



ESCAP

Economic and Social Commission
for Asia and the Pacific

Greening SMEs Towards Circular Society (SDG 9) Including the Role of PPP (Public-Private Partnership)

Insights from the ESCAP Sustainable Business Network (ESBN)

High-level 12th 3R and Circular Economy Forum in Asia-Pacific

Theme: Realizing Circular Societies Towards Achieving SDGs and Carbon Neutrality in Asia-Pacific

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This session will discuss:

1. barriers and drivers of eco-innovations,
2. smart and digital technologies transition towards industry 4.0 and
3. public policy solutions for fostering sustainable development

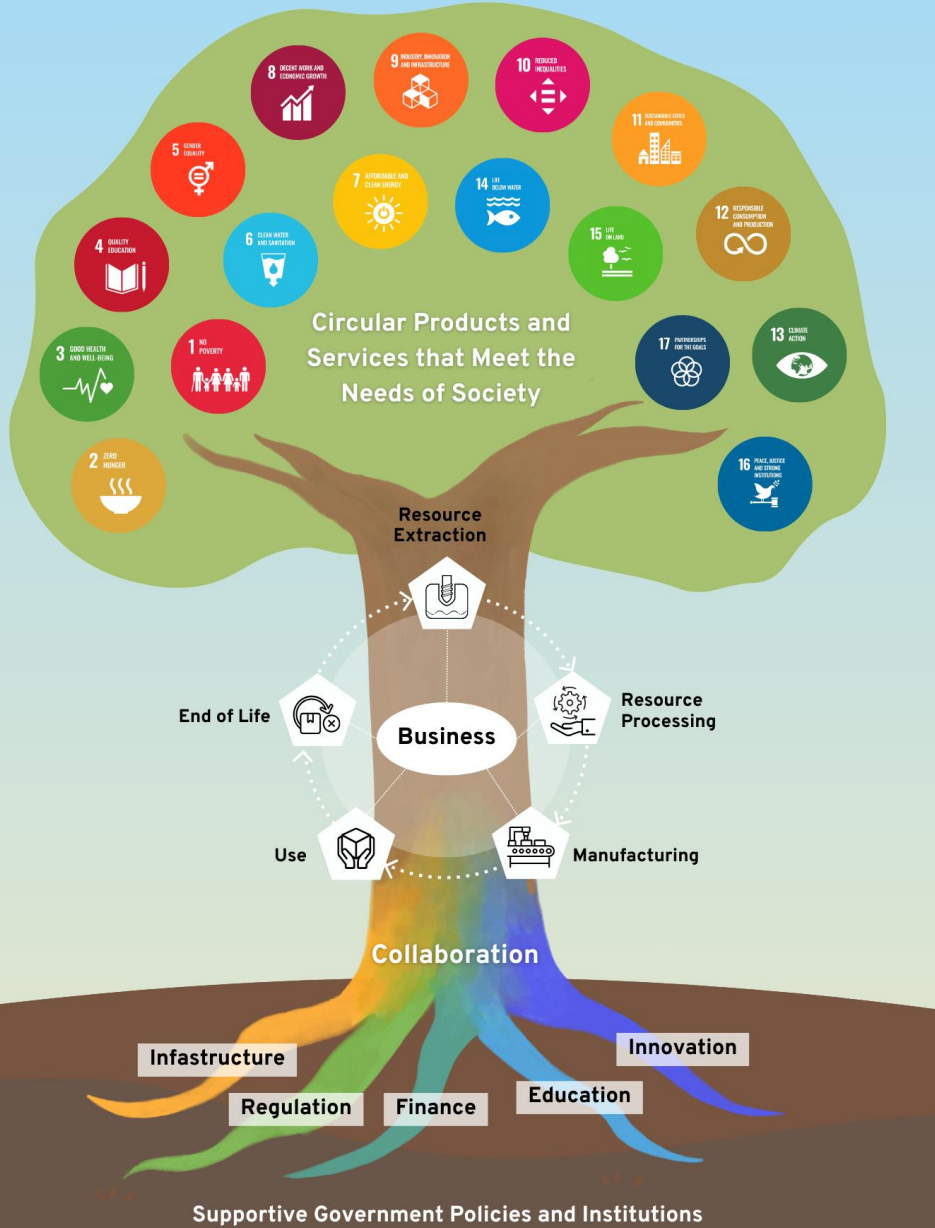
Note: Drivers of PPP and public policy solutions for incentivizing the private sector towards sustainable development building upon transition towards circular economy



7 X 7:

engagement, scaling up & cooperation





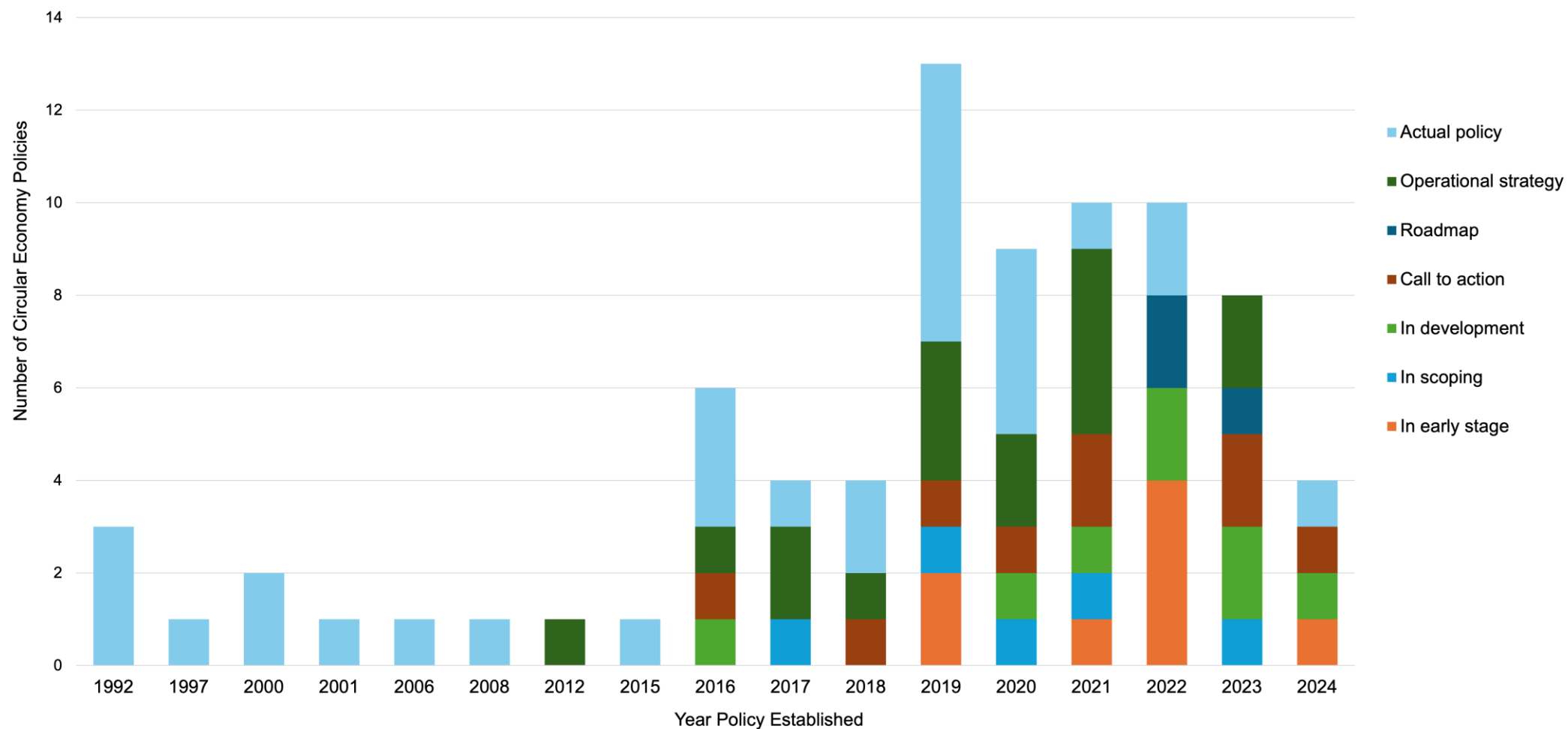
79 policies from **5** regions of the Asia-Pacific catalogued and ranked in terms of maturity.

7 major businesses showcased for their leadership in circular economy implementation in food & beverage, real estate, power generation, materials, chemicals, and more.

6 key drivers of circularity defined with real examples from the Asia-Pacific region.

1 bold vision about what the next frontier of circularity could look like in the Asia-Pacific region.

Timeline of circular economy policy development in the Asia-Pacific region



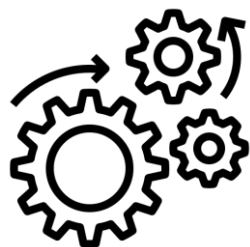
Key Challenges Faced

Lessons and experiences from the field



High Initial Investment and Upfront Costs

- Transitioning to circular practices often requires substantial initial investments in new technologies, infrastructure, and training staff to adopt new processes.
- Upfront cost may impose a significant barrier for many businesses, particularly smaller and medium sized firms.



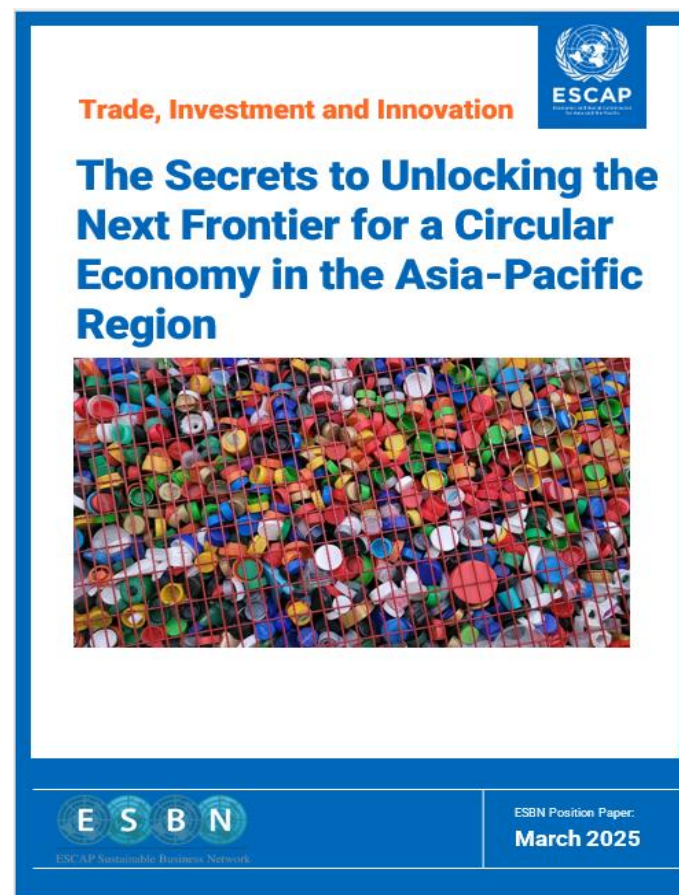
Supply Chain and Operational Challenges

- Sourcing raw materials from suppliers who follow sustainable standards can complicate supply chain management, logistics and transportation, transparency and traceability and suppliers' capacity.
- Suppliers operate under different environmental regulations and sustainability standards.



Ambiguity in Definitions and Requirements

- Varying definitions and requirements can create barriers for businesses trying to implement circular initiatives, particularly in global supply chain.
- Lack of standardization can create confusion and difficulty for producers trying to meet multiple sets of requirements.



Lessons Learned from the Asia-Pacific Region



Aligning Trade Policies and Circularity Objectives

It is important to align trade policies with circular economy goals to avoid negative spillovers and support global sustainability efforts. Circular economy policies can sometimes unintentionally hinder trade.



Effective Enforcement of Circular Economy and Waste Management Policies

Without robust implementation of foundational waste management and other environmental laws largely due to limited resources, in-adequate infrastructure, and institutional capacities, efforts to introduce circular economy initiatives may remain inefficient and ineffective.



Societal Transformation of Consumption Patterns

A significant obstacle is the frequent focus on waste management without equal emphasis on reducing waste at its source.



Six Secrets to Driving Circularity in Action

- Smart waste management digital infrastructure
- Integrated waste sorting and recycling facilities

Infrastructure

Collaboration

- Supply chain engagement and collaboration
- Industrial symbiosis/eco-industrial parks

Regulation

- Minimum recycled content
- Extended producer responsibility

Secrets to Driving Circularity

Different actors working towards a common goal

Digital systems and physical facilities

Rules or laws by governments or authoritative bodies

Knowledge, skills, values

Capital from public and private sources

New products, services, ideas, methods

Innovation

- Reuse/refill services
- Regenerative agriculture practices

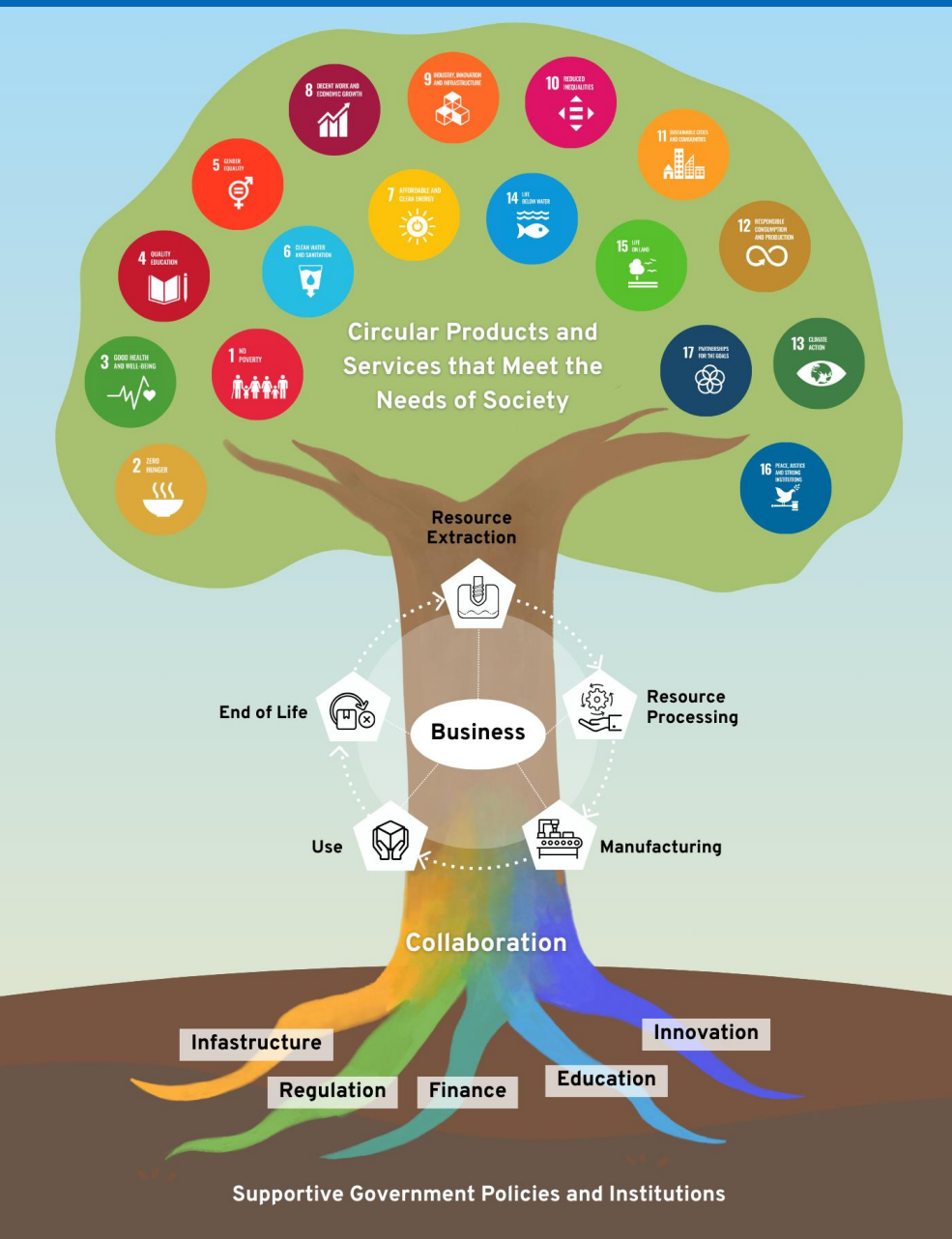
Education

- Reskilling and upskilling programs
- Circular economy education for youth

Finance

- Green financing frameworks
- Blue and green loans





How the Six Secrets Unlock Circularity

- **Businesses are a collective engine** that can provide circular products and services to meet the needs of society.
- **Achieve circularity** requires businesses to take a life cycle approach in planning the necessary interventions from resource extraction all the way to end-of-life.
- **Establishing** infrastructure, regulation, education, finance, innovation, and collaboration between all actors is the secret to strengthening the ability for companies to implement circular activities at different parts of the life cycle of goods and services.
- **The drivers of circularity** are analogous to the roots of a tree that draw in support from government policies and institutions.
- **Final circular products and services** from businesses can support in achieving the SDGs.

Asia-Pacific Green Deal for Business (APGD4B)

The Green Deal Declaration is a call on the private sector to align their operational strategies with environmental, social and governance principles (August 2022).

Green Deal Platform/ESGpedia was launched (May 2023)

APGD4B is a flagship initiative of the ESNB



Green deal signups stands
at 541 (Dec 2024)

Pledge support to the Asia-Pacific
Green Deal for Business:



<https://www.unescap.org/projects/gd/pledge-support>

ESBN Green Deal Platform

The digitalized self-assessment tool is designed to lower the barriers to entry for corporates and SMEs to kickstart their sustainability journey and report metrics that are aligned with stakeholders' needs.

Through the self-assessment tool businesses can demonstrate their commitment to sustainability to their customers, investors, and financiers.

Bold Business Leadership in Asia-Pacific

Pushing Circularity With and Without Government Support

Resource Efficiency

Using recycled materials, reducing energy and water use and waste, recycling waste streams

Supply Chain Management

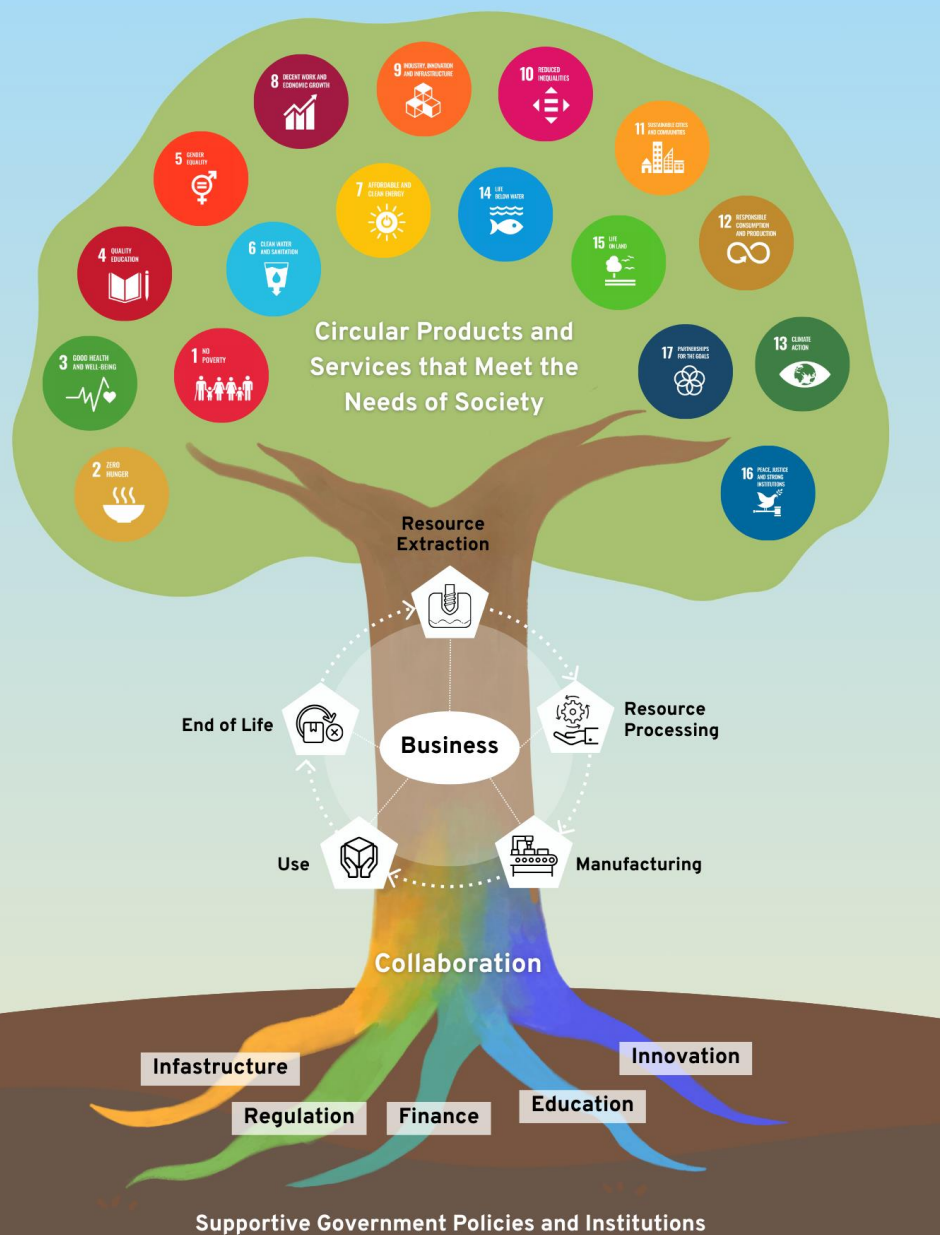
Selecting more sustainable suppliers, setting mid-term and long-term environmental targets.

Business Model and Product Design Innovation

Creating circular economy strategies and internal working groups and committees, using remote control systems, creating circular, designing products for recyclability, increasing number of reusable and refillable products



The Next Frontier for Circularity in the Asia-Pacific Region



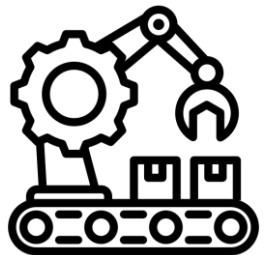
Driver	The Necessary Future State
Infrastructure	Physical and digital infrastructure is established to facilitate waste prevention and product reuse, and treatment of valuable waste streams.
Regulation	Countries across the Asia-Pacific region have implemented regulations that promote circular practices and regulations are well-enforced.
Education	The principles of the circular economy have become a fundamental component of national education systems and workforce training across generations of the population.
Finance	Governments create market conditions and provide public sources of financing that stimulate private investment in circular economy activities that offer both financial and development returns.
Innovation	Products and services that support the circular flow of materials and energy and regenerate nature are deployed and adopted.
Collaboration	All stakeholders across industries and the supply chain in both the public and private sectors share a common goal of scaling up circularity and establish partnerships with tangible outcomes.

Call to Action



What Can Governments Do?

- Create a level policy playing field
- Adjust the economics in favor of circularity
- Improve enforcement of regulations
- Support circular activities that are higher in the waste hierarchy (reduce and repair)



What Can Businesses Do?

- Undertake a systemic diagnostic and create a strategy with buy-in from top management
- Establish company steering committee forums
- Learn from successful cases and replicate



What Can the ESCAP Sustainable Business Network (ESBN) Do?

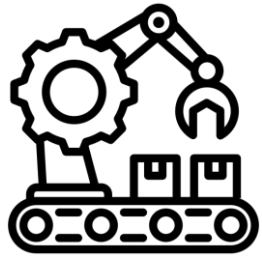
- Promote circular economy activities among similar business types
- Engage governments collectively to advocate for action and change
- Create an online library of circular economy success stories and solutions from the Asia-Pacific region
- Collect and communicate the not-so-successful circularity stories



Key ideas



Promoting circular economy in MSME sector



Policy recommendations, practical guidance and tools on greening SMEs

Supporting the development of SME circular economy business models in London

Circularity and resource efficiency: How can we overcome the challenges (technical and financial capacity) towards greening their entire supply chain



Key points for the panel





Why are greening SMEs crucial in the transition towards a circular society, and how can they contribute to SDG 9 (Industry, Innovation, and Infrastructure)? What are the critical enablers that the Governments should consider for greening the SMEs towards circularity?

Required financial and technical capacity and high upfront costs are critical challenges for SMEs. How can SMEs access green financing, and what role do financial institutions play in supporting their circular transition?

What type of information-based instruments can governments facilitate in raising the awareness of both consumers and SMEs on the needs and benefits of greening the supply chain?



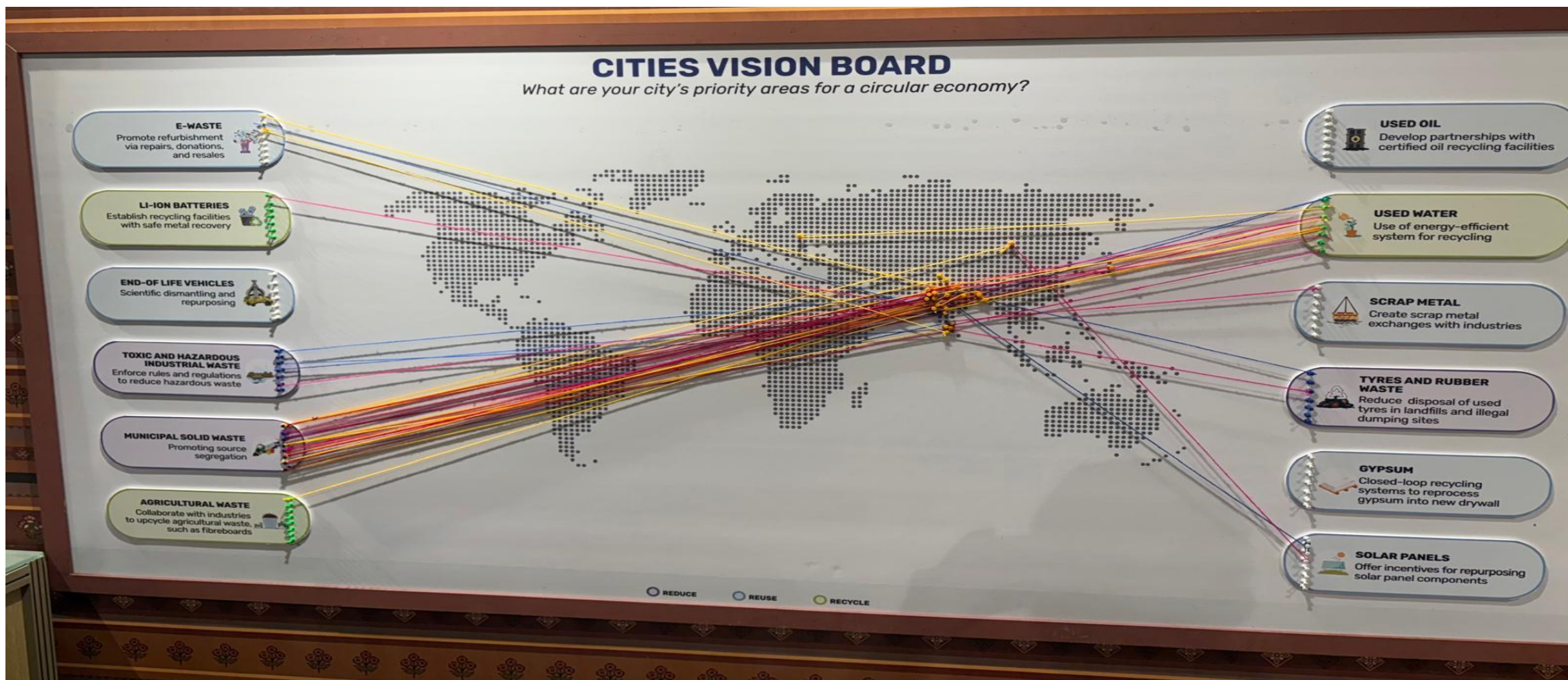
What are the best examples and experiences where environmental regulations have encouraged SMEs and firms to pursue green strategies towards cost savings, market competitiveness and better public image?

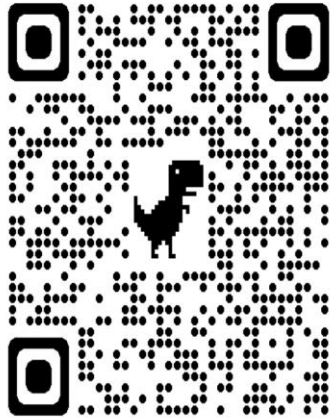
What are the key enablers to promote government-to-business, business-to-business, and industry-to-industry interactions in greening the operations and supply chain? What could various technologies offer in this regard?

How can PPPs facilitate SME engagement in circular economy initiatives? What are the key success factors for effective PPPs in promoting SME sustainability? Can you highlight successful examples of PPPs that have helped SMEs transition to circular practices?



Annexes





Asia-Pacific Business Forum ESCAP Sustainable Business Network

*"Advance sustainability...
through peer inspiration,
policy advocacy and
collective engagement"*

Annex 1: How to join ESNB?

Membership is open to businesses, private sector representative organizations (such as Chambers of Commerce), or other entities working with business on sustainability issues in Asia and the Pacific.

Prospective members should be based in or have substantial operations in ESCAP member States.

Additionally:

- be a signatory to and adhere to the principles of the UN Global Compact (for business and organizations),
- the UN Principles for Responsible Investment (for investors),
- the Principles for Responsible Banking (for banks),
- or equivalent recognized standards for socially and environmentally responsible business.

Full details in the ESNB Terms of Reference.

Commitment form is available at:
<https://www.unescap.org/esbn>



ESCAP Sustainable Business Network (ESBN)

Scale up business ambitions
and drive private sector in
working towards the 2030
Agenda for Sustainable
Development.

Create a public-private sector
regional dialogue and
networking platform to
advance sustainability
across all aspects of
corporate operations

Annex 2: *ESBN Leadership*

Executive Council

Chairperson

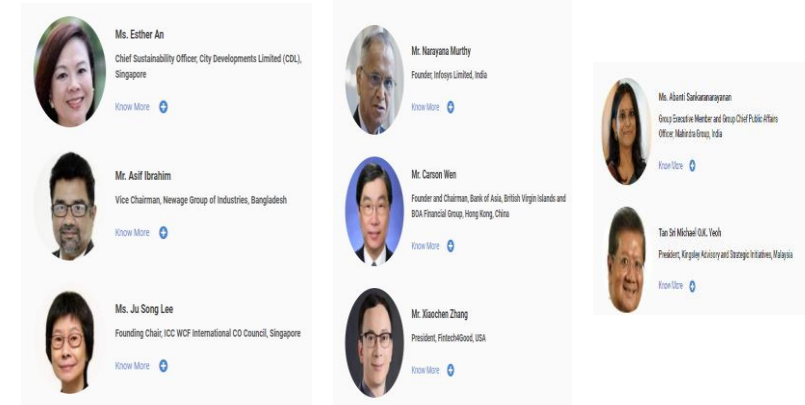


Dr. George Lam,
President, Hong
Kong-ASEAN
Economic
Cooperation
Foundation

Vice Chairperson



Ms. Shinta Widjaja Kamdani,
Chief Executive Officer,
Sintesa Group, Indonesia



Task Force Chairs



Mr. David
Simmonds,
CLP

Energy



Dr. Jacob Kam,
MTR

Infrastructure



Ms. Poman Lo,
Regal Hotels

Finance



Mr. Spencer
Low, Google

Innovation



Dr. Anthony
Watanabe,
Indorama

Circular economy

Annex 3: Calendar of 2025 Engagements

2025 Asia-Pacific Business Forum
(9-11 April, Kuala Lumpur, Malaysia)



Asia-Pacific Forum on Sustainable Development (APFSD) (25-28 February 2025, Bangkok)

High-Level 12th Regional 3R and Circular Economy Forum in Asia and the Pacific (3-5 March 2025, Jaipur City, Rajasthan, India)

The eighty-first session of the Economic and Social Commission for Asia and the Pacific (21-25 April 2025, Bangkok)

Committee on Trade, Investment, Enterprise and Business Innovation, Second session (28-30 May 2025, Bangkok)

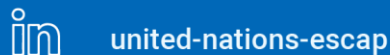
The 4th International Conference on Financing for Development (30 June – 3 July, 2025, Seville, Spain)

2025 UN Climate Change Conference (UNFCCC COP 30), 10–21 November 2025, Belém, Brazil



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