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EU Green Deal Policies and their Relevance in Asia-Pacific

Knowledge Briefs and Insights

Series Overview

The knowledge briefs and insight papers in this publication are the outcomes of a webinar series exploring the implications of European Union (EU) policies on Sustainable Consumption and Production (SCP) for partner countries, particularly in the Asia-Pacific region. The webinars examined the objectives of these policies, their relevance in diverse local contexts, and their potential impacts on stakeholders in the region, especially in relation to legislation derived from EU frameworks.

The SWITCH-Asia Programme

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WEBINAR SERIES:

EU Green Deal Policies and their Relevance in Asia-Pacific

The European Green Deal (EGD)

Knowledge Brief

Context

The **EU SWITCH-Asia Policy Support Component** and the **European Environment Bureau** held a **webinar** on the 14th of November 2024 about "The Green Deal in 2024: Taking stock and Perspectives from Asia". It is part of a **series of webinars**, which seeks to explore the implications of EU policies related to Sustainable Consumption and Production for its partner countries, particularly in the Asia-Pacific region. It aims to understand the goals of these policies, their relevance in specific contexts, and their implications for stakeholders in the Asia-Pacific, particularly concerning legislation that has emerged from EU policies. This Knowledge Brief aims to capture the ideas shared during the webinar but is not a comprehensive analysis of the policy. The webinar focused on clarity and diversity of views, rather than comprehensiveness.

Key Messages

With the **European Green Deal (EGD)** the European Union introduced its roadmap to achieve **decarbonisation, zero pollution, nature protection** as well as **efficient use of resources**. It is a policy framework with numerous pieces of legislation, strategies and funding instruments with the aim to transform Europe's economy and society, placing sustainability at the heart of EU policies, and aligning all sectors with the objective to reach climate neutrality by 2050.

The introduction of the EGD was stimulated by several factors. These include the EU's **international commitments**, first and foremost under the **Paris Agreement**, that needed to be turned into actual legislation. Moreover, the European Commission understands decarbonisation and green innovation as a **driver for economic development.** Shortly after being designated as the European Commission President, Ursula von der Leyen said in her Political Guidelines that "*becoming the world's first climate neutral continent is the greatest challenge and opportunity of our times. It involves taking decisive actions now.*"

Another important factor was the **strong demand of more stringent climate action** as expressed by the Fridays for Future movement and Global Climate Strike with mass mobilisation ahead of the 2019 European Elections and widespread **public support for stronger environmental protection**. After the outbreak of the Covid-19 pandemic in 2020 as well as following Russia's invasion of Ukraine in 2022, both resulting in economic challenges and supply chain disruptions, the European Commission decided to stay on track with the EGD, arguing that the sustainability transition will also **increase the EU's and its economy's resilience to external shocks**.

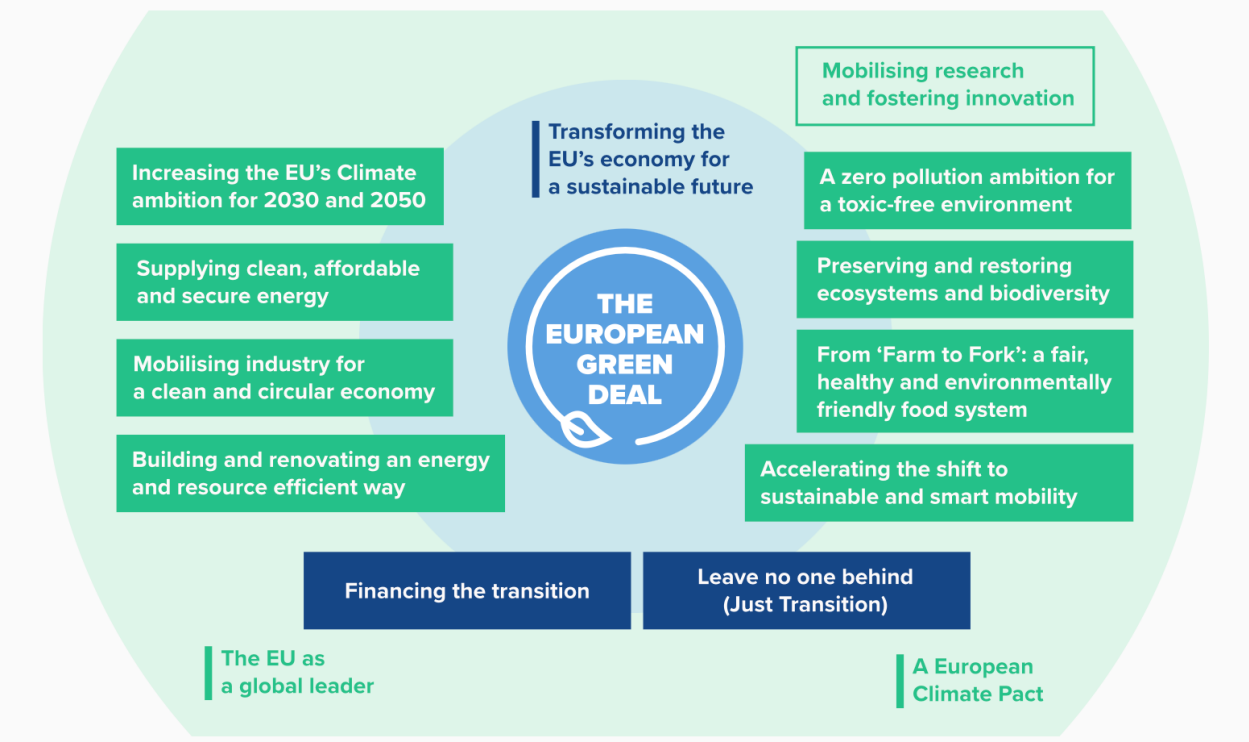
The European Green Deal has since led to a wide range of new legislation, including the **Fit-For-55 package** designed to deliver on the 2030 target of reducing emissions by 55% (compared to 1990 levels). Several elements of the EGD are expected to have a direct or indirect impact on industry sectors outside the EU, including in the Asia-Pacific, where new rules and standards have been introduced for products and services sold on the EU market.

Introduction

The EU SWITCH-Asia Policy Support Component and the European Environment Bureau, held the webinar The ***Green Deal in 2024: Taking stock and Perspectives from Asia*** to introduce the European Green Deal, its structure, key legislative developments from 2019 to 2024 and the new political environment for its further rollout following the 2024 European Elections. During the webinar, several leading experts convened to exchange about the impacts of the European Green Deal for EU importers and Asia-Pacific exporters.

The European Green Deal Communication

On 11 December 2019, in its Communication on the European Green Deal, the European Commission proposed the structure and main elements of the EGD, its policy framework to transform Europe's economy and society, placing sustainability at the heart of EU policies, and aligning all sectors with the climate neutrality goal.



As mentioned by Patrizia Heidegger, Deputy Secretary General of the European Environmental Bureau in her overview, the **EGD comprises eight policy areas** covering the climate neutrality goal for 2050, clean energy, circular economy, resource and energy efficient construction, a toxic-free environment, nature protection and restoration, a sustainable food system and sustainable mobility. Underpinning the eight different policy areas are **mechanisms to finance the transition as well as to ensure a Just Transition**, and specific support is given to **mobilise research and to foster innovation**. In each area, European policymakers have introduced new legislation or revised existing rules and presented new strategies to achieve the declared targets and objectives.

The Knowledge Brief outlines some of them, focusing on European Green Deal policies that are likely to impact stakeholders in the Asia-Pacific region.

Climate and Energy

The **European Climate Law (2021)** established the goal of climate neutrality by 2050 as legally binding and set an intermediate target of reducing net greenhouse gas emissions by at least 55% by 2030 (compared to 1990). The **Fit for 55 Package (2021)** is a comprehensive legislative package to bring EU laws in line with the 2030 climate target of a 55% reduction including. This includes the **Revision of the EU Emissions Trading System (ETS)** to cover more sectors, including shipping, and introduced a separate ETS for buildings and road transport. To create a level playing field, the **Carbon Border Adjustment Mechanism (CBAM)** introduces a carbon border tax on imported goods in carbon-intensive sectors. This mechanism is meant to make imports from non-EU countries subject to carbon costs under the ETS and will be directly applicable to producers in the Asia-Pacific.

The **Renewable Energy Directive (RED III)** raised the EU's renewable energy target to 42.5% by 2030. **REPowerEU (2022)** was the EU's emergency response to the energy crisis triggered by Russia's invasion of Ukraine, aiming to reduce the EU's dependence on Russian fossil fuels and it increased the **target for renewable energy use** in the EU to 45% by 2030. The **EU Solar Rooftop Initiative** requires the installation of solar panels on new commercial, public, and residential buildings. All these policies are likely to stimulate the trade in technology linked to renewable energy between Europe and Asia-Pacific.

Circular Economy

The **Circular Economy Action Plan (CEAP) (2020)** introduced targets for high-impact sectors – many of which are important for EU-Asia trade relations – including electronics, batteries, packaging, plastics, textiles and construction. Key goals of the Action Plan include reducing waste, increasing product lifespan, promoting reusability and recyclability and minimising the environmental impact of products throughout their life cycles. Linked is the **Sustainable Products Initiative (SPI)** which included expanding the **Ecodesign Directive** to cover more products and set requirements for durability, reparability, and recyclability, again including for products that are important for EU-Asia trade such as textiles. It also introduced a **Digital Product Passport** to improve transparency and traceability of products, making it easier for consumers and businesses to understand products' environmental impacts, as well as measures to address greenwashing and strengthen consumer rights by mandating clearer information on product sustainability. The **Right to Repair Legislation** established requirements to make products easier to repair and reduce planned obsolescence, especially for electronics and household appliances, and to ensure that consumers can access repair information, spare parts and services, prolonging product life and reducing waste.

The **Packaging and Packaging Waste Directive (PPWD) Revision** sets new targets for reducing packaging waste and promoting reusable and recyclable packaging. By 2030, all packaging on the EU market should be reusable or recyclable in an economically viable way, with specific targets for varied materials (such as plastics and paper).

The **Battery Regulation (2023)** introduces new sustainability standards for batteries, covering their entire life cycle, from production to disposal. It sets requirements for sourcing, labelling, recycling and reuse of batteries, especially those used in electric vehicles and portable electronics.

The **Textiles Strategy** addresses the environmental and social impacts of the textile industry, promoting sustainable design and consumption of textiles with the aim to make textiles more durable, repairable, and recyclable, with a focus on reducing microplastic pollution and chemical use. It encourages a shift towards a circular model in the textile sector, with targets to reduce textile waste and boost recycling efforts.

The revision of the **Waste Shipment Regulation (WSR)** includes new rules for waste shipments from the EU to other countries, including to Asia-Pacific. It affects, amongst others, the shipment of plastic waste and recyclable plastic, as well as the shipment of Waste Electronic and Electric Equipment (WEEE).

Buildings and Renovation

The **Circular Economy Action Plan** under the Green Deal aims to make construction and demolition more sustainable, promoting the use of recyclable and sustainable building materials. The **Energy Performance of Buildings Directive (EPBD) Revision** is meant to improve energy efficiency and decarbonise the building sector. New provisions aim to achieve **Zero Emission Buildings (ZEBs)** by 2030 for new buildings and by 2050 for all buildings. This includes the requirement that by 2028, all new public buildings must be zero-emission. The **Renovation Wave Initiative**, launched in 2020, aims to **double the renovation rate** of buildings in the EU by 2030 to reduce emissions, enhance energy efficiency and improve the resilience of buildings. This includes support for energy-efficient heating systems, insulation upgrades, and the use of renewable energy sources.

The construction and renovation sector in Europe **imports both high-volume materials and components as well as technological components** needed for sustainable buildings from Asia, and **exports high-end technology and specialised services**. Therefore, also these parts of the EGD are likely to directly impact trade between the two regions.

Zero Pollution

The **Zero Pollution Action Plan (2021)** includes ambitious 2030 targets to reduce by 55% the health impacts of air pollution, to cut plastic litter at sea by 50%, and to reduce nutrient losses and chemical pesticide use by 50% and stresses the zero-pollution ambition 2050.

Several pieces of updated legislation are affecting industries within in the EU. While not directly impacting industries outside the EU, stricter regulation is likely to drive industrial innovations across sectors in the EU, which may have global impacts. Such new standards include, the updated **Ambient Air Quality Directives** tightening limits on pollutants, aiming to bring air quality standards closer to the latest World Health Organization (WHO) guidelines, and the revision of the **Industrial Emissions Directive (IED)** to cover additional sectors and stricter emission limit values, requiring industries to adopt the latest pollution-control technologies.

An area which may have a more direct impact on producers outside the EU is the **Chemicals Strategy for Sustainability** (CSS), adopted in 2020 and designed to ensure toxic-free environments and reduction of harmful chemicals. This strategy called for the **REACH regulation** to be revised, introducing stricter rules for hazardous chemicals, particularly those with endocrine-disrupting and persistent effects. The REACH revision is expected in 2025/2026. Given that REACH applies to all chemical substances, mixtures and articles placed on the EU market—regardless of where they are manufactured – stricter regulation will directly affect products manufactured in Asia for export to the EU.

Under the Strategy, the EC also promised **legislative action to ban exports of pesticides banned for use within the EU.** While the legislative proposal has been delayed, this would prevent EU-based manufacturers from exporting hazardous chemicals, including pesticides, that cannot be legally used in the EU due to safety concerns, to Asia.

Deforestation and Agriculture

Of a direct interest to stakeholders in Asia is the **EU Deforestation Regulation (EUDR)**, adopted in May 2023, bans the import and sale of specific products in the EU if they are linked to deforestation or forest degradation. This requirement includes both **legal and illegal deforestation** in the country of origin. The EUDR covers high-risk commodities that are major drivers of deforestation including **cattle, cocoa, coffee, palm oil, rubber, soy, and wood** and products derived from them, such as leather, chocolate, and furniture. The regulation might expand to cover other commodities over time.

Companies importing these products into the EU must conduct **due diligence** to ensure they are not linked to recent deforestation. This involves gathering data on the supply chain, mapping production sites using **geolocation coordinates**, and ensuring traceability to the point of origins. Importers must verify compliance by assessing whether the goods comply with relevant local laws in the producing country and whether they were produced without deforestation post-2020. The regulation prescribes **penalties**.

The EUDR was received critically by some stakeholders outside the EU, for instance, due to the concern that it may place a heavy burden on some producers or may even exclude them from the market. The EU offers **capacity-building and collaboration** on sustainable practices, with the intention not to hinder trade but to ensure products from consumption in the EU do not drive deforestation.

The **implementation has been delayed**, with the enforcement timeline pushed back by a year. The EUDR will be enforceable for large and medium-sized companies starting **December 30, 2025**, and for small and micro businesses on **June 30, 2026**. This extension aims to give affected businesses and countries more time to adapt.

To make food systems more sustainable, the **Farm to Fork Strategy (F2F)** aims at increasing organic farming, reducing pesticide use and nutrient losses and tackling food waste. The EC is working on a **Sustainable Food Systems framework** to integrate sustainability criteria into food production, processing, and consumption across the EU. The **EU's Sustainability Labelling** initiative aims to standardise food labelling across the EU, enabling consumers to make informed choices about the sustainability of the food they buy. For now, an **EU Sustainable Food Systems Law** has been delayed, and environmental criteria under the **Common Agricultural Policy (CAP)** have been rolled back earlier in 2024; a future Sustainable Food Systems Law and CAP reform may affect producers and exporters seeking to sell agricultural products to the EU market.

Mobility

The **Sustainable Mobility Strategy** aims to transform Europe's transport sector to meet the target of reducing emissions from transport by 90%. The EU plans to significantly boost the number of zero-emission cars, trucks and buses. High-speed rail is a key focus, with plans to double traffic by 2030 and triple it by 2050. The EU aims to develop zero-emission vessels and aircraft, with large aircraft expected to be market-ready by 2035. Combined with the **phase out of the sale of combustion engine cars**, these policies are likely to stimulate trade in electric vehicles and electric mobility solutions globally, including between Asia and the EU.

Sustainable Finance

The **Sustainable Finance Taxonomy (2020)** created a classification system to identify environmentally sustainable economic activities, guiding public and private investments towards green projects, and it provided criteria for activities that support climate change mitigation, adaptation, and environmental sustainability, promoting transparency in green finance. For investors and companies outside the EU, the Taxonomy provides clear criteria for identifying sustainable activities. This is particularly relevant for **global companies looking to align with EU sustainability standards or for foreign financial institutions looking to attract capital in the EU**. Companies that want to access EU capital markets or attract EU-based investors may need to report on their activities' alignment with the Taxonomy, making it easier for investors to identify sustainable opportunities.

How can new policies impact stakeholders in Asia?

Michael Bucki from the EU Delegation to Thailand stressed that the roll out of the European Green Deal in the last five years has been truly transformative and can be considered a whole of government approach of the European Commission and the EU member states. Diving into some elements of the EGD which may be of great interest to the Asia Pacifici Region – ranging from Deforestation Law to Waste Shipment Regulation – he stressed that the EGD aims at a constructive and mutually beneficial partnership between the EU and its partners.

Amit Chatterjee, ASQ Fellow at IITD, investigated the impacts on Asia Pacific businesses such the Carbon Border Adjustment Mechanism (CBAM), stressing that its implementation will also require support given that 40% of India's exports stem from the small and medium-sized companies. He also stressed the importance of cooperation between, for instance, the EU and India, to be preferred over unilateral setting of rules.

Tanzir Chowdhury, Principal Economist with Eunomia Research & Consulting, highlighted that there may be significant cost implications for production following changes through EU regulation. He also stressed the need to invest in research and development to ensure the implementation of all measures. He also argued that the EGD may trigger innovations and changes to product design in countries that seek to export to the EU.

Gert van der Bijl, Senior Policy Advisor with Solidaridad, also stressed that dialogue and cooperation are key. It is important that EU policymakers listen and fully understand the impact of new regulation on producers in third countries, in particular small producers.

Patrizia Heidegger, Deputy Secretary General of the European Environmental Bureau, argued that taxes levied by the EU, e.g. through the Carbon Border Adjustment Mechanism, should also be reinvested into supporting decarbonisation in fragile emerging markets.

Conclusion

The European Green Deal is the most ambitious policy framework globally to decarbonise an entire region, achieve zero pollution, protect and restore nature and to use resources efficiently. Europe has pledged, and put it into its legal framework, to become aclimate neutral continent by 2050. The EGD comes with a wide range of new and revised legislation including the phase out of certain carbon-intensive practices and the electrification of sectors, stricter emission reduction targets, market-based mechanisms such as a strengthened Emission Trading System (ETS) and the Carbon Border Adjustment Mechanism (CBAM), as well as funding instruments such as the Climate Social Fund. Given the close trade links between the EU and the Asia-Pacific Region, many of these new policies have direct and indirect impacts on different sectors and stakeholders also in Asia. On the one hand, producers and exporters in the Asia-Pacific region will have to comply with European standards to access the EU's market, on the other hand, the acceleration of decarbonisation, detoxification and circular economy creates new opportunities for businesses and industries across the two interconnected regions.

References

"The European Green Deal" (summary on the **European Commission's website**)

Watch the recording here.

WEBINAR SERIES:

EU Green Deal Policies and their Relevance in Asia-Pacific

The Carbon Border Adjustment Mechanism (CBAM)

Knowledge Brief

Context

The **EU SWITCH-Asia Policy Support Component** and the **European Environment Bureau,** held a webinar on the 12th December 2024 about "***Carbon Border Adjustment Mechanism (CBAM) and the Road to Net-Zero: Challenges and Opportunities***". It is part of a **series of webinars**, which seeks to explore the implications of EU policies related to Sustainable Consumption and Production for its partner countries, particularly in the Asia-Pacific region. It aims to understand the goals of these policies, their relevance in specific contexts, and their implications for stakeholders in the Asia-Pacific, particularly concerning legislation that has emerged from EU policies. This Knowledge brief aims to capture the ideas shared during the webinar but is not a comprehensive analysis of the policy. The webinar focused on clarity and diversity of views, rather than comprehensiveness.

Key Messages

The European Union (EU) has taken steps to tackle climate change with the introduction of a Carbon Border Adjustment Mechanism (CBAM) to address imported emissions embedded in its consumption.

CBAM is part of new legislation and measures adopted as part of the European Green Deal and is closely link to the EU's legally binding target of carbon neutrality by 2050. The measure creates incentives for industries in third countries who export goods to the EU to decarbonise and innovate, even where this is not (yet) demanded by domestic legislation.

It therefore has the potential to become a **powerful tool to address global emissions and to create incentives for different industry sectors to decarbonise**. Many business stakeholders from the EU and Asia agree on the need to decarbonise, but some are also concerned that CBAM could lead to increased costs and reduced trade. As the measure is not being implemented yet, the actual impacts are not clear.

Introduction

The **EU SWITCH-Asia Policy Support Component** and the **European Environment Bureau**, held the webinar ***The Carbon Border Adjustment Mechanism (CBAM) and the road to Net-Zero: challenges and opportunities*** to introduce the purpose, process and current status of the mechanism. During this event, several leading experts convened to discuss the importance and responsibilities for EU Importers and Asia-Pacific Exporters, the concept of and where CBAM aligns with the future direction of climate and trade policy.

As mentioned by **Dr. Zinaida Fadeeva, Team Leader SWITCH-Asia Programme** in her introduction:

> ***"Improving resource efficiency is closely linked to reducing emissions across supply chains […] Material production accounts to close to a quarter of global greenhouse gas emissions, largely driven by energy intensive industries".***

The intended objective of CBAM to address emissions from material production is clear, and the participants brought forward several important insights and key considerations for the effective implementation of the mechanism.

Addressing carbon leakage with a tax

CBAM is part of new legislation and measures adopted as part of the European Green Deal and is closely linked to the EU's legally binding target of carbon neutrality by 2050.

Within the EU, there is a price tag on carbon emissions, most prominently through the Emissions Trading System (ETS). Several countries have additional carbon taxes. The purpose of CBAM is to level the playing field for EU producers subject to the revised EU cap-and-trade ETS who currently have a price disadvantage compared to producers outside the EU where there are no or lower price tags on carbon emissions.

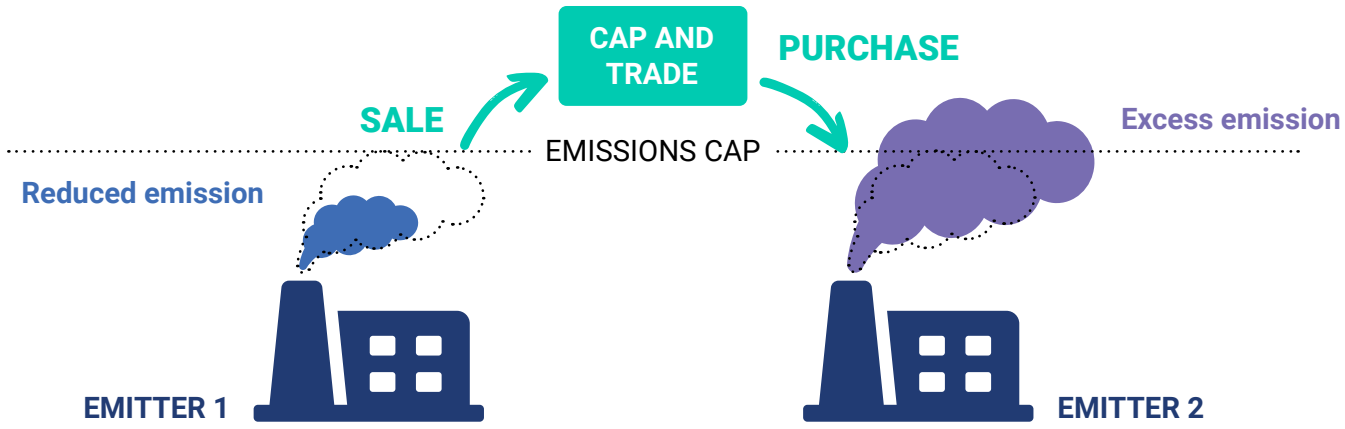


Figure. 1: An illustration of a cap-and-trade system

As mentioned by **Patrizia Heidegger, Deputy Secretary General of the European Environmental Bureau** in her overview, CBAM responds to what is referred to as 'carbon leakages' - a phenomenon where EU-based companies shift carbon-intensive production to countries with less stringent climate policies than in the EU, thereby importing carbon-intensive products rather than reducing emissions locally. 'Carbon leakages' have been shown in sectors such as cement, steel and aluminium production, refined petroleum and the chemical industry (for ammonia and fertiliser production), for example. CBAM therefore initially applies to imports of certain goods and selected precursors whose production is carbon intensive and at most significant risk of carbon leakage: cement, iron and steel, aluminium, fertilisers, electricity and hydrogen.

According to OECD figures, the proportion of foreign CO_2 embedded in final EU domestic demand is relatively constant at 25%. CBAM seeks to ensure the carbon price of imports is equivalent to the carbon price of

domestic production by introducing a levy on imported, carbon-intensive products, therefore not creating a price disadvantage for any player, neither European nor non-European producers. CBAM entered into application on 1 October 2023 with the first reporting period for importers ending 31 January 2024. Currently, we are in the transitional phase which lasts between 2023 and 2025. CBAM is meant to apply in its definitive regime from 2026. This gradual introduction of the CBAM is aligned with the phase-out of the allocation of free allowances under the EU Emissions Trading System (ETS) to support the decarbonisation of EU industry.

What should importers and exporters do now?

Since CBAM is a new initiative, the transitional period will be an important time frame to get the details right. The objective of this period is to serve as a **pilot and learning period** for all stakeholders (importers, producers and authorities) and to collect information on embedded emissions to refine the methodology.

During this period, importers will **only have to report greenhouse gas emissions** (GHG) embedded in their imports (direct and indirect emissions), without the need to buy and surrender certificates. The Implementing Regulation on reporting requirements and methodology provides for some flexibility when it comes to the values used to calculate embedded emissions on imports during the transitional phase (in 2024).

The Commission has developed the **CBAM transitional registry** to help importers perform and report. Access to the registry should be requested through the National Competent Authority (NCA) of the Member State in which the importer is established.

With regards to the reporting, **only the EU method will be accepted**. A portal section of the CBAM Registry will allow installation operators outside the EU to upload and share their installations and emissions data with reporting declarants in a streamlined manner.

CBAM declarants will be able to apply for the 'authorised CBAM declarant' status via the **CBAM Registry**. This status will become mandatory as of 1 January 2026 for the import of CBAM goods in the EU customs territory. Registration for installation operators is open since 1 January 2025.

EU importers of goods covered by CBAM will register with national authorities where they can also buy CBAM certificates. The price of the certificates will be calculated depending on the weekly average auction price of EU ETS allowances expressed in €/tonne of CO_2 emitted. EU importers will declare the emissions embedded in their imports and surrender the corresponding number of certificates each year.

If importers can prove that a **carbon price has already been paid** during the production of the imported goods, the corresponding amount **can be deducted**. Indeed, many jurisdictions outside the EU already have a carbon pricing system; **as of 2022** both Indonesia and Singapore had an active carbon pricing law or act with many more ASEAN countries considering setting up an instrument, and in 2020 the World Bank counted 61 pricing initiatives including types of 30 carbon taxes.

Curse or blessing?

Stakeholders globally have been calling out the shifting of pollution to poorer regions, including the outsourcing of GHG emissions.

While CBAM is meant to decrease the risk of emissions being shifted to production in other countries, the measure also comes with a risk of potentially negative impacts on vulnerable economies. A **joint study** between the LSE and the African Climate Foundation estimated that **Africa** would be the **most-negatively affected of the major economies/regions**. In an **analysis** at Center for Global Development, they estimated that CBAM could lead to a 1.6% fall in Mozambique's GDP; a 0.18% fall in India's GDP – but a net gain for China. Again, given the fact that the mechanism is not yet implemented, the actual impacts are unknown.

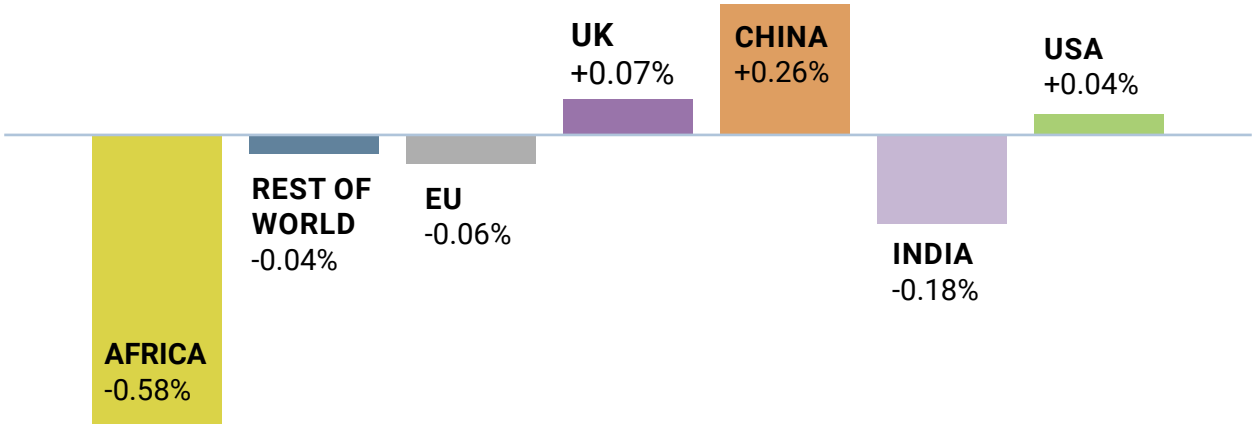


Figure 2: Impact of CBAM on GDP, by economy (% change)

Adapted from: joint study between the LSE and the African Climate Foundation

Civil society and scholars from Europe have highlighted the lack of comprehensive ways of accounting for consumption-based GHG emissions and that highly industrialised countries do not in fact report their *true* level of emissions. As regards EU companies in the ASEAN, **Liyana Othman, Advocacy Director, EU ASEAN Business Council** expressed concern that CBAM could, with its detailed reporting, monitoring and operations, "reduce profits by up to 40%". In a similar vein, **Garlan Irawan, Trade Facilitation Officer, ASEAN Secretariat** quoted the ASEAN statistics database to illustrate how major trade values could be impacted, which could reduce competitiveness if processes remain carbon intensive.

Anushka Wijesinha, Director, Centre for a Smart Future, noted in the context of Sri Lanka that currently cement is the only product category with an impact – around 0.1% of exports. He stressed the necessity to provide a longer consultation period for when there is an eventual expansion of CBAM, for example towards ceramics and apparel.

Many low and lower-middle class countries lack access to low-carbon or zero carbon technology and/or the financial means to invest. **Only one of 70 low and lower-middle income countries have implemented a carbon price** to date, and only a further 6 planning to do so (as of 2023). CBAM does not **exempt low-income countries** ('least-developed countries'). **Patrizia Heidegger, Deputy Secretary General of the EEB**, therefore argued that there should be exceptions for LDCs (which was also the original position of the European Parliament), thereby making sure that the negative impacts on weaker economies are mitigated.

The EU and other actors need to provide additional finance and technology transfer based on partnership. In the words of **Sander Happaerts, First Secretary to the EU Delegation to the ASEAN**,

> ***"We really have to make sure there are no back doors to prevent carbon leakage. At the same time, EU is still the largest provider of climate finance in the world. We are not asking developing countries to pay us, this development should lead to more climate finance to them."***

This finance should ideally help projects favouring local production and consumption first (and not only export-oriented production).

There are arguably not (yet) enough provisions for "common but differentiated responsibilities" in the design of CBAM. This is difficult to defend with EU per head emissions at over 10 tonnes per head (comparable to China's 11 t and 9 t CO_2e/capita in East Asia and Pacific), relative to just **1.3 and 2.5 in low and lower-middle income** countries and 2.6 in South Asia. The EU will therefore need to offer clear support to affected countries.

Especially in highly industrialised countries, resource intensive consumption and production patterns, need to be addressed in order to reduce emissions and resource use. Overconsumption is also linked to imbalances in global trade patterns, where many low-income countries face trade deficits towards high-income countries and are locked at the bottom of the global value chain as exporters of cheap labour, raw materials and natural resources.

Conclusion

CBAM is considered to be an important element in decarbonisation efforts led by the EU, while it is not a silver bullet. Avoiding carbon leakages and the externalisation of pollution through levies is only one amongst many measures needed to reduce emissions in Europe and globally. Carbon taxes create a system that favours low-carbon production over high-carbon production. **Market-based solutions** need to be combined with other measures, such as **legally binding pathways to phase out polluting technology**.

However, the European Commission **estimates** annual **revenues from CBAM to reach €9.1 billion by 2030** to finance the reimbursement of the borrowing of NextGenerationEU, the EU's covid recovery package agreed in 2020. Additional financial resources should be reinvested – at least the part obtained from low-income countries – in decarbonisation of these economies.

Low- and middle-countries can develop their own carbon price and generate their own revenues. The EU has promised to help those countries interested in introducing or enhancing their carbon pricing systems.

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World Bank databank: **https://data.worldbank.org/indicator/EN.GHG.ALL.PC.CE.AR5**

ADB Brief 276: European Union Carbon Border Adjustment Mechanism: Economic Impact and Implications for Asia: **https://www.adb.org/sites/default/files/publication/928466/adb-brief-276-eu-carbon-border-adjustment-mechanism.pdf**

- CBAM Self Assessment Tool for Importers to the EU
- **Nano-learning module** introducing CBAM for EU importers and customs declarants and third country operators
- Guidance material in various languages (Hindi, Chinese, Korean)
- Sector-specific information

Watch the recording here.

WEBINAR SERIES:

EU Green Deal Policies and their Relevance in Asia-Pacific

EU Ecodesign for Sustainable Products Regulation (ESPR)

Knowledge Brief

Context

The **EU SWITCH-Asia Policy Support Component** and the **European Environment Bureau** held a **webinar** on the 19 March 2025 about the **EU's Ecodesign for Sustaninable Products Regulation**. It is part of a **series of webinars**, which seeks to explore the implications of EU policies related to Sustainable Consumption and Production for its partner countries, particularly in the Asia-Pacific region. It aims to understand the goals of these policies, their relevance in specific contexts, and their implications for stakeholders in the Asia-Pacific, particularly concerning legislation that has emerged from EU policies. This Knowledge brief aims to capture the ideas shared during the webinar but is not a comprehensive analysis of the policy. The webinar focused on clarity and diversity of views, rather than comprehensiveness.

Key Messages

The EU's Ecodesign for Sustainable Products Regulation (ESPR) was adopted in July 2024. The aim of the ESPR is to make sustainable products the norm on the EU market. As well as updating the EU's existing Ecodesign legal framework, the new law will see Ecodesign expanded to a wider range of priority products.

In line with the aims of the EU's Textile Strategy which seeks to tackle the soaring environmental impact of the sector, textiles as a product group was identified as a clear priority to be tackled through sector-specific minimum Ecodesign performance and information requirements.

The EU ESPR will impact products placed on its market, including those with value chains operating in Asia. The impact is yet to be measured, but the EU welcomes dialogue and partnerships to ensure that consumers worldwide benefit from more innovative and sustainable products.

Digital product passports will raise the bar. ESPR will introduce a digital product passport, requiring full traceability for each item. It's a big step forward for transparency for consumers but will require efforts from producers.

No single actor can make the shift alone; collaboration is needed. The textile sector is highly fragmented. Change will require collaboration across the whole supply chain—from manufacturers to brands to retailers. Stronger partnerships are needed to prepare for the coming changes and to make circular practices the norm.

Introduction

The EU SWITCH-Asia Policy Support Component and the European Environment Bureau held a webinar on the ESPR to introduce the objectives of the law and the current status of the processes to develop specific requirements for the textile sector. During this event, several leading experts convened to discuss the importance of understanding the impacts and opportunities for the Asia-Pacific region for EU Importers and Asia-Pacific Exporters when it comes to preparing for the implementation of the ESPR.

Ecodesign requirements for textiles

In her overview of the ESPR, **Emily MACINTOSH, Senior Policy Officer for Textiles at the European Environmental Bureau**, explained the intention of Ecodesign requirements to improve a series of product aspects (set out in Article 5 of the law) using product parameters (defined in Annex 1 of the law). Work to develop requirements for apparel textile products is underway (household textiles and footwear are out of scope for now), but the final requirements won't be set until 2026. **Carsten WENTINK, Policy officer at the European Commission, DG Environment** added that it is important to remember that requirements will also only come into force after a transition period of at least 18 months.

Ecodesign requirements will define the legal minimum levels or thresholds for those parameters in order to place a product on the EU market. The requirements can be for both performance or information. Information requirements must include the requirement to make available a product passport which enhances end-to-end traceability of a product.

Potential performance requirements could for example include durability thresholds and minimum standards for pilling, seam slippage and tear strength, in order to improve a textile product's physical durability. Ecodesign requirements covering thresholds for the inclusion of recycled fibers in apparel products could be added to improve recyclability rates and the inclusion of recycled content.

The approach is to set requirements based on the function of end products, meaning that requirements will not be set at the 'intermediate' product level (fibres, yarn, or fabric) but on finished garments.

There are numerous potential benefits of Ecodesign requirements for citizens and for overall circular material use. The introduction of a harmonised definition of high-quality recycling could for example establish a ranking of recyclability classes that will clarify recyclability for consumers as well as the value chain. Ecodesign requirements could also support the phase-out of harmful chemicals by enacting a dynamic 'positive declaration' reporting obligation on the presence of substances of concern in textile products to allow for traceability throughout the value chain.

Work to develop the Ecodesign requirements for textiles has started with the Joint Research Centre (the European Commission's in-house research department) leading a 'Preparatory Study' on apparel textiles (work on household textiles, technical textiles, and footwear is not currently foreseen). The study will be finalised by the end of 2025. Then, in 2026, the study will feed into the European Commission's Impact Assessment of the options for setting the binding minimum Ecodesign requirements through a Delegated Act – a piece of 'secondary' EU legislation that supplements a 'primary' law (in this case the ESPR).

Risks and opportunities for the Asia-Pacific context

While the specific Ecodesign requirements for apparel textiles are not finalised yet, their adoption will have clear implications for global value chains where countries and regions import textile products into the EU market. It is therefore important for the actors of the value chain to be aware and involved now, to avoid that higher production costs associated with, for example, meeting requirements for recycled content or traceability requirements associated with the Digital Product Passport end up being absorbed by the most marginalised in the value chain.

Carsten WENTINK, Policy officer at the European Commission, DG Environment highlighted the importance of "*understanding impacts on third countries to avoid setting requirements that will lead to widespread non-compliance*". He added: "*The long-term goal for the ESPR is for it to be the instrument to reach the goals of the Textile Strategy, to make the consumption and production of textiles more and more circular. It is an essential tool as part of a broader package of instruments.*"

In her presentation, Emily Macintosh highlighted the risk that the overweighting of physical durability in the requirements will inadvertently favour the synthetic fibres which drive the fast fashion business models the EU Textile Strategy is seeking to curtail (as synthetic fibres outperform natural fibres in durability tests due to high tensile properties). In addition, there is a risk that taking a "fibre neutral" approach in the setting of the requirements will mean low thresholds that synthetic fibres can easily meet, running the risk that it could be cheaper for companies to comply with Ecodesign simply by incorporating synthetic fibres.

Zainab NAEEM, Head of Ecological Sustainability & Circular Economy, Sustainable Development Policy Institute (SDPI) told participants that there has been a lot of concerns regarding the ESPR in the Asia-Pacific as it will create challenges for exporting countries given that recyclability and traceability require a lot of investment in terms of both manufacturing, raw material extraction, and agriculture. She cited the fact that in Pakistan they are grappling with the impact of climate change on cotton production. She cited concerns over whether the Generalised Scheme of Preferences Plus status would be retained in the case of non-compliance with the ESPR and the need for more capacity building to map emissions and develop sustainability reporting. These additional costs will be borne by suppliers preparing to export to the EU.

Zainab also highlighted that many countries in the Asia-Pacific region do not have their own policies on circularity, and that there is not much awareness of the ESPR and it will be hard to prepare for compliance by 2027 while the details regarding the requirements are still in development. In her view, the dialogue therefore needs to start now. Zainab also highlighted that Pakistan is a global leader in the repurposing and recycling of textile waste. Pakistan is a leading importer of used textiles with a large informal sector. Zainab added: "*We are managing the textile waste crisis that developed regions of the world are creating. If we are able to manage it, if it is possible for us to comply with ESPR, why not give certain relaxations to help regions build their capacity, through dialogue on how the regulation can be equitable.*"

Circular innovations and possible solutions

To mitigate potential risks and allow for non-EU countries to benefit from opportunities arising from regulation, the European Commission expressed openness towards dialogue and willingness to provide flexible deadlines where it makes sense.

Mark Draeck, **Industrial Development Officer, Energy Systems and Infrastructure Division, UNIDO** described his work towards helping companies maintain competitiveness through innovation. Based on knowledge from the Bangladeshi context, he noted that fragmentation is a specific problem of the textiles sector. It is not possible to create change by working with just one actor, which is why alliances with brands and retailers are absolutely necessary. He added that capacity, knowledge transfer, and financing are also measures to improve.

Recommendations regarding post-industrial textile waste are plentiful (some are outlined in this **report** from Chatham House for Bangladesh in the short-medium-long term), and it will be important to interlink on-the-ground knowledge with legislative decisions.

Fundamentally all actors are willing, but they are, according to Mark Draeck, not ready yet. He noted that it would be beneficial for governments in developing countries to have clarity and incentives through tax reform and other fiscal instruments to give investors clarity and confidence – a prerequisite for scaling up circular business models.

Rene VAN BERKEL, **Circular Economy Expert, SWITCH-Asia Policy Support Component** discussed the importance of unleashing innovation when it comes to circularity and showed how many companies are already adopting circular practices in the region.

While the **ASEAN Circular Economy Business Alliance** has worked on guiding principles, Rene outlined how the majority of companies are not yet engaged in the circular economy and that the concept remains ambiguous and abstract. He listed a variety of business cases across Asia (see below), ranging from resource waste reduction in factories in Indonesia, to silk alternatives in Cambodia, to mesh fibre-to-fibre recycling in Thailand, as well as innovative business models with pay-as-you-use mattresses and other subscription-based models.

The circular business case is evident through such models, as they allow companies to be more efficient, open up to new markets, and save money through resource efficiency. "We need to get out of the traditional mindset that textile and garments is a low-tech industry," said **Rene VAN BERKEL.**

Ultimately, he argued, the biggest investment needed is in capacity, and the ability of the sector to scale these opportunities. Enabling SMEs to adopt new technologies will be crucial. Businesses, small and large, need to know what the opportunity is, where they can save costs, and where they can be ahead of the demand.

Closing the discussion, Dr. Zinaida FADEEVA, Team Leader, SWITCH-Asia Programme, noted that the ESPR shifts the focus from waste management to innovation and design of products or business models. Innovation shapes how the entire textile industry operates.

Conclusion

The Ecodesign for Sustainable Products Regulation (ESPR) will impact all products placed on the market in the EU, therefore also those produced in Asia. The impact is not clear yet, because the performance and information requirements have not been defined yet, but the European Commission welcomes input and exchanges during the period of preparation.

As mentioned by Carsten Wentink during the discussion, it is important for the European Commission to evaluate the potential impacts on third countries, and not set requirements that will lead to widespread non-compliance. The JRC Preparatory Study on textiles is publicly available, and any new input – especially impact data – will be taken into consideration.

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WEBINAR SERIES:

EU Green Deal Policies and their Relevance in Asia-Pacific

The EU Packaging and Packaging Waste Regulation: A source of inspiration for the Asia-Pacific region ?

Webinar Insights

switchasia Funded by the European Union
EEB European Environmental Bureau

Context

The **EU SWITCH-Asia Policy Support Component** and the **European Environment Bureau** held a **webinar** on the 28 May 2025 about the **new EU Packaging and Packaging Waste Regulation**. This was part of a **series of webinars**, which seeks to explore the implications of EU policies related to Sustainable Consumption and Production for its partner countries, particularly in the Asia-Pacific region. It aims to understand the goals of these policies, their relevance in specific contexts, and their implications for stakeholders in the Asia-Pacific, particularly concerning legislation that has emerged from EU policies. This Knowledge brief aims to capture the ideas shared during the webinar but is not a comprehensive analysis of the policy. It will describe the context of the webinar topic and the key ideas discussed. The webinar focused on clarity and diversity of views, rather than comprehensiveness.

Key Messages

In February 2025, the **EU Packaging and Packaging Waste Regulation** entered into force with new measures to prevent packaging waste, promote reuse and further tackle the environmental challenges caused by excessive packaging. It aims at significantly reducing greenhouse gas emissions, water use and environmental impacts from the packaging sector. In parallel, the regulation will create **opportunities for reuse and refill systems as well as for recycling**. It is an important step towards a more competitive, sustainable and circular economy for the EU and globally.

The new measures aim to develop a **single market for waste, secondary and reusable materials**; promote recycling; and reduce dependency on primary resources. They include **promoting reuse and refill as alternatives to single-use packaging**. Packaging will be more sustainable and enable consumers to reuse and sort their packaging waste more effectively, with solutions customised to the specific needs of Member States and businesses. The regulation will thus enhance resource efficiency and boost the circular use of materials.

The EU has effectively moved from recycling promotion measures to a series of far-reaching packaging design changes set as a minimum condition of market access. It addresses economic operators directly and obliges them to make changes that may fundamentally alter their entire packaging portfolio and strategy. The Regulation introduces binding measures on prevention, reuse, and recycled content while making recyclability and recycling at scale a minimum requirement.

Introduction

The **EU SWITCH-Asia Policy Support Component** and the **European Environmental Bureau**, held the webinar ***"The EU Packaging and Packaging Waste Regulation: A source of inspiration for the Asia-Pacific region?"*** to present the new rules, understand what they mean for the Asia-Pacific region and discuss what is expected in the coming years of implementation, what opportunities will arise from this new regulation and, more generally, from circular economy perspectives for the packaging value chain.

Marco Musso *(Deputy Policy Manager for Circular Economy at the EEB)* introduced the **background of Europe's packaging waste crisis**, which prompted the EU to revise its rules to deal with packaging waste - shifting from a limited focus on waste management and recycling towards a new EU packaging law that puts forward concrete prevention and reuse measures. **The PPWR establishes a new set of rules covering the entire packaging life cycle**, from product design to waste handling, with the objective of:

- Making all packaging placed on the EU market reusable or recyclable by 2030;
- Reinforcing requirements for packaging to ensure reuse and recycling;
- Boosting the uptake of (plastic) recycled content;
- Tackling over-packaging and reducing packaging waste.

The key provisions of the regulation, such as **packaging waste reduction and reuse targets, minimisation and empty space rules, bans on unnecessary and avoidable single-use formats, recyclability requirements**, etc., were also introduced at the beginning of the webinar.

To kickstart the panel discussion Marco Musso emphasized that:

> *While recycling alone is insufficient to reduce material and carbon footprints at the scale needed to achieve our climate and environmental goals,* ***prevention and reuse targets offer a credible solution to the waste crisis****. The new EU packaging rules present significant opportunities for circular packaging systems. Now,* ***ambitious implementation and enforcement will be key to addressing the packaging waste crisis****.*

The long-term vision of the regulation and next steps for implementation

Ioannis Antonopoulos *(Policy Officer, DG Environment)* – who has been directly involved with the development of the PPWR proposal and now with its implementation - explained that this is the first piece of EU legislation that regulates the upper levels of the waste hierarchy: prevention and reuse. Now, the focus of the European Commission is on supporting the implementation of the new rules. He stressed the value of this new regulation:

> ***The Packaging Regulation will make packaging more sustainable through eco-design principles and harmonised rules****. It enables technical recyclability through consistent rules. During the implementation of the Regulation and the establishment of an EU Observatory, the EU will seek to learn from reuse practices and continuously improve.*

Another important dimension of the new EU packaging rules is **harmonisation** creating the necessary level playing field between businesses. Businesses are expected to gain significantly from increased efficiency and more predictable conditions. The regulation tackles the propagation of divergent rules in terms of labelling, recyclability, and recycled content. By harmonising these rules, the Commission aims at reducing trade barriers within the EU single market. Ioannis Antonopoulos shared that these new rules were endorsed by several businesses. The European Commission is now committed to ensuring a smooth transition towards the new rules, trying to reconcile the environmental benefits with economic feasibility. This includes the **development of secondary legislation** (between 11 and 14 secondary legislative acts are to be adopted in the next few years) to clarify rules and provide legal certainty.

What are trade implications of the regulation?

Ioannis Antonopoulos also discussed the impacts of the regulation on third countries clarifying that the European Commission is in close contact and ongoing dialogue with third countries to provide context and clarify the new packaging rules. The European Commission organised a **public stakeholder webinar** in December 2024, during which several aspects were clarified. The webinar attracted a lot of attention from all around the globe.

In terms of trade implications, a key provision regarding the **equivalence for plastic recycled content** in packaging was discussed. In article 7 of the regulation a mirror clause ensures that recycled content coming from third countries must be sourced under conditions that meet equivalent standards to the EU ones. This is essential to create a level playing field among plastics recyclates. The clause is necessary to protect the environment and safeguard investments in recycling. A Commission delegated act is expected to be adopted by the end of 2026 to clarify these rules.

The European Commission also pointed out that that the new harmonised rules are expected to also benefit the EU's external partners by **applying the same standards globally for all economic operators.**

How are companies that are already adopting circular practices in the Asia-Pacific region and Europe help them fit into global value chains?

Fernando Rodríguez-Mata *(Director General of the New European Reuse Alliance)* explained how the PPWR has set a clear direction for more sustainable packaging. As a reuse organization, they welcome this regulation as it paves the way for more reuse in the coming years. He foresees that reuse, particularly for retail and e-commerce, will need to become much more prominent in the future. He also stressed that **secondary legislation will be key to providing important technical details.**

> Recognising that we cannot recycle our way out of this packaging crisis, he highlighted that: *"**Reuse needs to be placed at the forefront, alongside the prevention and reduction of waste**. While recycling remains a useful tool, it sits at the bottom of the pyramid of options. Civil society actors from Europe and Asia are working together to **define reuse norms and strengthen reuse practices on a global scale.**"*

He also highlighted the challenge to reuse businesses posed by the current lack of a level playing field with single-use packaging. **Single-use packaging externalizes its costs onto society as a whole**, while Extended Producer Responsibility (EPR) fees only cover a portion of these costs. Thus, EPR needs to be rethought to support prevention and reuse. Also, fiscal incentives and measures are needed to level the playing field - for example with taxes on single-use packaging.

Wisarut Chalee, the Founder and CEO of **Rewastec** presented how his company collaborates with retailers, municipalities, and universities to build closed-loop waste systems, supporting the transition from a linear to a circular economy. Rewastec is a Thai start-up established in 2021 that pioneers material innovation through plastic recycling and circular economy design by turning plastic and agricultural waste into value-added products.

> He shared that: *"At Rewastec, **we view the EU Packaging Waste Regulation not just as a challenge but as an opportunity to drive real circular solutions in Asia**. By transforming plastics and agricultural waste into high-quality, traceable materials that meet global standards, we demonstrate how Asia can lead the transition to a circular economy – with **transparency, accountability and impact.**"*

Pranshu Singhal *(Founder of Karo Sambhav)* presented the perspectives of the Indian packaging value chain sharing that the country has implemented Extended Producer Responsibility (EPR) waste regulations, and some changes have already begun to take place. First, certain types of collection systems are being set up at the grassroots level. There are also high-quality infrastructure plans, particularly for plastics, and a movement in terms of collection and increased uptake of recycled materials.

He also stressed that large investments are needed to provide access to collection systems and to set up high quality recycling infrastructure, stating: *"India is at the beginning of a transformative journey. We are witnessing early steps toward the harmonisation of materials, with technical specifications for recycled content starting to take shape. Some companies are beginning to eliminate packaging altogether, and both investors and brands are showing growing interest in the opportunities this shift presents. However, greater investment is still needed to develop high-quality recycling infrastructure."*

Conclusion

Dr Zinaida FADEEVA (*Team Leader, SWITCH-Asia Policy Support Component*) wrapped the discussion by sharing some concluding remarks:

"Asian experiences remind us that progress toward a circular economy doesn't always begin with legislation – it often starts with practical, on-the-ground examples. ***This transition is a journey of mutual learning and exchange****. A successful Extended Producer Responsibility (EPR) scheme relies not only on legal frameworks but also on strong upstream standards and harmonised implementation – from customs procedures to waste collection systems".*

She stressed that Extended Producer Responsibility fees should be modulated based on product features to encourage better design. The open question regards what conditions are needed for EPR systems not only to manage waste, but to truly incentivize the design of better products for prevention and reuse.

She also highlighted the **importance of systems thinking to deal with the packaging waste crisis stressing that greater investments are needed not only in collection and recycling but across the entire waste management system**. The **role of customs authorities** was also mentioned as they are important players in enforcement of the rules. Finally, emphasis was put on the need for a focus on a recyclability that maintains material integrity through multiple cycles, as material and product longevity—and the need to close the loop is a core tenet of the circular economy.

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- Identifying Enablers for Effective Extended Producer Responsibility (EPR) Systems in Asia Pacific Region: Drawing Lessons from Developed and Developing Countries in the EU and Asia

EU SWITCH-Asia grants:

- **Plastic Smart (Cambodia):** https://www.switch-asia.eu/project/plastic-smart-cambodia/
- **EMP-ACT (Laos):** https://www.switch-asia.eu/project/empowering-to-act-for-circular-transition-in-plastics-in-lao-pdr-emp-act/
- **Prevent Plastics+ (Myanmar):** https://www.switch-asia.eu/project/prevent-plastics-pp/

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WEBINAR SERIES:

EU Green Deal Policies and their Relevance in Asia-Pacific

EU Waste Shipment Regulation: Implications and Opportunities for the Asia-Pacific Region

Knowledge Brief

switchasia Funded by the European Union

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Context

The **EU SWITCH-Asia Policy Support Component** and the **European Environment Bureau** held a **webinar** on the 23rd of January 2025 about the "EU Waste Shipment Regulation: Implications and Opportunities for the Asia-Pacific Region". It is part of a **series of webinars**, which seeks to explore the implications of EU policies related to Sustainable Consumption and Production for its partner countries, particularly in the Asia-Pacific region. It aims to understand the goals of these policies, their relevance in specific contexts, and their implications for stakeholders in the Asia-Pacific, particularly concerning legislation that has emerged from EU policies. This Knowledge Brief aims to capture the ideas shared during the webinar but is not a comprehensive analysis of the policy. The webinar focused on clarity and diversity of views, rather than comprehensiveness.

Key Take-away Messages

The objective behind the Waste Shipment Regulation is to support a circular economy and to ensure that waste is managed in an environmentally sound manner in the EU and abroad. It aligns with global commitments including the Basel Convention and the Sustainable Development Goals, notably SDG 12 on Sustainable Consumption and Production. It is also meant to prevent that the EU exports its waste challenges to third countries. The WSR does not intend to stop any waste exports – countries that are able to manage waste materials sustainably can apply to be able to receive waste materials.

Stakeholders also stressed that the situation – opportunities and challenges – experienced by countries receiving secondary materials for recycling vary significantly between different countries, materials and value chains. There is a specific focus on plastics, textiles and e-waste. Some countries may not yet have systems to handle safely certain imported materials, while other countries have set up systems to extract valuable secondary materials from locally generated and imported waste materials.

Introduction

The **EU SWITCH-Asia Policy Support Component** and the **European Environment Bureau**, held the webinar ***EU Waste Shipment Regulation: Implications and Opportunities for the Asia-Pacific Region*** to discuss latest changes to the EU's legal framework governing the transboundary movement of waste, a legislative

initiative under the European Green Deal. With the help of leading experts, the webinar zoomed in to possible implications for different business sectors in the Asia-Pacific region such as plastic recycling.

Dr. Zinaida Fadeeva, Team Leader SWITCH-Asia Programme, mentioned waste textiles are one example in her introduction: *"The growing volume of low-quality textiles trough the fast fashion trend often ends up in landfills. These materials create a significant barrier to recycling. Within the EU measures such as Extended Producer Responsibility for textile manufacturing and mandatory sorting before exporting are critical for addressing this challenge"*.

The Waste Shipment Regulation (WSR) – origins and objectives

The Waste Shipment Regulation (WSR) is in place since **1993.** It implements the Basel Convention, which was adopted in 1989 and entered into force in 1992. The WSR ensures a system for the EU to **control waste shipments** within its borders as well as imports and exports of waste. The WSR recognises that waste contains **valuable secondary raw materials** but that uncontrolled movements of waste can have **negative impacts on the human health and the environment.**

At the time when the Basel Convention was adopted, and the WSR put in place, economic growth and globalisation had led to an **increase in waste and an increase in waste transport** across boundaries. In 1990, OECD countries exported around 1.8 million tons of hazardous waste. Although most of this waste was shipped between OECD member states, several high-profile incidents of hazardous waste-dumping and threats to public health in countries with weak protection mechanism led to calls for regulation. The Basel Convention sets clear rules of transboundary shipment of hazardous waste, and the **Basel Ban Amendment**, which entered into force in 2019, bans all shipment of hazardous waste from OECD to non-OECD countries.

Tighter rules in waste importing countries in the Asia-Pacific

Experiencing negative impacts of uncontrolled waste imports, different countries in the Asia-Pacific region have been regulating waste imports more strictly. **China's** 2018 Operation National Sword which banned the import of 24 types of solid waste, including certain plastics, paper, and textiles, resulted in major shifts in global waste streams, including those from the EU to the Asia-Pacific region. With this policy, China aimed at reducing environmental pollution from contaminated recyclables.

As of January 2025, **Thailand** has enforced a ban on importing plastic waste to combat pollution. This decision follows China's earlier ban, which in return had led to increased plastic waste imports into Thailand. **Malaysia** has taken significant steps against illegal plastic waste imports. In mid-2024, authorities also seized over 100 containers of illegally imported electronic waste, primarily from Western countries, as part of efforts to prevent "waste colonisation."

Currently, **Malaysia and Vietnam are the biggest importers of plastic waste in Asia**. China, India, Pakistan, Bangladesh, Vietnam, and Indonesia are all major importers of **textile waste.** China, Pakistan and Thailand have **banned the import of WEEE** (however, China is still amongst the largest importers of WEEE through **informal and illegal imports**).

What is new?

The WSR recast under the European Green Deal is meant to ensure that the EU **does not export its waste challenges** to third countries and contributes to environmentally sound management of waste. There are rules that apply for waste transports **within the EU and to OECD countries**, and different rules that apply to waste shipments to **non-OECD countries**, that is, most of the Asia-Pacific region. The new WSR includes a **general ban on waste exports for disposal** and a **ban on hazardous waste exports** for recovery to **non-OECD countries**. Where waste is shipped outside the EU, e.g. for recycling, this is only possible with a guarantee that it is managed in an environmentally sound manner in the countries of destination. The new WSR also

seeks to **strengthen enforcement to prevent illegal shipments of waste** occurring within the EU, as well as from the EU to third countries, and to **increase traceability** of waste shipments within the EU.

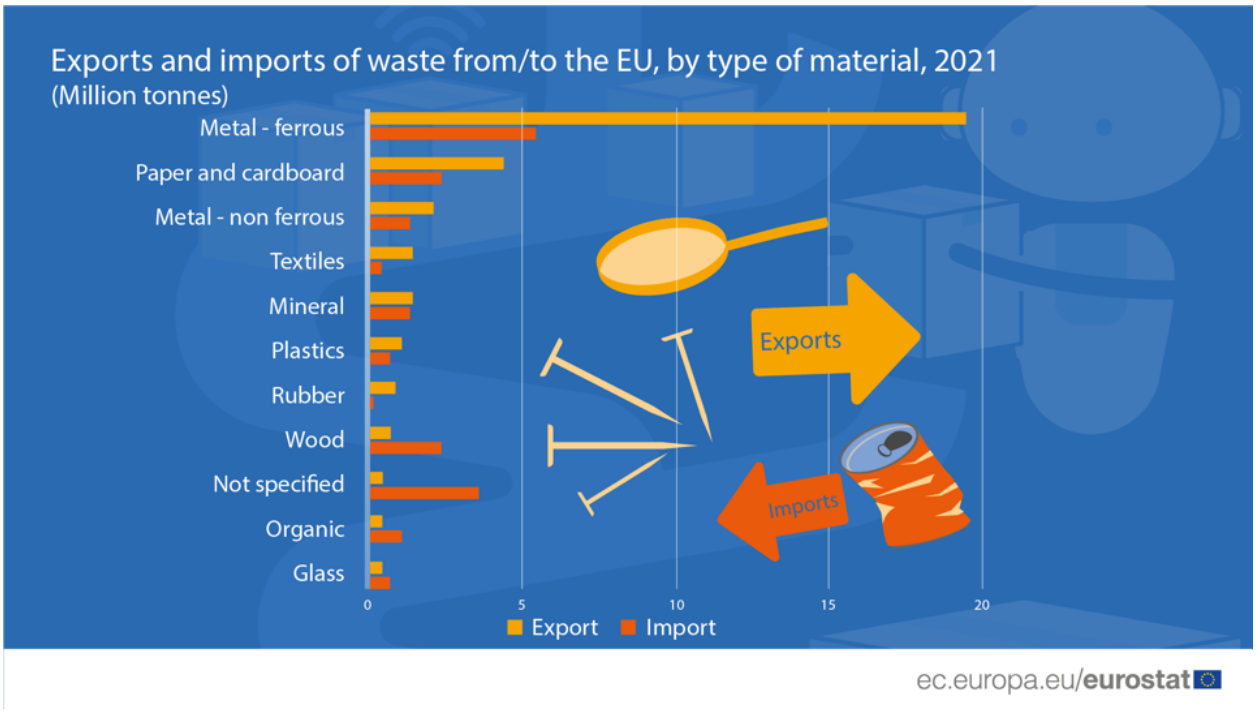

Figure. 1: Exports and imports of waste to and from the EU (source: Eurostat)

Although the **new Waste Shipments Regulation entered into force on 20 May 2024**, most provisions will **apply from 21 May 2026** and most **export rules will apply from 21 May 2027.** Until then, the provisions of Waste Shipment Regulation 1013/2006 continue to apply. With the new Regulation, procedures will **move away from a paper-based approach to an electronic one**. A central EU system will ensure the smooth operation of this exchange from May 2026.

Non-hazardous waste – what is changing?

The **export of non-hazardous waste**, also known as 'green-listed' waste, will generally **be prohibited to non-OECD countries** – this includes plastic waste that is hard to recycle, mixed municipal waste, all waste for disposal. The EU will enforce **stricter rules on non-hazardous waste exports** for recovery. For exports for recovery, new rules will apply from **21 May 2027** onwards, and those rules differentiate between OECD countries and non-OECD countries. **Non-OECD countries** willing to continue receiving non-hazardous waste from the EU need to **submit their request** to the Commission by **21 February 2025**. They need to demonstrate their ability to treat this waste environmentally soundly, as per Annexes VIII and IX of the Regulation.

"*It does not mean we close the door to shipping waste*", said Michael Bucki, Minister Counsellor to the EU Delegation to Thailand. "*There is a possibility for those countries who are interested, willing and able to manage waste sustainably to apply*".

Companies **exporting waste from the EU** will have to demonstrate that the waste exported is properly managed in the facility that manages the waste in the recipient country. They must ensure that **independent audits** are carried out in the facilities to which they ship waste, demonstrating that those facilities manage waste in an **environmentally sound manner**. In the absence of a positive audit, the companies must **stop exporting their waste** to the facility concerned.

Specific rules for plastic, textiles and WEEE

Shipments of plastic waste are subject to a **specific regime**. Any authorised export of plastic waste outside the EU will be subject to the **Prior Informed Consent (PIC) Procedure**, a key provision of the Basel Convention

from 21 May 2026. There is an export **ban to non-OECD countries from 21 November 2026**, with a derogation possible upon **request from non-OECD countries after 21 May 2029 where the recipients can demonstrate** their capacity to manage such waste in an environmentally sound manner; that is, plastic waste exports will effectively be banned for 2.5 years.

Regarding textiles, the new WRS does not impose a blanket ban on the export of textile waste to non-OECD countries. However, it introduces stricter controls to ensure that such exports are managed sustainably. Under the regulation, exports of waste to non-OECD countries are **permitted only if the importing country explicitly consents and demonstrates the capacity to manage the waste in an environmentally sound manner**. These requirements will apply from 21 May 2027. Additionally, starting in 2025, EU Member States are mandated to establish **separate collection systems for used textiles** under the Waste Framework Directive. This initiative aims to enhance the circularity of textiles within Europe. In 2024, Denmark, France, and Sweden advocated for **new global regulations under the Basel Convention to address the export of hazardous textile waste** to developing countries.

Dr Peter Lund Thomsen from the Copenhagen Business School argued that countries such as Pakistan and India have a strong recycling sector for textile waste. "*We do not have the capacity to grade and sort it*", he argued, and stressed that the EU should collaborate with third countries to support circularity in the textile sector.

The classification and **rules for shipments of electrical and electronic waste** (known as 'e-waste') were changed to take account of new international rules agreed under the Basel Convention on this point. New entries were introduced in the Annexes of the Basel Convention to classify e-waste. Hazardous e-waste is classified under entry A1181, while non-hazardous e-waste is classified under entry Y49. This **new classification is effective from 1 January 2025.** To implement this new classification, the EU has adopted two delegated acts (**2024/3229** and **2024/3230**) to amend the EU's Waste Shipments Regulation. From **1 January 2025, the export of all e-waste from the EU to non-OECD countries will be prohibited.**

Challenges to be addressed

Yuyun Ismawati, Founder of the Indonesian Zero Waste Alliance, explained that as someone working on waste in developing countries, she has experienced the difference between an expectation of circular economy practices and the reality on the ground. She stressed that that what is needed is "to achieve the environmentally sound management including the **elimination of hazardous chemicals in products** so they can be safely um produced and recycled" instead of feeding what she referred to as a "**toxic circular economy**".

Maria Durleva, from the Division on International Trade & Commodities Trade at UNCTAD, stressed the **role of informal workers** in the waste and recycling sector in many parts of Asia, a region of high diversity when it comes to the waste and recycling sector. She argued that the European Green Deal and its policies and an integration of informal waste workers into formal systems through training, protection and improved working conditions is important.

Combatting illegal waste shipments

An EU **'waste shipment enforcement group'** will be established to increase cooperation and coordination against illegal shipments of waste, comprising environmental, customs, police and other relevant national inspection authorities, as well as European and international law enforcement networks. The European Commission will be empowered through its anti-fraud office - **OLAF** - to **support transnational investigations** by EU Member States on waste trafficking. The EU will support other countries in **fighting waste trafficking** through various channels of international cooperation.

Ioana Cotutiu, Programme Coordinator for Illegal Trade in Waste at UNODC's Regional Office for Southeast Asia and the Pacific, stressed that "*we cannot look at a circular economy without tackling waste trafficking*". She mentioned concrete cases of how illegal waste shipments arrived, for instance, in Thailand and Malaysia,

in particular after China tightened its rules. One example is waste declared as paper waste but upon inspections turning out to be household waste for disposal. Illegal waste trafficking is organised by criminal networks, and 15-30% of waste shipments are estimated to be illegal, generating billions of profits each year. "*Trafficking is a symptom of the current economic model based on 'take-make-consume-throw'. The root cause is the way how things are produced and consumed*".

Conclusion

The WSR is part of a larger set of measures aimed at cleaning up and slowing down material flows to move towards a circular economy. Waste management begins with how products are designed, but at end of life also includes making sure waste shipments do not undermine the environmentally sound management of waste and recycling. With stricter regulation, the EU seeks to minimise the risk of outsourcing waste problems and to ensure that materials are recycled and not wasted. Governments and businesses in third countries, including in the Asia Pacific, are invited to align with waste management and recycling standards set out under the European Green Deal if they like to continue to receive materials from the EU. The Union is also offering information, support and cooperation to ensure the WSR can be supported by partners outside the EU.

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- **UNODC explainer** on waste trafficking.
- **Plastic Waste Management and Burden in Indonesia**, report by the Zero Waste Alliance Indonesia.

Watch the recording here.

WEBINAR SERIES:

EU Green Deal Policies and their Relevance in Asia-Pacific

Global Gateway and the Circular Economy

Webinar Insights

Context

The **EU SWITCH-Asia Policy Support Component** and the **European Environmental Bureau** held a **webinar** on the 6 June 2025 about the EU's Global Gateway: The Importance of EU-Asia Partnerships . This was part of a **series of webinars**, which seeks to explore the implications of EU policies related to Sustainable Consumption and Production for its partner countries, particularly in the Asia-Pacific region. It aims to understand the goals of these policies, their relevance in specific contexts, and their implications for stakeholders in the Asia-Pacific, particularly concerning legislation that has emerged from EU policies. This brief aims to capture the ideas shared during the webinar but is not a comprehensive analysis of the policy. It will describe the context of the webinar topic and the key ideas discussed. The webinar focused on clarity and diversity of views, rather than comprehensiveness.

Key Messages

Circularity is a necessary lever linked to the commitment towards clean industries, climate neutrality by 2050, limiting global warming within the boundaries of the Paris Agreement, and living well within planetary boundaries.

The EU has committed to a more circular future, through various action plans and the promise of an upcoming Circular Economy Act. Due to the interconnected nature of European supply chains, the interpretation and implementation of EU circular policies will have an impact on markets and supply chains across the Asia-Pacific.

Many countries in the Asia-Pacific regionare investing in closed loop manufacturing, upgrading recycling facilities and upskilling workers in material efficiency principles. Companies from both the EU and Asia agree with the potential of the circular economy but highlight the resource gap. It is therefore key that international partnerships and initiatives such as the Global Gateway are leveraged towards a common understanding of what circularity means and setting joint standards for circular principles.

Introduction

The **EU SWITCH-Asia Policy Support Component** and the **European Environmental Bureau**, held the webinar, ***The EU's Global Gateway: The Importance of EU-Asia Partnerships for a Circular and Competitive Europe*** to facilitate a multifaceted conversation about how the implementation of the EU's Circular Economy Action Plan and the external dimension applicable to the Asia-Pacific region. During this event, several leading experts convened to discuss the importance and responsibilities for the interconnected trade in products, recyclates and waste, and what the EU and the Global Gateway are doing to facilitate the collective upskilling and valorisation of the circular economy.

> As mentioned by Dr. Zinaida Fadeeva, Team Leader SWITCH-Asia Programme in her introduction: "*It cannot be repeated often enough that we meet at a time with a high need to transform our economies. Resource extraction, climate disruption and supply chain fragility remind us every day that business as usual is no longer an option. The circular economy offers a new direction […] enabling us to create value while reducing waste, regenerating resources and by doing that, protecting the future*".

The powerful potential of circularity and hope for a circular future was shared by all participants, who nevertheless pointed to several hurdles we need to overcome in order to get there.

The EU needs global partners for circularity

Framing the discussion, Mr. Quinn, Deputy Head of Unit at DG Environment said: "*the EU itself is only 5% of the world's population, on a small peninsula on the Eurasian land mass. At the same time, the challenge of the Circular Economy is global, and needs a global solution*". He highlighted that the EU is exporting waste as well as its environmental footprint, and that future generations would find it "*absurd*" that we are currently not valorising valuable raw materials to the scale that we should. He highlighted three key guiding principles: First – inform. The European Commission wants its partners to have good information about what is happening, what the next steps are, and what they have to do to comply. Second – adapt. The Commission is keen to support the EU's trading partners in adapting to the new requirements, highlighting the role of Switch Asia and the Global Gateway. Third – inspire. The Commission would like for its green standards to help inspire partner countries, and would like their knowledge to inspire future EU work.

The EU has a wide range of requirements for ecodesign, criteria that have existed for decades and that are continuously evolving – the Ecodesign For Sustainable Products Regulation being the latest evolution, with implementation ongoing across key product groups such as textiles, tyres, furniture + horizontal requirements for repair, recyclability and recycled content. With these rules, the same set of standards apply to domestic producers as for imports, so should not be seen as protectionism but as a lever to raise design standards. And, Mr. Quinn noted, it makes sense to align those standards, because companies are operating in a global context. For example, on Digital Product Passports, it would not make sense for companies to have 20 different versions asking for 20 different sets of data. At the same time, many Asian countries are in some ways ahead of Europe, so it would make sense to expand the dialogue and listen to each other.

Mr. McGuinness from the Permanent Representation of Ireland to the EU noted that his country "*may be a small cog in a global system but an activist member state in the area of circularity*". While the circularity rate is presently only around 2%, going from 2 to 8% circularity rate will by their estimates obtain a 30% reduction in emissions, which really "*dwarfs what other sectors are doing*". Harmonisation of circularity policies, digital circularity passport, extended producer responsibility schemes, end of waste criteria will be important to achieve this scale. We need to not *"just shift the numerator in terms of what we are recycling but also the denominator down in terms of what actually needs recycling*". Getting to a 24% circular materials use rate in Europe has to be done with relationships across the world.

Mr. Chowdhury from Eunomia Research & Consulting complemented the discussion by highlighting three angles – the risk for the planet overall, the risk for Europe and the risks for Asia, for not having enough action on circularity. He noted that 50% of emissions today come from production and consumption, which

is why the upstream relationship (where Asia exports products to EU and imports waste from Europe) is so important. He said that *"if Asia does not catch up with EU rules, they will not be able to send products to Europe. Europe may only be 5% of the world's population but it is a big market. So if they lose one third of that global export market they'll lose competitiveness*". Extracting primary raw materials in many cases have a higher input cost. Where Asia has built competitive advantage over the last 20-30 years, the situation now means that unless they continue to be more circular in their product design and production this advantage could be lost.

EU-Asia partnerships for circularity and competitiveness

The second panel dived deeper into the points made on EU-Asia competitiveness and partnerships, with perspectives from businesses in Bhutan, EU businesses in Vietnam, and from the points of view of the European Commission and a research-to-policy institute. Ms. Beomonte-Zobel from the European Commission set the scene with a strong imperative: "We are both on a quest for sustainable economic growth and competitiveness which are impossible to achieve alone. This makes the EU and Asia natural partners because the European Union and the Asian region represent more than half of the world population and economic output. We are deeply interconnected through trade".

Vietnam is one example, as the country has recently adopted a circular economy framework with the main objective to transition to a sustainable production and consumption model, integrating circular economy principles. As noted by Mr. Bouflet from EuroCham Vietnam, targets include an increase in renewable energy share to 47% of total primary energy, ensuring that 95% of urban solid waste and 80% of rural waste is collected and treated, and reducing direct landfill disposal to below 50%. He noted that these are very ambitious targets considering that Vietnam is practically "starting from scratch". That said, Vietnam is one of the few countries in ASEAN which has adopted Extended Producer Responsibility legislation, which is now in force. He also noted that the imperative to collaborate is strong, referring to chapter 13 on sustainability in the EU-Vietnam trade agreement, as one vehicle binding Vietnam and the EU together.

With regard to digitalisation in Vietnam specifically, Mr. Sivanandan from the digital sector committee of EuroCham Vietnam noted that this is a pathway to "enable European companies operating in Vietnam or Vietnamese companies that want to sell to Europe to comply with the European Green Deal at a reasonable cost". He noted that digital technologies are extremely important enablers, because if the costs get too high, ASEAN countries "are going to trade with the U.S. or China and not Europe, which is going to be detrimental to us."

Reflecting further on this, Mr. Dahal from Drukholding Ltd said that Bhutan is probably the first sovereign country in the world to have a decentralised identity, which is mirrored in the intention of **eidas 2.0** in Europe. He noted that the national digital identity infrastructure can enable a lot of circular economy actions. He also described the unique front-runner position of the small country, stating that "Bhutan is known for being carbon negative, almost about 8 million tons carbon negative. Our philosophy of gross national happiness is rooted not just in economic prosperity but holistically through the lens of good governance, culture, tradition, environmental conservation. We pledge to remain carbon neutral for all times to come". The constitution mandates 60% forest cover and Bhutan is at about 70% today. The collaboration potential through the Global Gateway and with SWITCH-Asia is in his view important to in order to continue to work towards a regenerative and sustainable economy.

Dr. Archer noted that she is working on a four-year project funded by the EU via the Danish Embassy in Indonesia, that will look at accelerating ASEAN member countries' transition to a circular economy through streamlined and strengthened governance capacities, policy and implementation processes. Referencing the ASEAN framework for Circular Economy from 2021, she noted that the programme will set up a community of practice of key policy makers from each of the ASEAN countries to participate in an ongoing process of training, information sharing and collaboration. She concluded with an important reflection: "the massive role played by the informal sector in ASEAN who represent a large proportion of small and medium enterprises [is a] a big difference to the EU, and we have to ensure that these informal businesses are also included in the transition to a circular economy approach in ways that allow them to remain competitive.".

Conclusion

EU-Asia partnerships are necessary for a functioning circular economy, and the Global Gateway is one instrument in the toolbox for the EU to partner with non-EU actors and better understand the requirements for market access. With a target to mobilize €300 billion by 2027, it is not merely infrastructure-focused but a comprehensive strategy promoting climate action, digitalisation, and inclusive growth. It aims to enhance global value chains by embedding circularity principles, and to support partner countries to adapt to EU standards while fostering transparency, fairness, and resilience in investments.

> As Dr. Fadeeva said in her concluding remarks: "*One of the greatest opportunities and at the same time challenges of the circular economy today lies less in its conceptualisation, which continues to evolve, and more in its effective implementation. Circularity, when applied thoughtfully, can contribute to climate goals and strengthen economic resilience. Sustainability principles are already finding their way into trade regulations and public procurement; rather than rewriting these frameworks, our task is to integrate circular economy principles into them, ensuring that ongoing processes move us toward systemic change*".

While there are key differences and similarities in the EU and the Asia Pacific regions, collaboration can only lead to better outcomes and learnings for all parties.

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- European Commission launch of the Global Gateway: https://ec.europa.eu/commission/presscorner/detail/en/ip_21_6433

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WEBINAR SERIES:

EU Green Deal Policies and their Relevance in Asia-Pacific

The Circular Economy Act

Webinar Insights

switchasia Funded by the European Union

EEB European Environmental Bureau

Context

The **EU SWITCH-Asia Policy Support Component** and the **European Environmental Bureau** held a **webinar** on the 10 July 2025 about the EU's Circular Economy Act. This was part of a **series of webinars**, which seeks to explore the implications of EU policies related to Sustainable Consumption and Production for its partner countries, particularly in the Asia-Pacific region. It aims to understand the goals of these policies, their relevance in specific contexts, and their implications for stakeholders in the Asia-Pacific, particularly concerning legislation that has emerged from EU policies. This brief aims to capture the ideas shared during the webinar but is not a comprehensive analysis of the policy. It will describe the context of the webinar topic and the key ideas discussed. The webinar focused on clarity and diversity of views, rather than comprehensiveness.

Key Messages

The EU's upcoming Circular Economy Act is planned for the fourth quarter of 2026. As announced in the **Clean Industrial Deal** and the **Competitiveness compass**, the content of the act has been taking shape since the beginning of the 2024-2029 European Commission mandate. It will continue on the basis built from the 2020 **EU Circular Economy Action Plan**, with aims to improve how industries view and use resources, reduce waste, and compete globally.

The new Act will aim to turn waste into resources by creating an EU single market for secondary materials. A key priority of the EU Circular Economy Act will be to harmonise circular economy policies across Member States, reducing regulatory fragmentation and simplifying legislation.

The impacts will reach beyond the EU's borders. It is therefore an important moment for stakeholders with an interest in circularity policy get to involved in shaping the Act, through the public consultation open until 6 November 2025 and in the legislative process that will follow. Companies and organisations, no matter their location, are invited to participate in the legislative process.

Introduction

The **EU SWITCH-Asia Policy Support Component** and the **European Environmental Bureau**, held the webinar, ***The Circular Economy Act*** to facilitate a conversation about the intentions behind the upcoming Circular Economy Act (planned for Q4 2026), and how actors (within and outside the Asia-Pacific region) can contribute to shaping it. During this event, several leading experts convened to discuss the evolution of circular economy policy around the world, and concrete next steps for a holistic shift away from the linear economic models of the past.

The next chapter for the circular economy in the EU

Karolina D'Cunha, Head of Unit Competitive Circular Economy and Clean Industrial Policy at the European Commission's Directorate General for the Environment, outlined the EU Circular Economy Act's goals: improving the single market for secondary raw materials. addressing legal and administrative barriers, harmonising definitions like "end of waste," reforming EPR schemes, introducing recycled content targets, and revising e-waste regulations. She acknowledged the complexity of trade implications, especially with recycled content requirements, and the need for stakeholder consultation. To that end, she announced that a public consultation on the Act is underway, with a 6 November 2025 deadline.

Circularity can enable competitiveness, job creation, and industrial scaling. Rasmus Nordquist, Member of the European Parliament (Greens/DK), described how circular economy is no longer just a niche environmental topic but has become – and must become – core economic policy. He highlighted the importance of building a better internal market for products and materials, supported by financing and private investment. He also emphasised the need for global cooperation, especially with Asia, because of the production and recycling capacities and opportunities to learn from each other. He underlined the potential trade implications of the upcoming Circular Economy Act, noting that it could lead to reduced raw material exports from Asia to the EU, but that this could also lead to opportunities for better production and reuse globally.

The need for a broader resource governance approach was highlighted by Eva Bille, head of Circular Economy at the European Environmental Bureau. She advocated for a focus not only on recycling and secondary materials but also on reducing overall consumption and footprint. To highlight this broader view, she pointed towards the example of extended producer responsibility (EPR) schemes that not only harmonise to the lowest common denominator but also cover costs comprehensively and encourage product redesign, reuse, and repair. She voiced concerns about the fate of products exported from Europe with the stated purpose of reuse (but arriving as waste or becoming waste shortly after arriving), and the need for global responsibility.

The missing links and the connection to the Asia-Pacific region

The ASEAN circular economy framework may be fragmented, but it is advancing. Latifahaida Latif from the ASEAN Secretariat highlighted that we must tackle the issue of our "finite resources". She stated that circularity is "*not just another appendix in our policy document, it is a new source of growth for the region*". According to ASEAN internal modelling, transitioning to a circular economy could create up to 4.9 trillion US dollars value add to the collective GDP by 2050, creating jobs and bringing value to the population.

She stressed the importance of capacity building, skills development, and private sector engagement, particularly for MSMEs, and announced the upcoming ASEAN Centre of Excellence to support this transition through collaboration and capacity building. As a group of countries of varying size, collaboration is an excellent avenue towards developing economies of scale for circularity. To that end, the trade in goods agreement currently being negotiated (set to conclude at the end of 2025) will look towards governing transboundary movement of circular products and materials. And the region will be looking at several levers – including remanufacturing, not just recycling.

In Bangladesh, moving towards a circular economy also has economic as well as environmental advantages, especially when considering market access to the EU, enabled through legislative compliance. Dr. Zaki Zaman from UNIDO Bangladesh detailed how government policies in the country are evolving, from the 8th five-year plan of the past government and beyond with the current interim government. Underpinning circular economy policy is a state strategy to go from a "least developed country" (LDC) to a developing country. Aligned with trading partners, the strategy is "*emphasising resource efficiency and waste reduction through circular economic practices, as well as research to explore improvement of production practices*."

UNIDO is hosting a global project across Bangladesh, Morocco, and Egypt, where the Bangladeshi element focuses on textiles and garments. This is also embedded in the Ministry of Commerce 2024-2027 export policy. Another UNIDO project focuses on Extended Producer Responsibility (EPR) schemes, with a draft political guideline submitted to the Ministry of Environment, which is expected to be vetted this year. Capacity building of industries and academia will be critical to achieve the expected outcomes of these policy changes.

Conclusion

The Circular Economy Act could be the missing piece that unlocks circular solutions in the EU as well as in the Asia-Pacific region. Stakeholder input, from all types of organisations – in the EU and beyond – will be critical in order to strike the right balance and to achieve the best environmental and social outcomes for the people around the world.

> In her concluding remarks. Ms. Bille noted that "*it is very inspiring to see that collaboration is already happening, and we hope it will continue to happen to make sure as many perspectives and angles as possible are taken into account for this progress towards a truly circular economy. We need systemic change, and a framework for managing resources. We know that 6 out of 9 planetary boundaries have been crossed and we are living outside of our allocated resource budgets, so we need to think about whether products are needed, redesign to extend useful life, repair, and improve industrial symbiosis/ production processes to make the most out of the limited resources we all depend on.*"

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