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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.51/18](#), in [GC.20/11](#) and in the Annual Reports of UNIDO for 2022 ([IDB.51/2](#)) and for 2023 ([IDB.52/2](#)).

I. Introduction

1. Through resolution [GC.18/Res.1](#), the General Conference recognized a circular economy as one of the available means to achieve sustainable development and, through resolution [GC.18/Res.7](#), requested the Director General to continue supporting industries to contribute to circular economy without delay by adopting energy and resource efficient manufacturing practices and innovations in design, production processes and product lifespan management, and by delivering related services. This document provides information on key UNIDO initiatives related to circular economy.
2. The UNIDO Climate Change Strategy, endorsed by the Industrial Development Board in its decision IDB.51/Dec.8, stipulates that the implementation of the Strategy will maximize synergies between climate action and other priority areas of UNIDO, such as circular economy. It further stresses that UNIDO will influence the global discourse on issues at the intersection of climate action and inclusive and sustainable industrial development, such as circular economy.

II. Technical cooperation and policy advisory services

3. UNIDO is advancing the global project “SWITCH to circular economy value chains” to promote circular business models in electronics in Egypt, textiles/garments

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in Bangladesh, and plastics in Morocco. Collaborating with the European Investment Bank, Chatham House and Circle Economy, UNIDO is also launching innovative industrial pilots with companies like BESTSELLER, ECCBC, H&M Group, Nokia, and Orange. The project is co-funded by the European Union and Finland.

4. In Lebanon, with European Union funding, UNIDO supports the private sector's green and circular economy recovery in the food and beverage sector using the UNIDO "Transfer of Environmentally Sound Technologies" methodology. Similarly, in Algeria, the European Union-funded "Support programme for Algeria's transition towards a green and circular economy" helps the Algerian Government improve the institutional environment and competitiveness of enterprises through resource efficiency, cleaner production, as well as develop green entrepreneurship and start-ups.

5. The support for the transitions of industrial parks toward eco-industrial parks continued through the Global Eco-Industrial Parks Programme, implemented in partnership with Switzerland. Interventions in Colombia, Egypt, Indonesia, Peru, South Africa, Ukraine and Viet Nam focus on strengthening national policies and providing technical assistance. The programme has facilitated 18 national policies, reduced 118,000 tons of CO₂e emissions, assessed resource efficiency in 255 companies, and trained 3,469 employees from small and medium-sized enterprises and 2,283 staff from park management in 21 industrial parks.

6. With European Union-funding, the second phase of the SwitchMed programme was concluded in June 2024. Several pilot demonstrations focused on resource-efficient and circular production in the textile industry, or on plastic value chains in Israel, while in Tunisia and Morocco, it covered seafood value chains. In Jordan, Lebanon and the State of Palestine, UNIDO trained 25 local service providers in the "Transfer of Environmentally Sound Technologies" methodology and partnered with 18 universities to integrate it into their curricula. These providers identified €16.1 million in resource-efficiency investments, potentially saving €8.4 million annually and benefiting 5,224 employees. The EU4Environment project also promoted cleaner production and circular economy practices while piloting product environmental footprint and industrial waste reduction in Eastern Europe and the Caucasus region with economies in transition.

7. With funding from the Global Environment Facility (GEF), UNIDO promotes a circular economy in the textile and garments industry in Ethiopia, India, Lesotho, Madagascar and South Africa by reusing, recycling and converting waste into economically viable and socially beneficial products and services. UNIDO partnered with global brands to ensure sustainability. Additionally, UNIDO works on greening construction supply chains in Costa Rica and Morocco, aiming to eliminate hazardous pollutants and develop circular building practices. Furthermore, UNIDO fosters circular solutions to plastic pollution in Morocco, the Philippines and South Africa.

8. The Global Electronics Management Programme, funded by the Global Environment Facility, aims to reduce electronic wastes and enhance circularity and resource recovery in developing countries by creating an enabling environment with access to finance, technology, policy and legislative changes. The global programme is led by UNIDO in partnership with the African Development Bank, the United Nations Environment Programme and the United Nations Development Programme.

9. In 2024, UNIDO and 13 countries¹ completed 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", triggering a regional project on circular electronics.

¹ Argentina, Bolivia (Plurinational State of), Chile, Costa Rica, Ecuador, El Salvador, Guatemala, Honduras, Nicaragua, Panama, Peru, Uruguay and Venezuela (Bolivarian Republic of).

10. With financial support from Japan, UNIDO continues to address plastic leakage by promoting circular economy practices in industry and supporting Member States to develop enabling environments, while sharing lessons learned and opportunities. In Egypt, plastic waste is reduced by promoting eco-design and circular business models, and assisting in the creation of enabling policies, regulations and economic tools. In Nigeria, UNIDO is supporting the development of implementation guidelines for plastic waste management and piloting them in Lagos and Abuja.

11. In Ghana, a first project funded by GEF is working on the establishment of a circular economy framework for the plastics sector, strengthening national capacity, preventing plastic leakage into the marine environment and reducing unintentional persistent organic pollutants. A second project, funded by the Government of Canada, is creating a centre of excellence for the circular economy, supporting local organizations and individuals, including women and youth, in developing innovative technologies and business models in the textiles, plastics and agro-processing sectors.

12. With funding from Switzerland and Italy, UNIDO supports Egypt in developing a circular bio-economy, by promoting business opportunities, supporting the creation of start-ups and small and medium-sized enterprises in south Egypt, and strengthening capacities of service providers and policymakers. Furthermore, UNIDO supported Egypt by strengthening existing and developing new standards for bio-based products and a first bio-based economy strategy as well as piloting a bio-refinery for the valorization of biomass residues in rural Egypt.

13. Together with Yale University, UNIDO launched the GEF-funded Global GreenChem Innovation and Network Programme. The seven-year programme seeks to enable green chemistry capacity-building to support innovation and development in Indonesia, Jordan, Peru, Serbia, Uganda and Ukraine. The programme focuses on three pillars: (i) expanding a global platform for knowledge sharing, (ii) piloting green technology solutions, and (iii) launching an accelerator programme supporting start-up solutions for small and medium-sized enterprises in developing countries. It aims to foster innovation ecosystems and strengthen national and regional capacities for circular economy solutions.

14. With funding from China, UNIDO promotes eco-design and circular economy in textiles, furniture and construction materials. UNIDO raises awareness on more sustainable production methods among local stakeholders and supports industries by sharing best practices.

III. Convening and partnerships

15. At the World Circular Economy Forum (WCEF) in Brussels in April 2024, UNIDO hosted a booth showcasing circular economy projects and organized impactful workshops on eco-industrial parks and circular design for plastic products. High-level meetings with the European Union Directorate-General for Environment and the International Labour Organization were held to discuss further collaborations. In this framework, UNIDO organized a donor breakfast meeting to connect key international donors fostering support for future circular economy initiatives.

16. Within the framework of the WCEF2024, the second edition of SWITCH:COLAB, a consultative forum took place promoting cross-sectoral collaboration among industries.

17. UNIDO organized an accelerator session on the circular reconstruction for Ukraine which brought together different stakeholders to discuss circular economy practices for green recovery. These engagements at WCEF2024 concluded with a meeting on European Union-funded green initiatives, highlighting the leadership of UNIDO in the circular economy transition.

18. At the 10th World Water Forum in Bali, Indonesia, in May 2024, UNIDO introduced an industry-led initiative that fosters collaboration between public and

private sectors for water stewardship, showcasing how it can be scaled up to mitigate water scarcity through cost-effective and nature-based solutions.

19. UNIDO is a founding partner of the Global Alliance on Circular Economy and Resource Efficiency (GACERE), which co-convened its third high-level meeting at the Sixth United Nations Environment Assembly in February 2024, focusing on the circular economy and finance.

20. UNIDO has been actively participating in the Intergovernmental Negotiating Committee (INC) to develop an international legally-binding instrument on plastic pollution, including in the marine environment. At the INC-3 in Kenya in November 2023, UNIDO supported the organization of a side event on circular economy on plastics. Within GACERE, UNIDO organized a sectoral workstream on plastics, published a policy brief on circular design of plastic products,² and organized a side event at INC-4 in Canada in April 2024 to raise awareness on circular design and related standards.

21. In September 2023, UNIDO in collaboration with the Ministry of Environment of Egypt organized the first Climate and Environment Investment Forum, held under the auspices of the President of Egypt. The Forum catalysed climate and environment investments in the circular economy, specifically waste valorization and use of secondary raw materials for industrial processes, agricultural inputs and energy generation. UNIDO also supported the Ministry of Environment of Egypt to develop an e-platform, as a one-stop-shop for investors and businesses, providing access to market data, business opportunities profiles and pre-feasibility analyses.

IV. Action required of the Board

22. 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.

² More information is available at: www.unido.org