

**IDB.49, Industrial Development Board, forty-ninth session (12-15 July 2021)**  
**Agenda item 11, subitem (a): UNIDO activities on environment and energy**

**Statement of AUSTRIA on Circular Economy**

Thank you, Madam Co – chair,

Distinguished delegates,

it is with great pleasure that I - as a representative of the host country of UNIDO - have the opportunity to highlight some aspects regarding this important topic of Circular Economy from Austria's perspective:

- As we are all aware, the urgency for implementing new forms of economy arises from our understanding and recognition that the biophysical resources of our planet are limited, but our consumption of natural resources is growing rapidly. Therefore, a linear economy “take-make-dispose” is not acceptable anymore. We urgently need to make our economy circular and we have to ensure a just transition towards a fossil-free and resource-efficient economy as soon as possible. Therefore, circular economy also plays a major role for greenhouse gas mitigation against climate change because circular economy transforms the way products are made and used, and this transformation is simply indispensable in order to effectively reduce emissions.
- On these grounds, the transposition of global goals such as the UN Sustainable Development Goals and the European Union's Green Deal into national strategies and policies is vital. The concept of Circular Economy is highly relevant for the attainment of many of these goals. The transition to a more sustainable economy and the improved management of natural resources holds many opportunities and can be a source of economic dynamism and increased competitiveness. More resource-efficient and circular economic approaches are the building blocks for sustainable economic models that integrate and guide policy initiatives to preserve our stock of material resources by minimizing waste and promoting sustainable production and consumption. To be successful with the sustainable transition it needs the active involvement and cooperation of society and stakeholders on a global dimension.
- As a lighthouse example on how to support the implementation of circular economy let me mention UNIDO's program on “Chemical Leasing”. Since 2004 Austria and UNIDO

have joined hands to foster the world – wide implementation of this performance based business model. In a Chemical – Leasing framework the producer is not any more selling quantities of a chemical product - for instance a cleaner – but is being paid per cleaned area. Within service based business models all actors along the value chain do have an economic driven interest to use the product as efficiently as possible, because the basis of payment is the service and not the product itself. Therefore their implementation is a prerequisite to achieve a circular economy.

- After 17 years of co-operation we can today conclude that “Chemical Leasing” has become a true and unique global success story. Projects are being implemented and mainstreamed all around the world in a multitude of economic areas and technologies.
- Germany, Switzerland, Peru, El Salvador, Serbia and Austria signed - together with UNIDO and Austria - a common declaration of interest to continue our support for this initiative, which saved thousands of tons of chemicals, hundred-thousands of tons of Carbon Dioxide and millions of tons of water from being wasted. We know that more countries are considering to sign in, what of course be more than welcome.
- In September this year the fifth Global Chemical Leasing Award will demonstrate another set of impressive success stories being selected from nearly 100 applications world wide.
- Hence, one main objective of the Austrian government is the development of a national strategy on circular economy. The work on this strategy started in September last year. One of the first results is the establishment of a Research and Technical Innovation Programme on Circular Economy projects which has a funding volume of 10 million Euro per year. Before finalisation, the strategy on circular economy will undergo a thorough public review and the final version should be delivered to the government beginning next year.
- Distinguished delegates, we urgently need to make our economy circular and we have to ensure a transition towards a fossil-free and resource-efficient economy as soon as possible. “Transformation” is key in that regard, as it will embrace not only our economies but also societies around the globe. UNIDO’s work on transformation towards a circular economy could not be more timely.
- From Austria’s perspective the global consultations proved to be fruitful, rich and highlighted a wealth of knowledge, experiences and good practices in the adoption of circular economy policies and principles around the world. Sharing such experiences

and knowledge is needed today to boost our collective efforts in the framework of the United Nations Decade for Action.

- Austria is fully committed to not only accelerating the shift towards circularity in our country, but also to creating enabling conditions for the adoption of circular economy principles worldwide through continued multi-stakeholder consultations, consensus-building, action on the ground and other related means.
- On behalf of the Government of Austria, I would like to extend my sincere thanks to UNIDO for convening the global consultations and strengthening the commitment of all Member States to building the future we want, based on the principles of circularity, for the well-being and prosperity of all.