
Economic Commission for Europe

UNECE Executive Committee

Centre for Trade Facilitation and Electronic Business

Team of Specialists on Environmental, Social and Governance Traceability of Sustainable Value Chains in the Circular Economy Second session

Geneva, 6 October 2022

Item 1 of the provisional agenda

Adoption of the agenda

Annotated Provisional Agenda for the Second Session^{1, 2}

To be held hybrid, starting at 10.00 on Thursday, 6 October 2022.

I. Provisional agenda

1. Opening
2. Adoption of the agenda
3. ESG traceability landscapes in the ECE region: policies, legislative framework and institutional arrangements
4. Transformative pathways to sustainability: corporate strategies and actions
 - 4.1 Net-zero carbon emissions targets in value chains: from monitoring and disclosure to action
5. Discussion of the Programme of Work
6. Other business
7. Adoption of decisions of the second session

¹ For reasons of economy, delegates are requested to bring copies of all relevant documents to the session. There will be no documentation available in the conference room. Before the session, documents may be downloaded from the UNECE website (<https://unece.org/trade/uncefact/TSVCCE-2022>)

² All delegates are requested to complete the online registration form available on the UNECE website (<https://unece.org/trade/uncefact/TSVCCE-2022>)

II. Annotations

Item 1. Opening

The Chair and Vice Chairs of the Team of Specialists and high-level speakers will open the session and share insights on the role that ESG performance monitoring and reporting plays for advancing sustainability in critical sectors for the transition to the circular economy, through traceability and transparency of value chains.

Item 2. Adoption of the agenda

The secretariat will present the annotated provisional agenda for adoption.

<i>Document title</i>	<i>Document symbol</i>	
Annotated Provisional Agenda for the Second Session	ToS-TSVCCE/2022/INF.1	For adoption

Item 3. ESG traceability landscapes in the ECE region: policies, legislative framework and institutional arrangements

Responsible business practices and consumption choices are a high priority on the global sustainability agenda. Member States are introducing new legislation and incentive systems to build on the momentum and are fostering ESG monitoring and compliance in value chains of critical sectors for the transition to the circular economy, including through traceability and transparency for due diligence. This discussion is centred around policies and measures that Member States are introducing in their respective jurisdictions.

International organizations and government representatives will present recommendations based on good practices and lessons learned for spurring partnership and cooperation, advancing policy coherence for a level playing field, and providing targeted support, particularly to SMEs and vulnerable actors in emerging and transition economies.

Experts will address the following questions:

1. Which policies, legislative framework, and institutional arrangements were proven to be successful in advancing ESG monitoring and reporting in global value chains of high priority sectors (e.g. agri-food, garment and footwear, and extractive industries)?
2. What are the right incentives to put in place for spurring ESG monitoring and compliance along the global value chain of such sectors?
3. How to address potential barriers to trade that ESG compliance may pose for access to market and investment opportunities, and particularly for SMEs and vulnerable actors?

The ECE Secretariat has drafted a policy paper on “Improving traceability of products along international value chains for circular economy and sustainable use of natural resources”.

Following the presentation of the paper, experts will discuss findings and recommendations for the way forward, and next steps for the work of the Team. This may include the development of a comprehensive mapping of available measures, initiatives and solutions to support policy coherence and alignment, and facilitate access to market and investment opportunities.

<i>Document title</i>	<i>Document symbol</i>	
Policy paper on “Improving traceability of products along international value chains for circular economy and sustainable use of natural resources”	ECE/TRADE/C/CEFACT/2022/8	For information

Item 4. Transformative pathways to sustainability and circularity: corporate strategies and actions

It is important to move from theory to practice and understand how companies can improve ESG compliance in value chains in response to higher pressure from consumers, investors and regulators, and in the context of competing organizational forces.

This section will discuss challenges and opportunities for advancing ESG traceability and transparency for sustainable and circular value chains for solid claims on sustainable and circular performance. It will present corporate strategies that have proven effective. It will also explore the role that innovation and advanced technology can play for scaling-up available solutions and achieving commitments on desired targets.

In particular this panel discussion will focus on the following questions:

1. Which corporate strategies and actions for ESG monitoring and compliance are of relevance across industries and for effectively engaging value chain actors?
2. Which ESG indicators, methods and standards are available to support such strategies and actions? Are there any the gaps that need to be addressed?
3. Which role can advanced technologies play? How to harness their potential for vulnerable actors, and especially from emerging economies?

4.1 Net-zero carbon emissions targets in value chains: from monitoring and disclosure to action

Industries are facing challenges in decarbonizing and achieving indirect and direct greenhouse gas emissions reduction targets. Digital tracking and tracing can support the value chain baseline and mapping exercise and the collection and disclosure of accurate, consistent and complete Scope 1,2 and 3 greenhouse gas (GHG) emissions data. This is essential to inform strategies to reduce the carbon footprint in value chains, encourage lower carbon behaviour, and channel further investments into decarbonization activities.

This session will discuss how monitoring and reporting approaches can support the development of roll-out plans for the achievement of reduction targets – and the associated incentives and costs distribution among value chain actors. The discussion will be focused on the following question:

1. How can ESG traceability landscapes contribute to meeting the climate challenge?

In particular it will focus on areas of incentivization such as progress rewarding, corporate procurement practices, capacity building, and effective engagement and collaboration.

Item 5. Discussion of the Programme of Work

This working session will advance the discussions on the work plan, steps forward and future activities of the Team of Specialists, in connection with the areas of interventions discussed under the substantive items of the agenda.

<i>Document title</i>	<i>Document symbol</i>	
Revised Mandate and Terms of Reference of the Team of Specialists on Environmental, Social and Governance Traceability of Sustainable Value Chains in the Circular Economy	ECE/TRADE/C/CEFACT/2021/23/Rev.1	For information
Report of the Team of Specialists on Environmental, Social and Governance Traceability of Sustainable Value Chains in the Circular Economy on its First Meeting	ECE/TRADE/C/CEFACT/2022/24	For information

Item 6. Other business

Experts will be invited to raise any other issues not previously addressed during the session.

Item 7. Adoption of decisions of the first session

Experts will be invited to adopt the decisions of the first session.

<i>Document title</i>	<i>Document symbol</i>	
Draft report of the second session	ToS-TSVCCE/2022/INF.2	For decision

Closing

III. Provisional timetable

<i>Time</i>	<i>Agenda item</i>	<i>Introduced by</i>
Thursday, 6 October		
10:00 – 10:30	Item 1: Opening	High-level speakers
10:30 – 10:40	Item 2: Adoption of the agenda	Secretariat
10:40 – 12:00	Item 3: ESG traceability landscapes in the ECE region: policies, legislative framework and institutional arrangements	Secretariat
12:00 – 14:00	Lunch break	
14:00 – 15:20	Item 4: Transformative pathways to sustainability and circularity: corporate strategies and actions	Secretariat
15:20 – 15:40	Item 5: Discussion of the Programme of Work	Secretariat
15:40 – 15:45	Item 6: Other business	Secretariat
15:45 – 16:00	Item 7: Adoption of decisions of the first session	Secretariat