measuring certain aspects of CE by many countries. Of particular importance are:

(a) The “Bellagio process”: EEA in partnership with the Italian Institute for Environmental Protection and Research (ISPRA) are taking forward this initiative which aims at building consensus on ‘what to monitor’ and use best-practice examples as well as innovative ideas to identify shared principles on ‘how to monitor’;

(b) Eurostat’s work related to the “EU Monitoring Framework for the Circular Economy”, including methodological development on measuring the circularity rate and improvements of Sankey diagrams;

(c) OECD’s Expert Group on a new Generation of Information on Waste and Materials. This small expert group, in its work program 2020-2021, will encompass the development of a conceptual framework for circular economy metrics for policy making, and the preparation of guidance on information and indicators needed for the transition to a resource-efficient and circular economy;

- (d) The United Nations Committee of Experts on Environmental-Economic Accounting (UNCEEA) is working on a publication highlighting narratives and use cases for the SEEA's application to policy;
 - (e) Joint UNECE and FAO work exploring the issue of wood-based value chains in a circular economy;
 - (f) UNEP methodological work related to economy-wide material flow accounting in the context of sustainable production and consumption.
4. Many countries have started measuring selected aspects of CE (e.g. based on waste statistics and material flow accounts) and are seeking guidance for further developing these statistics based on existing statistical frameworks (such as the Framework for Development of Environment Statistics (FDES) and SEEA) in an internationally comparable way.
5. Therefore, the CES Bureau made an in-depth review of "Measuring the circular economy" in February 2020. Finland (lead), Belarus, Canada, Netherlands, EEA, Eurostat and OECD prepared a paper providing the main basis for the review. Colombia, UNECE, UNSD and UNEP also contributed to the paper.
6. The in-depth review gives an overview of international statistical activities in this area, including the work on measuring circular economy by EEA, Eurostat, OECD, UNECE/FAO, UNEP and UNSD. It furthermore presents country practices of Belarus, Canada, Colombia, Finland and the Netherlands, and identifies the most common measurement challenges.
7. The main recommendations of the in-depth review are to:
- (a) Draft practical guidelines;
 - (b) Provide platforms for exchange of experience and knowledge;
 - (c) Strengthen coordination and communication of related work of international organisations.
8. The Bureau decided to create a Task Force on Measuring Circular Economy and will review the terms of reference at its February 2021 meeting.

II. MANDATE

9. The work of the Task Force on Measuring Circular Economy is conducted within the framework of CES and its Bureau. The Task Force will be created for a period of two years, after which it will submit a final report.

10. The activities of the Task Force will be aligned with the related work of the UN Committee on Environment Economic Accounts (UNCEEA) to ensure global relevance. Periodically the Committee will be informed about the progress of the Task Force. Countries from outside the UNECE region that can contribute to the work may be invited to participate in the Task Force.

III. OBJECTIVES

11. The main objective of the Task Force is to **draft practical guidelines for measuring circular economy**, including:
- (a) Definition of the measurement scope;
 - (b) Clarification of key terms and definitions;

- (c) Identifying key statistics and indicators needed from the policy point of view;
- (d) Identifying data sources for measuring circular economy, with particular attention on SEEA and FDES;
- (e) Describing the required institutional collaboration.

12. Other objectives of the Task Force are to:

- (a) contribute to the coordination and collaboration of international organisations' related work; and
- (b) provide platforms for exchange of experience and knowledge.

13. In pursuing these objectives, the Task Force will cooperate with the UN agencies and other international organizations working in this area, including EEA, Eurostat, OECD, UNEP and UNSD.

IV. PLANNED ACTIVITIES AND OUTPUTS

14. The Task Force will undertake the following activities:

(a) **Discuss and define the measurement scope:** There is no internationally agreed definition of the measurement scope for CE. Some economic activities, such as recycling, are widely accepted as being integral aspects of circularity. However, for many activities especially in the services field, this is less clear. Such activities are for instance design, leasing and maintenance. The lack of an agreed definition of the circular economy means that existing statistical sources only provide part of the picture. The Task Force will discuss and define the measurement scope for circular economy, taking into account FDES, SEEA, the *CES Framework on Waste Statistics* (presented to the CES Bureau for review in February 2021), the *EU Monitoring Framework for the Circular Economy*, amongst others, together with existing country practices;

(b) **Draft practical guidelines for measuring circular economy:** The main objective of the guidelines is to support NSOs and other members of the national statistical system in their efforts to measure most important aspects of circular economy in a systematic and internationally comparable way. The work on the guidelines will:

- i. Take into account the examples, issues and challenges presented in the *CES In-depth review of Measuring Circular Economy* (ECE/CES/BUR/2020/OCT/2);
- ii. Prioritise the information requirements of important regional and global policies, such as the EU Green Deal, climate change, innovation, plastic waste, etc.;
- iii. Clarify the measurement scope, key terms and definitions;
- iv. Build upon existing guidelines and indicator frameworks, including the *CES Framework on Waste Statistics* and the *EU Monitoring Framework for the Circular Economy*, amongst others;
- v. Consider national experiences (e.g. in form of case studies);
- vi. Explore the use of SEEA, FDES and other data sources for measuring circular economy; and
- vii. Describe the required institutional collaboration.

(c) **Contribution to strengthening coordination and collaboration of international organisations:** Early involvement of global and regional key players of measuring CE (including academia) in the work of the Task Force will help to agree on the practical

guidelines (activity a), and contribute to the coordination and harmonisation of the CE-related work of these organisations.

(d) **Providing platforms for exchange of experience and knowledge:** Potential platforms for countries, academia and international organisations to share experience and knowledge on measuring CE include the annual Joint OECD/UNECE Seminars on SEEA Implementation and special expert fora organised under the auspices of UNCEEA. Furthermore, an online repository for sharing of case studies and other practical experience could be established. The Task Force will contribute to the organisation of related expert meetings and explore opportunities for establishing a repository of good practices (e.g. in form of a hub or a wiki on good practices).

15. The main output of the Task Force's work will be *Guidelines for measuring circular economy*, including:

- (a) Description of the measurement scope and policy context;
- (b) Clarification of key terms and definitions;
- (c) Key statistics and indicators needed from the policy point of view;
- (d) Description of the role of SEEA, FDES and other data sources;
- (e) Description of required institutional collaboration;
- (f) Identification of further areas of work.

V. TIMETABLE

16. The Task Force is foreseen to work for two years. The activities of the Task Force are planned for the period from February 2021 to June 2023, according to the following tentative schedule:

Feb-Mar 2021	Establishment of the Task Force and drafting of a work plan with activities, timing and division of work
Apr-Jul 2021	Defining of the measurement scope
Aug-Nov 2021	Clarifying key terms and definitions
Dec- Feb 2022	Identifying key statistics and indicators
Feb --Jun 2022	Exploring the role of FDES, SEEA and other statistical frameworks and data sources, as well as institutional collaboration needed
Mar 2022	Discussing interim results at an expert meeting (e.g. Joint OECD/UNECE Seminar on SEEA implementation)
Jul-Sep 2022	Drafting first version of <i>CES Guidelines for Measuring Circular Economy</i>
Oct – Nov 2022	Reviewing guidelines
Oct-Nov 2022	Reviewing guidelines and developing a practical toolkit
Dec 2022	Finalising guidelines

Jan-Feb 2023	Submission of guidelines to CES Bureau and discussion at its February 2023 meeting
June 2023	Expected endorsement by the CES plenary session

17. A detailed work plan (including milestones and interim deliverables) will be drafted in the first two months after setting up of the Task Force. The work is planned to finish with the approval of the Guidelines for measuring circular economy by CES in June 2023.

VI. METHODS OF WORK

18. The Task Force will work primarily via e-mail, collaborative workspace and online conferences. Physical meetings of the Task Force could be organized back-to-back to other meetings attended by a significant number of Task Force members.

VII. MEMBERSHIP

19. The Task Force will include experts on circular economy from national statistical offices, other involved national agencies, academia and international organizations.

20. The following countries, international organizations and research institutes have expressed interest in participating in the Task Force: Belarus, Canada, Colombia, Finland, India, Netherlands, EEA, Eurostat, IMF, OECD, UNEP, UNSD and United Nations University. Statistics Finland will chair the Task Force. Other countries and international organizations that can contribute to the work may be invited to participate in the Task Force.

21. UNECE will act as Secretariat to the Task Force.

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