Item 8. Integrating circular economy considerations into Studies on Regulatory and Procedural Barriers to Trade
UNECE Cross-cutting Priority Themes

Green, inclusive, circular and digital

69th SESSION OF THE COMMISSION
PROMOTING CIRCULAR ECONOMY AND SUSTAINABLE USE OF NATURAL RESOURCES IN THE UNECE REGION
20-21 APRIL 2021 | ROOM XVII | PALAIS DES NATIONS | GENEVA

7th SESSION OF THE SCTCS – “Accelerating the Circular Economy Transition: Policy Options for Harnessing the Power of Trade and Economic Cooperation – Executive Summary”

27-28 June 2022 | PALAIS DES NATIONS | GENEVA

70th SESSION OF THE COMMISSION
DIGITAL AND GREEN TRANSFORMATIONS FOR SUSTAINABLE DEVELOPMENT IN THE REGION OF THE ECONOMIC COMMISSION FOR EUROPE
18-19 APRIL 2023 | PALAIS DES NATIONS | GENEVA
The Role of Trade in CE Transition

Circular economy*

- the value of materials in the economy** is maximized and maintained for as long as possible
- the input of materials and their consumption is minimised
- the generation of waste is prevented and
  negative environmental impacts reduced throughout the life-cycle of materials

CE in trade

- Economies of scale
- Opportunities for new economic activities
- Reduced dependence on raw materials
- Increased the resilience and adaptability
- Extended life cycle of products

In global economy, only 7.2% is circular

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*The definition as adopted by UNECE Conference of European Statisticians.

**The “value of materials in the economy” is understood to encompass the value for society as a whole, taking into account economic efficiency, environmental effectiveness and social equity.
ECTD is a Pioneer in Linking the CE and Trade

ANALYTICAL WORK & OUTREACH

• Accelerating the Circular Economy Transition: Policy Options for Harnessing the Power of Trade and Economic Cooperation (2022)
• Mobilizing Financing for the Circular Economy (2022)
• UNECE Stakeholder Engagement Platform (Circular STEP)
• Side Event on Circular Economy and Trade (SCTCS, 7th session, 27-28 June 2022)
• Session at the WTO Public Forum (September 2022)
• Joint workshop with Friedrich Ebert Stiftung: Deep Dive into Circular Economy: HS Codes at Heart (19-21 October 2022)
• Circular Economy applied in international trade, which official statistics do we need? joint OECD-UNEP Seminar (13-15 March 2023)

NORMATIVE WORK

• Code Of Good Practice – Reducing Food Loss and Ensuring Optimum Handling of Fresh Fruit and Vegetables Along the Value Chain (2021)
• Food Loss and Waste Measuring Methodology for Fresh Produce Supply Chains (2020)
• UNECE Sustainability Pledge, for Transparency and Traceability in the Textiles and Footwear Sector (2021)
• Good practices on Innovation for the Circular Economy and Sustainable Consumption and Production and Procurement for Sustainable Development (2021)
• Leveraging Innovation for the Circular Economy (2022)
How UNECE Can Support

- **7th session of the SCTCS, June 27-28, 2022** (request to integrate the CE analysis into RPBT studies (Decision 2022-11)

- **8th session of the SCTCS, June 26-27, 2023** (high-level segment, concept note):
  - **Suggests** a general **framework** for assessing the regulatory and procedural barriers to circular trade, covering:
    - Trade facilitation conditions
    - Regulatory and standardisation policies
    - The role of regulatory cooperation in CE transition
  - **Offers** targeted and country-specific **recommendations**:  
    - Separate chapter in RPBT studies upon request
    - Sector specific analysis with a focus on sectors with the highest circularity potential
    - Extension of the scope (e.g., additional stages of the products life cycle along the entire value chain; broader range of interviewed stakeholders; customers’ perspective)
## Challenges

**Trade and Trade Facilitation Conditions**
- Issues at the **border control** (e.g., poor inter-agency coordination, risk management systems and inadequate customs valuation procedures)
- **Lack** of public-private **dialogue, financing and institutional capacity**

**Regulatory and Standardization Policies**
- Unintended **effect** of **dissuading** economic operators from upholding the CE principles
- **Diminished credibility** of “green” claims due to the diversity of labels and information schemes
- **Not optimal regulatory cooperation** and regional integration dynamics
- **Development** of labelling schemes and in **isolation**

**The Role of International Cooperation in the CE Transition**
- **Risk management systems**, certifications, permits, post-border concessions, policing and enforcement strategies to fight illicit trade
- Cooperation, knowledge sharing and dissemination, improved data collection and institutional capacity
- Detect and eliminate barriers hampering the standard-making process, the implementation of labelling or information schemes and the adherence to standards
- Greater **mutual recognition or harmonization** of standards
- Development aid and technical assistance projects
- Resort to **RTAs** to promote and facilitate circular trade flows.
Further Approaches to Integrating CE Dimension into RPBT Studies

• **Extension** of the **scope** (e.g., additional stages of the products life cycle along the entire value chain; broader range of interviewed stakeholders; customers’ perspective).

• **Separate chapter** in RPBT studies upon request

• **Sector specific analysis** with a focus on sectors with the highest circularity potential

• **CE potential analysis** - **the assessment matrix:**
  o **key lifecycle stages** and corresponding intermediary products of the production process of the product concerned;
  o **a range of strategies** that support the reduction of material consumption and waste production (i.e., material efficiency); and
  o **instruments and necessary actions** to accommodate the CE transition.
THANK YOU

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