



UNITED NATIONS  
INDUSTRIAL DEVELOPMENT ORGANIZATION



## Regional preparatory meeting for the Asian and the Pacific Group for the UNIDO global consultations on circular economy

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Written statements



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## Written Statements



The present document compiles statements received by the Secretariat in writing after the regional preparatory meeting for the Asian and the Pacific group for the UNIDO global consultations on circular economy, held virtually on 13 November 2020. The statements are reproduced without formal editing or formatting.

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## 1. Ministry of Foreign Affairs, Indonesia

Mr/Madam Chair,  
Distinguished delegates

Circular economy is one of the tools for green industry development and will contribute to the attainment of the SDGs. Its implementation will lead to efficient use of natural resources and increasing added value to achieve sustainable production and consumption through 5R principle (Reduce, Reuse, Recycle, Recover and Revalue).

Potential commodities for circular economy development include packaging (whether plastics, paper, cans, or glass/ceramics packaging), food and beverage, electronics, plastics, paper, textiles, metals, automotive, and construction.

Based on that understanding, the Circular Economy concept has been incorporated into the Vision Indonesia 2045 and Indonesia's Mid Term Development Plan.

Circular economy is also included in our Low Carbon Development Strategy and estimated to contribute 20-28% to the reduction of greenhouse gas emission and up to 50% waste reduction by 2030.

In this regard, allow me to raise a few points.

First, multi-stakeholder partnership is key, both in terms of building economic resilience as well as climate and disaster resilience.

Circular economy is a crosscutting issue, connecting all the three pillars of Sustainable Development. Therefore, its implementation will need strong collaboration among all stakeholders, including business sector, government, academic community, society, individuals, NGOs, and other financial and international organizations.

Second, there is a need to synergize and strengthen the implementation.

Circular economy has been implemented by many actors in Indonesia at the individual as well as community and industrial level for economic purposes. Some best practices include alternative fuel production from biomass and waste, marine litter solution project, electricity efficiency project, and the introduction of alternative material in construction industry.

However, efforts are needed to synergize and scale up these initiatives. Capacity building and identification of best practices are important to support these efforts.

This leads me to my third point, that international partnership is critical to shift the global economy towards circular economy.

In this spirit, Indonesia has also collaborated with UNDP and Denmark to to measure the economic, social, and environmental benefits of circular economy in 5 (five) keys industry sectors.

We have also identified several challenges in the development of circular economy, including low level of consumer awareness, incompatibility between needs and availability of recycled materials, as well as data collection and management. The perspective of UNIDO in bringing about the best practices and innovation of circular economy from Member States can help to address those challenges.

Finally, we need to clearly define the concept and parameter of circular economy.

Better clarity and common understanding will lead to focused strategy and well targeted implementation. This is also important to avoid possible misuse of this concept as a disguise for applying new barriers to trade. Indeed, the implementation of the circular economy should help to empower developing countries, rather than limiting their access to the global market.

To conclude, Indonesia welcomes this initiative of global and regional consultations, and we are looking forward to closely collaborate with UNIDO and other delegations to advance the circular economy agenda.

## **2. Circular Economy Club, Malaysia**

**What do you see as key benefits your country, company or organization can derive from adopting circular economy principles and practices in terms of achieving Sustainable Development Goals and meeting national climate change priorities?**

From CEC Malaysia side, I will be using a national project via international collaboration to elaborate the key benefits. From 29 June to 19 August, 300+ EU-Malaysia experts have met three times online to deliberate on your question via the EU funded project IUC Asia (International Urban Cooperation) where joint and bilateral efforts will continue between European and Malaysian cities to embark on a city-to-city cooperation in three key areas that will benefit Malaysia nationwide. They are

- Research & Innovation
- Knowledge Transfer of Best Practices
- Exploring Investments and Business Opportunities

A poll via SLIDO was taken, and Malaysian stakeholders (quadruple helix of govt, private sector, academia/research and civil society) identified that Malaysia needs assistance in project design, technical support, implementation and funding.

From a country level Malaysia has embedded in paragraph 217-218 in the budget speech articulated a fourth strategy to ensure resource sustainability. The Government takes a stand that balance between development and preservation of environment is a necessity so that the

quality of life and legacy for future generations are preserved. CEC Malaysia applauds this and circular economy practices will pave the way. We are glad that the Government has shared that sustainable resources can be a source of new economic growth while creating employment opportunities. In paragraph 218, the annual budget is aligned with the SDG, so that the citizens can move towards a more prosperous, more sustainable and inclusive future. Thank you.

**Are there successful examples of introducing circular economy principles and practices in your country, company or organization, including policy and regulatory frameworks as well as national, multilateral, bilateral and South-South cooperation initiatives and partnerships?**

Yes.

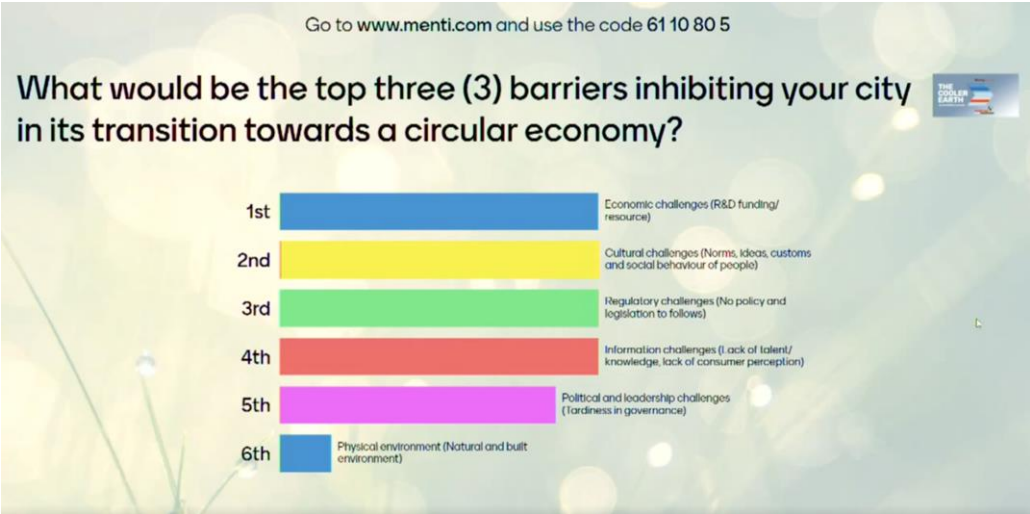
CEC Johor Bahru chapter: At a city level, we have published a case study on one of our pilot projects on upcycling of ocean bound plastic with a circular recycler and their co-creators on the CEC platform under resources addressing the marine litter issues with coastal communities.

CEC Penang is working on other pilot projects on circular plastics economy with UN Environment Programme and COBSEA.

CEC Penang, Petaling Jaya, Penampang in Malaysia on a nationwide level with the EU funded project International Urban Cooperation Asia (IUC Asia) has submitted several concept notes on circular cities pilot projects as well. One focuses on circular plastic economy and the other digital technology as an enabler for circular smart cities circular RE. A Circular Cities Blueprint will be completed and will complement Malaysia’s National Circular Plastics Economy Roadmap that will be launched next year. Thank you.

**What are the barriers impeding the adoption of circular economy principles and practices in your country, company or organization?**

After conducting 4 rounds of stakeholder consultations this year, the slido and menti meter polls have disclosed the following. 5 key barriers have been identified and I will share them in chronology order with you starting with the highest priority ones first that needs our attention. Thank you.



**What support, including arrangements for access to finance, technology transfer and capacity-building, would your country, company or organization require to enable the adoption of circular economy principles and practices?**

CEC Malaysia: Another concept note for Financing Circularity has been approved by the EU to help transform Malaysian linear urban systems to circular urban systems. We have articulated the importance of understanding the urban metabolism system which embraces circular best practices inspired by some EU examples. What Malaysia needs is a localised and crafted solution to fit the local landscape and we have had the benefit and collaboration with the European Union under the IUC Asia project which continues as IURC for the next 3 years in collaboration with North America, Latin America, Japan, India, SEA, North Asia and Australasia. We are looking forward to implementation next year and working shoulder-to-shoulder with the Malaysian government and the parties I shared earlier via the quadruple helix.

We were happy to read paragraph 219 of the 2021 Budget speech which reported that

The Government through cooperation with the United Nations will establish the Malaysia-SDG Trust Fund or MySDG Trust Fund with an initial allocation of 20 million ringgit. The fund will coordinate financing from various public and private sources systematically. Thus, various parties can contribute and be involved in efforts to ensure the SDG is achieved by 2030.

For Malaysia to move ahead and to circularise at city level, experiential learning via pilot projects are key to enable us to know our strengths and weaknesses to allow us to craft a practical and realistic circular business models and solutions that is high impact for the citizens, low costs for the government because the private sector will be on board in close collaboration with academia, research and civil society. Thank you.

### **3. Ministry of Economy and Planning, Saudi Arabia**

Saudi Arabia draws upon Islamic principles and values as well as on economic freedom, to integrate the basic dimensions of development: economic, social and environmental.

- Successive development plans to realize Sustainable Development Goals (SDGs) have contributed to the Kingdom's achievement of significant social, economic and environmental gains that are both balanced and sustainable, as evidenced by the country's continued economic growth at high rates, along with a conducive climate for a growing private sector's role and improved competitiveness of the Saudi economy.
- Saudi Vision 2030 strength and encourage the inclusive processes of development and strongly align with 2030 Agenda of Sustainable development goals.
- Saudi Arabia believes that global collaboration & partnerships are strong and powerful tools to attain prosperity on the national and local level, therefore, Kingdom of Saudi Arabia is building and strengthen its partnerships with the world on many areas related to . For example, clean energy, water desalination, cultural preservation and economic growth.

- The Kingdom of Saudi Arabia, under its leadership G20 Presidency has endorsed an important new approach to carbon management, the circular carbon economy (CCE) approach. CCE approach is a holistic, integrated, inclusive and pragmatic approach to managing emissions that can be applied reflecting country's priorities and circumstances.
- The CCE approach is built on the "4Rs": Reduce, Reuse, Recycle, and Remove to advance stable and secure energy markets and energy access for all while holistically managing emissions and advance cleaner and more sustainable future.
- The endorsement of the Circular Carbon Economy (CCE) Platform and its "4Rs" (Reduce, Reuse, Recycle and Remove) framework is a great example of KSA's commitment towards achieving more resilient and sustainable Energy systems that support sustainable development.
- The Kingdom of Saudi Arabia already took step further to develop its own Saudi Arabia's circular carbon economy project as part of implementing and developing a circular carbon economy (CCE) concept, recent work led by the King Abdullah Petroleum Studies and Research Centre discussed and endorsed by the G20 country with regard: Circular Carbon Economy "CCE Guide".
- Another great example for circular economy in Saudi Arabia is NEOM water desalination utilizing renewable energy. It will protect marine life by preventing brine byproduct that is dumped to sea using old desalination process and return it back to the process to produce chemical and minerals (By utilizing zero discharge Desalination technology) and protecting environment using renewable energy. UNIDO KSA intervention Date: 13 Nov 2020
- On the other hand, the private sector in the kingdom is playing an important role in this. For instance, The Saudi Basic Industries Corporation, known as SABIC, has launched its Sustainability Roadmap that aligned to the United Nations Sustainable Development Goals (SDGs), outlining ambitious targets relating to resource efficiency, climate change, circular economy, food security, sustainable infrastructure and preservation of the environment.
- SABIC has unveiled new TRUCIRCLE™ initiative that highlights the importance of innovations to create a circular economy for plastics. This initiative support SDGs 12 and built around four key principles :
  - o Design for Recyclability
  - o Mechanically Recycled Products
  - o Certified Circular Products
  - o Certified Renewable Products.

#### **4. Solid Waste Management Association, Thailand**

To moving towards sustainable development, a concept of closing the loop has recently been introduced to protect the environment through a production system with sharing, leasing, reuse, repair, refurbishment and recycling process. The key benefits that company/organization can derive from adopting circular economy empirically is reducing operational cost from a reduction in fossil fuel consumption, a decrease in demand of virgin materials as well as in disposal of waste to landfill which is in a line of sustainable development. Shifting to more efficient, circular business models can also provide a competitive advantage through reducing materials cost and improving brand perception. So, in the long term they could get more benefits from increasing competitiveness and could help the country in achieving a target of



greenhouse gas emissions (GHGs) reduction, which the Government of Thailand has declared a nationally determined contribution (NDC) to reduce 20-25% of GHGs emission by 2030 compared to business-as-usual from 3 sectors; energy and transportation, waste management, and industrial processes and product use. In addition, adopting the concept could support an achievement of the sustainable development goals in many different ways. Particularly, it has a strong link to SDG12 (Responsible Consumption and Production) SDG7 (Affordable and Clean Energy) and SDG9 (Industry, Innovation and Infrastructure), and also link to the other SDGs such as SDG 11, 14,15.

There are several successful examples introducing circular economy practice in Thai company or organization especially in a case of applying renewable energy and biomass. Currently, most of large enterprises have employed alternative/renewable energy sources by an investment in solar cell and biogas plant to generating heat and power to use in production process as well as to sell to the national grid. In addition, a practice of using recycled materials has also introduced, but there is not yet widespread in Thai's industry.

The key barriers to implementing circular economy practices in country and company can be identified as:

#### Legislations/regulations

- There are several laws/regulations that concern CE in Thailand. Most measures are in the form of voluntary campaigns, which are not enforced in terms of legal measures, for example an extended producer responsibility (EPR) policy.
- Lack of national policy/regulation for supporting company to use recycled materials.

#### Company/organization

- Lack of knowledge to enable the adoption of circular economy principles and practices, especially the closed-loop process in production value chain.
- Lack of legal/economic incentive for producers to adopt circular economy and to use recycled materials.

#### People

- There is a crucial need for educating people to be able to sorting waste at source properly and to enhance their capacity on classifying different types of recyclable wastes effectively.

#### Infrastructure

- lack of efficient waste-collecting management either in term of financial incentives or infrastructures to support waste correction, transportation, and recycling process.

To enhance a capacity of circular economy adoption for actors involved in an entire value chain, a study on a prototype company/organization practicing a close loop approach should be granted in order to demonstrate an empirical practice influentially, coupling with a study on

options for connecting waste management supply chain to a potential national EPR system in order to help coping with an increasing amount of waste effectively. An implementation of industrial symbiosis in SMEs is needed to support a transition towards circular economy. In addition, arrangements for accessing to finance and technology transfer and capacity building are also required to enable the adoption of circular economy principles and practices in Thailand.

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