



Industrial Development Board

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Item 10 (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.50/15 and in the Annual Reports of UNIDO for 2021 (IDB.50/2) and for 2022 (IDB.51/2).

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 and European Union-funded project “SWITCH to circular economy value chains”, starting the implementation of three pilot projects on circular actions in three value chains, namely global electronics in Egypt, textiles/garments in Bangladesh and plastics in Morocco.

2. In Lebanon, with European Union funding, UNIDO continues to support 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. Similarly, in Algeria, the European Union-funded “Support programme for Algeria’s transition towards a green and circular economy – ECOVERTEC” helps the Algerian Government improve the institutional environment and competitiveness of enterprises through resource efficiency and cleaner production, as well as develop green entrepreneurship and innovative green and circular economy start-ups. The project started its activities in the second half of 2022, following the signing of the project document by the Algerian Government in May 2022. Since then, UNIDO has been focusing on capacity-building, by creating a pool of national experts trained in the UNIDO “Transfer of Environmentally Sound Technologies” methodology, and by supporting the

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establishment of a “Bureau of green economy” to ensure the effective implementation of activities and achievement of results.

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. In addition, the programme supports the park management entities and tenant companies in the programme countries to identify and implement feasible circular economy Eco-Industrial Park initiatives, for their industrial parks. The circular economy initiatives include industrial synergies and the re-use and recycling of material inputs.

4. With European Union funding, the second phase of the SwitchMed programme has continued its support to countries in the southern Mediterranean by strengthening policies, developing skills, building capacities, and providing technical support to small and medium-sized enterprises and industries. In 2022, several pilot projects were launched in the region’s textile industry to demonstrate the potential for more resource-efficient and circular production, which is crucial in building sustainable global value chains and improving the resilience of local economies. In Israel, this approach also involves the plastic value chains, while in Tunisia and Morocco, it covers the seafood value chains. Results from these pilots will yield concrete roadmaps that can help governments achieve the region’s economic potential. The EU4Environment project continued facilitating industrial symbiosis, industrial waste reduction and circular economy practices in countries in the Eastern Europe and Caucasus region with economies in transition.

5. UNIDO continues its active participation in the “Financing Agrochemical Reduction and Management” programme funded by the Global Environment Facility (GEF), with the implementation of a child project in India and the Philippines as part of the programme, aiming to eliminate hazardous pesticides and promote bio pesticides and green farming practices at a large scale. Together with 13 countries in the region, UNIDO 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.

6. The Private Financing Advisory Network (PFAN) is a global programme hosted by UNIDO. The PFAN provides free business coaching and investment facilitation to climate entrepreneurs, including of those focusing on the circular economy. In 2022, the PFAN increased its efforts to support circular businesses, and launched a dedicated knowledge corner on the circular economy. The online site provides bite-sized learnings, descriptions of the types of circular business models that the PFAN supports and tips for entrepreneurs.

7. With financial support from Japan, UNIDO continues to address 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 is helping reduce plastic waste by promoting eco-design practices and circular business models in industry, and assisting in the creation of enabling policies, regulations and economic tools. In Nigeria, UNIDO is supporting the development of implementation guidelines for the national policy on plastic waste management.

8. In Ghana, two ongoing projects focus on the circular economy to address environmental and economic challenges. The first, funded by the GEF, is working on the establishment of a circular economy framework for the plastics sector, strengthening national capacity for sustainable plastics management, preventing plastic leakage into the marine environment, and reducing unintentional persistent

organic pollutants. The second project, funded by the Government of Canada, is creating a Centre of Excellence for the Circular Economy, which will support entrepreneurs in developing and deploying innovative circular economy business models and technology solutions. Both projects are in the inception phase.

9. With funding from Switzerland, UNIDO continues supporting Egypt in developing a circular bio-economy, mapping and promoting business opportunities, supporting the creation and growth of innovative start-ups and micro-, small and medium-sized enterprises, reviewing and supporting the development of existing and new standards for bio-based products as well as Egypt's first bio-based economy strategy, and conducting capacity-building for industrial ecosystem service providers and policymakers.

10. Together with Yale University and six focus countries, UNIDO launched the GEF-funded Global GreenChem Innovation and Network Programme. The six-year programme seeks to enable green chemistry capacity-building to locally support innovation, development and technology scale-up in the six focus countries and their national cleaner production centres: Indonesia, Jordan, Peru, Serbia, Uganda and Ukraine. It will also create a globally unifying green chemistry network that will focus on international cooperation, communication and adaptation of green chemistry alternatives for the productive sectors in the focus countries, including chemicals production, waste management and manufacturing.

II. Convening and partnerships

11. UNIDO organized the side event “Circular economy solutions to address plastics pollution” at the high-level political forum on sustainable development in New York, United States of America, in July 2022.

12. UNIDO organized a high-level opening panel and a SwitchMed Connect event at the Ecomondo conference in Rimini, Italy, in November 2022. Ecomondo is the reference event for technologies, services and industrial solutions in the green and circular economy sectors.

13. UNIDO provided a training course on integrating industrial policy and circular economy in Ferrara, Italy, in November and December 2022.

14. At the G20 Development Working Group meeting in Mumbai, India, in December 2022, UNIDO contributed to the introduction of the lifestyle for environment (LIFE) concept.

15. At the World Circular Economy Forum (WCEF) in Kigali, Rwanda, in December 2022, UNIDO co-organized sessions on circular trade and value chains as well as partnerships for a global circular economy. WCEF is a leading conference on the circular economy. WCEF2022 was co-organized by the African Circular Economy Alliance, the Republic of Rwanda, the African Circular Economy Network and the Finnish Innovation Fund Sitra, together with international partners. UNIDO has also contributed to WCEF2023 in Helsinki, Finland, in May and June 2023, with a thematic session on strategies and road maps and one on the SWITCH project family.

16. At the United Nations Water Conference in New York, United States, in March 2023, UNIDO organized a virtual side event on sustainable industrial water use through eco-industrial park approaches, and participated in the session “Circular Economy: a key component of water-smart societies for a water-resilient world”.

17. UNIDO is a founding partner of the Global Alliance on Circular Economy and Resource Efficiency (GACERE), co-convened its second high-level meeting as a side event of the resumed session of the Fifth United Nations Environment Assembly in March 2022, and the third high-level meeting as a side event of WCEF2023 in May and June 2023. In addition, UNIDO continuously contributes to working-level activities. 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. Within GACERE, three working papers on the nexus topics of circular economy and climate change, circular economy and green recovery and circular economy and biodiversity have been published so far.¹

III. Action required of the Board

18. 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.

¹ More information is available at: <https://www.unep.org/gacere>.