

Regional Initiative on Resource Efficiency, Sustainability and Circular Economy in the ECO Region (RESCUE)

CONCEPT PAPER

Rationale and background

The circular economy is a new sustainability paradigm increasingly gaining global prominence over the past decade as a facilitator of the long-term growth. It represents a model of production and consumption, which employs reuse, sharing, repair, refurbishment, remanufacturing and recycling existing materials and products as long as possible. The three principles required for the transformation to a circular economy are: designing out waste and pollution, keeping products and materials in use, and regenerating natural systems.

Globally, the circular economy delivers solutions to triple planetary crisis: climate change, pollution and biodiversity loss via regeneration of natural systems. This model extends the life cycle of products; decreases the use of natural resources; reduces natural and habitat disruption, amount of waste as well as biodiversity loss. Another benefit is a reduction in total annual greenhouse gas emissions. The circular economy model can increase the global employment and help secure the supply of critical materials.

Nevertheless, its global, regional and local capture as a paradigm shift still remains unsatisfactory notwithstanding strong ambitions and inspiring examples. Less than 10% of global economic activity in 2022 and 2023 has been circular. In this vein, successful and constructive cooperation at a regional level could be instrumental for stimulating circular economy ambitions and finding regional solutions. Currently, several regional initiatives are operational in Europe, Africa, Latin America and Caribbean, which have explicit objectives of transition towards a circular economy or contributing to it.

The circular economy model seems promising for ECO Region as well. The homogeneity of existing traditional linear economic models in Member Countries, sluggish pace of productivity catch-up to advanced economy levels, interconnectivity of supply chains, need in well-targeted policies to reignite productivity growth, diversification, human capital as well as efficient infrastructure, and other factors altogether calls upon for strong regional collaboration in this area. ECO requires a cohesive approach to accelerate the adoption of circularity as a paradigm and at a systemic level. It is therefore more than pertinent to advocate a shared vision on a circular transition, pursue regenerative principles and scale up relevant solutions within the regional framework.

Speeding up system-wide transformations in high impact sectors, as manufacturing, food, energy, mining, water, construction and mobility via adoption and implementation of circularity and resource-efficiency policies and regenerative production approaches are a dire need for ECO to go hand in hand with global trends. This transformation envisages redesigning our new industrial systems to become regenerative by intention

and deployment of new circular business models and due diligence principles. Stimulating circular food systems will consequently regenerate natural asset for people while addressing the triple planetary crisis. Although the green energy transition necessitates an exponential growth of metals and minerals demand, circularity can turn this challenge into opportunity by bringing about high value and high impact solutions along mineral supply chains. Decisive action is required to diversify sustainable material sources and integrate circular solutions in mining sector. ECO may achieve all these targets by taking stock of the best and inspiring examples towards resource-efficient transition globally.

ECO has recently started to take up the importance of this transition. “ECO Strategy for Energy Cooperation 2030” proposes that the Regional Electricity Market, Clean Energy Centre, Green Economy Modelling or sustainability of downstream with reference to circular economy, for example, may be established in collaboration with organizations and countries that have built up years of experience in gathering market research data and creating outlook documents for achieving successful utmost goal. The subject Strategy envisages circular economy policy activities to be driven from bottom up in terms of actions from cities, universities and companies as much as by national and international action. However, these grass root initiatives and endeavours could not be realized unless firm high-level support and stimulation by governments.

Given the ever-increasing prioritization of the subject thematic in the global agenda, its regional uptake could gain strong support by the relevant international stakeholders. This ambition may demonstrate the solidarity of countries of ECO Region, which predominantly endowed with hydrocarbon or other mineral resources and traditionally pursue linear economic model policies to change the established stereotypes. These countries may thus position themselves as proponents of just and innovative transition to circularity in international arena.

With these in mind, the Regional Initiative on Resource Efficiency, Sustainability and Circular Economy in the ECO Region (RESCUE) could be launched as a collaborative initiative by ECO in strong cooperation with the United Nations Special Programme for the Economies of Central Asia (SPECA) and the Organization of Turkic States (OTS), which share similar vision, membership and geographical coverage with ECO.

Objectives

The key overarching objective of RESCUE is to create a regional cooperation platform that will advocate for a just transition to a resource-efficient, circular and regenerative economy, and support coherent policies for circularity and more sustainable management of natural resources.

This advocacy and support will be undertaken with a view to upscale sustainable markets and industries, build resilience in the ECO Region in a long-term perspective and align with the global transition patterns. RESCUE aims at addressing and overcoming the challenges that the ECO Member States are confronted with. It will complement and contribute to the ongoing national efforts towards circularity by strongly

supporting the transition process in the ECO Region to achieve a sustainable and equitable economies.

The engagements will be multi-year and focus on interlinkages between and among sectors. This process will raise visibility of the ECO Region, as well as enhance efficiency and dynamism of regional cooperation in light of the current needs and aspirations of the ECO Member States.

The non-exhaustive list of specific objectives of the initiative are as follows:

- Contribute to the existing global efforts from the regional perspective to transform to a resource-efficient, circular and regenerative economy, and become a regional knowledge and excellence hub on this transition in a long run.
- Set the ground for a well-designed and long-term oriented Regional Action Plan that will represent a guiding framework towards transition to circular and inclusive economies.
- Mainstream more sustainable consumption and production through advisory support, capacity-building and awareness-raising activities, to be undertaken with possible international partners.
- To grasp the best and inspiring examples and innovative solutions on circularity beyond borders and from the outside world already available, including regulatory frameworks, standards and measurement methodologies which provide clear circular target-setting guidance.
- Mapping out the integrated and coherent resource mobilization, allocation and disbursement for circular and regenerative economy in the region in order to build and implement the relevant policies. This endeavour envisages joint fund-raising and investing in circular and regenerative economy via leveraging a wide range of domestic and international financing sources, public and private capital. The outcome of these engagement could be a roadmap on how to overcome the existing financing challenges for this transformation, enable transformative actions, unlock and scale up investments in regional circular initiatives.
- To set up a Group of Friends within the United Nations System and other global multilateral platforms with a view to interact with the possible counterparts, advocate the initiative and forge partnerships for delivery of cohesive and high-quality technical and financial support.

Expected activities in a short- and mid-term perspective

1. To initiate and develop the low-budget Project on Preparation of Needs Assessment Report of the ECO Region for a just transition to a resource-efficient and circular economy with seed financing by ECO, SPECA and OTS.

2. To reflect the significance of a just transition to a resource-efficient and circular economy and more sustainable management of natural resources in key outcome documents of the forthcoming meetings of policy and decision-making bodies of ECO, SPECA and OTS within 2023 and 2024.
3. To endorse the subject RESCUE Concept Paper as a working document at the next Council of Ministers Meeting of ECO, to be held on 9 October 2023 in Shusha, Republic of Azerbaijan, which will demonstrate the solidarity and common stance of the ECO Member States on the importance of topic.
4. To convene the Ministerial-level Informal Meeting dedicated to a just transition to a resource-efficient and circular economy in the course of the COP28 of UNFCCC (30 November - 12 December 2023), which may be co-organized by ECO, UN and OTS.
5. To uptake the thematic of gradual just transition to a resource-efficient and circular economy in the framework of different important international events, to be organized in the ECO Member States within 2023 and 2024 as dedicated special sessions, panels, side events, etc. Furthermore, consider the key forthcoming global events (such as Davos Forum, IRENA Assembly, UN GA, etc.) for advocacy of the initiative.
6. Driven by the Project on Preparation of Needs Assessment Report (see above the “Expected Activity” 1), to explore the possibilities of setting up the following governance mechanism for regular steering and monitoring of required activities.

Possible governance and implementation mechanism

The Advisory Committee / Ad Hoc Task Force may be set up with a view to steer and monitor the achievement of the relevant objectives and goals of the initiative. It may act as an oversight body and comprise one representative from each Member State designated by the respective governments, as well as the representative(s) of ECO Secretariat, SPECA and OTS Secretariat delegated by their leaderships. This mechanism may convene its meetings biannually or in cases when necessary. Meanwhile, ECO Secretariat may be authorized to discharge the duty of coordination of activities within RESCUE on a daily basis.