



# The role of circular economy to achieve net zero emissions

11<sup>th</sup> Regional 3R and Circular Economy Forum in Asia and the Pacific, Siem Reap Cambodia

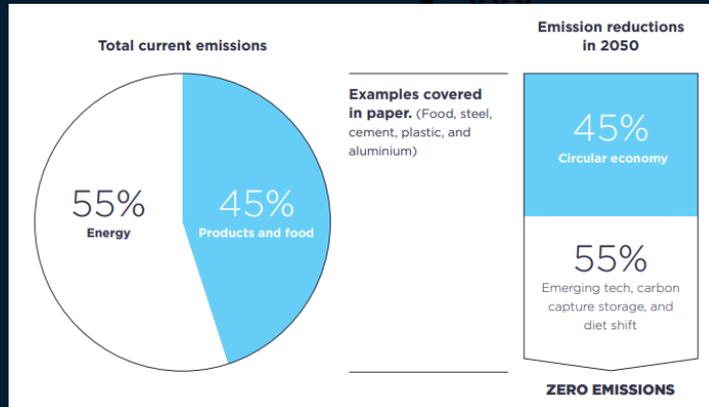
Heinz Schandl | 8 February 2023

# A strategic framework

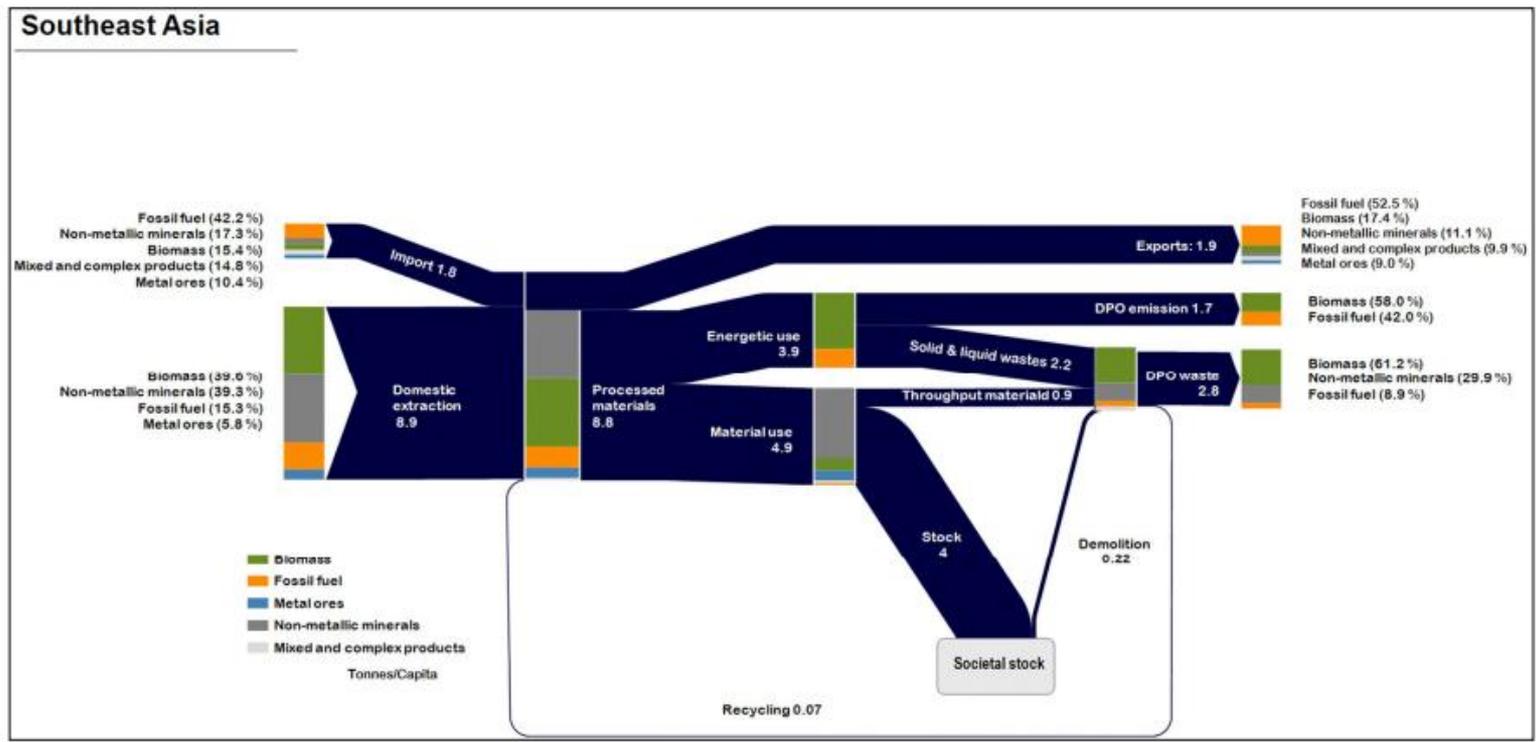
- SDG12 to move economies towards responsible consumption, infrastructure and production to enable sustainable growth
- Circular economy is the means to achieve SDG12
- Broad agenda of sustainable development, green growth for a coherent sustainability-productivity agenda
- Circular economy as materials efficiency
- Circular economy policies harness market mechanisms and improve economic welfare through efficient prices (allocative efficiency), productive and competitive markets (productive efficiency) and creation of new markets, products and services (dynamic efficiency)

# Sustainable Materials and Net Zero

- Managing materials sustainably is at the heart of the triple environmental crisis - climate change, biodiversity loss and waste and pollution
- Energy transition only gets us halfway to net zero, a change in the way goods are made and used is required to meet climate targets



# Example: ASEAN material flows 2019, tonnes/cap



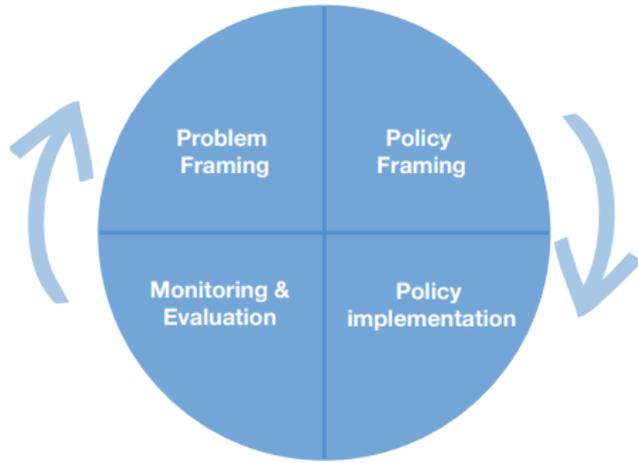
# Asia and the Pacific needs a sustainability-productivity agenda

- Substitutability of factors – move inputs that are used for unsustainable activities to high resource efficiency sectors
- Market selection of alternative technologies – enabling markets to produce socially efficient price signals to enable investment in sustainable activities
- Prioritisation of policy reforms – criteria to enable governments to identify interventions that facilitate a net zero circular economy transition
- Sequencing actions – coherent narrative and coordination among levels of government for policy actions to achieve short and long time objectives

# Circular Economy Principles

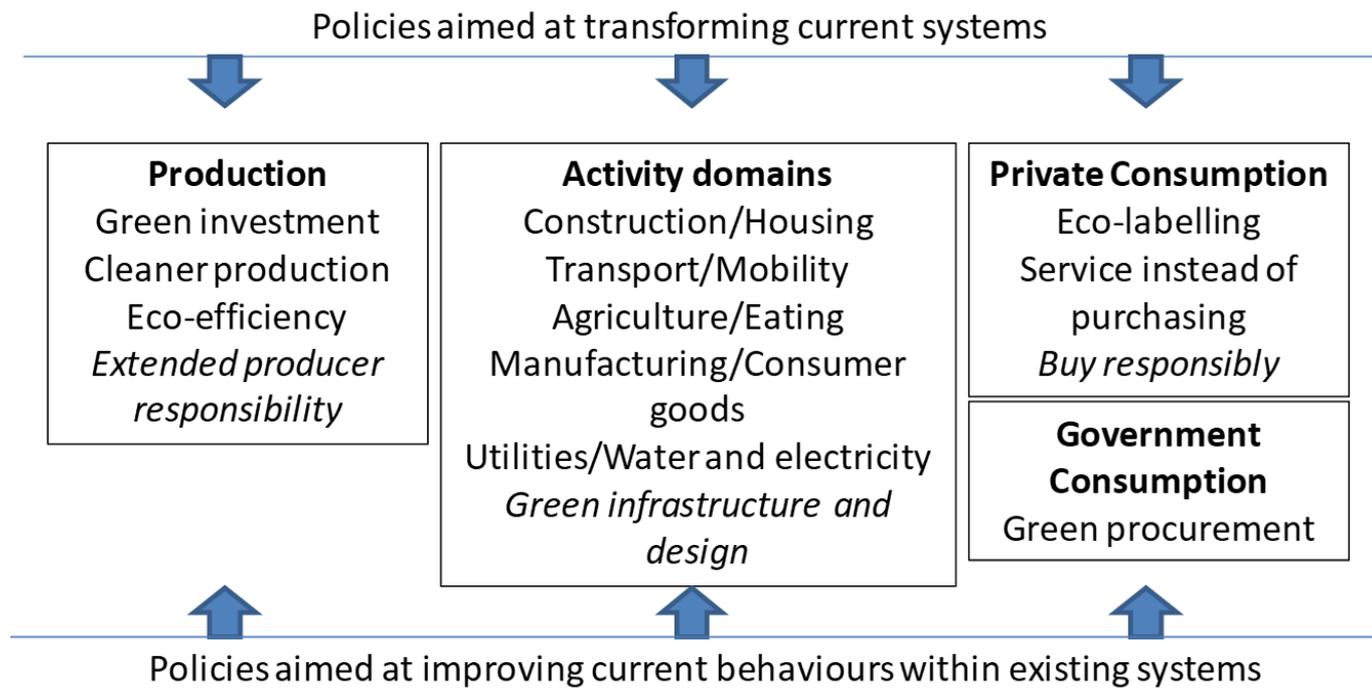
- Prices paid for goods and services should include all costs incurred producing them
- Markets for primary and secondary materials need be as competitive as possible to keep the costs of producing goods and services low
- All societal actors need to work together to improve the sustainable management of finite resources
- Sustainable scale, fair distribution, and efficient allocation of natural resources

# Policy cycle



- Short term – transition partnership and transition management
- Medium term – new materials, products and processes, new business models, redesigning the system
- Long term – closed loop urban and industrial system

# Transition to net-zero and circular



# Thank you

**Environment/Sustainability Pathways**

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