

“The Global Alliance on Circular Economy and Resource Efficiency was initiated in 2021 by the European Commission and UNEP. Bringing about fundamental changes in different sectors associated with a circular economy are being promoted under the emerging concept of Transformative Innovation Policy.”

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Image Source: Selling spare parts for the construction industry in a street of Makati, Manila Metro area, in the Philippines. The transformation towards circular economy is not just about global supply and value chains but about managing transformations that apply to different economic development cycles. Image by Nicolas J.A. Buchoud, all rights reserved ©.

BENDING THE LINEAR ECONOMY

ON VALUE CHAINS



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Stakeholder platforms as tools for a transition to circular economy in global value chains

How much time is left for sustainable innovation initiatives to be efficiently implemented? Not enough to reinvent the wheel. We need to improve the sharing of experiences and

lessons learned. As stated in the CGRI's Circularity Gap Report 2021, the fulfillment of climate pledges is closely linked with improved circularity. In order to succeed, it will be necessary to “almost double circularity to close the Emissions Gap by 2032”.¹

Reflecting on the relevance of circularity for slowing climate change and achieving the SDGs, the Global Alliance on Circular Economy and Resource Efficiency (GACERE) was initiated in 2021 by the European Commission (EC) and UNEP, in coordination with UNIDO and with the Ellen McArthur Foundation, the Platform for Accelerating the Circular Economy (PACE – covering Latin America & the Caribbean as well as Africa); the World Circular Economy Forum (WCEF, hosted by Canada) and the Finnish Innovation Fund (Sitra) are strategic partners.² Hence, on the level of policy advisory and policy making, a global exchange of information, knowledge and best practices seems to be achievable. Nevertheless, engagement, capacity and skills building as well as awareness raising among other stakeholder groups, such as consumers and the industries, are still a massive challenge.

Regarding cross-regional and cross-value chain transformation, discussions on how to bring about fundamental changes in different sectors associated with a circular economy are being promoted under the emerging concept of “Transformative Innovation Policy”.³ A building block of this burgeoning policy paradigm rests on the understanding that a portfolio of policy interventions is required to initiate

and advance transformations and that a mix of supply-push and demand-pull instruments are required to address all stages of the innovation cycle. To that end, the EIT KIC and its partners carried out a system and policy mapping exercise in the Western Balkans as part of a co-creation process to get a clear picture of what the current ecosystem looks like (i.e. where, how and who is involved in specific value chains) so as to enable regional innovation portfolio discussions.⁴

To address existing challenges, the European Circular Economy Stakeholder Platform (ECESP) was established in 2017. It provides an overview of best practices, position papers and potential partners in Europe. However, there is a rapidly growing body of experiences and lessons from other world regions, as the 120 projects in the database of the SWITCH-Asia SCP Facility⁵ highlight. Hence, mechanisms to facilitate knowledge sharing at the regional level would be of great value. Responding to this need, Latin America and the Caribbean launched a Circular Economy Coalition in 2021;⁶ in Africa, there is both a Circular Economy Network and a broader Circular Economy Alliance. ASEAN's Circular Economy Stakeholder Platform is currently being established.

A concrete example of good practices is the emerging initiative on systems and stakeholders mapping for policy engagement. This initiative has contributed significantly by introducing innovation portfolios as a framework to support development policies. It also positions existing circular economy challenge owners in a systems viewpoint as part of the

co-creation process. Innovation portfolio management can provide a framework to transform preliminary ideas and prototypes into real investment opportunities by revealing potential synergies within the current targeted system⁷ (OPSI OECD, 2021).

Knowledge sharing and exchange of best practices by providing dedicated connections between the existing alliances, initiatives and stakeholder platforms and networks world-wide is highly encouraged.

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