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INDUSTRIAL DEVELOPMENT ORGANIZATION



## Regional preparatory meeting for the Western Europe and Other States Group for the UNIDO global consultations on circular economy

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 Western Europe and Other States Group for the UNIDO global consultations on circular economy, held virtually on 18 November 2020. The statements are reproduced without formal editing or formatting.

## Content

1. Federal Ministry for Climate Action, Environment, Energy, Mobility, Innovation and Technology, Austria.....	4
2. Wuppertal Institut, Germany.....	5
3. Ministry of Economy and Industry, Israel .....	6
4. Deutsche Gesellschaft für Internationale Zusammenarbeit.....	8

# 1. Federal Ministry for Climate Action, Environment, Energy, Mobility, Innovation and Technology, Austria

## Circular Economy Strategy in Austria (ASCE)

### Outline paper

#### Objective:

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 are in urgent 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.

On these grounds, the transfer of global goals such as the UN Sustainable Development Goals and the European Union’s Green Deal into national strategies and policies is indispensable. The concept of Circular Economy meets many of these sustainable goals. Hence, one main objective of the Austrian government is the development of a national strategy on circular economy (ASCE).

#### Process:

Consideration about the needs of the society (consumers, economy, public) versus the ecological limitations of our planet are triggers for a circular economy strategy. These needs have to be satisfied by services and products based on optimised use of resources (material, energetic, digital, monetary, etc.). Examples for such services are housing, heating, light, mobility, nutrition, health, security of supply, education. The ASCE will demonstrate which instruments, approaches and methods can meet these objectives most efficiently.

#### Timing:

The ASCE process started on 1<sup>st</sup> September 2020. From November till mid 2021, comments and opinions from stakeholders will be collected. A first draft of the ASCE will be available in March 2021 and presented to the public by the Minister of Climate Protection. Before finalisation, the draft ASCE will undergo a thorough public review and the final strategy should be delivered to the government end 2021.

#### Methodology:

- all relevant information on circular economy collected
- online survey for first views and opinions by key stakeholders
- interviews and thematic (online) workshops to obtain focused information from experts
- interim results presented to the general public by the Minister of Climate Protection
- draft ASCE published for a broad public consultation
- finalisation of the ASCE and delivery to the government

## 2. Wuppertal Institut, Germany



Wuppertal Institute - PO Box 10 04 80 - D-42004 Wuppertal

United Nations Industrial Development  
Organization (UNIDO)

To whom it may concern

### Personal contact

Dr. Henning Wilts  
Phone +49 202 2492-139 · Fax -108  
henning.wilts@wupperinst.org

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### Regional preparatory meeting for Western European and other States Group for the UNIDO global consultations on circular economy

Dear Sir or Madam,

As Director of the Wuppertal Institute's division on circular economy I would like to thank the UNIDO Circular Economy Team for inviting me to the preparatory meeting on November 18th. As requested I would like to submit a few short comments on the excellent background paper.

The discussion and various inputs by participants highlighted the possible environmental as well as socio-economic benefits of transformation processes towards a circular economy and I fully agree with this assessment. Nevertheless I would like to highlight that the circular economy is not an end in itself but aims at specific objectives like resource reductions, job creation and cost savings – more circularity in itself does not necessarily contribute to this and can have various unintended side effects that should be considered, e.g. from lowering thresholds for hazardous substances. Benefits from such transformation processes will also definitely not be evenly distributed between countries or regions, for example there will be significant job losses in many primary raw material sectors. The Wuppertal Institute had been involved in the project "CIRCTER - Circular Economy and Territorial Consequences" funded by ESPON that highlighted the spatial dimension of a circular economy<sup>1</sup>.

Circular economy targets, frameworks and indicators need to reflect the actual contributions of circularity to the underlying objectives. For this the German resource efficiency programme ("ProgRes") includes an indicator "Direct and indirect resource savings from recycling" (DIERec) that takes into account the actual environmental benefits from recycling by replacing primary resources. In-depth analysis for estimating this indicator shows that Germany, despite recycling rates of beyond 70% only saves around 20% of its resource consumption. The indicator also

<sup>1</sup> An executive summary as well as a short video with key outcomes can be found at <https://www.espon.eu/circular-economy>

**Wuppertal Institut für Klima,  
Umwelt, Energie gGmbH**  
Doepfersberg 19  
42103 Wuppertal, Germany  
Phone +49 202 2492-0 · Fax -108  
info@wupperinst.org

**Scientific Managing Directors**  
Prof. Dr. Manfred Fischbeck  
**Administrative Managing Director**  
Brigitte Mutern-Breidbach

**Stadtparkasse Wuppertal**  
IBAN DE46 3305 0000 0000 9013 55  
Swift-BIC WUPSD33XXX  
District court Wuppertal  
Registration number HRB 7619  
VAT ID DE 121 091 633

**Berlin Office**  
at ProjektZentrum Berlin  
der Stiftung Mercator  
Neue Promenade 6,  
10178 Berlin, Germany  
Phone +49 30 2887458-10 · Fax -40  
buero.berlin@wupperinst.org

**Chairman of the Supervisory Board**  
State Secretary Christoph Dammermann  
**Chairwoman of the International  
Advisory Board**  
Prof. Dr. Lenelis Kruse-Graumann

wupperinst.org/en



includes global supply chains and shows that to a large extent resource savings don't take in place in Germany but especially in countries with a large metal mining sector<sup>2</sup>.

Secondly I would like to mention that despite these often highlighted win-win opportunities, progress towards circular economy is too slow – on a global scale but also for most countries. The OECD foresees a doubling of raw material consumption until 2060 despite implementing circular economy principles. Urgently needed is a radical transformation in addition to further incremental improvement, combining these different aspects in systemic innovations e.g. on packaging waste prevention. The Wuppertal Institute in cooperation with the Technical University Berlin analyses such innovations in an interdisciplinary team, highlighting the multi-dimensional challenge of making circular economy solutions economically viable, socially accepted and efficiently supported by policymakers<sup>3</sup>.

For such systemic changes, metropolitan regions seem to be the perfect laboratories, bringing together the necessary material, waste flows, investment capital and expertise. In our work with cities like Munich, Berlin or Kiel implementing their municipal circular economy or zero waste strategies we nevertheless currently see a lack of industry participation. Against this background I would recommend to UNIDO to set up a specific programme on industrial CE options in metropolitan settings that goes beyond local niches in industrial parks but integrates city planning, changing the urban metabolism as well as the circularity of flows going into and out these regions.

Best regards,  
Wuppertal Institute for Climate, Environment and Energy



Dr. Henning Wilts  
Director  
Division Circular Economy

<sup>2</sup> A summary of the methodology and key outcomes can be found at [https://www.umweltbundesamt.de/sites/default/files/medien/1410/publikationen/2019-03-27\\_texte\\_34-2019\\_sekundaerohstoffwirtschaft.pdf](https://www.umweltbundesamt.de/sites/default/files/medien/1410/publikationen/2019-03-27_texte_34-2019_sekundaerohstoffwirtschaft.pdf)

<sup>3</sup> <https://pur-precycling.de/?lang=en>

### 3. Ministry of Economy and Industry, Israel

Hello for Everyone and I thank you for giving me the opportunity to speak in this forum.

My name is Arik Ryvkin from the Industries Administration in the Ministry of Economy and Industry and in the Administration we are aiming to boost the transition of the Israeli into circular Economy.

We believe the transition would benefit the Israeli economy in terms of growing GDP in parallel to gaining environmental benefits such as decreased waste production and reduced raw

material usage. I want to stress the fact that the economic benefits we foresee are not only on the national level but are also on the micro level of specific businesses which will benefit from implementing circular economy practices. Obviously, as mentioned in the background note sent in preparation to this meeting, the circular economy concerns many SDG and explicitly SDG 12 – Sustainable consumption and production and SDG concerning sustainable industrial development.

Also, as an administration targeting to fulfil the potential of the Israeli Industry we want to prepare it for the new regulation on sustainable production which are starting to emerge around the world and help it to work with international organizations such as the EU and UNIDO for the financing of circular projects as I will soon demonstrate.

First I would like to mention our participation in the UNIDO-led Switch Med project mentioned in the background note (part of the European Union). In the previous round of this project we have performed a pilot project consulting on resource efficiency and circular economy to 7 different industrial installations in Israel. The success of this study has led to the establishment of the Resource Efficiency center in 2020 with a budget of over 15 million Euro, which currently provides subsidized consulting to the industry on resource efficiency and circular economy. Although the center has just started to operate a few months ago we see a great interest from the industry and would be happy to update on its performance in future meetings.

We are also participating in the current SwitchMed project with UNIDO focusing on knowledge transfer. The aim is to map the Israeli plastic recycling value chain in the purpose of detecting barriers and enablers for the process and suggesting policy recommendation. An additional purpose is to suggest a specific pilot project concerning recycling plastic. The current SwitchMed phase also focuses on market research and recommendations regarding an establishment of a bottle to bottle recycling plant in Israel and providing guidelines for the production of circular packaging and the accompanying standardization.

An additional interesting tool we are activating is the Industrial symbiosis program in which we activate a number of consulting agencies to locate potential symbiosis between organizations. That is to find where the waste of one organization could be used as a resource in another. We have just completed the first year with substantial economic and environmental benefits and based on that we are continuing to a 4 year long term activation which will save about 40M USD to companies and prevent landfilling of over 450,000 metric tons of waste.

In parallel we are currently hard at work for establishing a circular economy knowledge center in Israel which should operate pretty similar to EMF but tailored for the Israeli economy. We are now performing a design thinking based project with the industry to understand which tools the knowledge center should provide that will help the industry to incorporate circular economy in their organization.

We are also very active in generating the regulatory framework which will support circular economy and specifically won't prioritize linear practices over circular ones (standardization for example).

I would also like to mention a recent activity in the field by various actors - for example the Israel-America chamber of commerce, The Israeli circular economy stakeholders platform (NGO), the industries and various government entities including government owned companies which mainly concern national infrastructure.

I think that currently for Israel the most beneficial would be to articulate a national roadmap for the transition to circular economy with emphasis on circular public procurement and regulatory adjustments needed to support circular economy.

We are obviously would be very happy to cooperate with both international organizations and specific countries to achieve these goals.

## 4. Deutsche Gesellschaft für Internationale Zusammenarbeit

### Consultation, Western European and other States Group, 18.11.2020 – BMZ contribution

#### Speaking points

- German development cooperation on circular economy by the German Federal Ministry for Economic Cooperation and Development (BMZ) focuses on 5 key areas: 1) Waste-free, healthy environment for people through effective municipal services, 2) Secure jobs with decent working conditions, 3) Sustainable production and reuse of waste as raw material, 4) Climate protection by avoiding and recycling waste, 5) Avoidance of marine litter.
- BMZ supports the improvement of waste management (with both financial and technical cooperation) in over 20 partner countries, in the Middle East and North Africa (e.g. Egypt, Jordan, Tunisia), Sub-Saharan Africa (e.g. Ghana), South-East and Eastern Europe (e.g. Albania, Serbia), Asia (e.g. India, Indonesia, Vietnam) and Latin America (e.g. Colombia). Besides waste collection, recycling and disposal, German development cooperation increasingly focuses on waste prevention in consumption and production. However, for many cities in developing countries the biggest challenge is yet the efficient planning, financing and operation of urban waste management systems – embedded in supporting national frameworks.
- German development cooperation further supports partner countries in adopting policies that will encourage sustainable economic growth. Here, we have a longstanding cooperation with UNIDO; for instance, as co-chairs in the Green Growth Working Group of the Donor Committee for Enterprise Development (DCED).
- Donors in that group cooperate closely on issues related to green economic policy. This includes a joint ongoing study on the potential to enhance circular economy support in private sector development programmes.
- Further, the German development agency GIZ and UNIDO have jointly developed a Toolbox – called EQUiP (Enhancing the Quality of Industrial Policies) – which supports policymakers in developing countries to formulate and design evidence-based strategies. This includes modules on material efficiency and climate change.
- To facilitate exchange and international cooperation for concerted efforts for sustainable global supply/value chains, BMZ has initiated several multi-stakeholder partnerships, such as the Partnership for Sustainable Textiles and the PREVENT Waste Alliance.
- The PREVENT Waste Alliance has more than 150 member organisations from the private sector, academia, civil society and public institutions worldwide. They work on waste prevention, collection, and recycling as well as the increased uptake of secondary resources in low- and middle-income countries. The focus is thereby on plastic, e- and organic waste. For instance, they published a toolbox with know-how on producer responsibility and

packaging management to inform the application of Extended-Producer-responsibility schemes in low- and middle-income countries. Innovative approaches will be jointly piloted from the beginning of next year onwards.

- On the multilateral level Germany is also engage in partnerships/programmes addressing plastic and e-waste under the Basel Convention.
- With the BMZ 2030 reform strategy, BMZ is aiming to focus measures and development funding in line with the SDGs and the climate targets as well as for a green recovery from the COVID-pandemic.
- Circular economy and waste management are included under the core area on climate and energy and form part of the intervention area sustainable urban development. Nonetheless, circular economy also bears strong co-benefits for other core and intervention areas, such as decent jobs and biodiversity.
- To link up with climate goals, BMZ is also looking at coordinating its efforts more closely with the NDC Partnership as well as with the EU Green Deal and the EU Action Plan for Circular Economy.
- An improved impact monitoring is needed to effectively demonstrate the potential of circular economy strategies to better mainstream circular economy in development cooperation. Due to the sectoral IPCC methodology, it is also challenging for countries to effectively integrate circular economy measures into their NDCs. Finally, we must ensure that there is sufficient coordination across the various CE networks and efforts worldwide.

#### **Written intervention – Ms. Bettina Loewentraut-Duran**

- “Waste are raw materials at the wrong time in the wrong place”, Prof. Dr. Stefan Gäth, - Professor for Waste- and Resource Management at Justus-Liebig University Gießen.
- This statement explains that it is crucial to change the still widespread way of treating waste, which only needs to be disposed of.
- The increasing demands for more prosperity by a growing population in a global industrial economy have been fulfilled by linear production processes.
- In the last years politics and societies realized that raw materials are not available in unlimited quantities. Therefor starts a rethinking in the economy.
- Up to now, waste management is still thought from the end of a product cycle with the result that many products can only be disposed with high costs and damaging our environment.
- Since waste was identified as an important source of raw materials, government introduced new regulation for waste treatment. The result is a major change in product development especially in industrial manufacturing processes, as the reuse of materials. Recycling management implemented along the entire value and supply chain goes hand in hand with resource efficiency and avoids waste.
- A consistent coupling of the sectors will improve the positive effects of a circular economy. For example, if the food processing industry will be coupled with waste management, organic residues could be turned into electricity and cooling energy. Even the production of packaging material from waste is possible. Every industry can use its waste as a useful resource. Recycling costs can be compensated by cost savings.
- For the future success of the circular economy it is necessary to:
  - Downcycling by mixing different materials must be avoided;

- Waste containing harmful substances will not be used for products;
  - Legal requirements for less diversity in packaging to facilitate recycling ;
  - It is crucial to set and maintain the same high international standards for limiting values for wastewater and emissions to close cheap but environmentally damaging disposal bypasses;
  - The circular economy requires security for the planning of investments. The secondary raw materials market as a central pillar need support;
  - A prioritizes hierarchy of use of R-Granulates in industrial processes over virgin material wherever possible;
  - Digitization would play a decisive role in closing the material cycles. for example, by applying simple barcodes material can be uniquely identified and thus be run in a closed loop;
  - The transparency to be achieved by the supply chain law and its application should also be used for material cycles by the circular economy.
- However, the most important point is that we put an end to the practice of landfilling as a matter of priority.
  - Together let us put into operation many 1000 well-functioning waste processing plants worldwide as the basic for our circular economy!
  - If civil society, economy and politic will support this goal this will not be an utopia and can be the key to protect the resources of our planet.

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UNITED NATIONS  
INDUSTRIAL DEVELOPMENT ORGANIZATION



Vienna International Centre  
Wagramerstr. 5, P.O. Box 300,  
A-1400 Vienna, Austria



+43 (1) 26026-3983



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CircularEconomy@unido.org