

COP28 Side Event

Enhancing circular actions through Circular Economy and Resource Efficiency Principles (CEREP) and Global Circularity Protocol (GCP) Summary of Discussions

Key Takeaways

- Adopted and endorsed through 2023 G7 process under the Japanese Presidency, CEREP aims to promote circular business thereby enhancing global circularity with six core principles. Public-private partnership is a key to the successful implementation of CEREP, ensuring sound policies to support the business sector to this end. One of the principles include a corporate-wide disclosure of circularity information and monitoring circularity with relevant indicators at value chain levels, which has a clear linkage with GCP.
- Companies are integrating circularity to their corporate management system including vision, strategy, and existing businesses while also identifying risks and opportunities and seizing opportunities for new circular businesses.
- However, diversity of rules and regulations on waste management, resource recovery/recycling among countries and absence of a set of common standards, assessment methodologies, indicators and definitions are recognized as roadblocks to enhancing global circularity businesses. There is a strong need for creation of a standardized/harmonized framework and policy coherence for companies to operate in/across multiple countries, ensuring flow of secondary materials and thereby enhancing global circularity.
- Proposed and endorsed in June 2022 at Stockholm+50, GCP is an initiative led by WBCSD and UNEP One Planet Network to develop a standard corporate performance accountability system for circularity and a set of policy recommendations to help scale circular solutions. The protocol provides companies with tools to visualize circularity performance at corporate level and enhance transparency across value chains. This allows companies to attract capital through disclosure of circularity information. Through providing a set of “common language” (harmonized definitions, indicators, methodologies...etc.), the GCP also aims to create a level playing field and spur innovation. For instance, Circular Transition Indicator (CTI) visualizes innovation potential across value chains and can trigger new circular businesses.
- Indicators may be developed through a private sector initiative while they need to be incorporated into policies by the governments. This calls for public-private partnership. Governments also need to enhance their actions to harmonization of standards and regulations.
- Function economy requires international collaboration to ensure access to the resources that underpin the productivity and sustainability of our different economic ecosystems.
- A circular economy or closed loop does not mean “a closed economy.” “An open and circular economy” is what we should pursue to truly promote a circular economy globally.
- A collaborative approach is even more essential in a circular economy where resources travel at different stages of their life cycle. We must thus take a systemic approach to international and local resource collaboration. Having a common language through protocols such as GCP is one of the elements needed to enable this collaboration.
- A circular economy requires ensuring coherence among 1) different policy areas (e.g. environmental, energy, agricultural policies), 2) countries through such scheme as G7 and G20, particularly focusing on the circularity gaps, and 3) stakeholders by securing accessibility to relevant information. Public-private multi-stakeholder collaboration will thus be at the core of bringing coherence to these efforts and the GCP can be one of the tools to facilitate it.
- There is a clear complementarity between CEREP that promote the circular business transition and GCP that provides a corporate accountability tool. Strengthening collaborations for promoting these principles will contribute enhancing circular businesses and advancing circularity globally.