



I EU internal action

Overview and challenges

The high quality of life in Europe has been made possible through increases in income, production and consumption, which have tended to go hand in hand with more resource extraction and processing and related environmental impacts. This has resulted in a somewhat mixed situation concerning SDG 12 over the past few years, with some positive changes but also some persistent trends that need to be reversed.

In the EU, buildings are responsible for around 50% of resource extraction and consumption and 40% of our energy consumption. Buildings equally account for more than 30% of the EU's total waste generated per year and 36% of greenhouse gas emissions. Meeting SDG 12 also means safe management of chemicals. Despite a slight drop in 2020, consumption of hazardous chemicals has increased since 2015. On the other hand, the use of chemicals declared 'substances of very high concern' has dropped by up to 97%, indicating that risk management measures are working.

Achieving SDG 12 also plays a fundamental role in addressing the climate action objectives under SDG 13, including those set by the Paris Agreement, and for achieving SDG 6 on water and SDG 15 on biodiversity on land.

The estimated gross value added in the EU's environmental goods and services sector has risen by more than 18 % since 2015, accompanied by an 8 % increase in jobs in these sectors.

The higher in the waste hierarchy we act, the <u>more jobs</u> <u>are created</u>, with one study showing that when processing 10 000 tonnes of waste, you can create 1 job by incinerating, 36 by recycling and 300-800 by repairing and re-using it.

In order to be resilient to crises, food systems must be sustainable. This requires redesigning our food systems, which today account for nearly one third of global GHG emissions, consume large amounts of natural resources, and result in biodiversity loss and negative health impacts. EU agriculture is responsible for 10.3 % of the EU's GHG emissions. In the EU, nearly 59 million tonnes of food waste (131 kg/inhabitant) are generated annually, with an associated market value estimated at EUR 132 billion. While this is the first EU-wide monitoring of food waste, these data seem to indicate some progress in reducing food waste as compared to previous estimates (FUSIONS, 2016), but not at the level required to reach the global SDG Target 12.3 of halving food waste by 2030.

Key initiatives

The EU has a wide range of policies and laws in place addressing the different aspects of SDG 12. This section provides an overview of some of the most recent and relevant initiatives.

The Circular Economy Action Plan (CEAP) of March 2020 delivers the Green Deal's commitment to sustainable growth by promoting circularity in product design, encouraging sustainable consumption and waste prevention, and by keeping



2030 targets and trends at EU level

Target and policy reference	Trends
Significantly decrease the amount of raw material needed to produce the products consumed in the Union	The EU's overall demand for the extraction of raw materials induced by the consumption of goods and services (material footprint) has decreased by 2 % since 2015, reaching 13.7 tonnes per capita in 2020.
8th Environment Action Programme and the Circular Economy Action Plan	
Significantly decrease the EU consumption footprint 8th Environment Action Programme and the Circular Economy Action Plan	The EU consumption footprint is persistently high, and it transgresses the planetary boundaries for several impact categories. In 2020, this statement is valid for four specific impact categories.
Significantly reduce the total amount of waste generated by 2030 Circular Economy Action Plan and Zero Pollution Action Plan	In 2020, the EU generated 2153 million tonnes, equivalent to 4.8 tonnes per capita, indicating a decrease of around 4% on 2014.
Specific targets to properly manage Waste Electrical and Electronic Equipment (WEEE) by collecting, treating, recovering, preparing for re-use, recycling WEEE Directive	The amount of electrical and electronic equipment placed on the market grew by 62.2 % from 2012 (7.6 million tonnes) to 2020 (12.4 million tonnes). Collected WEEE increased from 3.0 to 4.7 million tonnes in the same period (+57.8 %), while treated (recovered, recycled, prepared for re-use) WEEE grew from 3.1 to 4.6 million tonnes (+49.1 %). Specifically, recovered WEEE grew by 65.1 %, and WEEE recycled and prepared for reuse grew by 61.7 % in the same period.
Recycling targets for plastic packaging waste: 55 % by 2030 Directive (EU) 2018/851 on waste (revised) and COM proposal to revise PPWD of 30.11.2022	In 2020, the EU recycled 38 % of plastic packaging waste. The amount of plastic packaging not recycled has increased by 3.4 kg per inhabitant since 2010 due to the greater increase in the absolute amount of plastic packaging waste generated (+23 % during 2010-2020).
Doubling the circular material use rate by 2030 compared to 2020 (% of the overall material use)	The EU is making more use of secondary raw materials, which represented 11.7% of overall material use in the EU in 2021. The circular material use rate has increased by $0.4\mathrm{percentage}$ points since 2015.

More details on indicators and trends for SDG 12 can be found in the statistical and analytical annex and Eurostat's monitoring report on progress towards the SDGs.

resources in the EU economy for as long as possible. To deliver on these commitments, several key initiatives were presented in March and November 2022.

Circular Economy Action Plan

The Proposal on the Ecodesign Regulation for Sustainable Products aims at reducing negative environmental impacts of products along their value chains and improving the availability of information on product characteristics, notably through a digital product passport. It also aims to boost the demand for sustainable products (e.g. via mandatory green public procurement criteria) and address unsustainable business practices (such as the destruction of unsold consumer goods).

The Proposal to Empower Consumers for the Green Transition will help consumers make informed choices and protect them against false green claims. It is complemented by the <u>Proposal for a Green Claims Directive</u>. Together, they are expected to lead to an increase in the purchasing of products which do not deceive consumers as to their environmental impact. Both initiatives are expected to better protect consumers against unfair commercial practices such as greenwashing or non-transparent voluntary sustainability labels, which are not compatible with the green transition.

The EU Strategy for Sustainable and Circular Textiles aims to help consumers make more sustainable choices, fostering the consumption of durable, repairable and recyclable textiles free of hazardous substances. The review of the Textiles Labelling Regulation may introduce mandatory elements on the label such as sustainability and circularity parameters.

The Commission also put forward in March 2023 a proposal for a directive on common rules promoting the repair of goods, which will result in savings for consumers and reduce waste, among others.

The <u>Proposal to revise the Construction Products</u> Regulation lays down harmonised conditions for the marketing of construction products and improves the quality of the European technical standards by including more sustainability indicators.

The Proposal for the Packaging and Packaging Waste Regulation addresses the ever-rising trend in packaging waste, which also impacts climate change. This is linked to a Policy framework for Bio-based, biodegradable and compostable plastics. The **Batteries Regulation** will help ensure that batteries and accumulators can play their essential role in many products, appliances and services. Every year, approximately 800 000 tonnes of automotive batteries, 190 000 tonnes of industrial batteries, and 160 000 tonnes of consumer batteries enter the European Union. Many of the components of these batteries and accumulators could be recycled, avoiding the release of hazardous substances to the environment and providing valuable materials.

The export of waste to non-EU countries amounted to 3 million tonnes in 2021, an increase of 77 % since 2004. While trading waste can have a positive impact on the economy, the uncontrolled movement of waste can have detrimental environmental consequences. The Proposal for the Waste Shipment Regulation is intended to improve the EU system to supervise and control shipments of waste within its borders, and with non-EU countries.

The Radio Equipment Directive introduces a common charging solution for electronic devices. It will bring significant savings in terms of e-waste and CO_2 . As of 2024, all new devices (for laptops the deadline is 2026) will have to be equipped with a USB-C charging port.

The EU Chemicals Strategy for Sustainability is part of the Green Deal's Zero Pollution ambition. It creates a shift towards new chemicals and materials that are inherently safer and more sustainable for humans and the environment, from production to end of life.

The EU Farm to Fork Strategy (see also SDG 2) confirms the EU's commitment to achieving the global target of halving food waste by 2030 and reducing food losses along the production and supply chains.

Selected enablers

Financial resources, reforms and investments as well as science and innovation, are strong means to implement the SDGs in the EU. As regards sustainable consumption and production, the investment gap in Europe for the circular economy and waste ranges between an estimated EUR 13 billion and EUR 28 billion per year, depending on the ambition levels of circularity to be achieved. A series of programmes and instruments have been mobilised in recent years to support the transition to sustainable consumption and production models. Horizon Europe and LIFE have supported innovation and market replication, focusing on the development of indicators and data, novel materials and products, substitution and elimination of hazardous substances based on a 'safe by design' approach, circular business models, and new production and recycling technologies, including exploring the potential of chemical recycling, keeping in mind the role of digital tools in achieving circular objectives.

Support from Cohesion policy has enabled deep transformation to a level closer to citizens (waste management infrastructure). Cohesion policy funds are at the core of the efforts to help regions implement circular economy strategies and reinforce their industrial fabric and value chains, helping them also to put in place separate collection systems and recycling infrastructure, innovation in circular economy and cooperation across borders. The InvestEU programme includes the circular economy as one of its areas of intervention — in its investment windows and especially in its Sustainable Infrastructure window. Moreover, the Commission has adopted several guidance documents for InvestEU implementing partners (such as the EIB Group, EBRD, other international financial institutions and national development banks) on how to identify priority investments, with circular economy projects being among the priorities. Under InvestEU, a new natural capital and circular economy initiative will mobilise investments for at least EUR 10 billion over the next 10 years. Lastly, an InvestEU Advisory Hub will provide appropriate support and technical assistance to applicants and investors, including on circular economy.

Under the EU's Horizon budget, the 'Cityloops' project brings together seven European cities – Apeldoorn, Bodø, Mikkeli, Porto, Seville, Høje-Taastrup and Roskilde – to pilot a series of actions to close the loop of two of the most important waste streams in Europe: construction & demolition waste, and biowaste. The 2021 'Increasing circularity in textiles, plastics and/or electronics value chains' project demonstrates and deploys at large scale innovative solutions and designs for increased quality, non-toxicity and durability of secondary materials and demonstrating circular business practices.

Under the Single Market Programme, action grants were awarded for EU Member State and stakeholders to improve measurement of food waste and help implement food waste prevention initiatives.



Another example is the 'Technical Support for the preparation of circular economy roadmap for the Slovak Republic' project, supported by the Structural Reform Support Programme under the call for 2020. Slovakia was facing severe challenges in transitioning towards a circular and climate-neutral economy. In particular, its performance on waste management was well below the EU average, characterised by a high level of landfilling. In addition, Slovakia was at risk of not meeting the 2020 EU recycling targets. The project aimed at creating a coherent policy framework including concrete measures that would enable the country to transition to a circular economy and meet its contribution to a carbon-neutral economy.

Stakeholder engagement

The EU delivers on SDG 12 in a collaborative approach. For example:

The European Circular Economy Stakeholder Platform, a joint initiative of European Commission and the European Economic and Social Committee, brings together a wide range of stakeholders to share best practices and address challenges. The platform bridges existing initiatives at local, regional and national level, and supports implementation of the circular economy in general.

The High Level Construction Forum brings together the EU construction ecosystem, stakeholders and Member State authorities. Its meetings facilitate the process to co-create a transition pathway towards a green, digital and resilient construction ecosystem.

The <u>Transition Pathway for Tourism</u> is a plan jointly created with actors in the tourism ecosystem. It details key actions, targets and conditions to achieve the green and digital transitions and long-term resilience of the tourism sector. This includes pledges submitted by EU stakeholders on their concrete commitments. So far, over 180 commitments and pledges (which include the TUI group, booking.com and Costa Cruises) have been published.

The EU Platform on Food Losses and Food Waste is a multi-stakeholder platform bringing together international organisations, Member States and actors in the food value chain including food banks and other NGOs to accelerate the EU's progress towards SDG Target 12.3. The Platform helps define measures needed to prevent food waste, share best practice and evaluate progress made over time.

The EU Code of Conduct on responsible food business and marketing practices is a voluntary industry initiative, facilitated by the Commission, that enables EU associations and individual companies to support the seven objectives of the Code (for associations) or pledge concrete commitments (for companies). The Code's objectives relate to increasing the uptake of healthy and sustainable diets, of sustainable internal processes and of sustainable supply chains.

Multi-level approach

SDG delivery implies ambitious action at all levels. Good practices in implementing SDG 12 include:

The 'GR-eco Islands' initiative (linking SDG 12 with SDGs 7.2, 10 and 13), which is a strategic initiative aiming to transform Greek islands into innovation labs and models of the green and circular economy, energy autonomy, digital innovation and eco mobility. Key pillars of the initiative, which builds on the high renewables potential of Greek islands and takes into account their sensitive natural ecosystem, include: (i) the promotion of sustainable waste and water management based on circular economy principles by increasing reuse and recycling; (ii) the development of zero-pollution schemes; (iii) the electrification of transport; (iv) the green transformation of agriculture and tourism (both key sectors for the local economy), and (v) the promotion of renewables and energy efficiency practices. The initiative will also seek to develop sustainable port and other infrastructure facilities through targeted support and custom-made programmes to fit each island's special characteristics and needs, devised by the Ministry of Environment and Energy. These interventions at the very local level will produce transferable results that can be duplicated in other remote and secluded areas worldwide.

At local level, the city of Warsaw in Poland is actively promoting the circular economy through its #Warszawa2030 Strategy and educational campaigns such as the 'Separate waste properly' campaign, the Warsaw Recycling Month and webinars. In addition, Warsaw is investing in infrastructures such as the Recycling and Ecological Education Centre, a sorting plant and the creation of a biogas plant. The city intends to expand its system of municipal waste collection points based on the type of waste, with a special focus on repair and reuse points.

In Finland, a number of cities are carrying out pioneering work to promote the circular economy, in close partnership with different stakeholders. For example, the region of Tampere



is fostering a network of cleantech and circular economy clusters. Meanwhile, the city of Turku (which submitted a Voluntary Local Review in 2020) aims to be climate neutral by 2029 and has a circular economy roadmap aiming for a 'resource wise' future with zero emissions, meaning no waste and sustainable use of natural resources, by 2040.

I EU external action

Global trends

The planet's natural ability to regenerate is hampered by a nearly fourfold increase in global use of materials in the last 50 years. The extraction, cultivation and processing of material resources (biomass and food, non-metallic minerals, metals and fossil fuels) are responsible for more than 90% of biodiversity loss and water stress impacts, half of climate change emissions and one third of health impacts. Today we only recycle 8.6% of what we use, which leaves a massive circularity gap of over 90%. In only 2 years, global circularity wilted from 9.1% in 2018 to 8.6% in 2020.

Between 2000 and 2019, total <u>domestic material consumption</u> (DMC) rose by 65 % across the world, driven by increased demand in Eastern and South-Eastern Asia, while remaining

relatively stable in other areas, including Europe and North America. The adoption of sustainable consumption and production policies has been slow and uneven.

Internal/external coherence including policy coherence for development

Achieving the objectives under the 2030 Agenda and in particular SDG 12 requires moving from linear, highly resource-depleting systems with high emissions, waste generation and high impacts on ecosystems and natural capital, towards circular, less wasteful systems that use resources more efficiently and sustainably, while providing work opportunities and a high quality of life. This requires systemic change in consumption and production patterns at home and globally. The EU is determined to lead the transition at the global level. Reducing the consumption



footprint and increasing the circular material use rate is a particular priority, which should also be seen in the context of the European Green Deal's recognition that access to resources is a strategic security consideration for the EU.

The <u>2020 Circular Economy Action Plan</u> emphasises that the EU cannot deliver alone the European Green Deal's ambition for a climate-neutral, resource-efficient and circular economy. The action plan also confirms that the EU will continue to lead the way to a circular economy at the global level and use its influence, expertise and financial resources to implement the 2030 Agenda in the EU and beyond.

The European single market provides a critical mass enabling the EU to set global standards in product sustainability and to influence product design and value chain management worldwide. Within the European Green Deal, the Circular Economy Action Plan has led to revised regulations in areas such as chemicals, construction products, packaging, textiles and plastics (as pointed out above). More will be forthcoming under the Sustainable Products Initiative, including the Ecodesign for Sustainable Products Regulation, and the proposal for a revised Directive on Corporate Sustainability Due Diligence. These new regulations aim to make sustainable products the norm in the EU and reduce the negative environmental impacts of products along their value chains. As EU imported products need to comply with these regulations, they have a significant impact across the world.

Producers and consumers, including in partner countries, face a potential cost from the emphasis on sustainable and responsible production and consumption throughout global value chains and on companies being transparent about the risks they face from sustainability issues and their own impacts on people and the environment. To address the social dimensions of unsustainable supply chains, the EU's **Decent Work Worldwide Communication**, adopted as part of the Just and Sustainable Economy Package, sets out internal and external policies to promote decent work worldwide. A new legislative initiative to prohibit products on the EU market that are made with forced labour is currently under preparation. In addition, where required, the EU supports governments, civil society and businesses in partner countries in their efforts to adapt policies, rules and value chains to these new regulations.

In relation to the challenges for a circular economy, marine plastic pollution is a worldwide phenomenon. To prevent plastic pollution throughout the entire plastics lifecycle, the EU and its Member States have been among the sponsors of a **resolution by the United Nations** Environment Assembly to launch an intergovernmental negotiating committee (INC) to develop by the end of 2024 an international legally binding instrument on plastic pollution, including in the marine environment. The EU's objective is to move from linear to circular plastic production and consumption within and outside Europe. The EU also introduced in 2021 **rules on the export, import and intra-EU shipment of plastic waste**, based on the Basel Convention.

As above, this affects partner countries' trade with the EU. To help identify trade policy actions that could contribute to a transition to a resource efficient and circular economy, the EU has co-sponsored and been actively engaged in the World Trade Organisation (WTO) Trade and Environmental Sustainability Structured Discussions and the WTO Dialogue on Plastics Pollution and Environmentally Sustainable Plastics Trade. In addition, the EU is actively working with like-minded WTO Members to address fossil fuel subsidy reform in the WTO in order to rationalise and phase out inefficient fossil fuel subsidies that encourage wasteful consumption.

The Commission's proposal for a new Regulation on waste shipments in November 2021 is expected to tackle the illegal export of waste and waste challenges to non-EU countries. It aims to do this by guaranteeing that waste is only shipped outside the EU if managed in an environmentally sound manner in the countries of destination, thus addressing as much as 15 %-30 % of total waste shipments, currently believed to be illegal. The proposed regulation is also intended to boost the market for secondary materials and circular economy. This will also encourage non-EU countries to reform their approach to waste treatment, should they desire to continue importing EU waste.

Finally, the 8th Environment Action Programme, Article 3(s) and Circular Economy Action Plan aims to significantly decrease the EU's material footprint, i.e. the amount of raw material needed to produce the products consumed in the EU, which represented 6.4% of worldwide material extraction in 2020. This will potentially have a considerable impact on the extraction of raw materials and associated export activities in partner countries.

EU and Member States external financial support for SDG implementation and results

In 2021, EU institutions reported to the OECD commitments for EUR 1.7 billion in projects contributing to SDG 12. The largest share of the EU contribution was made by projects targeting SDG 12 as a significant objective, clearly underlining the cross-cutting nature of SDG 12. This SDG has been mostly associated with interventions where the main SDG was SDG 2, 8, 9 or 13. A smaller share of the EU contribution is made up of projects that target SDG 12 as the main SDG, which is closely interlinked with SDGs 5, 8, 9 and 13. When taking into account also other official flows, private funds mobilized through public intervention and support to international public goods, the Total Official Support to Sustainable Development (TOSSD) of the EU to SDG 12 amounted to EUR 4.8 billion in 2021. In terms of selected results of assistance (30), in the period 2018-2021 the EU support contributed to 24 000 micro, small and medium-sized enterprises applying sustainable consumption and production practices.

(30) For the methodology on results, see the same section under SDG 2.

Collectively, the EU and those Member States that reported on SDGs to the OECD in 2021 contributed EUR 3.7 billion to SDG 12. EU and Member State flows to SDG 12 in 2021 predominantly focused on projects in Asia (30%), followed by Africa (26%), other countries in Europe (19%) and America and the Caribbean (15%).

Main policy orientations and initiatives for external engagement

In relation to SDG 12, and in line with commitments under the EU Circular Economy Action Plan implementing measures, the EU is stepping up its engagement at global, regional and bilateral levels with non-EU countries, especially with low- and middle-income countries, to support the sustainability transition and facilitate compliance with the new rules. In this context, and in line with partner countries' own policies and plans for sustainable consumption and production patterns, the EU's priorities are to:

- make sustainable products the norm, including by leading international efforts to reach a global agreement on plastics in line with the objectives of the European Plastics Strategy, and by ensuring that Free Trade Agreements reflect the enhanced objectives of the circular economy;
- support partner countries in transitioning to green and circular economies through the development of enabling policies, support to the adoption of green and circular business practices, enhanced access to finance and knowledge and capacity development;
- address sectors that use most resources and where the potential for circularity is high, such as electronics and ICT, batteries and vehicles, packaging, plastics, textiles, construction and buildings, food, water and nutrients.

In 2021, the EU together with UNEP and UNIDO, launched the Global Alliance on Circular Economy and Resource Efficiency (GACERE) during the fifth meeting of the United Nations Environment Assembly (UNEA). GACERE is an alliance that promotes initiatives related to the circular economy transition, resource efficiency and sustainable consumption and production. In addition, the EU formally joined the African Circular Economy Alliance and the Circular Economy Coalition of Latin America and the Caribbean in 2022 as a strategic partner.

To support the transition to sustainability in partner countries, the EU has launched the 'SWITCH to Green Initiative' to facilitate the transition to an inclusive green economy that generates growth, creates decent jobs and helps reduce poverty while reducing environmental impact. It supports SWITCH programmes in Africa, Asia and the Mediterranean, the SWITCH to Circular Economy Value Chains project, to the

Partnership for Action on Green Economy (PAGE), the 10-Year Framework of Programmes on sustainable consumption and production (10YFP) and the One Planet Network, as well as the Green Economy Coalition (GEC). This is complemented by programmes like AL-INVEST Verde and EU4Environment (in Latin American and the Caribbean and Eastern Neighbourhood regions) that the EU also supports.

Current G7/G20 processes of particular interest in advancing the global transition to a circular economy include the G7 Alliance on Resource Efficiency (launched in 2015 under German Presidency) and the G20 Resource Efficiency Dialogue (launched in 2017, also under German Presidency). The Commission launched a Partnership Instrument support contract in 2018 for 'Environmental Diplomacy in G7/G20' to facilitate the EU's engagement in relevant environmental activities and encourage greater ownership of environmental issues within these forums, including through workshops.

EU policy action also addresses the social dimensions of SDG 12. The EU supports globally responsible business conduct and sustainable production and consumption in global supply chains. This includes the promotion of decent work worldwide (Decent Work Worldwide Communication) and of human rights and environmental due diligence throughout global supply chains (Directive on Corporate Sustainability Due Diligence and Corporate Sustainability Reporting Directive).

Examples of EU actions (with a focus on Global Gateway and Team Europe initiatives)

In relation to SDG 12, the EU has set up several regional programmes to support the switch to more sustainable consumption and production (SCP) patterns. A 2018 Strategic evaluation of EU international cooperation on SCP concluded that EU actions had resulted in significant green economy policy reforms taking shape in over 45 partner countries and achieved high impact in terms of uptake of SCP practices and increased levels of investments by micro-, small and medium-sized enterprises (MSMEs), contributing to the creation of green jobs, and leveraging over EUR 1 billion in investments. For example, SWITCH-ASIA funded 143 projects in the region, supported the uptake of SCP practices by the private sector and facilitated the exchange of information among stakeholders, thus making a significant contribution to the implementation of SDG 8 on decent work and economic growth. In illustration, the SWITCH-Asia 'Mata Kali' project, has worked towards encouraging young people in Indonesia to start their own businesses in the sustainable fish processing sector, thus strong interlinkages with SDGs 8 and 14.

In the Eastern Neighbourhood, the <u>EU4Environment programme</u> is contributing to Global Gateway investment priorities with strong interlinkages between SDG 12, SDG 7 on energy and SDG 13 on climate change. It has helped

public and private actors adopt circular economy principles and practices, enterprises to adopt more resource efficient, cleaner production, and the legislative framework to align with the EU *acquis* in areas such as green procurement (in Georgia and Moldova) and waste management (in Armenia, Georgia, Moldova and Ukraine).

In Africa, to transform production and consumption methods, the Team Europe initiative 'Cacao Durable' in Côte d'Ivoire, contributing to the Global Gateway Africa-Europe Investment Package priorities, pools efforts for sustainable transformation of the cocoa value chain by addressing at the most appropriate level (regulation, voluntary trade agreements, etc.) the economic, social, environmental and political dimensions of this structural transformation in the context of SDG 12. By supporting the monitoring of deforestation, the TEI also addresses climate change and environmental issues and the implementation of SDGs 13 and 15. In Kenya, the Team Europe initiative on green transition similarly addresses several interlinked SDGs: it aims to contribute to the reduction of waste, pollution and greenhouse gas emissions by promoting the adoption of sustainable approaches to production, consumption, recycling and logistics.

In Asia, the Team Europe initiative (TEI) in Vietnam for a 'Climate-resilient, low-carbon circular economy' contributes to the Global Gateway strategy in three ways. First, it enhances climate resilience by supporting the climate-proofing of infrastructure, livelihoods, investments and production. Secondly, it promotes low-carbon development thus supporting Vietnam's achievement of nationally determined contributions (NDCs). Thirdly, it strives to transform the economy towards a more circular model. Hence, the initiative has strong linkages between various SDGs including 8, 9, 12 and 13.

The 'Green initiative in South-East Asia' TEI, which also directly contributes to the Global Gateway investment priorities, embodies synergies between the European Green Deal and the ASEAN Community Vision 2025. It promotes the joint commitment to a lasting and sustainable transformation towards circular, climate-neutral and environmentally sustainable economies and resilient ecosystems. The TEI targets the regional, sub-regional and country levels via actions on clean, affordable and secure energy (SDG 7), the circular economy (SDG 12), biodiversity and sustainable landscape (SDG 15), sustainable food systems (SDG 2), green and smart cities, and horizontal issues such as pollution, ensuring a just transition, climate change and migration (SDGs 8 and 13).

Similar interlinkages among SDGs can be found in the Latin America and Caribbean region, where in the framework of the Global Gateway, the EU and its Member States, through a Team Europe initiative support Ecuador's economic green recovery. The initiative facilitates sustainable private and public investments and stimulates innovation and productivity, in particular in carbon neutral circular and bioeconomy, clean

technology and eco-business. The initiative does not only assist Ecuadorian citizens but also support European business investments in Ecuador.

Actions by the EU and its Member States are mutually reinforcing and coordinated to ensure complementarity and impact in support of the SDGs. In addition to acting together with the EU through joint programming and Team Europe initiatives, EU Member States carry out their own projects in support of the 2030 Agenda including SDG 12. A few such initiatives are set out below for illustrative purposes.

In the context of global supply and value chains, the PREVENT Waste Alliance was founded by Germany to help ensure that waste is minimised across the world, harmful substances are eliminated, and resources are managed in circular patterns. This multi-stakeholder platform's mission is to advance the circular economy in low- and middle-income countries. The Alliance includes around 390 member organisations from more than 70 countries that are jointly committed to promoting sustainable practices for secondary raw materials, including their collection, recycling and deployment in partner countries. So far,

innovative solutions to prevent waste and progress towards circularity have been tested in 15 countries.

Actions by the EU and its Member States are mutually reinforcing and coordinated to ensure complementarity and impact in support of the SDGs. In addition to acting together with the EU through joint programming and Team Europe Initiatives, EU Member States carry out their own projects in support of the 2030 Agenda including SDG 11. For illustrative purposes, the Netherlands supports sustainable production and trade initiatives, through partnerships and agreements on international responsible business conduct, improvement projects in partner countries, private sector instruments, economic diplomacy, trade policy and efforts to strengthen the role of women in trade. In this context, the Netherlands has funded civil society actors such as Solidaridad, the Sustainable Trade Initiative (IDH), Fair Wear and the Rainforest Alliance, which facilitate working directly with farmers, small producers and large companies to move towards sustainable production (in Uganda, Kenya and Mozambique). Furthermore, through the Fund for Responsible Business, the Netherlands encourages companies to work with civil society organisations to tackle the risks and abuses in their value chains.

Looking ahead

To protect future generations, the EU must decouple economic growth and human well-being from virgin resource use and subsequent negative environmental impacts. It needs to move to a regenerative economic model based on the polluter pays principle, which returns to the planet more resources than used.

Implementing a circular economy will reduce demands for primary resources and energy, thus reducing dependencies and increasing the resilience to shocks such as those caused by the COVID-19 pandemic and Russia's invasion of Ukraine. This is particularly important as the demand for key raw materials in renewables and e-mobility will increase multiple times from 2030 to 2050 (31).

In 2023, the Commission intends to put forward several proposals aimed at deepening the circular economy. The Commission will review the Waste Framework Directive to introduce food waste reduction targets which will contribute to reaching the global SDG target 12.3, as well as presenting legislation on sustainable food systems, including food sustainability labelling. In this context, the Commission will also propose provisions on textile waste management with the aim to ensure a higher level of circularity. Moreover, it will propose measures to reduce unintentional releases of microplastics into the environment and revise the REACH legislation.

On the external side, the EU will continue to take determined action to accelerate the implementation of SDG 12 globally, including through the roll-out of a range of multiannual indicative programmes with partner countries where sustainable consumption and production patters are a shared priority. A tangible contribution to SDG 12 (and other interlinked SDGs) will be the deployment of Global Gateway and its dedicated regional investment plans at regional and national level, including through the Team Europe initiatives highlighted above.



⁽³¹⁾ In-depth reviews of strategic areas for Europe's interests.