Making Circular Economy Work for Business and Industry



Insights: ASEAN Circular Economy Stakeholder Platform Webinar Series

Country: Multi-country

Background

food, water, energy, products, and services. This surge in demand, stemming from both domestic and international markets, is exerting unprecedented pressure on natural resources, climate, and the environment. The evidence of a triple planetary crisis - encompassing climate change, biodiversity loss, and the accumulation of waste and pollution - is becoming increasingly apparent. This crisis is primarily driven by unsustainable practices in the use of materials, energy, water, and other resources. Recognizing the need to disentangle economic growth from the escalating consumption of natural resources and its associated environmental impacts, ASEAN and its member states are emphasizing the importance of

Circular Economy (CE) and Sustainable Consumption and Production (SCP). These concepts are crucial for achieving economic resilience, resource efficiency, and sustainable growth. Transitioning to a circular economy is

The ASEAN region is experiencing significant growth, with its member states advancing to higher income levels. This development, coupled with urbanization and population growth, is leading to an increased demand for

vital for moving the region away from a resource-intensive model, thereby mitigating the aforementioned triple planetary crises. By adopting renewable resources, practicing resource efficiency, and ensuring circular usage, a transformative shift towards a low-carbon, circular model can be initiated. The ultimate goal of this transition is to achieve net zero impact on climate, nature, biodiversity, pollution, and waste. Businesses and industries play a pivotal role in actualizing this transition to a circular economy by developing and providing 'circular' products and services, as well as by innovating in production, distribution, and recovery systems. Without their participation, the circular economy will struggle to gain momentum. As key stakeholders, the perspectives, needs, opportunities, and constraints of industry and business must be considered in shaping policies that enable this transition, addressing technological, financial, and market barriers, and vice versa.

However, the concept of the circular economy is subject to varied interpretations and ambiguous implementations across sectors, leading to scepticism about its effectiveness. Fundamentally rooted in the 3Rs concept of reduce, reuse, and recycle, the circular economy also encompasses broader strategies such as refusing, rethinking, repairing, refurbishing, remanufacturing, repurposing, and recovering, as exemplified in the EU's 9Rs strategy. Despite these expansions, a clear hierarchy within these strategies is still lacking. In contrast, the Waste Management Hierarchy offers a more structured approach, prioritizing prevention, reuse, repurposing, recycling, recovery, and ultimately disposal.

The value of recycling is widely recognized, offering convenient solutions and environmental benefits by diverting waste from incineration and landfills. Recycled materials, often of high quality and with a lower environmental

footprint, also present economic advantages. They can be more cost-effective compared to virgin materials, thereby reducing trade dependency for critical materials and increasing self-sufficiency.

Nonetheless, recycling is not without its challenges. It can be a source of waste, pollution, and resource consumption, with processes often being less than 100% efficient. Losses of up to 15-20% of materials can occur, particularly during crushing, leading to issues like the creation of microplastics in plastic recycling. Additionally, energy, water, and other resources are needed throughout the recycling process, which can degrade material quality over time and lead to the accumulation of hazardous substances.

waste, like 9% of global plastic waste, is actually recycled. The rest still contributes to environmental pollution. Therefore, it's crucial to recognize that the circular economy is more than just recycling; recycling should be seen as a last resort within this framework. Shifting the responsibility to producers to move away from a linear economy to a circular model further underscores the need for a comprehensive approach. The recent 1.5-hour webinar "Making Circular Economy Work for Business and Industry," hosted by the ASEAN Circular Economy Stakeholder Platform and co-hosted by the EU SWITCH-Asia Policy Support Component,

Furthermore, an overemphasis on recycling can undermine the essential principle of waste avoidance. A mentality that justifies consumption as long as materials are recycled obscures the reality that only a small fraction of

addressed these challenges. The webinar brought together experts in circular economy from global and ASEAN contexts, industry practitioners, and regional enablers to share perspectives, experiences, and insights on advancing the circular economy in the ASEAN region. The event began with an overview of the ASEAN Circular Economy Stakeholder Platform, highlighting its role in consolidating and facilitating regional efforts. René Van Berkel, a Senior Expert in



collaboration and knowledge sharing to enhance the implementation of circularity within the region and beyond.

Circular Economy for the SWITCH-Asia Policy Support Component, presented a unifying framework for business action in ASEAN, emphasizing the need to move beyond viewing circular

Industry practitioners shared their experiences in leading circular economy initiatives within the private sector, focusing on combating resource over-extraction and reducing waste generation.

The final panel discussion brought together practitioners from various organizations to reflect on lessons learned, discuss strategies for moving forward, and explore opportunities for

This expert discussion culminated in five key questions that need addressing: 1. Who is the ASEAN Circular Economy Stakeholder Platform?

4. What role can regional enablers play in realizing Circular Economy in ASEAN?

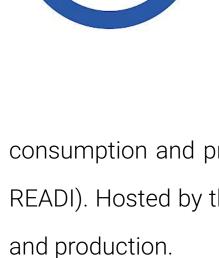
3. What role can business and industry play in realizing Circular Economy?

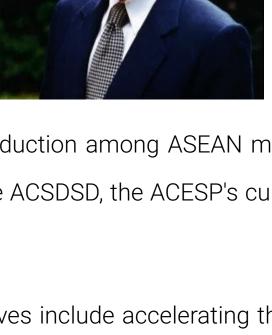
5. How can Circular Economy be implemented and scaled?

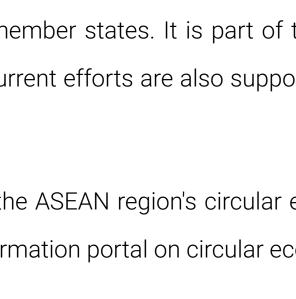
2. How can we streamline the definition and interpretation of Circular Economy?

economy solely as recycling and waste management.

ASEAN Circular Economy Stakeholder Platform







with international and national regulations, making them more attractive to investors and talented human resources.

consumption and production among ASEAN member states. It is part of the EU-ASEAN Partnership on Circular Economy, endorsed in 2018, and receives support from the Enhanced EU-ASEAN Dialogue Instrument (E-READI). Hosted by the ACSDSD, the ACESP's current efforts are also supported by the EU SWITCH-Asia Programme to facilitate the sharing of knowledge and experiences in circular economy and sustainable consumption ACESP's main objectives include accelerating the ASEAN region's circular economy efforts through various platforms and initiatives and supporting these transitions by sharing policies, commitments, best practices, and success stories. Additionally, it provides an information portal on circular economy, fosters stakeholder engagement, and organizes annual conferences and events with diverse participation.

Anthony Pramualratana and Treesuvit (David) Arriyavat, Deputy Director and Project Manager respectively at the ASEAN Circular Economy

Stakeholder Platform (ACESP), presented the objectives and mission of both the ASEAN Centre for Sustainable Development Studies and

Dialogue (ACSDSD) and the ASEAN Circular Economy Stakeholder Platform. The ACSDSD, established in 2019, focuses on aligning the

Sustainable Development Goals (SDGs) with the ASEAN region's development, as detailed in the Report "Complementarities between the ASEAN

Community Vision 2025 and the United Nations 2030 Agenda for Sustainable Development: A Framework for Action." The ACESP, inaugurated in

2022 by the EU and ASEAN, operates as a regional hub supporting the transition towards a circular economy to promote sustainable

emphasized the urgency of moving beyond a linear and recycling-centric economy to a broader interpretation of circular economy. This shift is crucial to address the triple planetary crises: climate change, waste accumulation, and loss of nature. He argued that a circular economy should mirror nature's cyclical resource usage, aiming for greater economic output and services with minimal environmental impact and energy use.

Innovation is key in this transition, occurring at the product and service life cycle stages to optimize resource use. Such innovations are scaled up through enablers to maximize positive impacts. This involves interfacing

between research and development, design thinking, and entrepreneurship. The circular economy's triple bottom line includes Resource Circularity, Resource Efficiency, and Resource Substitution.

During this session, René Van Berkel, provided insights into the circular economy framework and proposed the Guiding Principles for Circular Economy Business Action as a roadmap for ASEAN industry leaders. He

which weaves fabric ribbons into new garments. Resource Efficiency focuses on using materials, water, and energy more efficiently. Indonesian companies like Superbtex, Argo Pantes, Saudaratex, and Tiara Utama have implemented resource-efficient practices in their

Resource Circularity involves ensuring that materials are endlessly cycled for multiple uses. Examples include Plastic Flamingo in the Philippines, which transforms recycled plastics into eco-boards for furniture, and Anthill,

Resource Substitution advocates for the use of more sustainable resources throughout the industrial process. The SWITCH to Solar Project in Cambodia, for instance, has introduced a solar thermal dome for fish drying, which has led to reduced drying time, lower energy consumption, and improved hygiene and food safety.

Business growth is often driven by innovation, leading to reduced operational costs, increased revenue, and diversified business growth. By embracing circular economy principles, businesses also mitigate risks and align

The Guiding Principles for Circular Economy Business Action, still in their conceptual stage, propose five core principles to unify the private sector's vision of circular economy in ASEAN: 1) targeting net zero by ending unsustainable resource use;

4) encouraging ideation and co-creation for circular solutions; and 5) de-risking the economy and society from unsustainable resource use.

• • • •

. . . .

. . . .

Feedback from industries and businesses in ASEAN member states is encouraged to ensure these principles are appropriate, relevant, and actionable.

Industry Experience Sharing

Making Circular Economy Work for

Business and Industry

ASEAN Circular Economy

Stakeholder Platform

Adopting a circular economy

innovators, SC Grand has

sustainable textiles and

the fashion industry.

revolutionized into a hub for

framework and engaging with

recycling, achieving significant

reductions in CO2 emissions,

textile waste, chemical usage

and water consumption within

anaging Director, Saeng Charoer

operational efficiencies.

Panel Discussion

Business cases on the circular

inspiring more businesses to

implement practical Circular

operations. The ASEAN Business

provide the necessary learning resources and mentorship, especially for SMEs.

- Gil Gonzales, Executive Director

ASEAN Business Advisory Counci

switchasia ::: Funded by the European Union

partnerships that will amplify these

efforts and garner policy support to

Economy tools within their

Advisory Council is open to

economy act as replicable models

ASEAN Circular Economy Stakeholder Platform

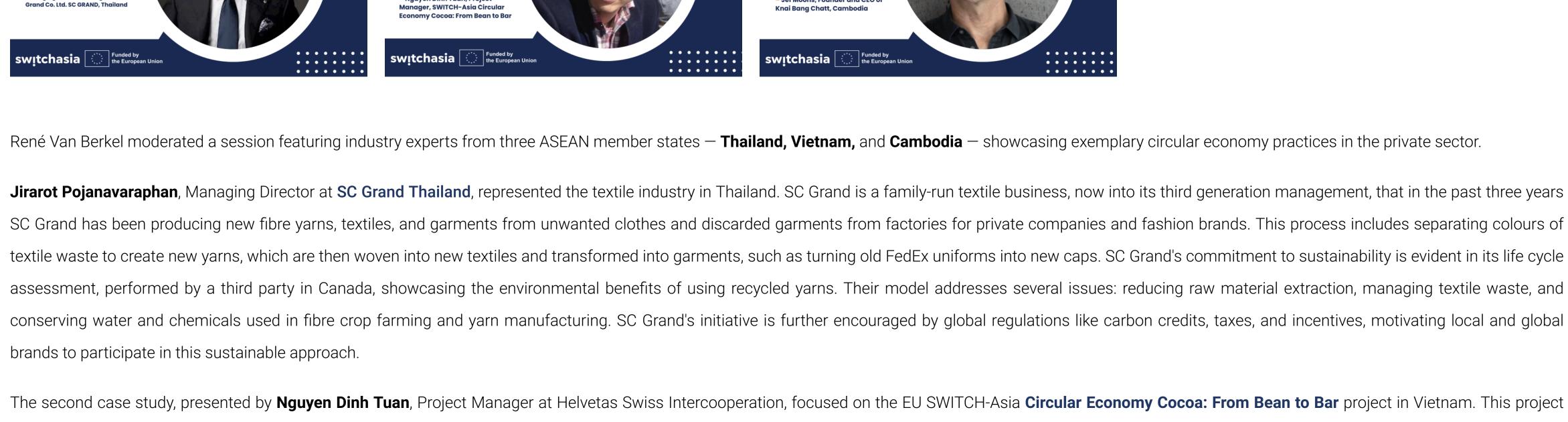
Making Circular Economy Work for

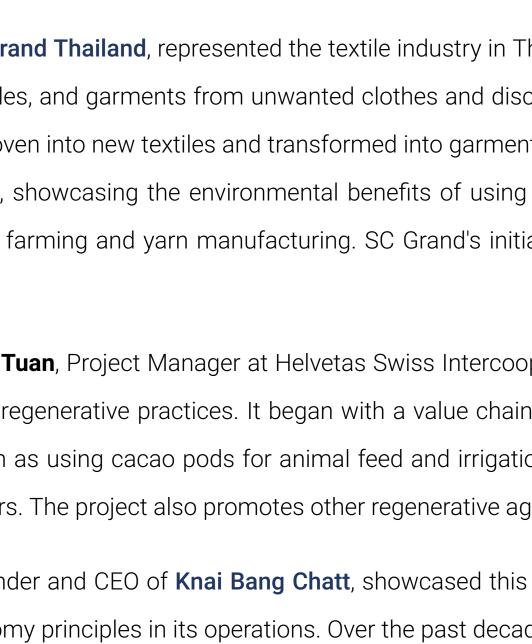
Business and Industry

2) closing natural resource use loops through design;

3) taking responsibility for environmental and societal impacts;

operations, resulting in significant savings.





ASEAN Circular Economy

Making Circular Economy Work for

Business and Industry

Stakeholder Platform

Strong national leadership is

Circular Economy within ASEAN

noticeable shortfall in enforcement

A strategic approach that includes

creative incentives is necessary to

empower businesses to champion

these transformative efforts.

- Yanti Triwadiantini, Chair of

Advisory Board, ASEAN CSR Network

.

essential for advocating the

countries, where there is a

ASEAN Circular Economy

Making Circular Economy Work for

Business and Industry

Stakeholder Platform

The circular economy holds

immense potential in cocoa

harvesting, where currently only

20% of the cocoa plant is utilized

embracing circular practices, this

into valuable resources reducing

waste and creating a sustainable,

Nguyen Dinh Tuan, Project

anager, SWITCH-Asia Circular

conomy Cocoa: From Bean to Bar

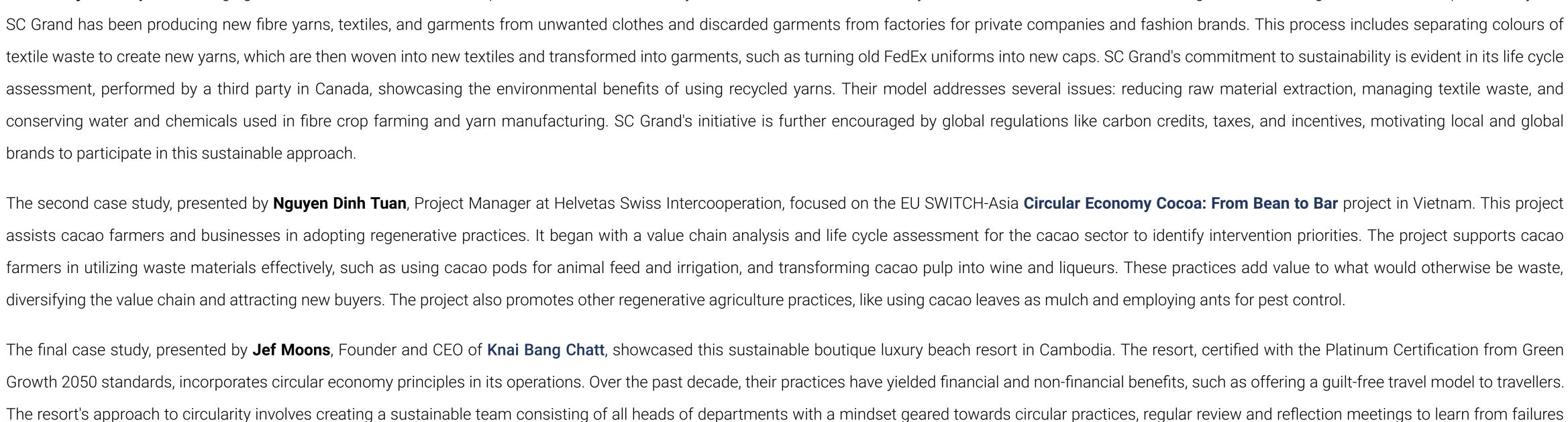
switchasia Funded by the European Union

closed-loop system.

unused portion can be transformed

while 80% remains unused. By

• • •



ASEAN Circular Economy

Making Circular Economy Work for

. . . .

Business and Industry

Stakeholder Platform

Insights from Circular

be disseminated and

Economy business cases can

promoted, with an emphasis

local contexts for greater

Hannes Mac Nulty, Manager of

Green Industry Platform, Green

Frowth Knowledge Platform

The session moderated by **Thomas**, CEO of the **ASEAN CSR Network** and Expert for the SWITCH-Asia Policy Support Component, engaged with circular economy enablers from three regional organizations. This

relevance and impact.

on tailoring these learnings to

Making Circular Economy Work for

.

Business and Industry

Advancing toward a circular

sector requires the realization of

leadership. This entails guiding

a dedicated 'green' team to not

only do the right things but also

economy in the hospitality

a company's sustainability

vision through robust

to execute these actions

– Jef Moons, Founder and CEO of

Knai Bang Chatt, Cambodia

switchasia 🔝

and successes, and providing a trustworthy template that local people, hotel owners, and international travellers can follow. This model emphasizes performance, transparency, and accountability against standards and indicators, showcasing that circular economy practices can be effectively integrated into the hospitality industry. Each of these cases highlights the diverse applications of circular economy principles across different industries and the tangible benefits they offer, not only in terms of sustainability but also in driving economic and

• • • •

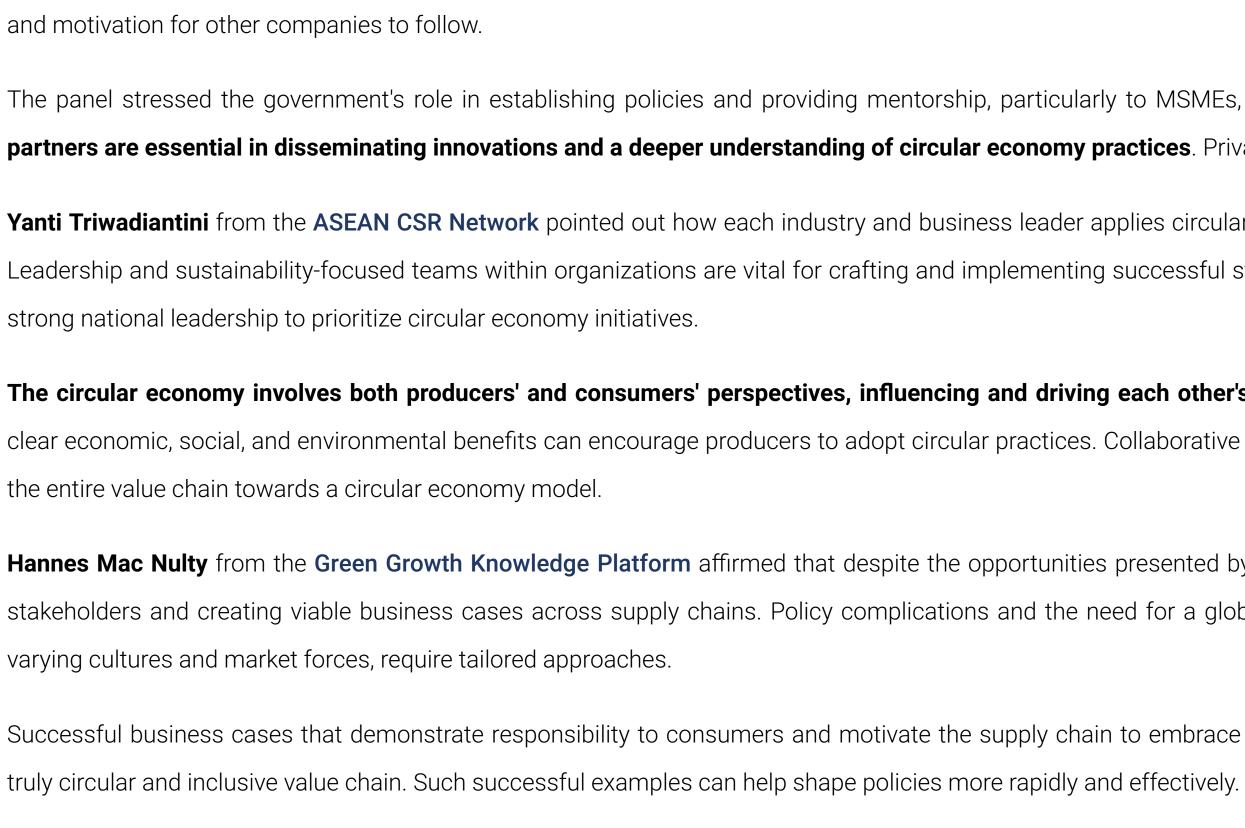
. . . .

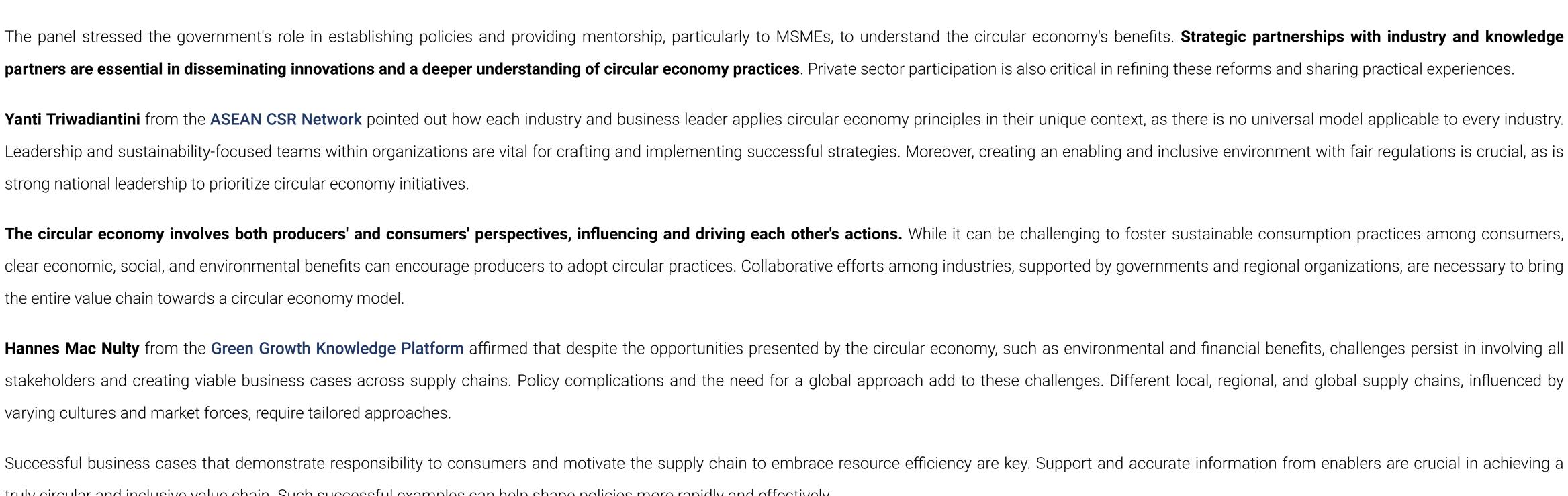
. . . .

discussion focused on how these entities facilitate the adoption and implementation of circular economy practices across various sectors in the ASEAN region. Gil Gonzales, from the ASEAN Business Advisory Council, emphasized that only a small fraction of companies have successfully transitioned into the circular economy. This highlights the need for effective platforms to support and reform private sector institutions towards sustainability and circularity. He pointed out that showcasing successful cases is crucial for learning and transformation, as these instances serve as replicable models and motivation for other companies to follow. strong national leadership to prioritize circular economy initiatives. the entire value chain towards a circular economy model.

Key Takeaways

mitigating economic and social impacts.





The journey towards a circular economy requires scaling through capacity building, market opportunities, and financial support. A value chain approach, rather than a sector-specific one, is crucial for effective implementation, allowing lessons learned in one sector to be applied in another. Cross-sector collaborations and competitive dynamics within sectors can further accelerate the adoption of circular economy practices. This comprehensive approach underlines the importance of partnerships and collaborative efforts in this transformative journey.

3. Broadening the Circular Economy Definition: The concept of circular economy should extend beyond just recycling and waste management to address broader environmental crises, including climate change and biodiversity loss.

6. Guiding Principles for Business Action: These principles aim to unify the ASEAN private sector's approach to circular economy, focusing on net zero commitments, resource use strategies, responsible practices, and

These key takeaways from the webinar offer a comprehensive overview of the challenges, strategies, and opportunities in the transition to a more sustainable and efficient economic model:

. Decoupling Economic Growth from Resource Utilization: ASEAN has the potential to separate economic growth from resource exploitation and environmental impact by adopting circular economy practices.

8. Value Addition and Diversification: Creativity and innovation within circular economy practices can add significant value to businesses and attract more buyers and investors. 9. Financial Benefits: Circular economy practices are not only environmentally sustainable but also financially beneficial.

7. Environmental Benefits: Circular economy simultaneously addresses the need for less resource extraction and the diversion of waste and pollution from the environment.

5. Triple Bottom Line of Circular Economy: The three key strategies in circular economy are Resource Circularity, Resource Efficiency, and Resource Substitution.

2. Vital Role of Business and Industry: The private sector is instrumental in driving the transition towards a circular economy, showcasing its critical role in sustainable development.

13. **Need for Collaboration**: Achieving a circular economy requires participation and collaboration from all stakeholders across the value chain. 14. Consumer Responsibility: Business practices that are responsible towards consumers can motivate the entire supply chain towards resource efficiency and circularity.

12. Customized Approaches: There is no universal model for circular economy success; strategies need to be tailored to specific industries and businesses.

10. Importance of Leadership and Teamwork: Effective implementation in the private sector requires strong leadership and a dedicated team.

11. Role of Enablers: Entities that enable circular economy play a crucial role in connecting, mentoring, replicating, and amplifying success stories.

4. Innovative Resource Circulation: Circular economy is about innovating to circulate resource use more efficiently.

16. Necessity of Scaling: Scaling circular economy practices is essential for broader impact and can be achieved through capacity building, market development, and financial support, utilizing a value chain approach. 17. Importance of Partnerships: Success in circular economy requires partnerships and collaboration, as no single entity can achieve this transformation alone.

Related Resources • Video recording available here

Acknowledgment

• Event info at ASEAN Circular Economy Stakeholder Platform and EU SWITCH-Asia

This Knowledge Brief was prepared by Dr. Sirasa Kantaratakul, the EU SWITCH-Asia Policy Support Component (PSC) and the ASEAN Circular Economy Stakeholder Platform. The information and contents in this document are the sole responsibility of the authors and do not necessarily reflect the views of the European Union.

15. Role of Policies: While policy development can be slow, non-governmental stakeholders, particularly in the private sector, can expedite the adoption and effective implementation of circular economy practices.