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Steering Committee on Trade Capacity and Standards

**Working Party on Regulatory Cooperation
and Standardization Policies (WP.6)****Thirty-first session**

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Item 9 of the provisional agenda

**Panel discussion: circular economy and regulatory
cooperation and standardization****Circular economy and regulatory cooperation and
standardization*****Note by the secretariat***Summary*

At its sixty-ninth session the Economic Commission for Europe (ECE) committed to step up efforts to promote circular economy approaches and the sustainable use of natural resources, by mainstreaming circularity and the sustainable use of natural resources in the existing relevant ECE sectoral work programmes as appropriate.

The Commission further requested the relevant sectoral committees and bodies reporting directly to the Executive Committee, and their subsidiaries, to consider how to enhance the impact of relevant existing ECE instruments, in order to foster circular and more resource efficient approaches, including by proposing ways to identify, assess and fill gaps in governance and good practices. (Decision B (69) Circular economy and the sustainable use of natural resources, contained in document E/ECE/1497).

This note sets out a number of issues at the interface between the circular economy and regulatory cooperation and standardization. The note aims to facilitate the discussion on how the deliverables of the Working Party on Regulatory Cooperation and Standardization Policies (WP.6) can contribute to the circular economy transition and explore associated themes which may be taken into consideration by the Working Party. Member States are invited to participate in the discussion and propose how this theme might be best addressed within WP.6.

* This document was submitted late for processing since clearance in finalizing this document took longer than anticipated.

I. Introduction

1. At the sixty-ninth session of the Economic Commission for Europe, member States decided to promote circular economy transition and the sustainable use of natural resources, in line with the Sustainable Development Goals (SDGs), namely by mainstreaming circularity and the sustainable use of natural resources in the existing relevant ECE sectoral work programmes, as appropriate.
2. The Commission emphasized that ECE is a strong platform for inclusive dialogue and can help overcome normative and governance gaps and help achieve double digit circularity. Currently less than 10 per cent of global economic activity is circular. Progress will require a deep rethinking of consumption and production patterns in all sectors, in line with SDG 12.
3. Given the transboundary nature of the global economy, trade and regulatory cooperation and standardization policies are important levers to foster a broad and wide-spread transition to the circular economy and the sustainable use of natural resources.
4. In decision B (69) entitled “Circular economy and the sustainable use of natural resources”, contained in document E/2021/37E/ECE/1494, member States requested the relevant sectoral committees and bodies reporting directly to the Executive Committee, and their subsidiaries, to consider how to enhance the impact of relevant existing ECE instruments, in order to foster circular and more resource efficient approaches, including by proposing ways to identify, assess and fill gaps in governance and good practices.
5. In decision B (69), member States further invited these subsidiary bodies to replicate and scale up existing approaches that facilitate broad and effective use of the appropriate instruments, including through capacity-building and knowledge-sharing activities.
6. In decision B (69), member States additionally invited these subsidiary bodies, as appropriate, to consider developing proposals in their respective programmes of work, including possible collaboration across subprogrammes, for impactful and measurable solutions that promote a circular economy and the sustainable use of natural resources and that can facilitate attaining the objectives of the 2030 Agenda for Sustainable Development.
7. In decision B (69), member States also requested that these subsidiary bodies implement this decision without affecting their core mandate and activities carried out under each sectoral committee, and subject to available resources.
8. It was further highlighted that work of ECE in relevant subprogrammes, sectoral committees and other subsidiary bodies can make an important contribution to foster circular and more resource-efficient economies and improve the management of natural resources in the region and beyond. In this connection, cross-sectoral cooperation and partnerships could contribute in accordance with the existing mandates.
9. In addition, it was pointed out that ECE should consider the regulatory gaps that currently prevent faster development of more circular and resource-efficient economies with a view to addressing them, as appropriate.

II. Alignment with the circular economy approaches

A. Circular economy and the role of standards

10. Although there is no internationally agreed definition of circular economy, it is generally understood as a concept aimed at minimizing pollution and waste, extending product life cycles and enabling broad sharing of physical and natural assets. It pursues a competitive economy with green and socially sustainable policies and actions at its core.
11. Making economies more circular can support a sustainable, resilient and inclusive post-COVID recovery, and help member States improve their competitiveness. There are also potential synergies between the circular economy and international trade: on the one hand, circularity can open trade opportunities; on the other hand, trade can help scale up circular economy approaches from local, to regional and global levels.

Standards can be a powerful driving force towards an increased uptake of circular economy concepts in production, trade and consumption of goods and services. This is also evident from the increasing attention standardization bodies give to the concept of circular economy. An early example of international standardization of the circular economy occurred in 2018 when the International Organization for Standardization assigned its Technical Committee 323 (TC 323) on the Circular Economy, to initiate work to develop models, instruments, guidelines and requirements to support the transition to the circular economy and the achievement of SDGs. TC323 works on the framework and principles of the circular economy; guidelines for business models and value chains; measuring the circular economy and analysis of case studies, e.g. on a performance-based approach to the circular economy. Circular economy-related considerations have also been addressed by other standardization bodies, at the national (e.g. British Standards Institution, Deutsche Institut für Normung) and regional (e.g. Association française de normalisation, European Committee for Electrotechnical Standardization) levels.

12. In addition, a large number of voluntary sustainability standards (VSS) are supporting a circular economy transition. Some VSS standards are mapped in the UNECE Portal on Standards for the SDGs. VSS have emerged as new tools to address key sustainability challenges such as biodiversity, climate change, and human rights. Currently, more than 500 sustainability standards are being used along global supply chains covering a wide range of products and commodities. Beyond their direct relevance to SDG 12, VSS requirements relate to a wide range of policy targets included in SDGs, including decent work, food security, gender equality, climate action and many others.¹ Given the increased demand for sustainable products, VSS are becoming a market reality. They are increasingly considered as a seal of approval and a market access tool. Yet, there are risks and challenges in utilizing sustainability standards specifically for smallholders and agricultural producers in developing countries. The risks of VSS fragmentation and increased information and production costs could eventually exclude these groups in developing countries from global trade. Thus, VSS are a powerful market-based tool to scale up sustainable development if these concerns are addressed accordingly.

13. The relevance of standards for the circular economy transition is also evident from the UNECE Portal on Standards for the SDGs,² which was launched on World Standards Day (14 October) 2019. The Portal enables users to access standards-related information and provides a series of multidisciplinary instruments. The Portal allows to identify standards that help to realize SDGs and targets and provides a collection of case studies of countries, cities and regions that have successfully used standards for sustainability. The Portal also supports two online training materials on “Standards for the SDGs” and “Gender-Responsive Standards”. Mapping standards against SDG 12 (responsible consumption and production) is of particular importance to promote circular economy approaches. There are currently 598 standards identified in support of SDG 12. In total, there are over 1,500 standards mapped from international, regional and national standards bodies.

B. Circular economy and the role of regulatory cooperation

14. Given the importance of standards for a circular economy transition, also the tools (e.g. norms, standards, recommendations, and other substantive materials) developed by the ECE Working Party on Regulatory Cooperation and Standardization Policies (WP.6) are well placed to contribute towards mainstreaming circularity approaches and strengthening the role of international trade in the circular economy transition.

15. Regulatory cooperation promotes use of international standards as common denominator, encourages regulatory coherence and harmonization and helps remove technical barriers to trade. The COVID-19 pandemic is a reminder that regulatory cooperation ensuring mutual recognition and common regulatory objectives are essential for

¹ UNFSS (2018). Voluntary Sustainability Standards, Trade and Sustainable Development. Geneva: United Nations Forum on Sustainability Standards. Available at: <https://unfss.org/wp-content/uploads/2018/09/UNFSS-3rd-Flagship-Report-FINAL-for-upload.pdf>.

² <https://standards4sdgs.unece.org/>.

shared prosperity and inclusive growth. It further means that the sustainable and resilient recovery is not possible unless there is effective regulatory cooperation. From a circular economy perspective, ECE normative work could explore how regulatory cooperation and sectoral initiatives can, among others, foster i) the reuse, remanufacturing, recycling or recovery of products, along with the resources of which they are made; ii) the avoidance or minimization of waste generated; and iii) the prevention or reduction of greenhouse gas emissions.

16. This note aims to facilitate the discussion in WP.6 on its potential contribution to the topic of key workstreams related to regulatory cooperation. Accordingly, the note explores the links between market surveillance, risk management, quality infrastructure, with a circular economy transition. This note does not aim to be comprehensive or exhaustive. The issues raised are only examples, intended to stimulate discussion.

C. Market surveillance

17. Market surveillance helps to ensure that consumers are protected from substandard or counterfeit products with an aim to safeguard public health and safety. WP.6 and its Advisory Group for Market Surveillance (MARS Group) promote market surveillance based on best practice and international standards.

18. Counterfeit or substandard goods tend to have shorter life cycles, creating more wastes and prompting new products in the cycle of consumption. Extending product life cycle is one of the key elements of circularity approaches. ECE recommendations and initiatives set out practical and innovative ways for Governments to fight counterfeiting, and in so doing, can support the objectives of circular economy approaches.

19. A key consideration for WP.6 could include building on the current effort of facilitating information exchange between member States and related institutions on market surveillance and circular economy policies and actions, aimed at reducing unnecessary waste. For instance, products that do not comply with market access requirements may be seized or destroyed at the border.

D. Risk management

20. Risk management provides tools for structured thinking about the future and for dealing with the associated uncertainty. Implementing risk management in an organization, or in a regulatory authority gives decision-makers tools that enable rational choices, taken on the basis of the information available. The series of ECE recommendations and guidance in risk management aim at developing guidance and best practices on how regulatory authorities can establish regulatory frameworks which effectively manage the risks that confront consumers, citizens and communities.

21. Adopting a new paradigm shift to circular economy requires identification, evaluation, monitoring and mitigation of risks. The 2030 Agenda for Sustainable Development provides the vision to anticipate and tackle multiple risks, including those of a transboundary character. Thus, the development of risk management tools with a circularity lens is aligned with the 2030 Agenda. The COVID-19 crisis has intensified the need to understand and address the risks before they occur. International cooperation is required to advance this work to address the multiple challenges raised by this crisis including those linked to public health, climate change, food security, preserving transport connectivity and ensuring a sustainable recovery.

22. Key considerations for WP.6 could include potential challenges in risk management-related regulations on the durability and life cycle of products including food, energy, public health, and waste management.

E. Quality infrastructure

23. Quality infrastructure is a system comprising organizations (public and private) together with the policies, relevant legal and regulatory framework, and practices needed to support and enhance the quality, safety and environmental soundness of goods, services and processes. The definition expands its scope of action to globally promote the acceptance of quality infrastructure and is expected to create additional benefits for stakeholders including its use as a foundation for sustainable development.

24. ECE recommendations on metrology, conformity assessment, standards and norms and market surveillance provide a basis for fostering regulatory cooperation in these areas. ECE work in these areas can play a key role in establishing common requirements aligned with circular economy for people, prosperity and planet.

25. A key consideration for WP.6 could include how quality infrastructure can adapt to a new circular model which is inclusive and sustainable. The International Network on Quality Infrastructure (INetQI) is an important platform to advance such a topic.

F. Gender-responsive standardization

26. Gender-responsive standards aim to provide a practical way forward for standards bodies wishing to take a step towards making the standards they develop and the standards development process they follow gender responsive. The ECE *Recommendation on Gender-Responsive Standards* and *Declaration for Gender-Responsive Standards and Standards Development* are aimed at strengthening the use of standards and technical regulations as powerful tools to attain SDG 5 (Achieve gender equality and empower all women and girls), integrating a gender lens in the development of both standards and technical regulations, and elaborating gender indicators and criteria that could be used in standards development. Advancing this objective is fully aligned with the social sustainability perspective of circular economy. Furthermore, a sustainable and resilient recovery requires an inclusive approach such as addressing the challenges faced by women.

27. A key consideration for WP.6 could include further investigation of the links between gender, circular economy and the various themes of WP.6.

G. Education

28. Bringing standardization in education curricula can play a catalytic role in promoting a safer, sustainable and resilient earth, contributing towards a circular economy transition in the long run. Such an initiative could equip the future human resources with appropriate understanding of priorities for a circular economy transition.

29. In particular, START-Ed initiative on Education and Standardization of WP.6 could integrate topics related to circular economy transition, building on the knowledge resources and tools developed by ECE Trade and other subprogrammes.

III. Conclusion and way forward

30. Fostering a circular economy transition is a challenging, yet important endeavour. There are a number of entry points where the Working Party, supported by the Trade subprogramme, could offer potential contributions within ECE core functions (normative function, policy advice and technical assistance function, convening function). Among others, WP.6 could consider, with the secretariat's support: stepping-up the roll-out of existing deliverables; continuing current discussions and normative work, adding a circularity emphasis to existing deliverables; exploring new topics for discussion; commissioning studies and research, to establish the fact base and identify opportunities; or engaging additional stakeholders from the field of circular economy.

31. It is important for WP.6 to determine the best possible entry points, considering current mandates and ongoing work, member States' priorities and available extrabudgetary resources.

IV. Questions for discussion

32. The Working Party may wish to deliberate on the following questions:

- How could the Working Party best contribute to promoting and facilitating a circular economy transition and the sustainable use of natural resources within the framework of its existing mandate?
 - What are key topics that provide possible areas of engagement for the Working Party?
 - How can the secretariat best support any such possible engagement?
 - What are possible partnerships (existing or future) could be explored or deepened in this regard?
 - How can the Working Party and the secretariat work together to mobilize resources in support of activities taken as follow-up to the sixty-ninth Commission session?
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