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## **Industrial Development Board**

### **Fiftieth session**

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Item 8 (a) of the provisional agenda

**UNIDO activities related to circular economy**

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### **Report by the Director General**

The present document reports on the implementation of General Conference resolution GC.18/Res.7 and provides information on the latest developments relating to circular economy. It supplements the information contained in IDB.49/18, GC.19/13 and in the Annual Reports of UNIDO for 2019 (IDB.48/2), 2020 (IDB.49/2) and 2021 (IDB.50/2). The consultations on circular economy are reported on in IDB.50/CRP.6.

## **I. Technical cooperation and policy advisory services**

1. UNIDO continued the successful cooperation with the European Investment Bank, Circle Economy and Chatham House for the global project “SWITCH to circular economy value chains”, completing the design of four pilot project on circular actions in the global electronics, textiles, garments and plastics value chains.
2. In Lebanon, UNIDO supports the private sector’s green and circular economic recovery, focusing on agro-industrial value chains, business opportunities, and access to financial mechanisms for investments in technologies and processes.
3. The Global Eco-Industrial Parks Programme, implemented in partnership with Switzerland, has helped integrate industrial circularity and synergy perspectives into laws and regulations. Policy development is coordinated through a multi-stakeholder community of practice and interministerial working groups and has already resulted in policy change in several countries.
4. The SwitchMed II programme has extended its support to fish processing and aquaculture value chains in the Mediterranean with a Blue Economy component, focusing on sustainable and cleaner production practices, policy recommendations and the development of circular business models development. The EU4Environment project continued facilitating industrial symbiosis, industrial waste reduction and circular economy practices in countries with economies in transition.
5. The “Circular Economy in the Textiles and Garment Industries” project in Ethiopia, Lesotho, Madagascar and South Africa promotes circular economy practices through sustainable chemicals and wastes management. In collaboration with



Cambridge University's Circular Economy Centre, UNIDO's activities provide the basis to capacitate domestic research centres and services in the circular economy. The dissemination of best practices for the transformative change of the sector is ensured through the active participation and involvement of the private sector and partners.

6. UNIDO actively participates in the "Transitioning to a Circular Economy for Chemicals and Waste in Africa" and "Financing Agrochemical Reduction and Management" programmes, which stimulate lasting change regionally and globally by re-examining national approaches to chemicals and waste management. UNIDO and 13 countries implement the GEF-funded project "Strengthening of National Initiatives and Enhancement of Regional Cooperation for the Environmentally Sound Management of Persistent Organic Pollutants in Waste of Electronic and Electrical Equipment in Latin American Countries", which involves four other United Nations entities and several international and national organizations, and is a starting point for a regional project on circular electronics.

7. The Climate Technology Centre and Network (CTCN)<sup>1</sup> assists 18 countries in Africa and in Latin America to develop circular economy road maps for the industrial, agricultural and waste sectors that include policy, regulatory and technology guidance for more efficient and cost-effective value chains. CTCN is also developing guidelines to measure and evaluate the impact of circular economy actions on national climate objectives in six countries of Latin America and the Caribbean.<sup>2</sup> In Mexico, CTCN provides technical support to analyze the state of the construction and demolition sector from the perspective of a circular economy.<sup>3</sup>

8. UNIDO addresses plastic leakage into the environment by promoting circular economy practices in industry and supporting Member States to develop enabling environments. In South Africa, UNIDO supported the development of an action plan and the establishment of the first national ISO-certified biodegradation testing laboratory to lead the transition to environmentally sustainable alternatives. In Egypt, it helped reduce plastic waste by promoting eco-design practices and circular business models in the industry, and assisting in the creation of enabling policy, regulations or economic tools. In Nigeria, UNIDO supported the development of implementation guidelines for the national policy on plastic waste management, while activities in Ghana led to the establishment of a circular economy framework for plastics and a centre of excellence for circular plastics.

9. UNIDO supports Egypt in developing a circular bio-economy, conducting an assessment of business opportunities, reviewing and supporting the development of existing and new standards for bio-based products, as well as conducting capacity-building for policymakers.

10. The GEF-funded project "Demonstration of Best Available Techniques and Best Environmental Practices in Open Burning Activities in Response to the Stockholm Convention on Persistent Organic Pollutants" is implemented in five East and South-East Asian countries. The project aims at achieving a 90 per cent reduction of dioxin releases by relying on circular economy principles and establishing resource efficient waste management systems to reduce emissions of unintentional persistent organic pollutants (POPs).

11. UNIDO participates in the elaboration of international standards on circular economy in a dedicated Technical Committee of the International Organization for

<sup>1</sup> CTCN, the implementing arm of the UNFCCC Technology Mechanism, co-hosted by UNEP and UNIDO, provides technology, policy and regulatory assistance at the request of developing countries as they seek to meet their climate change commitments and Sustainable Development Goals. For more information: [www.ctc-n.org/](http://www.ctc-n.org/).

<sup>2</sup> [www.ctc-n.org/technical-assistance/projects/guidelines-monitoring-and-evaluating-impact-circular-economy-measures](http://www.ctc-n.org/technical-assistance/projects/guidelines-monitoring-and-evaluating-impact-circular-economy-measures).

<sup>3</sup> [www.ctc-n.org/technical-assistance/projects/analysis-current-situation-construction-and-demolition-sector-respect](http://www.ctc-n.org/technical-assistance/projects/analysis-current-situation-construction-and-demolition-sector-respect).

Standardization.<sup>4</sup> This work includes, inter alia, setting a framework and principles for the implementation of a circular economy, producing guidelines on business models and measuring circularity frameworks.

## II. Convening and partnerships

12. The side event “Accelerating the global circular economy agenda to tackle climate change and foster economic transformation”, co-organized by UNIDO and the United Nations Institute for Training and Research and supported by 11 United Nations and international organizations,<sup>5</sup> raised the concept of circular economy at the 27th session of the Conference of the Parties to the United Nations Framework Convention on Climate Change (COP 27). By building on the outcomes of the global consultations on circular economy, national government representatives led a panel that explored ambitious circular economy principles and practices and their mainstreaming into Nationally Determined Contributions and National Adaptation Plans. Representatives of the private sector, academia and civil society also examined enabling factors for the global shift towards circular economy, including finance for climate and nature.

13. UNIDO is a founding partner of the Global Alliance on Circular Economy and Resource Efficiency (GACERE)<sup>6</sup> and co-convened its first high-level meeting in September 2021. GACERE aims to provide a global impetus for initiatives related to the circular economy transition, resource efficiency and sustainable consumption and production, building on international efforts.

14. Collaboration between UNIDO, CTCN, and governments in the region resulted in the launch of the Regional Coalition on Circular Economy for Latin America and the Caribbean.<sup>7</sup> The Coalition released its position paper *Circular economy in Latin America and the Caribbean: a shared vision* in February 2022.<sup>8</sup>

## III. Action required of the Board

15. The Board may wish to take note of the information provided in the present document and provide recommendations on how to enhance international cooperation and multilateral action on circular economy. The Board may also wish to provide guidance to the Secretariat on the continuation of consultations on circular economy.

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<sup>4</sup> [iso.org/committee/7203984.html](https://iso.org/committee/7203984.html).

<sup>5</sup> United Nations Environment Programme (UNEP); United Nations Development Programme (UNDP); International Labour Organization (ILO); United Nations Economic and Social Commission for Western Asia (ESCWA); United Nations Economic Commission for Europe (UNECE); United Nations Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States (UN-OHRLLS); The Organisation for Economic Co-operation and Development (OECD); World Bank (WB); Partnership for Action on Green Economy (PAGE); Green Growth Knowledge Partnership (GGKP); Global Green Growth Institute (GGGI).

<sup>6</sup> [ec.europa.eu/environment/international\\_issues/gacere.html](https://ec.europa.eu/environment/international_issues/gacere.html).

<sup>7</sup> [coalicioneconomiciacircular.org/en/elementor-7/inicio-english](https://coalicioneconomiciacircular.org/en/elementor-7/inicio-english).

<sup>8</sup> [www.ctc-n.org/news/latin-american-and-caribbean-coalition-launches-vision-regional-circular-economy](https://www.ctc-n.org/news/latin-american-and-caribbean-coalition-launches-vision-regional-circular-economy).