



# Economic and Social Council

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## Economic Commission for Europe

Executive Committee

### Centre for Trade Facilitation and Electronic Business

#### Twenty-sixth session

Geneva, 4 May and 26-27 November 2020

Item 11 of the provisional agenda

#### Sixty-ninth session of the Economic Commission for Europe

## ECE Executive Secretary 1<sup>st</sup> Request to UN/CEFACT Chair and Reply

### *Summary*

The sixty-ninth session of UNECE will take place on 20-21 April 2021. The Executive Committee (EXCOM) decided that the theme of the coming Commission session will be: “Promoting circular economy and sustainable use of natural resources in the ECE region” (EXCOM/CONCLU/109 and EXCOM Informal Document No. 2020/38). The ECE Executive Secretary has addressed a letter to UN/CEFACT, through its Chair, requesting how UN/CEFACT and the secretariat would contribute to the cross-cutting theme of the Commission session, within approved mandates, ongoing work and existing resources.

Document ECE/TRADE/C/CEFACT/2020/INF.14 containing the letters sent by the UNECE Executive Secretary to the UN/CEFACT Chair and her reply is submitted to the Plenary for information.





Ref.: 2020/OES/111

1 May 2020

Dear Ms. Probert,

I hope that this letter finds you in good health. I have the pleasure of writing to you in your capacity as Chair of the United Nations Centre for Trade Facilitation and Electronic Business, to inform you of recent developments regarding the 69<sup>th</sup> session of UNECE (Geneva, 20-21 April 2021) and to request your kind assistance in preparing this event.

In February 2020, UNECE member States officially designated “Promoting circular economy and sustainable use of natural resources in the UNECE region” as the cross-cutting theme for the high-level segment of the 69<sup>th</sup> Commission session. This segment will take place on 20 April 2021 at the Palais des Nations. It is expected to gather ministers and deputy ministers from the countries of the region to exchange best practices on circular economy and chart a course for its expanded deployment over the subsequent two years. The 69<sup>th</sup> session will also be opportunity for member States to provide direction to the work of UNECE for the 2021-2023 biennium, and potentially approve new activities relevant to this theme.

I believe that this rich theme is relevant to the mandates of all the UNECE subsidiary bodies. In this context, I would like to solicit from each body and its subsidiaries, as appropriate, the following contributions, with the goal of enriching the agenda of the session and increasing the visibility of UNECE’s work:

- i. A stocktake of relevant thematic action already completed and impact examples of UNECE tools and instruments;
- ii. Relevant ongoing work and expected results, as contained in current Programmes of Work;
- iii. Suggested action items that could be proposed in draft decisions for consideration by the Commission.

Ms. Sue Probert  
Chairperson  
UNECE United Nations Centre for Trade Facilitation and Electronic Business  
Warrington

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In your capacity as chairperson, I would kindly ask you to consult with your Bureau to prepare the above inputs from the United Nations Centre for Trade Facilitation and Electronic Business, taking into account the work of its subsidiaries, as appropriate. The secretary supporting your Committee, Mr. Lance Thompson, who is copied in this correspondence, stands ready to assist in this process.

I would ask that you send your contribution no later than **12 June 2020** to the Secretary of the Commission, Ms. Nicola Koch (e-mail: [unece.excom@un.org](mailto:unece.excom@un.org)). Inputs received will be synthesized and submitted to the UNECE Executive Committee for consideration and onward submission to the Commission.

I look forward to your contribution.

I remain with my best personal regards,

A handwritten signature in blue ink, appearing to read "Algayerova".

Olga Algayerova

Cc: Secretary of the United Nations Centre for Trade Facilitation and Electronic Business

Berlin,  
12 June 2020

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Dear Ms. Algayerova,

I would like to thank you for your letter on the developments regarding the 69th Commission session of UNECE. UN/CEFACT is ready to support you and the UNECE secretariat in preparing for this important event.

I certainly appreciate the importance of the selected theme for the high-level segment “Promoting circular economy and sustainable use of natural resources in the UNECE region” to the work of UN/CEFACT. With its deliverables to advance sustainable and digital trade facilitation and value chains management, UN/CEFACT has contributed concrete support to international and regional processes to accelerate the transition towards a circular and green economy, and to member States of the UNECE region and beyond in their efforts to embrace this change to meet their commitment to the SDGs of the 2030 Agenda for Sustainable Development.

In particular:

**i. Stocktake of relevant thematic action already completed and impact examples**

In connection with your request to provide a stocktake of relevant thematic action already completed and impact examples, I would like to highlight that UN/CEFACT has recently published a briefing note (ECE/TRADE/C/CEFACT/2020/24) which outlines key actions toward a circular economy, provides an overview of SDG linkages, and maps the concrete contributions of UN/CEFACT deliverables, including policy recommendations, standards, tools and capacity building activities, in the areas of sustainable procurement, waste management, transparency and traceability of sustainable and circular value chains, digital trade facilitation, innovation in advanced technologies (e.g. blockchain) and PPPs for trade facilitation, applicable in priority sectors.

In one example, the UN/CEFACT standards for control of food quality, safety and soil contamination, such as eCERT (2010), (2014), eCrop (2017), and eQuality (2019), help with the identification of chemicals and contaminants, thereby enabling significant reductions of their presence in agri-food supplies and reductions in accidental releases in soil. Use of these standards can contribute to the reduction of waste across agri-food supplies, enhance the quality and productivity of soil which is key for reducing negative impacts on human health and the environment thereby enhancing resource efficiency in a circular economy. This digital information can be used by both public authorities and industry actors to identify which fertilizer(s) should be used, in what quantities, for which crop and during which season. Pilot projects have shown that the exchange of standardized messages reduces sample analysis turnaround time by up to 90 min per analysis and provides around 15 min time savings per sample at the laboratory. These UN/CEFACT developed and maintained standards are extensively used across the UNECE region and beyond (e.g. European Union Member States, Australia, Brazil, Canada, Japan, Malaysia, Namibia and South Korea). They have become very relevant for circular economy activities such as for expanding the market of sustainable products, enhancing sustainable production, and supporting informed consumption choices in a target sector. Therefore, the implementation of these standards can contribute to SDG12 for responsible production and consumption and can also indirectly contribute to SDG2 towards zero hunger.

Over the past years UN/CEFACT has been supporting UNECE in its effort to foster cross-sectoral linkages to further accelerate these processes by pooling its multisectoral expertise through an integrated “nexus” approach to the 2030 Agenda delivery. UN/CEFACT brings countries, administrations, and the private sector together to share knowledge, experiences and lessons learned and provide trade facilitation recommendations and eBusiness standards which is its mission. These joint efforts can enable a systemic transition towards more sustainable production and consumption practices. In this connection, the UN/CEFACT secretariat has been leading the organization of multi-stakeholder policy dialogues on measures and approaches to accelerate a transition to a circular economy. These have been conducted during UN/CEFACT Forums (Hangzhou, October 2018; London, October 2019), UNECE Regional Forums on Sustainable Development (Geneva, March 2018, 2019 and 2020) and the United Nations High Level Political Forum on Sustainable Development (New York, July 2019).

**ii. Overview of relevant ongoing work and expected results, in line with the UNECE programme budget 2020 and the current UN/CEFACT programme of work**

Regarding your invitation to provide an overview of relevant ongoing work and expected results, in line with the UNECE programme budget 2020 and the current UN/CEFACT programme of work, I would like to mention that the Trade sub-programme of the proposed **UNECE programme budget for 2020** (A/74/6 (Sect. 20)) and **2021** (A/75/6 (Sect. 20)) make clear references to ongoing UN/CEFACT work which can contribute to building sustainable and circular value chains as a means to achieve the stated objective of strengthening trade facilitation and electronic business in the UNECE region and beyond. Such work is specifically connected to improved traceability in the garment and footwear sector. The ambition is to contribute to the better use of natural resources, the minimisation of waste and the fostering of recycling approaches in these industries.

At the same time, the **UN/CEFACT programme of work 2019-2020** (ECE/TRADE/C/CEFACT/2019/21) includes the mandate to develop studies, recommendations and standards for trade facilitation and traceability and transparency of value chains with a focus on priority sectors such as the circular economy including agri-food, fisheries, garments and footwear, minerals and raw materials in general. In this important area, UN/CEFACT is developing a transparency and traceability system including policy recommendations, standards, implementation guidelines and pilot projects.

All of the above directly contributes to achieving Sustainable Development Goals 8, 12 and 17. For example, UN/CEFACT's wider focus on facilitating international supply chains contributes to greater productivity (SDG 8) and the tools for increasing transparency and traceability of value chains promotes more responsible consumption and production patterns and the reduction of waste (SDG 12). All these efforts can contribute to increased trade facilitation with a view to achieving a universal, rules-based, open, non-discriminatory and equitable multilateral trading system and to enhance the exports base and access to international markets of emerging economies (SDG 17).

As another example, the UNECE pilot on Blockchain for Sustainable and Circular Cotton Value Chains, currently in its implementation phase, defines the value chain, data and technology model for the traceability of digital and physical assets moving along the value chain. Expected outcomes include 1) proofing the possibility of increased connectivity and cost-efficiency based upon the use of blockchain technology and strengthened capacity to source more sustainably for retailers, brands and manufacturers along the cotton value chain; 2) demonstrating the capacity of companies operating in the cotton value chain to take risk-informed decisions and use a set of internationally agreed traceability and sustainability standards. The pilot is implemented with industry partners (brands, manufacturers, farmers, certification entities, blockchain solution providers) and targets both advanced and developing economies, large companies and SMEs in Egypt, Germany, Italy, Switzerland and the United Kingdom. It is highly relevant to a sector with high circular economy potential, which directly contributes to SDG12 for responsible production and consumption.

UN/CEFACT is interested in this UNECE work and its results, which could provide contributions to future UN/CEFACT projects.

### iii. **Suggested action items that could be proposed in draft decisions for consideration by the Commission**

Finally, regarding your request to put forward **suggested action items that could be proposed in draft decisions for consideration by the Commission**, UN/CEFACT could suggest the following:

At the technical level, the UNECE secretariat could contribute by:

- Preparing a background note describing the interactions between the circular economy work streams of the UNECE secretariat and the work of UN/CEFACT to facilitate the sharing of experiences and lessons learned.  
Note: UN/CEFACT could support this by preparing a background note on the role of advanced technologies for supporting the transition towards a circular economy which could be presented during the next meeting of the UNECE Advisory Group on Advanced Technologies in the Fall.
- Preparing an online survey about the impact and use of such flagship tools across country administrations and the private sector.  
Note: UN/CEFACT has already started assessing the relevance and impact of a broad range of deliverables for specific circular economy activities, which are outlined in the briefing note in the annex I below.
- Initiating a discussion about a possible technical guidance outcome, including a toolkit, a checklist or a call for action in relevant areas of work.

Note: For the next Commission session UN/CEFACT plans to publish a new Trade Facilitation Recommendation for Transparency of Sustainable and Circular Value Chain in the Garment and Footwear Industry.

The following thematic areas could be suggested for debate at the Commission session:

- Transparency and traceability of sustainable and circular value chains to advance responsible production and consumption patterns;
- Waste reduction and creation of markets for secondary raw materials;
- Harnessing the potential of advanced technologies and digital connectivity for the circular economy;
- Sustainable procurement as a means to incentivise sustainable products and circular production processes.

Finally, the UNECE secretariat could:

- Harness the convening power of UNECE in the Pan-European region and beyond to promote the importance of the transition to a circular economy to make economies and societies more sustainable and resilient, including in response to the COVID-19 crisis at the highest political level.
- Build consensus on a UNECE-wide political declaration that would include a commitment to support efforts to the transition to a circular economy at the regional, national and local level, as a starting point around which to convene member States and to mobilise required resources.

Please may I take this opportunity to also refer to the wider scope of UN/CEFACT work beyond circular economy which does link strongly to smart connectivity and helping people and economies to connect. UN/CEFACT has developed approximately 400 electronic messages and over forty recommendations, helping to digitalize the entire supply chain dematerializing documents and simplifying trade procedures. These can contribute indirectly to circular economy by reducing the use of natural resources and expediting the physical movement of goods, thereby reducing paper-based transactions and energy use. Our work also contributes during these challenging times of COVID-19 to replace paper and human contact linked to the physical exchanges by globally standardized electronic messaging while allowing citizens purchase and to receive goods using eCommerce.

I hope this letter will support you in showcasing the concrete impact of UN/CEFACT deliverables in conjunction with UNECE intergovernmental processes to advance the shift to a circular economy paradigm in the region and beyond, and working towards attaining member States commitment and support in the important endeavour of preparing a successful 69<sup>th</sup> Commission session of the UNECE.

Yours sincerely,

Sue Probert  
UN/CEFACT Chair

**Annexes:**

- 1. Briefing Note on UNECE – UN/CEFACT Contribution to Advance Circular Economy Actions**  
(May 2020 ECE\_TRADE\_C\_CEFACT\_20):  
[https://www.unece.org/fileadmin/DAM/cefact/cf\\_plenary/2020\\_Plenary/ECE\\_TRADE\\_C\\_CEFACT\\_2020\\_24 E-UNCEFACTdeliverablesCE.pdf](https://www.unece.org/fileadmin/DAM/cefact/cf_plenary/2020_Plenary/ECE_TRADE_C_CEFACT_2020_24 E-UNCEFACTdeliverablesCE.pdf)
- 2. Policy Brief on Accelerating Action for a Sustainable and Circular Garment and Footwear Industry: which Role for Transparency and Traceability of Value Chains?**  
[http://www.unece.org/fileadmin/DAM/trade/Publications/ECE\\_TRADE\\_449-AcceleratingTanspRraceabilityTextile.pdf](http://www.unece.org/fileadmin/DAM/trade/Publications/ECE_TRADE_449-AcceleratingTanspRraceabilityTextile.pdf)