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International environmental policy and governance issues

Progress in implementing resolution 5/11 on enhancing circular economy as a contribution to achieving sustainable consumption and production

Report of the Executive Director

I. Introduction

1. The present report provides an update on progress made in implementing resolution 5/11 of the United Nations Environment Assembly of the United Nations Environment Programme (UNEP) on enhancing circular economy as a contribution to achieving sustainable consumption and production. In the preambular text of the resolution, the Environment Assembly recognized that circular economy approaches required sustainable practices to be scaled up along value chains and acknowledged that there were business models and best practices that embraced circular economy approaches; technologies that improved resource management across sectors; and “leapfrogging technologies” that generated economic savings and improved resource efficiency while still driving development, notwithstanding the need for circular innovation.

2. In paragraph 10 of resolution 5/11, the Environment Assembly requested the Executive Director of UNEP, in collaboration with other United Nations entities, including the International Resource Panel, development partners and relevant international multi-stakeholder networks, including the 10-Year Framework of Programmes on Sustainable Consumption and Production Patterns (10YFP), to facilitate collaboration among Member States and members of specialized agencies in research, capacity-building, knowledge management and the sharing of best practices for the promotion of innovative pathways for sustainable consumption and production, including circular economy approaches, and to facilitate a conversation on natural resources and materials in that context.

3. Noting the work done by UNEP towards circular economy approaches through the Partnership for Clean Fuels and Vehicles, in paragraph 9 of resolution 5/11, the Environment Assembly requested the Executive Director, in consultation with Member States, members of specialized agencies and relevant stakeholders, to continue to collect information and conduct further analysis on used vehicles and clean fuels, with a view to reducing the negative environmental and health-related impact of used vehicles, including end-of-life disposal, and promoting clean fuels, and to support Member States upon request.

* UNEP/EA.6/1.

4. The progress made in the implementation of resolution 5/11 is outlined under the following three headings: (a) findings from the *Global Resources Outlook 2024*; (b) sustainable consumption and production and circular economy policy – sectoral and cross-cutting actions; and (c) sectoral efforts on circular economy approaches, specifically the role of cleaner fuels and the impact of used vehicles in the mobility sector. To advance the goals of the resolution, UNEP has taken advantage of existing resources and synergies with key stakeholders, projects and initiatives.

II. Findings from the *Global Resources Outlook 2024*

5. Science-based evidence is critical for understanding the governance and management of resource use, and for working towards a fundamental restructuring of consumption and production systems across countries. UNEP, through the International Resource Panel, is leading analysis and research on sustainable resource use, sustainable consumption and production, and circular economy approaches. This research will culminate in the *Global Resources Outlook 2024*, which will be presented to the sixth session of the United Nations Environment Assembly.¹ The report will emphasize that targeted and coordinated sustainability actions, particularly those based on sustainable consumption and production, circular economy approaches, and resource efficiency, can decrease the overall amount of resources used and related environmental impacts, while delivering continued socioeconomic development for all, but especially for low- and middle-income countries. Scenario modelling by the Panel shows that putting these actions into practice can reduce resource use while still delivering economic growth (a concept known as “decoupling”). The modelling shows that in a global economy projected to be 3 per cent larger by 2060, the proposed actions could keep aggregate global resource use to only 20 per cent above 2020 levels, compared to the estimated 60 per cent based on historical trajectories. Some environmental impacts could also be substantially decreased compared to historical trends: for example, greenhouse gas emissions would fall by 80 per cent from 2020 levels, agricultural land surface area would decrease by 5 per cent, and 38 per cent of biodiversity loss would be avoided.

6. The findings of the International Resources Panel also shed light on the urgent need for ramped-up action towards a circular economy. Of the 105 billion metric tons of materials consumed worldwide in 2019, only 9 per cent constituted secondary materials reintroduced into the economy via recycling and resource recovery. If the technical potential for resource recovery were to be fully harnessed, an estimated circularity of 30–40 per cent could be achieved.² To increase the circularity rate beyond its current potential and decrease resource-use growth trajectories, a fundamental restructuring must take place of the global production and consumption systems. This requires, inter alia, finance and trade policies directed to achieve sustainable resource use, the mainstreaming of sustainable consumption options, and ambitious science-backed circular economy action plans supported by strong regulatory environments and networked coalitions of actors. It will also require a continued effort to collect and curate data, using tools such as the Global Material Flows Database developed and curated in partnership with the Panel.

7. UNEP, with the support of partners and Member States, is helping governments and key stakeholders to contextualize science-based evidence for a transition to sustainable consumption and production and circular economy strategies. For example, since the adoption of resolution 5/11, trends in sustainable resource use have been analysed in the West Asia region in the UNEP report *Trends and Outlook of Natural Resource Use in West Asia*.³

III. Sustainable consumption and production and circular economy policy – sectoral and cross-cutting actions

A. Achieving sustainable consumption and production

8. As is recognized in Sustainable Development Goal 12, achieving sustainable consumption and production is an overarching objective of, and prerequisite for, sustainable development. In its Political Declaration, the High-Level Political Forum on Sustainable Development convened in July 2023 under the auspices of the United Nations Economic and Social Council reaffirmed the commitment to make fundamental changes to consumption and production patterns, including by

¹ The *Global Resources Outlook 2024* is led and prepared by the International Resource Panel.

² UNEP/EA.6/INF/9.

³ This study focuses on Bahrain, Iraq, Jordan, Kuwait, Lebanon, Oman, Qatar, Saudi Arabia, the State of Palestine, the Syrian Arab Republic, the United Arab Emirates and Yemen.

transitioning to sustainable economic and business models, by implementing 10YFP, and by providing support to developing countries to strengthen their scientific, technological and innovation capacity.⁴

9. The Global Strategy for Sustainable Consumption and Production was approved by the 10YFP board in October 2022, with the objective of supporting the achievement of global sustainability ambitions and a just transition by 2030 through the shift to sustainable consumption and production practices across society.⁵ 10YFP and its One Planet network have the mandate to mobilize global support for the implementation of the Global Strategy by Member States and stakeholders. To date, the One Planet network comprises 5,800 member organizations, which have since 2013 reported over 7,300 activities, including resources, guidelines, policies and implementation projects.⁶ In addition, in the Goal 12 Hub, UNEP has developed an inter-agency one-stop shop to track the progress made by Member States towards Goal 12⁷ and a capacity-building platform, encompassing a total of 27 tools from the United Nations system that mainstream sustainable consumption and production in high-impact sectors and are applicable across countries.⁸

B. Policy actions

10. On the basis of the scientific evidence provided by the International Resources Panel and in collaboration with United Nations partners, UNEP provided support to more than 20 countries to develop policies and action plans for sustainable consumption and production and circular economy approaches. For example, UNEP worked with Kyrgyzstan to develop a national road map for sustainable finance and a national law on plastic waste management; with Pakistan to develop a circular economy policy; with Ukraine to formulate legal proposals for extended producer responsibility schemes; with the Republic of Moldova to elaborate a green economy action plan; with Azerbaijan to formulate a waste management action plan; and with Algeria, Egypt, Israel, Jordan, Lebanon, Morocco, Palestine and Tunisia to implement their respective national sustainable consumption and production action plans. These efforts have been supported through the projects Global Opportunities for Sustainable Development Goals (GO4SDGs), EU4Environment,⁹ SwitchMed and SWITCH Africa Green.

11. Building on the evidence provided by the International Resources Panel, the importance of the transition to sustainable consumption and production and circular economy approaches in the context of national policies has been at the centre of the collaboration between UNEP and the United Nations system. Via the 10YFP secretariat, UNEP has worked alongside the United Nations Development Programme and the secretariat of the United Nations Framework Convention on Climate Change to develop the toolbox “Building Circularity into Nationally Determined Contributions” in order to support countries’ work to identify and implement circular economy interventions to increase the ambition of nationally determined contributions.¹⁰ This toolbox is being piloted in Ecuador, Viet Nam and Zimbabwe. In collaboration with the United Nations Industrial Development Organization and in the context of the Global Alliance on Circular Economy and Resource Efficiency, UNEP has supported dialogue among Member States on the role of circular economy approaches and the management of natural resources to address the triple planetary crisis,¹¹ on the strategic importance of partnerships in the transition towards more circular economies,¹² and on the development of circular

⁴ A/HLPF/2023/L.1.

⁵ The Global Strategy for Sustainable Consumption and Production was approved by the 10YFP board, along with Member States and stakeholders, during the 10YFP meeting on 18–19 October 2022.

⁶ E/2023/72.

⁷ At the end of 2022, 62 Member States and the European Union had reported policies under target 12.1.1.

⁸ The SDG 12 Hub is a platform that integrates United Nations-wide tools for sustainable consumption and production to facilitate easy access for key stakeholders from the United Nations development system and other actors, see <https://sdg12hub.org/>.

⁹ EU4Environment is a programme funded by the European Union and implemented jointly by UNEP, the Economic Commission for Europe, the Organisation for Economic Co-operation and Development, the World Bank and the United Nations Industrial Development Organization.

¹⁰ Available at <https://www.unep.org/resources/toolkits-manuals-and-guides/building-circularity-nationally-determined-contributions-ndcs>.

¹¹ More information is available at <https://www.unep.org/events/online-event/second-high-level-meeting-global-alliance-circular-economy-and-resource> and at; and <https://www.un-page.org/event/page-at-the-high-level-political-forum-2023/>.

¹² More information is available at <https://www.wcef2022.com/session/partnerships-for-a-global-circular-economy/>.

road maps and strategies.¹³ The Latin America and the Caribbean Circular Economy Coalition and the African Circular Economy Alliance have played a strategic role in enhancing dialogue on the opportunities and implications of the transition to circular economy approaches at the regional level.

C. Sectoral actions

12. UNEP has focused its attention on accelerating the shift towards more sustainable consumption and production and circular economy approaches in specific high-impact industry sectors. It has promoted efforts in the textile sector,¹⁴ across the entire plastics value chain,¹⁵ in the building and construction sector,¹⁶ in the tourism sector in partnership with the World Tourism Organization and the One Planet Network Sustainable Tourism Programme, and in the mobility sector, as described in the next section of this report. The 10YFP secretariat has also joined with the World Business Council for Sustainable Development (WBCSD) on a cross-sectoral Stockholm+50 legacy initiative intended to increase accountability on progress towards circularity, in the context of the Global Circularity Protocol.

13. Recognizing the importance of sustainable finance to promote the uptake of sustainable consumption and production and circular economy approaches, UNEP published *Guidance on Resource Efficiency and Circular Economy Target Setting*,¹⁷ *Unlocking Circular Economy Finance in Latin America and the Caribbean*¹⁸ and convened a Finance Leadership Group on Plastics¹⁹ with the objective of accelerating and scaling up the mobilization of financial flows from all sources to end plastic pollution.

14. In the context of high-impact sectoral initiatives, UNEP has enhanced regional capacity relating to (a) the harmonization of standards in the tourism sector in East African countries, by training 115 youth entrepreneurs in Africa and the Asia-Pacific region in green skills; (b) legislation for plastic reduction in Latin America, by targeting more than 200 legislators; (c) the use of the SCP Hotspot Analysis Tool²⁰ in the Asia-Pacific region, by engaging more than 25 government officials from 10 countries, as well as the United Nations country teams of Bhutan, the Philippines, Thailand and Viet Nam; and (d) the adoption of resource efficiency and access to sustainable finance for small and medium-sized enterprises and the uptake of “zero waste” solutions in the hospitality sectors for women in leadership roles in Central Asia. The GO4SDGs initiative and the global initiative “Green Jobs for Youth Pact” have been instrumental to these efforts.

D. Cross-cutting actions

15. The 10YFP secretariat, together with the Environment Management Group, organized the Nexus Dialogues on Sustainable Consumption and Production to strengthen cooperation mechanisms in cross-cutting areas such as sustainable consumption and lifestyles, digitalization, green jobs, sustainable public procurement and sustainable tourism.²¹ Building on these events, UNEP, as leader

¹³ More information is available at <https://www.wcef2022.com/session/partnerships-for-a-global-circular-economy/>; and <https://wcef2023.com/sessions/circular-strategies-and-road-maps/>.

¹⁴ <https://www.unep.org/explore-topics/green-economy/what-we-do/environment-and-trade-hub/textiles>.

¹⁵ <https://www.unep.org/explore-topics/chemicals-waste/what-we-do/one-plastics-initiative/about-one-plastics-initiative>.

¹⁶ The initiative is co-led by UNEP, the Global Alliance for Buildings and Construction (GlobalABC) working group on construction materials, and the World Green Building Council, with the support of core partners, including UNOPS, UN-Habitat and WBCSD, Costa Rica, Finland and RMIT (former leads of the One Planet Network Sustainable Buildings and Construction Programme), and the leads of the One Planet Network Sustainable Public Procurement programme, specifically the Ministry of Infrastructure and Water Management of the Netherlands, the Environmental Development Center of the Ministry of Environmental Protection of China and ICLEI – Local Governments for Sustainability.

¹⁷ <https://www.unepfi.org/industries/banking/guidance-on-resource-efficiency-and-circular-economy-target-setting-version-2/>.

¹⁸ The report was co-developed by GO4SDGs, UNEP-FI and IDB and is available at <https://www.unepfi.org/publications/unlocking-circular-economy-finance-in-latin-america-and-the-caribbean-the-catalyst-for-a-positive-change/>.

¹⁹ <https://www.unepfi.org/news/finance-leadership-group-on-plastics-reacts-to-inc-secretariat-options-paper-for-an-international-instrument-to-end-plastic-pollution/>.

²⁰ The SCP Hotspot Analysis Tool was developed by UNEP to help governments make progress on target 12.2 for the sustainable management and efficient use of natural resources; see <http://scp-hat.lifecycleinitiative.org/>.

²¹ EMG Nexus Dialogues on Sustainable Consumption and Production; see <https://unemg.org/emg-nexus-dialogues-on-sustainable-consumption-and-production/>.

of 10YFP, intends to organize a global dialogue for sustainable consumption and production together with other United Nations agencies.²²

IV. Sectoral efforts on circular economy approaches: the role of cleaner fuels and the impact of used vehicles in the mobility sector

16. The resolution recognizes the opportunity for specific sectors to advance to a more circular economy and concentrates on opportunities in the mobility sectors, in the context of the trade in used vehicles. Following the release of the light-duty used vehicles report in 2020²³ and its updated version in 2021,²⁴ UNEP has been collecting new data on used heavy-duty vehicles (HDVs) and, on this basis, developing a global overview report on used HDVs and the environment. The new HDV report will analyse the flow and scale of used HDVs from major exporters and review the regulatory environment for used HDV imports in 146 countries where data are available, with a view to understanding and reducing the negative environmental, health and safety impacts of the used HDVs.

17. UNEP recognizes the role of both countries importing used vehicles and those exporting them in putting in place minimum quality standards for cleaner and safer used vehicles. On the importers' side, UNEP has supported the East Africa subregion to adopt regionally harmonized standards for both new and used vehicles and conducted training on inspection frameworks for used vehicles in May 2022. On the exporters' side, in July 2023, the European Union proposed a new regulation on end-of-life vehicles (the ELV Regulation),²⁵ which includes the recommendations made by UNEP on used vehicle export. The proposal requires the export of good quality used vehicles through more inspections, interoperable vehicle registration systems, improved distinction of used vehicles from end-of-life vehicles and banning the export of unroadworthy used vehicles. With funding from the United Nations Road Safety Fund, UNEP and partners are implementing a project to advance minimum quality standards for cleaner and safer used vehicles for Southern and Central Africa, as well as two countries in Asia (Mongolia and Cambodia). Another phase of the project is already planned in order to expand its work to Latin America and the Caribbean. These efforts have been promoted through the Used Vehicles Programme and are the outcome of collaboration with other United Nations agencies and international organizations such as the Economic Commission for Africa, the Economic Commission for Europe and the United Nations Road Safety Fund.

18. Finally, UNEP continues to support Member States in the shift to low-sulfur fuels through a collaborative approach that includes partnerships and initiatives such as the Partnership for Clean Fuels and Vehicles and the Climate and Clean Air Coalition. High levels of sulfur in diesel fuel are oxidized to sulfur dioxide (SO₂) during the combustion process and subsequently converted to sulfate particulate matter and black carbon emissions from diesel engine vehicles. High-sulfur fuels thus hinder the effectiveness of emission control technologies and contribute to increased harmful vehicle emissions. UNEP is collaborating with the Southern Africa Development Community (SADC) secretariat and the SADC standardization bodies (SADCSTAN) to develop draft standards for low-sulfur fuels. These actions also contribute to the implementation of Environment Assembly resolution 4/3 on sustainable mobility, as measures on cleaner fuels and used vehicles are essential for sustainable mobility strategies, policies and regulations across countries as set out in document UNEP/EA.6/3.

V. Lessons learned

19. Close collaboration across UNEP and United Nations partnerships and initiatives, as well as multi-stakeholder collaboration involving business and industry actors, are essential for scaling up actions and replicability and avoiding fragmentation. Collaboration includes actively engaging in the implementation of national road maps, action plans and other strategies; and sharing experience in the implementation of sustainable consumption and production and circular economy approaches in

²² The global dialogue for sustainable consumption and production is a key outcome of the Global Strategy for Sustainable Consumption and Production (2022–2030).

²³ United Nations Environment Programme (2020), *Used Vehicles and the Environment: A Global Overview of Used Light Duty Vehicles – Flow, Scale and Regulation*. Available at <https://wedocs.unep.org/20.500.11822/34175>.

²⁴ Available at <https://www.unep.org/resources/report/used-vehicles-and-environment-progress-and-updates-2021>.

²⁵ Proposal for a Regulation on circularity requirements for vehicle design and on management of end-of-life vehicles; see https://environment.ec.europa.eu/publications/proposal-regulation-circularity-requirements-vehicle-design-and-management-end-life-vehicles_en.

specific sectors and value chains and in innovating in business models, products, technologies. This could lead to tangible progress measured through robust and comparable metrics.

20. Measures that strengthen the integration of resource management (including sustainable consumption and production and circular economy approaches) in global, regional and national climate, biodiversity and pollution strategies can and should be reinforced, with a specific focus on high-impact sectors.²⁶ Research and science-based evidence highlight that the integration of sustainable consumption and production and circular economy approaches in policies and action plans can help increase ambition when addressing the drivers of climate change, biodiversity loss and pollution while maximizing positive development impacts and minimizing trade-offs. Further collaboration is required between the United Nations system and governments for analysis and data collection.

21. Cross-cutting issues to advance sustainable consumption and production and circular economy approaches in all sectors, including employment, social inclusion and health, should be given further attention. In this regard, UNEP, in partnership with other United Nations entities, can help anchor sustainable consumption and production and the circular economy as key drivers for a sustainable economic and social transformation.²⁷

22. Investments in sustainable consumption and production and circular economy approaches across regions and in different sectors, including through public-private partnerships, blended finance and de-risking solutions, should be reinforced by enabling policy and fiscal frameworks.²⁸

23. Strong implementation and enforcement mechanisms are needed to obtain the benefits of the adopted standards on clean fuels and vehicles. Although more countries and subregions are shifting to cleaner fuel and vehicle standards, implementation and enforcement are sometimes lagging. Reducing the negative impact of used vehicles is a shared responsibility of both importing and exporting countries. Importing countries have a responsibility to ensure that only good quality used vehicles and cleaner fuels are imported into their countries; exporting countries have a responsibility to ensure that only vehicles that are fit to be on their roads can be shipped to other countries.

VI. Recommendations and suggested actions

24. Member States, in close collaboration with other relevant actors, are encouraged to consider how to best develop metrics and disclosure frameworks for circularity. Essential data sets that contribute towards monitoring exist, including the Global Material Flows Database and the SCP Hotspot Analysis Tool. These existing tools can be further strengthened to integrate metrics relating to the circular economy. UNEP is playing a role in this space and can do more at the global level with interested Member States.

25. There is a need to leverage the United Nations development system to help countries mainstream sustainable consumption and production and circular economy approaches in national development strategies and plans. UNEP can work collaboratively across its initiatives and the United Nations system, particularly with the United Nations resident coordinator system and United Nations country teams, to expand direct support at regional and national levels, including by targeting high-impact sectors.

26. Member States are encouraged to develop and implement clean fuel and vehicle standards, including minimum quality standards for used vehicles at the national, subregional, regional and global levels, and to promote or strengthen the collection, accessibility and sharing of data on used vehicles flows.

²⁶ This work could be led by the International Resource Panel, the Intergovernmental Panel on Climate Change, the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services, and other relevant science-policy interfaces, and in cooperation with Member States, international organizations and stakeholders.

²⁷ UNEP has collaborated with the G20 to promote the G20 High Level Principles for Lifestyles for Sustainable Development and with India on the LiFE Campaign.

²⁸ The UNEP Finance Initiative can lead this recommendation through its network of over 500 financing institutions with over \$170 trillion in assets.