Report of the Secretary-General "Towards the achievement of sustainable development: implementation of the 2030 Agenda for Sustainable Development, including through sustainable consumption and production, building on Agenda 21"

UNECE contribution

II. Promoting sustainable consumption patterns for the implementation of the 2030 Agenda for Sustainable Development, building on Agenda 21

B. Sustainable Consumption and Production

In today's world, where resources are scarce and we face the triple planetary crises of climate change, nature loss, and pollution, efforts are focused on developing new technologies, tools, products, and services that promote circular and sustainable consumption and production patterns. In response to decisions made by its member States, UNECE has prioritized the circular economy as a cross-cutting issue and is developing various initiatives to support the adoption of best practices and the sharing of knowledge across different sectors.

UNECE supports the circular economy through several key tools in four interconnected areas: business model innovation and the platform economy, traceability in global value chains starting with the textile industry, circular food systems, and Circular STEP, a UNECE platform for policy dialogue on the circular economy.

One business model that could accelerate the transition to a circular economy is the platform economy. However, many existing platforms still operate within a linear economy, missing the potential of creating circular marketplaces. Platforms developed with circular ambitions could enhance circular practices, reduce transaction costs, and improve traceability and transparency in supply chains.

The UNECE Transformative Innovation Network (ETIN) is exploring how to harness the platform economy's potential to scale up circular solutions. The circular transition depends not only on technological advancements but also on market creation and changes in human behavior. Markets play a critical role in circularity by coordinating activities such as matching supply and demand and creating synergies between sectors.

The garment and footwear sector is another priority for circularity. Enhancing circularity in the textile industry involves overcoming challenges in production, such as eco-design and waste management legal frameworks. UNECE and UNECLAC have conducted a study on second-hand clothing trade flows, incorporating global, European, and Chilean perspectives. UNECE's latest tool is the Product Circularity Data Standard, an extension of its existing traceability and transparency standard for textiles and leather. This tool provides business requirement specifications to support standardized data exchange for circular business models.

Since 2019, the joint UNECE-International Trade Centre project, supported by the European Commission, has highlighted the role of traceability and transparency in improving value chain sustainability and circularity. This project has shown encouraging results, demonstrating the potential of advanced technologies like blockchain to achieve traceability. Tools are available to support companies in sharing product information on sustainability criteria in a standardized

format and making claims. Over 100 companies and stakeholders from the sector, including Reda Food and Biobased Materials Group, Inditex, and SÖKTAŞ Textile, have joined UNECE's Sustainability Pledge and blockchain pilots.

Currently, a third of all food produced is lost or wasted, with around 13% lost between harvest and retail, and another 19% wasted at household, food service, and retail levels, according to FAO and UNEP estimates. When food is wasted, the resources used to produce it are also wasted, highlighting the urgency of increasing resource efficiency and circularity in agri-food value chains. Food waste is a problem in both developed and developing countries, with 40% of losses in developing countries occurring at post-harvest and processing levels. This issue is particularly significant in fresh fruit and vegetable value chains.

To address this, UNECE's Working Party on Agricultural Quality Standards developed a Code of Good Practice for reducing food loss and ensuring optimal handling of fresh fruit and vegetables along the value chain. This code provides practical guidelines for minimizing food loss and waste at production, trading, transport, and retail levels.

Moving to a more circular economy is crucial for sustainable development, decarbonization, resource efficiency, and competitiveness. Despite ongoing efforts, the lack of a common understanding of how to measure the circular economy has hindered progress and policy formulation.

To address this, UNECE and the OECD prepared new guidelines to support the development of internationally comparable statistics on the circular economy. These guidelines, which were released in March 2024, offer a common definition and clarify what needs to be measured. For the statistics to be effective, they must be accepted by both the international statistical community and policymakers.

The UNECE Task Force on Measuring Circular Economy and the OECD Expert Group on information for a resource-efficient and circular economy have collaborated to bridge the gap between statistics and policy. The resulting Conference of European Statisticians Guidelines for Measuring Circular Economy provide a consensus on the conceptual understanding of a circular economy. This economy is defined by the maximization and maintenance of material value, minimization of material input and consumption, and prevention of waste generation and negative environmental impacts throughout the material life-cycle.

The guidelines propose a framework with concepts, terms, and definitions aligned with other established statistical frameworks, like the System of Environmental-Economic Accounting. They introduce 19 core statistical indicators to measure the circular economy, which will be refined through pilot testing by volunteer countries.

The development of these guidelines involved contributions from national experts from ten countries (Austria, Belgium, Canada, Colombia, Denmark, Finland, India, Italy, the Netherlands, and Sweden) and ten international organizations (Eurostat, FAO, IMF, OECD, PACE, UNECE, UNSD, UNITAR, World Resources Institute, and UNEP). The Task Force will continue its work to provide practical guidance for producing and using the core indicators and to establish necessary institutional collaborations.