



dl h`c`dj g: Vg] HhhiZb !\Xi c\ \hV`ab ↑id\gdI i]

sectoral growth – as attention shifts towards end-of-life resource management, design-for-durability and services playing a larger role in the economy. The circular economy is also likely to bring production and consumption sites closer to each other, as material loops are more easily managed on a national and regional basis. As in many industrial areas and manufactures, inputs are predominantly imported. A circular economy can contribute to lower input-based imports towards greater regionalization of supply chains.

Table 1. How a Circular Economy can complement and intersect with other NESD concepts.

NESD Concepts	Key contributions	Complementary	Intersecting
Blue Economy	Reduction of dispersion of pollutants to waterways and oceans.	X	X
Green Economy	Less carbon intensity through higher reuse and recovery of secondary materials.	X	X
Orange/Creative Economy	Design-thinking for resource-efficient production and processes, and use of resource-efficient digital technologies.	X	
Purple/Care Economy	Valuing the innovation and productive capacities of labour and improved living conditions (environmental, health);	X	
Social & Solidarity Economy	Opportunity for using human innovation capacities in recycling, recovery and repair activities, including solidarity economy models conducive to upgrade working conditions from informal to formal sectors.	X	X
Yellow/Attention Economy	Norms setting to shift from goods-ownership to delivery-as-a-service models, highly driven by digital infrastructure and sustainable consumption behaviour.	X	X
Frugal/Innovation Economy	Reduction of inputs and natural resources; higher traditional/natural material usage; and emphasis on product and systems design to minimize waste. A CE also improves efficiency by aggregating resources through asset sharing business models.	X	X

Source: UNEN

### SYNERGIES AND TRADE-OFFS OF A CIRCULAR ECONOMY WITH THE SDGS

1] Z'X'g] d]gZXdcd b n'gZah'dc'g'hj g'Z'Z X'ZcXn'VeY' sustainable consumption and production, which are central concepts to achieve sustainable development. Resource Z X'ZcXn'g'[Z'h'i'd'i] Z'b' egkZy' h'Z'd'g'hj g'Z'h'c'egY' Xi'dc' and consumption processes, while reducing externalities in i] Z'ce] i'd'd] ie] i'egXZhh#Hj hiVcVWZ'Xdch] b ei'dc'VeY' production refer to "the use of services and related products, which respond to basic needs and bring a better quality of life while minimizing the use of natural resources and toxic materials as well as the emissions of waste and pollutants over the life cycle of the service or product so as not to jeopardize the needs of future generations"<sup>4</sup>.

@Zn'dVah'hj X] Vh'H9<'&' 'dc' : ch] g'c' H] hiVcVWZ' 8dch] b ei'dc'VeY'EgY' Xi'dc'eViiZg'h Vg'VeVg'Xj d'gn' relevant to a circular economy, as the targets rely on recirculating what was previously seen as waste back into the economic space, via closed loop processes which reduce negative externalities.

A circular economy also relies on achieving goals such Vh'H9<' - !'ZheZX'Van'iVg'Zi' - # '1 ] X] V'b h'id' b' egkZ' egd\g'zh'hkZa'i] g'j \] " %(\adVWag'hj g'Z'Z X'ZcXn'c' consumption and production and endeavour to decouple

ZXdcd b X'X'g] i] [g]b 'Zck'g]cb ZciVaYZ\g'YVi'dc 'hZZ' I VWZ' "dc'i] Z'cZni'eV\Zi#

7gdVYan'iV' c' h'9<' - !'iVg'Zi') !VeY'H9<'&' Vh'eglmZh' for a circular economy, a network of relevant synergies and ig'YZ'd[h'1 1] 'b dhi'H9<'h'VeY'g'heZXi'kZ'iVg'Zih'XVc'WZ' 'YZci^ZY'hZZ'i VWZ' t#

### BARRIERS AND POLICY OPPORTUNITIES TO THE DEVELOPMENT OF A CIRCULAR ECONOMY

There are multiple factors that prevent faster progress idl Vg'h'b dg'ZXdcd b X'X'g] d'gn'#EgXZhVg'd[iZc'cdi' g' ZXi'kZ'd[Va'Zck'g]cb ZciVaXdh'h'VeY'b Vn'i] j h'cdi'WZ' hj X'Zci'id'YgkZ'j cYVb ZciVaX] Vc\Z#Hj Vh'Y'Zh'b Vn'Xg'ZiZ' incentives for the overuse of natural resources, undermining recycling options, and making linear production more attractive e.g., fossil fuel subsidies. Coordination failures may prevent the adoption of solutions across supply lines, including in the international context.

A fundamental policy challenge is how to correct these barriers and, more broadly, put in place policies and regulations that support the development of a circular economy and create opportunities for the business sector to engage in this transition. As the world moves towards circular economy patterns, countries should map

Table 2. Synergies between Circular Economy and the Sustainable Development Goals.

LINKS WITH SDGs	
SDG 1	Target 1.5 (build resilience to shocks and disasters)
SDG 2	Target 2.3 (double the agricultural productivity and incomes of small-scale food producers) I Vg\Zih" #&ZcY]j c\ZgVcY Zchj g\ VXXZhVhVaeZdeZ idhV[Z!cj igf\ej hVcYthj "XZci [ddYf!" # ZcYVai[dp h'd[" malnutrition and address the nutritional needs of adolescent girls, pregnant and lactating women and older persons), 2.4 (ensure sustainable food production systems, resilient agricultural practices, strengthen climate adaptation and improve land quality), 2.a (international cooperation for rural infrastructure, research & technology) and 2.b (correct and prevent trade restrictions and distortions in world agricultural markets).
SDG 3	Target 3.9 (reduce air, soil and water pollution).
SDG 4	Target 4.7 (foster education and skills for sustainable lifestyles, gender equality and culture).
SDG 5	Targets 5 (ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life) and 5.b (enhance the use of ICTs to promote women's empowerment).
SDG 6	I Vg\Zih"+# E b egdkZ1 ViZgfj Vafnl VcY"+# E ViZgj hZ Z "XZcXnl#
SDG 7	Target 7.1 (ensure universal access to affordable, reliable and modern energy services) I Vg\Zih", # E cXgVhZ i] Z j hZ d["gZcZl WZ ZcZg\nl VcY", # EYdj WZ \adWag/iZ d[" b egikc\ ZcZgnZ "XZcXnl#
SDG 8	Targets 8.1 (sustain per-capita economic growth at 7% for LDCs), 8.2 (achieve higher levels of economic productivity), and 8.3 (support productive activities). I Vg\Zih"- # E adWagZhdj gZ Z "XZcXnl" c Xdchj b ei d c\$egYj Xi d c VcY YZXdj eac\ ZXdcdb X\gdll i] [gdb Zckgpc" mental degradation), 8.5 (productive employment and decent work for all, including for young people and persons with disabilities, and equal pay for work of equal value).
SDG 9	I Vg\Zi": # E cXgVhZ gZhdj gZ"j hZ Z "XZcXnlVcY gZhazCi cYj higVaejdXZhZhl#
SDG 11	Targets 11.6 (improve cities' air quality and waste management), 11.b (increase the number of cities implementing 'ciZ\g/iZY'ea/ch[dg'cXj h'dc!gZhdj gZ Z "XZcXnl" b 1\ Vi d c VcY VVVeivi d c id Xab Vi Z X] Vc\Zi VcY"&#Xthj eedg" A98h!cXj Yc\ i] gj \ ] " cVcXVaVcY iZX] c XVaVhhhi VcXZ!" c Vj Y' c\ hj hi VcWZ VcY gZhazCi Vj Y' c\ h j i ab c\ local materials).
SDG 12	I Vg\Zih" f



limited coverage guarantee funds. The private sector can also explore joint investments with domestic and foreign capital, taking advantage of incentives and favourable regulations frameworks designed by governments.

generated by the public sector, such as limited coverage guarantee funds. The private sector can also explore joint investments with domestic and foreign capital, taking advantage of incentives and favourable regulations frameworks designed by governments.

**MARKET-BASED INSTRUMENTS USING FISCAL POLICY CAN BE POWERFUL INCENTIVES FOR CIRCULARITY**

In the transition to a circular economy, public investment should be complemented by market-based instruments such as taxes or subsidies to help guide the behaviour of companies. Revenue for direct action by governments. These policies can include tax deferrals, regulation for accelerated technology for circular economy processes, temporary lower corporate income tax for those making these investments, and higher temporary import tariffs on inputs. The idea is to apply these policy instruments temporarily, shifting market behaviour, while avoiding permanent market distortions.

technical assistance, public guarantee funds to enhance entrepreneurship and innovation and competitiveness. In addition, and sustainable consumption and production, through the program "Transforma Economía Circular". These policies can include tax deferrals, regulation for accelerated technology for circular economy processes, temporary lower corporate income tax for those making these investments, and higher temporary import tariffs on inputs. The idea is to apply these policy instruments temporarily, shifting market behaviour, while avoiding permanent market distortions.

instruments to correct market failures derived from market-based instruments. Yet, during recent years countries have also implemented market-based instruments. In Thailand, government policies provide an attractive business climate for those looking to add value to raw materials or turn waste and plastic into green industries.

**PRIVATE SECTOR ENGAGEMENT**

Together, both public and private institutions can identify sectoral or cluster-based opportunities, develop short- to long-term growth agendas, and propose policy options to facilitate coordinated efforts. Associations, chambers, etc.) should advocate and propose clusters can include both entrepreneurs and academic institutions. but also through investment funds using the instruments

materials<sup>12</sup> #Hj X] `đl h`h] {i `i} Z`l VhiZ`b VcV\Zb Zci`  
cost from local governments to producers for packaging,  
newsprint, electronic products, batteries, tires, end-of-life  
vehicles, pharmaceutical waste, stray radioactive products  
VcY`gY`đVXi`kZ`hdj gXZh#Hj XXZh`[VXi dgh`[dgi] Z`edaXn`  
include strong cooperation and trust between producers





1 B ZVYdl h!°9#=#°B ZVYdl h!°9#A#°GVcYZgh!°?#°7Z] gZchl°  
L #°fi°8j Wd[°Gdb Z#t& , ' t#l ] Z°A°b °h°i°d°\gdll i] /6°gZ-  
port for the Club of Rome's project on the predicament

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