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## Economic Commission for Europe

### Seventieth session

Geneva, 18 and 19 April 2023

Item 5 of the provisional agenda

**Report on activities on the high-level theme of the sixty-ninth session: “Promoting circular economy and sustainable use of natural resources in the region of the Economic Commission for Europe”**

### **Progress report on the work of the Commission on the promotion of a circular economy and the sustainable use of natural resources**

#### **Note by the secretariat**

The high-level segment of the sixty-ninth session of the Economic Commission for Europe was held under the theme “Promoting circular economy and the sustainable use of natural resources”. Decision B (69) requested the secretariat to present a progress report on the work of the Commission on this theme, for consideration at its seventieth session. The present report is presented in response to this request.



## I. Introduction

1. The high-level segment of the sixty-ninth session of the United Nations Economic Commission for Europe (ECE) was held under the theme “Promoting circular economy and the sustainable use of natural resources” in April 2021.
2. During its deliberations, ECE member States emphasized the importance of circular economy and the sustainable use of natural resources in achieving the sustainable development goals (SDGs), supporting economic prosperity and resilience, addressing environmental pressures, mitigating climate change and building back better in response to the COVID-19 pandemic. They recognized the need for multilateral and coordinated multi-stakeholder approaches to develop integrated solutions to respond to these challenges and stressing the importance of public-private partnerships.
3. ECE member States also recognized the strengths of ECE as a prominent standard-setting body and a platform for enhancing regional harmonization and economic cooperation in a number of sectoral areas. At the same time, they emphasized the need to further strengthen the Commission’s work in this field. Specific areas for further work were stipulated in decision B (69) which, *inter alia*, requested the secretariat to present a progress report on the work of the Commission on the promotion of a circular economy and the sustainable use of natural resources for consideration at its seventieth session.
4. The current report responds to this request and provides an update on major work undertaken by the subsidiary bodies of the Commission, arranged by subprogramme. Further, it highlights relevant areas of collaboration with international organizations towards the development of a harmonized approach to measuring progress towards circularity, including greater resource efficiency. Progress is also being reported on the promotion of related partnerships, including with the United Nations system, other international organizations, non-governmental organizations, academia and the private sector, forged by the ECE secretariat to explore opportunities for synergies to broaden the use of relevant ECE instruments. Further detail is available in the reporting of the respective subsidiary bodies subsequent to the sixty-ninth Commission session in April 2022.

### A. Work undertaken by relevant sectoral committees and bodies reporting directly to the Executive Committee

5. In the follow up to the sixty-ninth Commission session, relevant sectoral committees and bodies reporting directly to the Executive Committee (EXCOM), and their subsidiaries embarked on activities to:
  - (a) 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;
  - (b) Replicate and scale up existing approaches that facilitate broad and effective use of the appropriate instruments, including through capacity building and knowledge-sharing activities;
  - (c) 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.
6. As requested by the Commission, the subsidiary bodies implemented the above without affecting their core mandate and activities carried out under each sectoral committee, and subject to available resources.<sup>1</sup>

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<sup>1</sup> The annex to the present document lists some extrabudgetary projects that support work on the cross-cutting theme that were initiated between 2020 and 2022.

## Committee on Environmental Policy

7. At its twenty-seventh session in November 2021 the Committee for Environmental Policy took note of the outcomes of the sixty-ninth session of the Commission and considered ways to follow up on the theme, as appropriate.

8. At its special session in May 2022 the Committee:

(a) Considered the background thematic documents for the two themes of the Ninth Environment for Europe Ministerial Conference (Nicosia, October 2022):

(i) Greening the economy in the pan-European region: working towards sustainable infrastructure (ECE/NICOSIA.CONF/2022/4); and

(ii) Applying principles of circular economy to sustainable tourism (ECE/NICOSIA.CONF/2022/5);

(b) Considered the progress report on the implementation of the Batumi Initiative on Green Economy (BIG-E)<sup>2</sup> (ECE/NICOSIA.CONF/2022/6);

(c) Took note of the list of possible green economy actions (ECE/NICOSIA.CONF/2022/INF/4) to be used as a reference to help stakeholders to identify their new voluntary commitments; and

(d) Invited interested Committee members, observers, and other stakeholders to submit voluntary commitments to the BIG-E.

9. The Committee, according to its mandate,<sup>3</sup> acted as the convening body for the preparatory process of the Ninth Environment for Europe Ministerial.<sup>4</sup> The Nicosia Conference was attended by 899 delegates from 62 countries, including government delegations from 53 United Nations Member States (42 ECE member States).

10. The ministers in Nicosia appreciated the commitment expressed by the member States of ECE at its sixty-ninth session to step up their efforts to promote circular economy approaches and the sustainable use of natural resources, in particular through the voluntary commitments made as a part of the “Environment for Europe” process. The ministers committed to foster a circular economy, favour a life cycle approach and support resource efficiency and waste prevention in production and consumption. They committed to supporting and promoting these decisions by fully exploiting the potential of the “Environment for Europe” process and, in particular, further promoting the Pan-European Strategic Framework for Greening the Economy through the BIG-E for mobilizing voluntary commitments and sharing positive experiences. Continuous strong interest in BIG-E was confirmed as 67 new commitments were submitted prior to the Conference. The new commitments include actions focused on the application of principles of circular economy to different sectors, including tourism and infrastructure development, as well as enhancing education for sustainable development agenda towards promotion of the required knowledge, values, attitudes, qualifications and skills related to green and circular economy, and green technologies, necessary for facilitating green transformations and sustainable development.

11. The Fourth Cycle of the ECE Environmental Performance Reviews (EPRs), adopted in 2020 by the Committee on Environmental Policy and endorsed in 2022 by the Ninth Environment for Europe Ministerial Conference (ECE/NICOSIA.CONF/2022/12), paves the way for a new round of reviews supporting countries’ efforts to improve environmental performance and achieve SDGs, including by assessing progress on environmental governance and financing, managing environmental media and pollution, strengthening domestic-international cooperation, greening the economy and, if requested by the country under review, addressing circular economy. EPRs will continue to look into national waste

<sup>2</sup> The Batumi Initiative on Green Economy was endorsed at the Eighth Environment for Europe Ministerial Conference (Batumi, Georgia, 2016) to operationalize the Pan-European Framework for Greening the Economy for the period 2016–2030.

<sup>3</sup> “Reform of the “Environment for Europe” Process: Reform Plan” adopted by ECE at its sixty-third session: <https://unece.org/DAM/env/documents/2009/ECE/CEP/ECE.CEP.S.152.e.pdf.%20>

<sup>4</sup> See more: <https://unece.org/info/Environmental-Policy/Committee-on-Environmental-Policy/events/368999>.

management, raising environmental awareness and promoting education for sustainable development towards transitioning to circular economy.

### **Inland Transport Committee**

12. Through its normative and policy work, as well as its analytical and capacity-building activities, the Inland Transport Committee (ITC) contributes considerably to key aspects of the regional and global economy by creating the desired “loop” that optimizes the use of resources in a circular economy. All four pillars of the ITC Strategy until 2030, adopted by the Committee at its eighty-second session (ECE/TRANS/288/Add.2), include elements of the circular economy and help to accelerate the transition to sustainable inland transport.

13. The Committee, during its eighty-fourth plenary session, welcomed Commission-related decisions on strengthening the work of sectoral committees in the area of circular economy and invited its working parties to enhance and expand their work on the specific aspects of circular economy in transport, as appropriate.

14. ITC and its working parties are supporting member States and contracting parties in their efforts to transition to a more circular economy and/or embrace related principles in their transport policy planning and economic practices. ITC working parties routinely include in their intergovernmental meetings standing agenda items on circular economy and some have even included these in their terms of reference, thus ensuring sustained workstreams in this critical area of work.

15. In the area of vehicle regulations, the activities of the World Forum for Harmonization of Vehicle Regulations (WP.29) resulted in high-impact circular economy related practices. For instance, at its eighty-sixth session, the Working Party on Pollution and Energy (GRPE) agreed to create a dedicated Informal Working Group on Life Cycle Assessment (LCA) aiming to develop a globally harmonized methodology to determine the carbon footprint of vehicles over their complete life cycle, including manufacturing, use and end-of-life phases. Another example is the adoption by the Working Party on Automated/Autonomous and Connected Vehicles (GRVA) of Regulation No. 156, a milestone related to digitalization of vehicles involved in road transport that enables the circularity of vehicles. The Regulation sets the requirements for vehicle manufacturers to proof the implementation of a safe process for software updates and ensuring safety performance oversight during the whole lifecycle of the vehicle to create the possibility of new functionalities in vehicles that are already in use on the market.

16. In the area of transport of dangerous goods, the priority sectors to achieve a circular economy are: (i) packaging, (ii) electrical and electronic equipment and batteries, (iii) transport and chemicals. For road transport, the Agreement concerning the international carriage of dangerous goods by road provisions envisage a “cradle-to-grave” approach for dangerous goods, as they address not only their design, construction, remanufacture, use, reuse and repair but also the transport of damaged or waste packaging for recycling or disposal. Likewise, for inland waterways transport of dangerous goods, the European agreement concerning the international carriage of dangerous goods by inland waterways (ADN) and the ADN Safety and Administrative Committees that administers ADN have direct influence on product and containment designs, reuse and recycling of packaging and movement of waste classified as dangerous.

17. Finally, the relevance of circular economy for inland water transport was acknowledged by the Working Party on Inland Water Transport (SC.3) in 2020 and included in the agenda of its subsequent sessions. Further, the item was added to its revised terms of reference adopted by the Inland Transport Committee in February 2022 (ECE/TRANS/2022/6, annex III).

18. For a full account of ECE transport-related instruments and achievement related to the circular economy, see ECE/TRANS/2023/5.

### **Conference of European Statisticians**

19. Issues related to measuring circular economy are one of the priority areas of work of the Conference of European Statisticians (CES).

20. CES reached a first important milestone in developing a harmonized approach to measuring progress towards circular economy and greater resource efficiency when, in June 2021, it endorsed the “Waste Statistics Framework”. This document serves as a guide for statisticians compiling national waste statistics and contributes to the further harmonization of international waste statistics. The proposed expanded scope of waste statistics provides an important foundation for harmonized measurement of the circular economy and other production and consumption-related policy areas. The framework was drafted by an ECE task force consisting of a number of countries and international organizations (see more detail in Section B).

21. Following an in-depth review of measuring circular economy in 2020, the CES Bureau established the “ECE Task Force on Measuring Circular Economy” in February 2021. The main objective of the task force is to draft guidelines on the issue. The document will include an umbrella definition of the circular economy where sector-specific definitions can be embedded and will clarify important terms and definitions from the measurement perspective. Further, the scope and measurement framework will be included to assist member States in making estimates of circular economy.

22. In June 2021, CES held a special dedicated session on measuring circular economy. The session presented the main outcomes of the in-depth review of measuring circular economy (ECE/CES/2021/8 and ECE/CES/2021/8/Add.1), and the ongoing work of the Task Force on Measuring Circular Economy.

23. CES stressed the importance of measuring circular economy, welcomed the work of the task force and strongly supported the elaboration of practical guidelines, including the clarification of key terms and definitions. It

(a) Endorsed the outcome of the in-depth review of measuring circular economy (ECE/CES/2021/8);

(b) Took note of the outcome of the discussion on promoting circular economy and sustainable use of natural resources during the ECE Commission session in April 2021;

(c) Requested the Task Force on Measuring Circular Economy to contribute a progress report to the ECE Commission session in 2023.

24. In 2022, the CES plenary session reviewed and approved the Programme of Work on statistics (ECE/CES/2022/15) where measuring circular economy is one of the priority areas of work. Other activities in environment statistics support this work area, such as the System of Environmental-economic accounting (SEEA) and the Joint Task Force on Environmental Statistics and Indicators.

25. The annual “Joint OECD/ECE Seminars on the Implementation of the System of Environmental-Economic Accounting (SEEA)” provide a platform for countries and international organizations to exchange knowledge and experience on measuring circular economy and resource efficiency. Since 2019 a recurring session on “measuring circular economy” is part of the agenda of each meeting.

26. The Joint Task Force on Environmental Statistics and indicators works to improve environmental data from Eastern Europe, Caucasus and Central Asia and South-Eastern Europe countries that are important source data for measuring resource efficiency and circular economy.

### **Committee on Innovation, Competitiveness and Public-Private Partnerships**

27. The Committee on Innovation, Competitiveness, and Public-Private Partnerships, at its fifteenth session, endorsed policy recommendations contained in the document “Leveraging Innovation for the Circular Economy” (ECE/CECI/2022/3). It also discussed ways to unlock the potential of public procurement and Public-Private Partnerships (PPP) to boost the innovation needed for the 2030 Agenda and the circular economy transition.

28. The Working Party on Public-Private Partnerships endorsed two sets of guidelines at its sixth session in December 2022, namely the Guidelines on Public-Private Partnerships for the Sustainable Development Goals in Waste-to-Energy Projects for Non-Recyclable Waste: Pathways towards a Circular Economy (ECE/CECI/WP/PPP/2022/3); and the Guidelines on

promoting Circular Economy in Public-Private Partnerships for the United Nations Sustainable Development Goals (ECE/CECI/WP/PPP/2022/4).

29. The Team of Specialists on Innovation and Competitiveness Policies (ToS-ICP), at its thirteenth session, hosted a policy seminar on “Leveraging Innovation for the Circular Economy” and discussed policy options to create incentives for businesses to invest in innovations that can drive the circular economy transition. ToS-ICP also discussed the role of innovation-enhancing procurement (IEP) as a powerful demand-side policy tool to support the circular economy transition.

30. At its fourteenth session, ToS-ICP held a policy dialogue on transformative innovation and discussed how governments can promote innovations that have the potential to significantly transform societies and accelerate the circular economy transition. The session also launched the new UN-ECE Transformative Innovation Network (ETIN),<sup>5</sup> which will gather innovation stakeholders from the region to cooperate on developing tools and guidelines that promote such innovation. A policy paper with recommendations on how to promote transformative innovation has been submitted for endorsement to the sixteenth session of the Committee on Innovation, Competitiveness and Public-Private Partnerships.

31. In 2022, a capacity-building programme for Georgia, consisting of training seminars based on a handbook and a study tour to Norway for peer-learning, increased the capacity of Georgian procurement and innovation officials to implement IEP which the government can use to promote innovative tools and services that support the circular economy transition. The handbook and materials from the study tour are available to all member States on the [ECE webpage](#).

#### **Committee on Sustainable Energy**

32. The Committee on Sustainable Energy, at its thirtieth and thirty-first sessions, welcomed and discussed Commission-related decisions on circular economy and the sustainable use of natural resources. The Committee supports resource efficiency and a circular economy and recognizes that current patterns of resource use are insufficient to meet future resource demand and that there is a need to optimize natural resource management to address climate change.

33. The Committee and its subsidiary bodies conducted activities to support the role of the circular economy in delivering energy for sustainable development. The Task Force on Digitalization in Energy facilitates thematic dialogue to bridge the gap between research, innovation, and policy, thus improving systemic energy efficiencies and enabling material circularity. It coordinates cross-sectoral digitalization research for the Committee. The High-Performance Buildings Initiative aims to improve life cycle performance of buildings, including the efficiency of the construction supply chain. The Task Force on Energy Efficiency in Industry helps reduce system-wide inefficiencies, including through waste heat recovery.

34. Its normative and policy guidance work includes key principles that support circularity and the sustainable resource management:

(a) The five-point action plan on natural resources comprehensively addresses: (i) Social viability; (ii) Sustainable finance framework; (iii) Sustainable management of resources; (iv) Transparency and traceability and (iv) Strategic environmental assessment;

(b) Circularity of resource use is included as a fundamental principle of the United Nations Resource Management System (UNRMS);

(c) Just transition seeks to remove social obstacles to transformative action towards a circular and green economy, ensure sustainability of the proposed solutions, and minimize any social unrest resulting from the transition process.

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<sup>5</sup> <https://unece.org/eci/icp/ETIN>.

35. Relevant work streams focus on:

(a) Specifications on how to apply UNRMS to Anthropogenic Resources, which are vital to promoting circularity in resource use;

(b) Methane management in the coal, oil and gas sectors, including the publication of Best Practice Guidance for Effective Management of Coal Mine Methane at National Level: Monitoring, Reporting, Verification and Mitigation;

(c) Low- and zero-carbon technologies and carbon abatement technologies for transport, industry, and other energy-use sectors. Integrated life cycle assessment of electricity sources are being undertaken;<sup>6</sup>

(d) Increasing uptake of renewable energy, which is essential to deliver resilient energy systems while preserving the climate and the environment.

36. At its thirty-first session, the Committee made a number of pertinent recommendations, *inter alia*:

(a) Noting the vulnerabilities of the existing energy systems in the ECE region, the Committee agreed to prioritize and implement special activities that coordinate and promote efforts related to energy resilience across the region, providing an ECE Platform on Resilient Energy Systems for inclusive dialogue;

(b) Noting that sustainable natural resource management and circular economy are essential for the 2030 Agenda, climate targets, energy system resiliency and circular economy, invited United Nations Members States, international organizations and the regional commissions to consider the possibility of taking appropriate measures to ensure the application of the UNRMS Principles and Requirements worldwide;

(c) Recommended to the Commission to propose a draft decision to the Economic and Social Council, inviting the application of the UNRMS Principles and Requirements worldwide;

(d) Based on the draft concept note "Sustainable management of critical raw materials (CRMs) required for the low-carbon energy transition" (ECE/ENERGY/2022/6), highlighting the importance of CRMs in low-carbon energy transitions and their increased demand, requested the Expert Group on Resource Management to develop guidelines, best practices, and an information framework for managing CRMs;

(e) Based on the draft document "Resources as a Service: A catalyst to accelerate the energy transition, safeguarding climate action targets within the circular economy" (ECE/ENERGY/2022/7), which proposes servitization to improve resource efficiency, requested the Expert Group on Resource Management to develop case studies on the concept.

37. The Committee also initiated a broad discussion among stakeholders on the circular carbon economy, which aims to reduce, reuse and recycle carbon emissions through technology shifts, creating feedstocks and fuels, bioenergy and carbon capture, use and storage.

#### **Steering Committee on Trade Capacity Standards**

38. The Steering Committee on Trade Capacity Standards (SCTCS) recognized the important role of trade and economic cooperation in the circular economy transition, and the secretariat discussed this issue at various international and regional forums, such as the World Trade Organization (WTO). A high-level side event on "Accelerating the Circular Economy Transition: Policy Options for Harnessing the Power of Trade and Economic Cooperation" was organized as part of the Seventh Session of SCTCS, as well as during the WTO Public Forum. Furthermore, SCTCS has explored the possibility of integrating circular economy analyses into studies on regulatory and procedural barriers to trade and encouraged resource mobilization to further develop this topic.

<sup>6</sup> [https://unece.org/sites/default/files/2022-04/LCA\\_3\\_FINAL%20March%202022.pdf](https://unece.org/sites/default/files/2022-04/LCA_3_FINAL%20March%202022.pdf).

39. The Working Party on Regulatory Cooperation and Standardization Policies (WP.6) revised its terms of reference (ECE/CTCS/WP.6/2022/11) to integrate circular economy as one of the core objectives. Its programme of work for 2022 (ECE/CTCS/WP.6/2021/10) and for 2023 (ECE/CTCS/WP.6/2022/12) integrated circular economy as a transversal theme. At its thirty-first session in November 2021, WP.6 held a dedicated meeting on Circular Economy and Regulatory Cooperation and Standardization (ECE/CTCS/WP.6/2021/2) and subsequently revised its Recommendation T on Standards and Regulations for Sustainable Development (ECE/CTCS/WP.6/2022/6).

40. Additionally, WP.6 also decided to further explore the links between the circular economy and the core activities of the working party and to propose options for supporting the transition to a circular economy and the sustainable use of natural resources. The Gender-Responsive Standards Initiative organized a dedicated meeting on “[Gender, digitalization, environment: ensuring a sustainable future for all](#)” in November 2022. A thematic discussion on “Moving towards a digital and green economy: the importance of standardization and harmonized policies” (ECE/CTCS/WP.6/2022/13) was held in November 2022.

41. The Working Party on Agricultural Quality Standards (WP.7) continued its work on food loss and waste reduction, complementing earlier products such as its waste measuring methodology for fresh produce supply chains and the Minimum Quality Specifications (MQS) for Fresh Fruit and Vegetables developed in 2020. Outputs of the Working Party included (i) the Code of Good Practice – reducing food loss and ensuring optimum handling of fresh fruit and vegetables along the value chain (second edition) and (ii) hands-on explanatory material to support the implementation of the Code Organization of a roundtable on food loss and waste prevention and reduction, in connection with the annual meeting of the working party in November 2022.

42. In addition, the secretariat is supporting Serbia in conducting a gap analysis and developing a road map for circularity in agriculture through food loss and waste reduction and management.

#### **United Nations Centre for Trade Facilitation and Electronic Business**

43. The contribution to sustainable development and the circular economy transition represents an integral part of the programme of work 2021–2022 of the United Nations Centre for Trade Facilitation and Electronic Business (UN/CEFACT). UN/CEFACT created concrete solutions that can support this transition in priority sectors like agrifood, fisheries, garments, footwear, critical minerals or transport logistics. Specifically, UN/CEFACT standards for food quality, safety and soil contamination, such as eLab (2014), eCERT (2018) and eQuality (2019) help identify chemicals and contaminants, and support waste prevention and resource efficiency in a circular economy.

44. The Team of Specialists on Environmental, Social and Governance (ESG) Traceability of Sustainable Value Chains in the Circular Economy focuses on enabling more informed decision-making for sustainable production and consumption, using ESG traceability approaches and systems for exchange of data and information along global value chains in priority industries. Organizations such as the Chatham House, German Agency for International Cooperation, the Finnish Environment Institute, the Food and Agriculture Organization of the United Nations (FAO), International Institute for Sustainable Development, the United Nations Environment Programme (UNEP), the World Business Council for Sustainable Development (WBCSD), and WTO are among the contributors to the work of the Team.

45. In the garment and footwear sector, a set of tools have been developed, including:

- Recommendation No. 46: Enhancing traceability and transparency of sustainable value chains in the garment and footwear sector ([ECE/TRADE/463](#)) with its implementation guidelines;
- A series of technical standards in support of traceability and transparency for a sustainable and circular textile and leather value chain (including business process analyses, business requirements specifications, reference data models and XML messages for information exchange);



- A blockchain system for verifiable claims on compliance of products with ESG credentials along circular value chains, for cotton and leather, involving more than 70 industry actors (brands/retailers, manufacturers, farmers, certification bodies and solutions providers), from more than 20 countries around the world;
- “The Sustainability Pledge” Call to Action (ECE/TRADE/C/CEFACT/2020/6/Rev.1) that seeks to provide companies with a harmonized and standardized approach to the exchange of data about the sustainability performance of products, processes, and facilities, while ensuring that sustainability claims are reliable. Since its launch at the sixty-ninth session of the Commission, ECE received nearly 100 pledges from 350 industry actors from more than 20 countries around the world.

46. The UN/CEFACT secretariat has also been leading the organization of multi-stakeholder policy dialogues on sustainable and digital trade measures and approaches to accelerate a transition to a circular economy. These policy dialogues have been conducted as part of the UN/CEFACT Forums, and other initiatives, such as the Organization for Economic Cooperation and Development (OECD) Due Diligence Forums, the European Union (EU) Development Days and the WTO Trade and Environment Weeks.

### **Committee on Forests and the Forest Industry**

47. Circular economy and the sustainable use of natural resources are main focus areas of the work of the Committee on Forests and the Forest Industry (COFFI). “The contribution of the forest sector in the transition towards a circular and bio-economy in the context of broader sustainability and societal goals, sustainable forest management and the role of forests as nature-based solutions” is one of the key topics of the United Nations Economic Commission for Europe/Food and Agriculture Organization of the United Nations (ECE/FAO) Integrated Programme of Work (ECE/TIM/2021/6 FO:EFC/2021/6).

48. The ongoing work of the ECE/FAO Forestry and Timber Section (Joint Section) on forests and the circular economy results from a mandate given by COFFI and the FAO European Forestry Commission (EFC) during their Joint Session in 2021 (ECE/TIM/2021/2 FO:EFC/2021/2). In line with this mandate, the Joint Section worked on research and awareness-raising activities for knowledge-sharing and guidance for policymaking. Recent outputs include:

(a) The publication “Circularity concepts in forest-based industries” (ECE/TIM/SP/49) studies five forest-based value chains: (1) sawn wood, bioenergy and construction (2) furniture industry, (3) paper and pulp industry, (4) cellulose-based fibers, and (5) cellulose-based plastics;

(b) The publication “Catalogue of wood-waste classifications” (ECE/TIM/DP/91) takes stock of existing classifications developed by governments and various international organizations;

(c) The 2022 International Day of Forests, entitled “Forests for sustainable lifestyles and a circular economy”, addressed sustainability and circularity questions in forest fashion and wood-based packaging value chains;

(d) A new series of studies reviews the application of circular models in specific forest-based industries, including “Circularity concepts in the wood construction sector as an example of long-lived products value chain”; “Circularity concepts in the pulp and paper industry as an example of a group of commodities with short life span” and “Universal preconditions of circularity in forest-based industries” covering the different aspects of forest management, which have an impact on the circularity of forest-based industries;

(e) Events informing policy making: in May 2022, the Joint section, in close cooperation with FAO and the International Labour Organization (ILO), organized a circular economy-related session during the FAO World Forestry Congress under the theme “Green pathway to growth and sustainability”, and informed the international Conference of the International Union of Forest Research Organizations on “the role of the forest sector in transition to a bio-based, circular economy”;

(f) Awareness raising about the circular lifestyles through a social media campaign and a series of consumer guidelines on sustainable and circular use of forest-based products: fashion, paper, furniture and bioplastics, and a podcast on circular economy in the forest sector.

49. The “Forests and the Circular Economy” agenda item is part of each session of COFFI and its subsidiary body the Joint ECE/FAO Working Party on Forest Statistics, Management and Economics. This includes presentations by the secretariat on current and future work, updates and examples from member States, interactive session on their national circular economy priorities and needs, based on the “Universal circular economy policy goals” of the Ellen MacArthur Foundation and a review of circular economy approaches to the forest sector. Awareness raising about the transition to a circular economy and activities for knowledge-sharing and guidance for policymaking continues to be another key priority.

### **Committee on Urban Development, Housing and Land Management**

50. Ensuring the effective mainstreaming of the concepts and principles of circularity of homes, neighborhoods and cities; including sharing, repairing, refurbishing, recycling, re-manufacturing and reusing as much as possible to minimize waste are at the centre of the work of the subprogramme on housing and land management, as mandated by the Committee on Urban Development, Housing and Land Management (CUDHLM). In line with this mandate, the work of the subprogramme is based on the below documents:

- Normative instruments:
  - Geneva United Nations Charter on Sustainable Housing endorsed by the Commission on 16 April 2015 (E/ECE/1478/Rev. 1)
  - “Place and Life in the ECE – A Regional Action Plan 2030: Tackling challenges from the COVID-19 pandemic, climate and housing emergencies in region, city, neighbourhood and homes” (ECE/HBP/2021/2)
- Declarations:
  - “San Marino Declaration on principles for sustainable and inclusive urban design and architecture in support of sustainable, safe, healthy, socially inclusive, climate-neutral and circular homes, urban infrastructure and cities” (ECE/HBP/2022/2/Rev.)
  - “The Geneva Declaration of Mayors”
  - “Ministerial Declaration on Sustainable Housing and Urban Development” (ECE/HBP/2017/1)
- The Geneva United Nations Charter on Sustainable Housing specifically underlines that “housing should be planned, constructed and used in a way that minimizes environmental impact and promotes environmental sustainability. This should be addressed through: (i) Housing practices that contribute to reducing the carbon footprint of buildings throughout their life cycle; (ii) Improved environmental and energy performance of dwellings; (iii) waste management treated as an integral part of sustainable housing strategies, including in housing construction, housing demolition and household living, with the encouragement of re-use, recycling, and composting”.

51. The Committee promotes the implementation of the circular economy approaches in cities and human settlements based on the developed best practice guidelines:<sup>7</sup>

- #Housing2030: Effective policies for affordable housing in the ECE region
- COVID-19 Recovery Action Plan for Informal Settlements in the ECE Region
- People-Smart Sustainable Cities

<sup>7</sup> All the referenced documents are available from the Housing and Land Management section of the ECE website ([www.unece.org](http://www.unece.org)).

- Guide on Digital Transformation and Land Administration
- Guide to Circular Cities
- Guidelines for the Development of Voluntary Local Reviews in the ECE Region and
- Collection Methodology for Key Performance Indicators (KPIs) for Smart Sustainable Cities (SCC)

52. Main outputs include evidence-based and demand-driven city and country profiles and thematic publications. Smart Sustainable City Profiles are developed using the KPIs for SCC to identify capacity needs at the local and national level to enable cities to use information and communications technology (ICT) as a cross-cutting “means of implementation” for achieving sustainable urbanism and the SDGs. The Profiles also provide detailed recommendations drawing on the above-mentioned normative instruments, declarations, and best practice guidelines. In 2021–2022, smart sustainable cities profiles were developed for five cities in Norway as well as for Astana, Kazakhstan; Bishkek, Kyrgyzstan; and Tbilisi, Georgia. Country Profiles on Urban Development, Housing and Land Management inform national reform and development efforts to ensure adequate, affordable housing and sustainable urbanism; over 20 country profiles were produced. The publication *Sharing Economy and its Effects on Housing Markets* highlights the main regulatory approaches to the sharing economy.

53. The eighty-third session of the Committee provided a platform for the regional exchange of experiences and good practices promoting affordable, adequate and climate-neutral housing; and inclusive, circular, smart and sustainable cities as part of countries’ response to and recovery plans for the COVID-19 pandemic. Other key meetings on the implementation of circular cities approaches in 2022 included the Second Forum of Mayors (Geneva, April 2022), a workshop entitled “Green Finance for Urban Development” (San Marino, October 2022), a One United Nations event at the United Nations Climate Change Conference – COP27 entitled “Climate action and New Urban Agenda: SDGs localization and sustainable urban policy for resilience” (Sharm El-Sheikh, November 2022) and a workshop entitled “Promoting circularity in rebuilding Ukrainian cities” (online, November 2022).

#### **The United Nations Special Programme for the Economies of Central Asia**

54. The Special Programme for the Economies of Central Asia (SPECA) Working Group on Trade adopted the [Principles of Sustainable Trade in 2019 in Ashgabat, Turkmenistan](#), aiming to drive the transition to an inclusive, green, and circular economy that benefits from and enhances trade opportunities. ECE supported the implementation of these principles through several capacity-building and analytical activities, including a national policy dialogue on the circular economy in Tajikistan in September 2022.

### **B. Collaboration with international organizations towards the development of a harmonized approach to measuring progress towards circularity including greater resource efficiency**

55. At its sixty-ninth session, the Commission noted that, while the definition of the circular economy as well as the key statistics needed to measure it, may exist at subregional and national levels, and important methodological work was being undertaken on different aspects of the concept of circular economy, there was currently no single internationally agreed definition of this concept. It thus invited the secretariat to collaborate with other international organizations and regional economic integration organizations, including the EU, towards the development of a harmonized approach to measuring progress towards circularity including greater resource efficiency.

56. The Conference of European Statisticians has been collaborating with many international organizations towards the development of a harmonized approach to measuring circularity and greater resource efficiency over many years. An important output was the “Waste Statistics Framework” endorsed in 2021. The framework was drafted by an ECE task force which included representatives from the Basel Convention Secretariat, the Statistical

Office of the European Union (Eurostat), OECD, UNEP, the United Nations Human Settlements Programme (UN-Habitat), the United Nations Statistics Division (UNSD) and the United Nations University (UNU). Furthermore, experts from the International Solid Waste Association (ISWA), GIZ, the Swiss Federal Institute of Aquatic Science and Technology, the University of Leeds, as well as national experts from Armenia, Azerbaijan, Bosnia-Herzegovina, Canada, Israel, Kazakhstan, Mexico, Republic of Moldova, the Netherlands and the Russian Federation contributed to the development of the Waste Statistics Framework.

57. Following an in-depth review of measuring circular economy, the Bureau of the Conference of European Statisticians established the “ECE Task Force on Measuring Circular Economy” in February 2021. Close collaboration with other international organizations is ensured due to the task force membership of representatives from the European Environment Agency (EEA), Eurostat, ECE/FAO, International Monetary Fund, OECD, UNEP, UNU, UNSD, the World Resources Institute and Platform for Acceleration of Circular Economy under the World Economic Forum. Furthermore, experts from Austria, Belgium, Canada, Colombia, Finland, India, Italy, the Netherlands and Sweden contribute to the work of the task force.<sup>8</sup>

58. Additional progress towards a harmonized approach to measuring progress towards circularity including greater resource efficiency was made in ECE subsidiary bodies and its normative and standard setting work.

59. The successful collaboration between ECE, UNEP, EEA and countries over the past decade resulted in the establishment of a Shared Environmental Information System (SEIS) in the pan-European region., which was celebrated at the ninth Environment for Europe Ministerial Conference. Ministers invited countries to continue their efforts to implement all pillars of the System and to address any remaining gaps. They also recommended that countries apply the revised ECE Environmental Indicators, a harmonized and comparable set of indicators for the pan-European region, developed by the Joint Task Force on Environmental Statistics and Indicators in support of measuring and monitoring progress towards a circular economy and in keeping the pan-European environment under regular review.

60. Due to the unique nature of forest resources, and their renewability, the work of the ECE/FAO Forestry and Timber Section Joint Section on measuring progress towards circularity and the efficiency of their use covers the circularity aspects in both, their production and use. The main activities include:

- Collaborative Forest Resources Questionnaire, where ECE, together with FAO work on the Global Forest Resources Assessment
- Joint ECE/FAO/Forest Europe Data Collection on forests and sustainable forest management in the pan-European region
- Joint Forest Sector Questionnaire, run jointly by ECE, FAO, International Tropical Timber Organization and Eurostat

61. Data is collected in a harmonized way, based on agreed standards and rules in partnership with member States, and related global and regional organizations and processes, with the support and involvement of the scientific community.

### **C. Promotion of partnerships**

62. In follow-up to the sixty-ninth session of the Commission, multiple partnerships related to circular economy and the sustainable use of natural resources have been established and renewed across the United Nations system, other international organizations, non-governmental organizations, academia and the private sector, helping to strengthen the reach and the impact of respective ECE instruments.

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<sup>8</sup> See for example Seminar in March 2022: <https://unece.org/info/events/event/362755>.

63. Using its convening power, ECE launched Circular STEP,<sup>9</sup> a cross-sectoral stakeholder engagement platform which has been successful in enabling partnerships with key actors in the circular economy field, including the Ellen MacArthur Foundation, the Finnish Innovation Fund, the World Circular Economy Forum, UNEP, FAO, the United Nations Industrial Development Organization (UNIDO), the United Nations Conference on Trade and Development, the Friedrich Ebert Stiftung, the International Chamber of Commerce and the European Commission. The Platform has helped connect ECE member States to the global circular economy community. Several studies were developed with the contribution of experts from the Chatham House, Lund University and the Circular Economy Centre of the University of Cambridge, among others. Its objective is to develop and disseminate evidence-based international good policy practices and unite experts from national, regional and local governments, business and academic communities, and civil society from the ECE region. Initial focus areas include: trade, innovation-enhancing procurement, waste management, small and medium-sized enterprises, traceability of value chains, financing, digital solutions, institutional arrangements.

64. In addition, ECE has actively engaged in existing partnership platforms that focus on circular economy, for example, the One Planet Network led by UNEP (with focus on the SDG 12 toolbox) and the European Circular Economy Stakeholder Platform (ECESP).

65. Several sector-specific partnerships have also been developed, including the following:

- Under “The Sustainability Pledge”, co-implemented with the International Trade Centre, FAO, ILO, International Finance Corporation, UNEP, UNIDO, with EU support, the Economic Cooperation and Trade Division partnered with over 350 public and private actors from around the world to produce policy recommendations, information exchange standards, guidelines and blockchain pilots for the garment and footwear industry, with a clear focus on circular economy.<sup>10</sup> Similar work is now starting on ESG traceability for Critical Raw Materials.
- The Joint ECE/FAO Forestry and Timber Section, in cooperation with United Nations entities (ILO, United Nations Alliance for Sustainable Fashion), academia (e.g., Graz University of Technology, University of British Columbia), private sector (e.g., WBCSD) and non-profit organizations (e.g., Programme for the Endorsement of Forest Certification) have produced a number of specific knowledge products related to the circular economy.
- In 2022, ECE established the initiatives #UN4Kharkiv<sup>11</sup> and #UN4Mykolaiv<sup>12</sup> to mobilize international architects to help the cities of Kharkiv and Mykolaiv, Ukraine, to develop a forward-looking, people-centred master plan for building back better with a special emphasis on reusing materials following the principles of circularity.

### **Collaboration within the United Nations system**

66. The Sustainable Energy subprogramme of ECE is implementing the UNRMS in coordination with the European Commission (DG GROW) and the African Union Commission. The document “United Nations Resource Management System: Principles and Requirements” (ECE/ENERGY/GE.3/2022/6) addresses the multifaceted requirements of sustainable development related to the optimal and responsible production and use of natural resources. One of the fundamental principles of UNRMS supports the circular economy as a systems approach to industrial processes and economic activity that enables the resource to maintain its highest value for as long as possible. Critical considerations in implementing circularity such as reducing and rethinking resource use, pursuing longevity, renewability, reusability, reparability, replaceability and upgradability for resources and value-added products are supported in UNRMS.

<sup>9</sup> <https://unece.org/trade/CircularEconomy>.

<sup>10</sup> <http://thesustainabilitypledge.org/>.

<sup>11</sup> For more detail and partners, see <https://unece.org/housing/un4kharkiv-rehabilitation>.

<sup>12</sup> For more detail and partners, see <https://unece.org/housing/un4kharkiv-mykolaiv>.

67. The Issue-based Coalition on Environment and Climate Change in Europe and Central Asia,<sup>13</sup> with its 18 members across the United Nations system, led by ECE, UNEP and United Nations Educational, Scientific and Cultural Organization, organized a series of five green transition webinars requested by Resident Coordinators for their offices and United Nations Country Teams. The third webinar, held in October 2022, provided insights into the environmental and socioeconomic opportunities of a circular economy and application of practical tools developed by regional United Nations agencies.

68. ECE is also a member of the regional United Nations Issue-based Coalition on Sustainable Food Systems with several United Nations entities, with transition to circular economy as one of the focus areas: <https://unece.org/issue-based-coalition-sustainable-food-systems>.

69. ECE continues to lead the initiative on circular carbon economy jointly with the Economic Commission for Western Asia. Last year at the United Nations High-Level Dialogue on Energy, ECE mobilized all regional commissions to discuss how to scale up carbon dioxide removal to achieve climate targets. At COP26, a follow-up dialogue between the Executive Secretaries of all the regional commissions took place under the theme “Bridging the gap in climate finance”. The Executive Secretaries called for enhanced regional cooperation to develop nature-based and technological solutions for capturing CO<sub>2</sub> emissions from the atmosphere and ensuring its long-term storage (either underground or in sustainable products).

70. To promote application of principles of circular economy to sustainable tourism in SPECA countries, ECE collaborates with the Economic and Social Commission for Asia and the Pacific (ESCAP).

71. The complementary mandates and long-standing partnership of ECE (Environment Division) and UNEP provides member States with efficient and effective support in multiple areas of environmental governance, including coordinated implementation of Multilateral Environmental Agreements serviced by ECE or UNEP, sustainable infrastructure, and reporting on SDGs and promotion of circular and green economy, including through specific projects such as Environment for Environment.

#### **D. Contribution to overarching international initiatives**

72. To disseminate more widely relevant ECE outputs and share its expertise, the Commission requested the secretariat to submit relevant inputs from its work, both subprogramme-specific and cross-sectoral, on promoting a circular economy and the sustainable use of natural resources to overarching international initiatives. Follow up action on this request included ECE engagement with the following initiatives:

73. **United Nations Decade on Ecosystem Restoration:** Activities of the Forest subprogramme supported the United Nations Decade on forest landscape restoration.

74. **United Nations Conference on Climate Change (COP27):** ECE contributed to COP27 with a wealth of interventions and events. In addition to organizing a joint event with UNIDO on Accelerating the circular economy agenda to tackle climate change and foster economic transformation, the Executive Secretary delivered statements and presentations on the circular economy, especially on water security and adaptation, critical raw materials, low-carbon energy transition, transitional finance for critical raw materials projects and sustainable garment industry.

75. **United Nations Conference on Biological Diversity (COP15):** ECE attended COP15 as coordinator of the five regional economic commissions. The Executive Secretary presented a joint statement on the vision on how the regional commissions could support member countries’ implementation of the Kunming-Montreal Global Biodiversity Framework, within their existing mandates.

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<sup>13</sup> <https://unece.org/issue-based-coalitions-and-groups>.

76. **Partnership for Carbon Transparency:** In the area of sustainable transport, Working Party 29 (WP.29/GRPE) is contributing to the Partnership for Carbon Transparency (PACT) of the World Business Council on Sustainable Development (WBCSD). WP. 29 organized a joint event with WBCSD during their annual council meeting on the topic of carbon lifecycle footprint, held in Tokyo, Japan, in October 2022.<sup>14</sup>

77. **Circular Cars Initiative:** The Sustainable Transport Division of ECE, through the Vehicle Regulations and Transport Innovations Section, collaborates with the Circular Cars Initiative of the World Economic Forum on developing harmonized methodologies to measuring lifecycle carbon footprint of road vehicles.

78. **Global Battery Alliance:** ECE, through the Sustainable Energy Division (UNFC), and the Sustainable Transport Division (WP.29/GRPE), is also engaged in the activities of the Global Battery Alliance, focusing in particular on issues related to Greenhouse Gas footprint and critical raw material use.

79. **European Circular Economy Stakeholder Platform:** The Economic Cooperation and Trade Division (ECTD) collaborates ECESP, a joint initiative between the European Commission and the European Economic and Social Committee. At the Circular Economy Stakeholder Conference in March 2022, organized by ECESP together with the French EU Council Presidency, ECE presented cross-cutting tools, projects and publications on the circular economy through an online platform.

80. **SwitchMed Connect:** ECTD also contributed to SwitchMed Connect initiative, a gathering of Mediterranean stakeholders to build synergies, exchange knowledge, and scale up economic and social innovations. It hosts leading start-ups and entrepreneurs, micro-, small and medium-sized enterprises, industry agents, initiatives, change agents, policy and financial institutions working on applications of productive, circular and sharing economies in the Mediterranean. ECE attended the SwitchMed Connect 2022 conference and delivered presentations on Circular STEP and recent achievements.

81. ECE takes part in the **Trade and Environmental Sustainability Structured Discussions (TESSD)**, intended to complement the work of the Committee on Trade and Environment and other relevant WTO bodies and to support the objectives of the Marrakesh Agreement Establishing the WTO, which envisages a global trading system that protects and preserves the environment in accordance with sustainable development.

## II. Conclusions

82. The designation of the cross-cutting theme of the high-level segment of the sixty-ninth session of the Economic Commission provided a strong impetus for ECE, its entire subsidiary architecture and the secretariat, to further strengthen its work to “Promote Circular economy and the sustainable use of natural resources”.

83. Within and across subprogrammes, ECE has brought to bear its comparative advantage on normative and standard setting work, policy advice and technical cooperation to foster circular and more resource efficient approaches, drawing on its convening power, through its relevant sectoral committees and bodies reporting directly to the Executive Committee, and their subsidiary bodies. Partnerships were strengthened and work on the issue was mainstreamed into different aspects of relevant programmes of work.

84. The early designation of the theme has proven valuable for drawing on the broad knowledge of the subsidiary architecture, both at intergovernmental and expert levels, and for making their collective expertise available to the deliberations at the Commission session. Member States may thus wish to consider formalizing this process and request EXCOM to designate a future cross-cutting theme of the high-level segment of the upcoming Commission session at the end of a given Commission year.

<sup>14</sup> See activity under section A. ECE/WP.29/GRPE.

## Annex

### Extrabudgetary resources to advance work on the cross-cutting theme

<i>Project title</i>	<i>Budget</i>	<i>Beneficiaries</i>	<i>Implementing partners</i>	<i>Objective</i>
N2124 Accelerating the transition towards a Circular Economy in the ECE region (UNDA project)	549,000	Belarus, Georgia, Kazakhstan, Republic of Moldova, Serbia, Tajikistan	ECE, UNEP, ESCAP, FAO, UNDP, UNCTs	To support beneficiary countries in accelerating transition to circular economy in traceability of products along international value chains; sustainable public procurement; and the management of waste.

<i>Project title</i>	<i>Budget</i>	<i>From</i>	<i>To</i>	<i>Donor</i>
Reinforcing the innovation ecosystem in the ECE region to promote innovation and digital technologies for sustainable development and for the circular economy transition	1,998,600	Jan-22	Jul-25	Germany
Strengthening communication and outreach on forests, forest products and climate change in support of the 2030 Agenda for Sustainable Development in the ECE region	50,000	May-22	Dec-22	Switzerland
Improving national capacity on renewable energy (RE) and energy efficiency (EE) technologies for small and medium enterprises (SMEs) and households in North Macedonia (ECE component of Green Finance Facility to improve air quality and combat climate change in North Macedonia project)	100,580	May-22	Mar-23	The Joint Fund for the 2030 Agenda
Improving the collection, processing and dissemination of information on forests and sustainable forest management in support of the 2030 Agenda for Sustainable Development	70,000	Sept.2022	Dec-22	Switzerland, Sweden



<i>Project title</i>	<i>Budget</i>	<i>From</i>	<i>To</i>	<i>Donor</i>
Strengthening preparedness, anticipatory action and response solutions for greening Uzbekistan’s landscapes and cities (ECE component of the Joint ECE-UNDP-UNHCR project on “Master planning and innovative financial solutions to support the implementation of the Yashil Makon Initiative of the Republic of Uzbekistan”)	88,000	Oct 2022	Dec 2023	Uzbekistan
Enhancing transparency and traceability for more sustainable value chains in the garment and footwear sector – Phase II	850,000	Jan 2023	June 2024	European Union