9th United Nations Conference on Competition and Consumer Protection
Room XIX, Palais des Nations
Geneva
7-11 July 2025

Circular economy
Overview of input to session 20250710

Presentation

Mr. Pär Larshans

Co-Chair of International Chamber of Commerce's Working Group on Circular Economy, International Chamber of Commerce

Sweden

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ICC Sweden

Circular economy – why and how
“More than half of all climate emissions and 90% of the water stress and biodiversity challenges stem from our linear system and processing of virgin materials. Therefore, moving towards a more circular economy can help us to curb global warming and stay within the Planetary Boundaries, while also boosting the global economy and is serve in the consumers interest making more resources available. But for that to happen, we need a whole new attitude towards waste and we need to understand that the importance of economy of scale and the need to detoxify the material flows.

Why

1. We know that we must in order to keep the world within the limits of the planetary boundaries transform to a circular economy.
2. For our economic development, it is crucial to source our resources from circular loops.
3. A lot can be done by focusing on resource efficiency, like use different sharing models. This requires a high TRUST society.
4. Circular economy is NOT waste management—today, generally under the responsibility of national EPA:s and not the Chemical Agencies.

How

1. Design products so that they are easy to circulate.
2. .Focus on analysing each and every value chain possibility when it comes to resource efficiency
3. Enable large-scale production, including detoxification, for the lower-quality materials needed.
4. Ensure that materials produced from recycled sources meet industry standards.
5. Industry standards need to be based on quality, not origin requirements.
6. But I must stress that one of the blockers is the Basel convention and don’t repeat the mistake from Europe by setting a goal based on minmizing waste, instead we should maximize the resource circulation including a detoxification step

1. **ICC working group was launched in 2022, ToRs**

3 co-chairs since the start - **Pär Larshans** Ragn-Sells (EU/Sweden), **Erick Hernández Gallego**, Greenberg Traurig (Mexico), **Martina Kavanagh** IBM (Ireland/US)

3 publications from the working group

1. Policy Brief: Circular material flows for research and innovation - ICC - International Chamber of Commerce – June 2023
2. Key enablers for a circular economy - ICC - International Chamber of Commerce – December 2023
3. Circular economy: Challenges and opportunities for businesses and policymakers - ICC - International Chamber of Commerce – October 2024

One additional report that was published in 2021

Trade rules slowing transition to circular economy, says ICC report - ICC - International Chamber of Commerce

What does the circular economy do for business?

The circular economy

- **reduces** dependency on critical raw materials and challenges in supplying them
- **optimises** resource efficiency, lowering costs
- **keeps** products and materials in use as long as possible, reducing waste
- **allows** waste to be repurposed and turned into like-new resources

What is holding us back

Key barriers to the circular economy

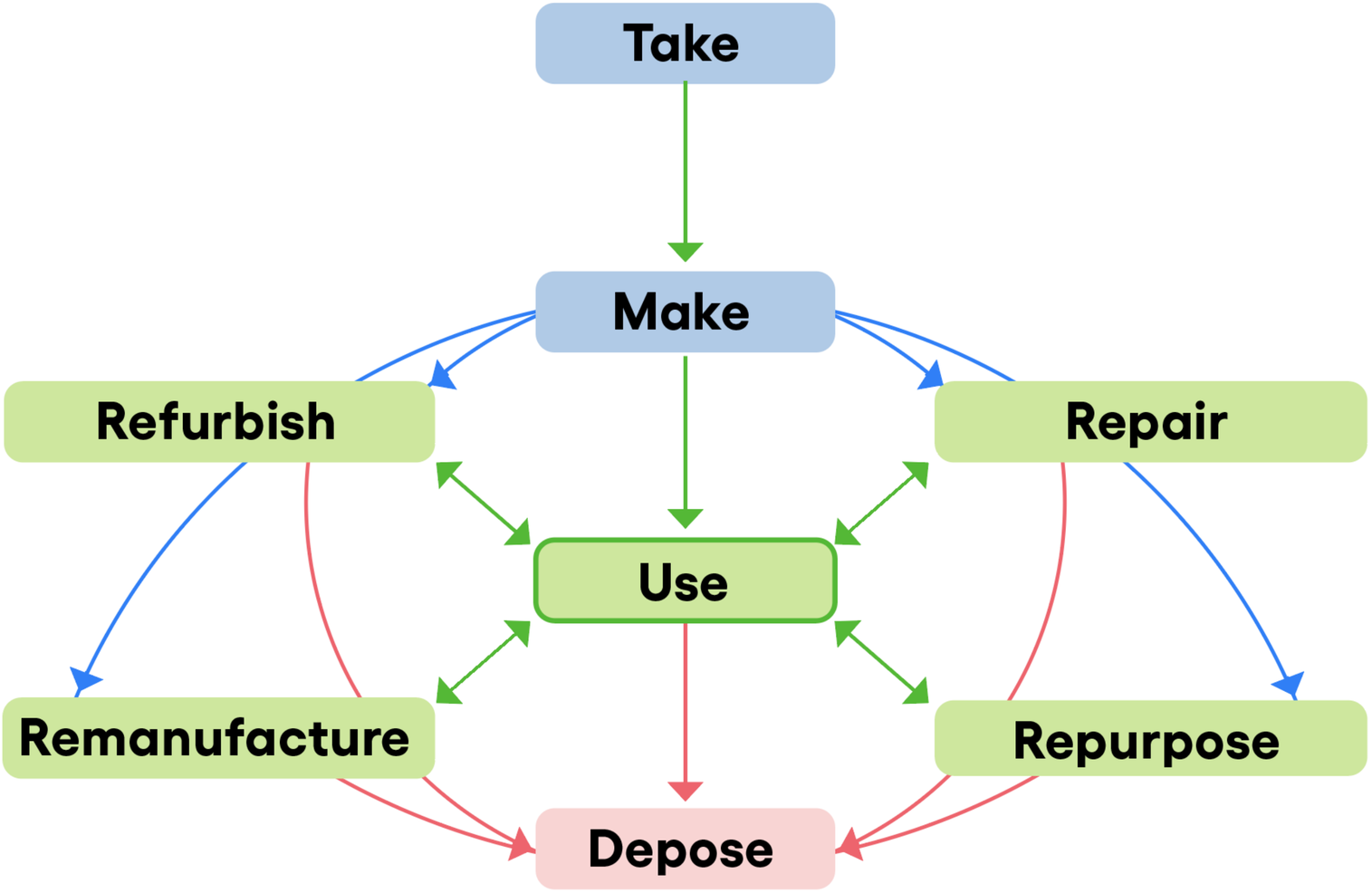
Policy and regulatory	Technological	Infrastructure	Financial	Organisational	Social
Lack of harmonised and standardised regulations	Lack of innovative recycling technology	Reverse logistics	Additional premium on circular materials	Internal buy-in and coordination	Consumer behaviour and perception
Lack of updates to customs classifications and regulations	Lack of traceability and data	Lack of collection and sorting infrastructure	Upfront investment requirements	Supply chain challenges	Lack of information on post-use return
Challenges due to the Basel Convention	Trade-offs between functionality and circularity	Limited scalability	Accounting practices	Measuring progress	Contamination of material streams

The good news

Opportunities exist despite challenges

Policy and regulatory support	Technological opportunities	Infrastructure opportunities	Financial opportunities	Organisational opportunities	Social opportunities
Harmonisation of regulations	Investment in recycling technologies	System-thinking perspective	Financial incentives	Leadership buy-in	Shift consumer behaviour and perception
Incorporate technical expertise in policymaking	Design for circularity	At-source sorting and collection	Carbon accounting	Effective consumer awareness and engagement	Increase consumer awareness on post-use return
Engage circular economy standards bodies	Leverage digitalisation	Strategic material banks	Shared investment between value chain partners	Labelling policies	Promote circular economy principles

How does a circular material flow look in practice?



- Flow of resources and products
- Flow of resources and products to compensate purification or needed for refurbish, repair, remanufacture and repurpose
- Purification, e.g. omission of non-preferred resources, e.g. hazardous substances

How policymakers can enable change

Multilateralism

Embrace multilateral cooperation to address barriers globally

Harmonisation and alignment of laws and regulations

Harmonise laws, regulations and technical specifications to level the playing field for companies across the globe and align them with the innovations and evolution of the circular economy

Technical expertise and inclusivity

Incorporate technical business expertise in policymaking to allow for more granularity and bring all key stakeholders and organisations to the table

Basel Convention

Move the Basel Convention beyond linearity