



Accelerating the Circular Economy: Integrating Circularity into Programs, Projects, and Policies

Policies for a Circular Economy

14 and 21 May 2024
Q2 Online Sessions



KEY TAKEAWAYS REPORT

Key insights and resources from the Q2 ADB Circular Economy Training Program

ABOUT THE TRAINING PROGRAM

“Accelerating the Circular Economy: Integrating Circularity into Programs, Projects, and Policies” is a capacity-building program for Asian Development Bank (ADB) staff and participating developing member countries (DMCs) of the [TA-6669 REG: Promoting Action on Plastic Pollution from Source to Sea in Asia and the Pacific - Prioritizing and Implementing Actions to Reduce Marine Plastic Pollution](#). It focuses on circular economy (CE) principles, policies, and project design, and the upcoming Global Plastics Treaty (GPT) opportunities for scaling up investments supporting plastics circularity. It will run throughout 2024, with four sessions (one per quarter). The second leg of the four-part series, entitled “Policies for a Circular Economy”, was conducted online on 14 and 21 May 2024.

THE Q2 SESSION AIMED TO:

- Deepen understanding of existing and potential policy and governance mechanisms
- Share case studies of legal and policy frameworks being implemented in DMCs



ABOUT THE KEY TAKEAWAYS REPORT

This key takeaways report covers highlights from Part 2 of the training series, entitled: “Policies for a Circular Economy.” This report outlines the key takeaways from the training such as the existing CE legal and governance frameworks, case studies of applying these policies in several nations, and the progress of the GPT in international negotiations.



PROGRAM OVERVIEW

Policies for a Circular Economy

14 May 2024

2.1 Overview of Circular Economy Policies and Global Plastics Treaty Updates

21 May 2024

2.2 Circular Economy Case Studies in Asia

SESSION 2.1.

OVERVIEW OF CIRCULAR ECONOMY POLICIES AND GLOBAL PLASTICS TREATY UPDATES

The session discussed the role of policy development in transitioning to CE, existing and potential policy and governance mechanisms, and case studies based on these strategies. It also provided updates on the progress of GPT from the 4th International Negotiating Committee.

RESOURCE SPEAKERS



Maria Hughes

Associate Program Management Officer (Circular Economy)
United Nations Environment Programme



Roger Joseph (Rocky) Guzman

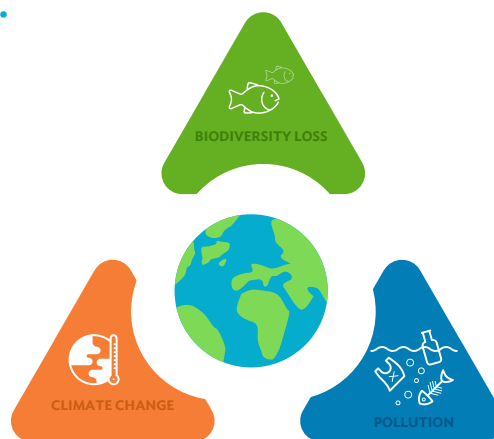
International Governance, Legal, and Policy Specialist (Consultant), ADB



Establishing a circular economy is not the end goal. It is a tool in addressing existing global crises.

Unsustainable use of natural resources is a major root cause of the three interconnected planetary crises: biodiversity loss, climate change, and pollution.

Addressing these crises requires the creation of policies and frameworks to provide an optimal enabling environment to transition to CE at national and global levels.



POLICIES FOR A CIRCULAR ECONOMY

Framework for Circular Economy for the ASEAN Economic Community

The Framework for Circular Economy for the ASEAN Economic Community (AEC), adopted in 2021 encourages its stakeholders to transition to CE to achieve a resilient economy, resource efficiency, and sustainable growth. It is guided by five strategic priorities:



Standard Harmonisation and Mutual Recognition of Circular Products and Services
Facilitate circularity of trade in products and services, promote transparency, integrate value chains, and enhance CE.



Trade Openness and Trade Facilitation in Circular Goods and Services
Minimize trade barriers for seamless movement of products or services, and facilitate optimal resource allocation at both country and regional levels.



Enhanced Role of Innovation, Digitalization, and Emerging/Green Technologies
Enhance value chain through technological innovations that leverage digital platforms, mobile devices, big data and analytics, blockchain, and artificial intelligence.



Sustainable Finance and Innovative Investments

Encourage sustainable investment, promote CE in AEC projects, and support the financing of new business models that align with CE principles.



Efficient Use of Energy and Other Resource

Focus on reducing energy use and the adoption of renewable energy sources.

Source: Association of Southeast Asian Nations (2021). "Framework for Circular Economy for the ASEAN Economic Community Brochure"



CASE STUDY: Environmental Policies in Indonesia, Thailand, and Viet Nam

Aside from existing of multilateral frameworks, several nations have created policies supportive of CE.

INDONESIA

National Medium-Term Development 2025-2029

CE through waste management is considered as one of the strategic sectors for Indonesia's economic transformation.

THAILAND

Green Integration Policy for GPP (2022-2027)

An action plan to promote and support the integration of green public procurement (GPP) across sectors through regulations on eco-friendly procurement.

VIET NAM

Law of Environmental Protection

Mandates the integration and promotion of CE in developing and carrying out socio-economic development plans and initiatives.

UPDATES ON THE GLOBAL PLASTIC TREATY

The Intergovernmental Negotiating Committee of the GPT held its fourth session in Ottawa, Canada in April 2024. The key points on Core Obligations and Control Measures and Financing and Implementation are outlined below.

Financing and Implementation



Multilateral Fund

The parties discussed whether the treaty would establish a separate fund or use existing mechanisms while creating a dedicated fund. Some parties preferred utilizing current facilities to avoid fragmentation in the financing landscape.



Plastic Pollution Fee

Some parties raised concerns that a fee may infringe on national sovereign prerogatives and amount to double taxation. Other parties underlined that fees can be integrated into Extended Producer Responsibility (EPR) schemes.



National Plans

Parties agree that there should be national action or implementation plans based on a country's circumstances and capabilities.



Implementation and Compliance

Some parties supported the establishment of a compliance mechanism. A potential implementation committee may be constituted that would facilitate compliance while considering national circumstances and capacity.

Control Measures Financing and Implementation



Plastic Life Cycle's Scope

There are differing views on whether the scope of the life cycle should be defined to include upstream measures or be limited to mid- and downstream stages.



Primary Plastic Polymers, Chemicals, and Polymers of Concern

Some parties wanted mandatory provisions and lists included in the Annex, while the Like-Minded Group led by oil-producing countries preferred complete deletion, raising that these are beyond the scope of the plastic life cycle.



Provisions on EPR

Many parties called for a voluntary scheme that considers each country's circumstances, while others preferred a more ambitious scheme to establish global standards and accountability mechanisms.



Waste Management

One key convergence area in the treaty is on improving waste management measures. Some parties supported global targets for alignment in national plans, while some wanted measures specified in an Annex.



Just Transition

Many parties wanted further safeguards for the inclusion of persons in vulnerable situations. Other parties also raised the importance of recognizing international human rights instruments within the waste sector.



DISCUSSION INSIGHTS

Key points from the session's question and answer discussion are outlined below:

1. Examples of mandatory green procurement and their implementation

There is limited information on countries that require green procurement. However, implementing green procurement practices involves assessing the environmental impacts, carbon emissions, and social justice components of products being procured. Voluntary green procurement could also lead to more ambitious requirements that can be adapted when transitioned to mandatory.

2. Ensuring that the voices of various sectors are considered in GPT negotiations

During the GPT negotiations, many vulnerable groups and sectors were represented and given a platform to voice their concerns, particularly regarding the need for a just transition and safeguards in implementing waste management measures. There is a push for stronger inclusion and participation among vulnerable groups in policy making. Governments also play an important role in ensuring that these vulnerable sectors are considered in designing CE policies at the national, regional, and global levels..



LINK TO PRESENTATIONS



Policies for a Circular Economy
by Maria Hughes



Progress on the Global Plastics Treaty
by Roger Joseph (Rocky) Guzman

SESSION 2.2.

CIRCULAR ECONOMY CASE STUDIES IN ASIA

The session shared the history and formulation of circular economy policies in the People's Republic of China and the Philippines, and outlined the impacts of their policies to various industries.

RESOURCE SPEAKERS



Stefan Rau

Principal Urban Development Specialist Sectors Group, Water and Urban Development Sector, ADB



Maria Delia Cristina M. Valdez

Supervising Environmental Management Specialist, Department of Environment and Natural Resources - Environmental Management Bureau, Philippines



Asia is considered as a production and consumption powerhouse.

Sixty percent of the world's population reside in the continent. These circumstances provide an opportunity to showcase CE on a grand scale. The following case studies shows how two countries in Asia have started to transition to CE, the factors to consider in establishing circularity, and impacts of circular strategies to a nation's various sectors.

Source: Ellen MacArthur Foundation (n.d.). "Asia and the circular economy"



CASE STUDY:

Circular Economy Zero Waste Cities in the People's Republic of China

In the People's Republic of China (PRC), CE is essential due to increasing waste generation, resource scarcity, and expanding economic opportunities. CE is embedded in PRC's national policies, including:



Law of the People's Republic of China on the Prevention and Control of Environment Pollution Caused by Solid Wastes

Last amended in 2020, the law provides for the prevention and control of environmental pollution by solid waste, the safeguarding of human health, ecological safety, and the sustainable development of the economy.



Circular Economy Promotion Law

Last amended in 2018, the law focuses on reducing industrial waste and circularizing industrial parks to promote symbiosis, wherein the byproduct or waste of companies would not be discarded, but recovered and then used by the same company or by other companies.

EXAMPLES OF SUPPORTING POLICIES



EPR Implementation Plan (2016)

Initially started with four product categories: electrical, electronics, automobiles, and lead acid batteries and packages.



Catalogue of Prohibited and Restricted Production, Sale, and Use of Plastic Products (Draft)

Categorization of plastic products into two types: (i) prohibition of production and sales; and (ii) prohibition and restriction of use.

Opportunities

Despite the existence of these policies, there is still a need to support the institutionalization of cross-sector coordination and cooperation, and establish policies, standards, and governance. Fully integrating the private sector is also essential in developing business models for transitioning to CE. Promoting and implementing digitalization, EPR, and products-as-a-service should also be prioritized.



CASE STUDY: Extended Producer Responsibility in the Philippines

The Philippines adopted the National Plan of Action for the Prevention, Reduction, and Management of Marine Litter in 2022. It highlighted the need to mainstream CE and sustainable consumption and production initiatives. In line with this goal, the Philippines enacted the Extended Producer Responsibility Act of 2022 and its Implementing Rules and Regulations (IRR) in 2023.

SCOPE OF THE EPR ACT OF 2022

- Sachets, labels, laminates, and other flexible plastic packaging products
- Plastic bags (e.g., single-use plastic bags) for carrying or transporting of goods or provided at the point of sale
- Rigid plastic packaging products
- Polystyrene



IMPACT OF THE EXTENDED PRODUCER RESPONSIBILITY ACT ON VARIOUS SECTORS

Manufacturers are partnering with recycling companies to manage waste efficiently and comply with the law, increasing operational costs. In the consumer goods sector, companies are shifting towards sustainable packaging options to meet requirements. Retailers are adapting supply chains to include sustainable goods, implementing in-store recycling programs, and take-back systems.

Opportunities

There are still policy issuances and guidance documents that need to be developed to support the IRR. Compliance with regulations can be challenging, and effective monitoring and enforcement mechanisms must be in place. Coordination with various sectors may also pose a challenge, particularly in aligning their interests.



DISCUSSION INSIGHTS

Key point from the session's question and answer discussion are outlined below:

Presence of law or regulation to address packaging waste from PRC's online platforms

A national pilot for reusable packaging in e-commerce, with the participation of several cities and forwarding companies, was successful. The pilot will guide the standards and the establishment of needed regulations. More work and experimentation encompassing the entire value chain is needed to streamline processes.



LINK TO PRESENTATIONS



Circular Economy Zero Waste Cities in the People's Republic of China
by Stefan Rau



Extended Producer Responsibility in the Philippines
by Maria Delia Cristina M. Valdez



CIRCULAR ECONOMY POLICIES AND LEGAL FRAMEWORKS

The tables below outlines some of the existing policies and legal frameworks related to CE in Asia.

POLICIES AND HIGHLIGHTS

Indonesia

National Action Plan (NAP) for Handling Marine Debris

An action plan that aims to reduce marine plastic debris by 70% by 2025 through community involvement in waste management and recycling initiatives while also encouraging investments in technologies and infrastructure.

[Learn more](#)

Singapore

Zero Waste Masterplan

The masterplan aims to build Singapore's climate, economic, and resource resilience by transitioning towards CE and reducing the per capita waste by 30% by 2030.

[Learn more](#)

Thailand

Roadmap on Plastic Waste Management Plan 2018-2030

The roadmap aims to phase out plastic packaging or its components, apply measures to minimize plastic consumption, promote the use of eco-friendly substitute materials, and optimize the use of plastic throughout its life cycle. This includes reducing reliance on single-use plastic consumption and conducting research to develop products from recycled plastic.

[Learn more](#)

LEGAL FRAMEWORKS AND HIGHLIGHTS

China, People's Republic of

Circular Economy Promotion Law Legal Framework

The law is formulated to reduce waste by improving resource efficiency across various industries. It has also provided for the development of eco-industrial parks where businesses collaborate and utilize each other's resources. Lastly, it holds manufacturers accountable through its provisions on EPR.

[Learn more](#)

India

E-Waste Management Rules

A law that promotes EPR by establishing collection and recycling systems for e-waste, setting specific collection targets for producers, and encouraging bulk consumers to hand-over waste to registered producers, refurbishers or recyclers.

[Learn more](#)

LEGAL FRAMEWORKS AND HIGHLIGHTS



Home Appliance Recycling Law

Established a system to recycle useful parts and materials from home appliances that reached their end-of-life (e.g., air conditioners, televisions, refrigerators/freezers, washing machines/clothes dryers) from households and offices to reduce waste and promote the effective use of resources.

[Learn more](#)



Act on the Promotion of Saving and Recycling of Resources

A law focusing on reducing resource consumption and increasing the use of recycled materials by promoting advanced waste management systems and encouraging green procurement practices.

[Learn more](#)



Ecological Solid Waste Management Act of 2000

The law provides for a comprehensive solid waste management program, utilizing environmentally sound methods to maximize resource utilization and encourage conservation and recovery. It also establishes guidelines for waste avoidance and reduction through measures such as composting, recycling, and recovery before proper disposal.

Amended in 2022 with the Extended Producer Responsibility Act (RA 11898) which requires large companies (i.e., total assets of PhP100 million) to adopt and implement policies for the proper management of plastic packaging wastes.

[Learn more](#)



Law No. 72/2020/QH14 on Environmental Protection

The Law introduces the concept of CE and promotes EPR by emphasizing the responsibilities of different sectors to integrate CE principles into strategies, development plans, waste management systems, and recycling.

[Learn more](#)



CIRCULAR ECONOMY GLOSSARY

Circular economy

CE is a system where materials never become waste and nature is regenerated. In CE, products and materials are kept in circulation through processes like maintenance, reuse, refurbishment, remanufacture, recycling, and composting.

Digitalization or digital solutions

In the context of CE, this refers to technological innovations and tools that leverage digital platforms, data analytics, and connectivity to optimize resource use, facilitate product reuse and recycling, and enable more efficient and sustainable processes across various industries and sectors.

Extended producer responsibility

A policy in which financial or physical liability for end-of-life handling is placed on the producer or manufacturer.

Global Plastics Treaty

A global agreement up for adoption in 2025, that aims to create a comprehensive framework across the plastic life cycle, from extraction to disposal.

Green public procurement

Procurement of goods and services with reduced environmental impacts throughout their life cycle.

Green technologies

Refers to environment-friendly technology used in production processes or supply chains. It can also refer to clean energy production, use of renewable energy sources, and technologies that have less negative impacts relative to fossil fuels.

Life cycle

All of the stages that a product goes through in its lifetime: raw material extraction, processing, manufacturing, use, end-of-life and transportation.

Plastic polymers

Plastic polymers come in two main types: thermoplastics, which can be melted and remolded, and thermosetting plastics, which cannot be reshaped once set. Industries use them due to their versatility, durability, and low cost of production.

Products-as-a-service (PaaS)

A subscription-based service where customers pay or purchase the desired result instead of the equipment product itself, instead of the product itself.

Sustainable finance

Financing that considers environmental, social and governance (ESG) in making investment decisions, leading to more long-term investments in sustainable economic activities and projects.

Take-back systems

A series of processes that retrieves used products or packaging materials from customers for recycling, refurbishment, or for potential to reuse on a secondary market

Sources:

[Asian Development Bank \(2023\)](#). "Addressing Plastic Pollution for Climate Benefits: Opportunities in the Global Plastics Treaty for Asia and the Pacific"
[Circular Innovation Lab \(2023\)](#). "New EU Recommendation on E-Waste Collection and Management"
[Circuli \(2024\)](#). "Product-As-A-Service: Everything You Need to Know in 2024"
[Ellen MacArthur Foundation](#). (n.d.). "What is a circular economy?"
[European Commission](#) (n.d.). "Green Public Procurement"
[European Environment Agency](#). (n.d.). "Digital technologies will deliver more efficient waste management in Europe."
[European Environment Agency](#). (n.d.). "Life cycle assessment"
[Investopedia](#) (n.d.). "What Is Green Tech? How It Works, Types, Adoption, and Examples"
[Organisation for Economic Co-operation and Development \(OECD\)](#). (n.d.). "Extended Producer Responsibility."
[United Nations Development Programme](#). (n.d.). "Plastics 101."
[United Nations Environment Programme](#). (n.d.). "Financial mechanism."



FURTHER READING

ARTICLES ON CIRCULARITY

PROGRAM EVENT PAGE



ADB Circular Economy Training Series: Accelerating the Circular Economy: Integrating Circularity into Programs, Projects, and Policies

The designated event page for the CE Training Series, which outlines the program's overview, training schedule, topics, and related resources.

[LINK TO RESOURCE](#)

SESSION 2.1 OVERVIEW OF CIRCULAR ECONOMY POLICIES AND GLOBAL PLASTICS TREATY UPDATES



Plastics Policy Playbook

Ocean Conservancy and Trash Free Seas Alliance

This playbook is designed for national and local government, corporations, and non-governmental organizations. The resource provides a framework of public and private sector measures across the waste value chain.

[LINK TO RESOURCE](#)



Universal circular economy policy goals

The Ellen MacArthur Foundation

This article provides an overview to EMF's five universal policy goals to provide a framework essential for national governments, cities and businesses to accelerate the transition to transition to CE.

[LINK TO RESOURCE](#)



Delivering the circular economy: a toolkit for policymakers

The Ellen MacArthur Foundation

An actionable toolkit for policymakers that highlights eight key insights, details policy options, opportunities, and barriers, and demonstrates how the tools may be applied in a pilot study in Denmark.

[LINK TO RESOURCE](#)



SESSION 2.2. CIRCULAR ECONOMY CASE STUDIES IN ASIA



Case Study: Subsidizing Ecofriendly Practices in E-Waste Recycling in the People's Republic of China

Development Asia, ADB

PRC adopted EPR schemes to promote high-standard e-waste recycling through incentives and subsidies. The scheme helped the adoption of the standardized disposal and recycling procedures to mitigate environmental impacts.

[LINK TO RESOURCE](#)

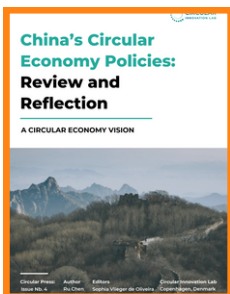


Case Study: Advancing vehicle remanufacturing in China – the role of policy

The Ellen MacArthur Foundation

This example provides insights on the role of policy in adopting and implementing CE principles in steering strategic sectors, such as vehicle manufacturing, towards sustainability.

[LINK TO RESOURCE](#)



China's Circular Economy Policies: Review and Reflection

Circular Innovation Lab

This paper provides a review of PRC's circular economy policy, the implementation of policies and their outcomes, the challenges identified, and establishment of framework and their application.

[LINK TO RESOURCE](#)



RA 11898 – Extended Producer Responsibility on Plastic Packaging Waste

The Republic of the Philippines

This page provides all the necessary framework about the Philippines' EPR scheme on plastic packaging waste.

[LINK TO RESOURCE](#)