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**THIS ACTION IS FUNDED BY THE EUROPEAN UNION**

**ANNEX 5**

to the Commission Implementing Decision on the financing of the multiannual action plan for the thematic programme on Global Challenges (Prosperity) for 2023-2025

**Action Document for EU Circular Economy Resource Centre: Supporting the Circular Economy transition in partner countries**

**MULTIANNUAL PLAN**

This document constitutes the multiannual work programme within the meaning of Article 110(2) of the Financial Regulation, within the meaning of Article 23 of the NDICI-Global Europe Regulation.

## 1 SYNOPSIS

### 1.1 Action Summary Table

<b>1. Title CRIS/OPSYS business reference Basic Act</b>	<b>EU Circular Economy Resource Centre: Supporting the Circular Economy transition in partner countries</b> OPSYS number: ACT-62068 Financed under the Neighbourhood, Development and International Cooperation Instrument (NDICI-Global Europe)
<b>2. Team Europe Initiative (TEI)</b>	No
<b>3. Zone benefiting from the action</b>	Global action
<b>4. Programming document</b>	NDICI-Global Europe Global Challenges Multi-Annual Indicative Programme 2021-2027 <sup>1</sup>
<b>5. Link with relevant MIP(s) objectives / expected results</b>	MIP Priority Area 3: 'Prosperity', Specific Objective 2: 'Circular Economy' / Expected Results: 1. increased global advocacy, policy support and knowledge sharing for the just transition to an inclusive carbon-neutral, resource-efficient, circular economy through knowledge development, awareness raising, multilateral dialogues and partnerships; 2. increased adoption of circular economy policies and regulations in partner countries; and 3. increased global support for the greening of global value chains and the promotion of improved international standards.
<b>PRIORITY AREAS AND SECTOR INFORMATION</b>	
<b>6. Priority Area(s), sectors</b>	Priority Area 3: Prosperity Sector: Circular Economy
<b>7. Sustainable Development Goals (SDGs)</b>	Main SDG (1 only): 12: Sustainable Consumption and Production Other significant SDGs (up to 9) and where appropriate, targets: 5, 8, 9, 13, 15, 17

<sup>1</sup> C(2021)9157

<b>8 a) DAC code(s)</b>	41010 – Environmental policy and administrative management – 70% 25040 – Responsible business conduct – 30%			
<b>8 b) Main Delivery Channel</b>	13000 – Third Country Government (Delegation co-operation)			
<b>9. Targets</b>	<input type="checkbox"/> Migration <input checked="" type="checkbox"/> Climate <input checked="" type="checkbox"/> Social inclusion and Human Development <input checked="" type="checkbox"/> Gender <input checked="" type="checkbox"/> Biodiversity <input type="checkbox"/> Education <input checked="" type="checkbox"/> Human Rights, Democracy and Governance			
<b>10. Markers</b>  (from DAC form)	<b>General policy objective @</b>	<b>Not targeted</b>	<b>Significant objective</b>	<b>Principal objective</b>
	Participation development/good governance	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Aid to environment @	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Gender equality and women's and girl's empowerment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Reproductive, maternal, new-born and child health	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Disaster Risk Reduction @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Inclusion of persons with Disabilities @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Nutrition @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<b>RIO Convention markers</b>	<b>Not targeted</b>	<b>Significant objective</b>	<b>Principal objective</b>
	Biological diversity @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Combat desertification @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation @	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Climate change adaptation @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	<b>Policy objectives</b>	<b>Not targeted</b>	<b>Significant objective</b>	<b>Principal objective</b>
	Digitalisation @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>11. Internal markers and Tags:</b>	digital connectivity digital governance digital entrepreneurship digital skills/literacy digital services	YES <input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	NO <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	
	Connectivity @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	digital connectivity	YES <input type="checkbox"/>	NO <input checked="" type="checkbox"/>	

	energy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	/
	transport	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
	health	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
	education and research			
	Migration @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Reduction of Inequalities @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Covid-19	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>BUDGET INFORMATION</b>				
<b>12. Amounts concerned</b>	Budget line(s) (article, item): 14 02 02 42 Total estimated cost for 2023: EUR 15 million Total amount of EU budget contribution for 2023: EUR 15 million The contribution is for an amount of EUR 15 000 000 from the general budget of the European Union for the financial year 2023			
<b>MANAGEMENT AND IMPLEMENTATION</b>				
<b>13. Type of financing</b>	<b>Indirect management</b> with the entity(ies) selected in accordance with the criteria set out in section 4.3.1,			

## 1.2 Summary of the Action

This action on the EU Circular Economy Resource Centre is in line with the EU Circular Economy Action Plan (CEAP)<sup>2</sup>, which provides the EU with a clear roadmap to transition to a circular, low-carbon economy at home, and to work with partners around the world to support the green transition. The EU aspires to set a credible example, and to use its full external action toolbox to promote the Circular Economy (CE) transition globally. This ambition acknowledges Circular Economy's pivotal role in **achieving climate neutrality**<sup>3</sup> and **preserving natural capital and biodiversity**. A role that is also essential to **reduce external dependencies** and increase the **resilience of economic systems and value chains, notably to climate change**. The circular economy offers a unique pathway and opportunity to make economies more sustainable, **create local jobs** and **boost innovation**, thus contributing to the achievement of the Sustainable Development Goals. At the same time, the EU CEAP sets targets for its internal market that can catalyse a CE transition in our partner countries (trading partners) and within global supply chains, in order to be attained.

In this perspective, the action aims to capitalise on- and mobilise EU Circular Economy (CE) know-how, policies and standards, technologies, business models and business practices, and to promote learning and exchanges with partner countries towards accelerating the global transition to the Circular Economy, in collaboration with EU partner countries.

The **overall objective** of the action is to increase the uptake of sound circular economy policies and business models, based on peer-to-peer exchanges and partnerships between EU and third country stakeholders. It intends to set up and operate an **EU CE resource centre**, including:

- An **EU CE Knowledge Lab** that documents and consolidates EU circular economy knowhow from partner country lenses, and makes it available to partner country stakeholders through a knowledge

<sup>2</sup> COM(2020) 98 final

<sup>3</sup> According to the [Circularity Gap Report 2022](#) (accessed on 10 May 2023), through a circular economy transformation 'we can cut material use by 28% and greenhouse gas emissions by 39%'. The [International Resource Panel \(2020\)](#) also reports the significant opportunities to reduce GHG emissions associated with residential buildings (ranging from 80%–100% in 2050 for the G7 and China) and passenger cars (57%–70% in G7 countries; 29-62% in China and 39-53% in India).

platform and helpdesk, dialogue and exchange of experiences, good practices, learnings, and innovative approaches, helping them solve individual challenges in different contexts.

- An **EU CE Policy Lab** offering assistance on policy and regulatory matters through peer support, technical assistance, exchange of best practices and acceleration programmes to inspire policy and regulatory development; and
- An **EU CE Business Lab** supporting partner country businesses to go circular, through peer-to-peer exchanges, circular economy market outlooks, business opportunity scans, and benchmarking assessments, as well as showcasing innovative circular solutions and facilitating matchmaking with EU companies, with due attention to women and youth entrepreneurs.

Notwithstanding the global character of the EU Circular Economy Resource Centre, priority will be given to countries in Africa, the EU Neighbourhood, Asia and the Pacific, Latin America and the Caribbean, engaged in circular economy processes (in particular with EU / Member State / European financing institutions' support), including members of the African Circular Economy Alliance and the Latin America and Caribbean Circular Economy Coalition, and similar platforms in Asia and the Neighbourhood, to which the EU is a strategic partner. As such, EU support to the proposed action is expected to complement and strengthen action at country and regional level, systematically seeking synergies and complementarity with EU bilateral and regional programmes and EU domestic initiatives notably the European Circular Economy Stakeholder Platform (ECESP). While the specificity and focus of this initiative is to mobilise EU and Member States know-how in support of partner countries globally with a focus on the Global South and EU neighbourhood, the action will aim to promote multidirectional and mutually beneficial exchanges and partnerships, also allowing partners in third countries to exchange and work together and European actors to learn from models developed outside Europe.

The action is expected to contribute to the following results of the Prosperity pillar of the Global Challenges programme for 2021-2027: a. increased global advocacy, policy support and knowledge sharing for the just transition to an inclusive carbon-neutral resource efficient circular economy through knowledge development, awareness raising, multilateral dialogues and partnerships; b. increased adoption of circular economy policies and regulations in partner countries; and c. increased global support for the greening of global value chains and the promotion of improved international standards.

The action will pay particular attention to equity and inclusiveness, promoting, in particular, women and youth entrepreneurship. It supports the achievement of the Sustainable Development Goals (SDGs), particularly contributing to SDGs 12 (Responsible Consumption and Production), 8 (Decent work and economic growth), 9 (Industry, Innovation, and Infrastructure), 13 (climate action) 14 (Life under Water), 15 (Life on Land) and 5 (Gender equality). Furthermore, it supports both sustainable trade and sustainable investments (notably under the Global Gateway and EFSD+). The direct participation of EU Member State organisations sets the basis for close coordination with EU and other donor supported circular economy initiatives at bilateral, (sub)regional and multilateral levels, such as Team Europe Initiatives on the circular economy (e.g. ASEAN, Peru, Neighbourhood) and the SWITCH programmes<sup>4</sup>.

The action may be implemented by indirect management with a consortium of entrusted EU Member States' entities or other suitable options. Finland (incl. the Finnish Innovation Fund - SITRA)), Belgium-(ENABEL), and the Netherlands have expressed their willingness to play a role in the implementation of the initiative. Germany (GIZ) and Denmark have expressed interest.

## 2 RATIONALE

### 2.1 Context

There is only one planet Earth, yet by 2050, the world will be consuming as if there were three. Global consumption of materials such as biomass, fossil fuels, metals and minerals are expected to double in the next forty years, while annual waste generation is projected to increase by 70% in 2050<sup>5</sup>. As half of total greenhouse gas emissions and

<sup>4</sup> Switch Programmes : <http://www.switch-asia.eu>, <http://www.switchafricagreen.eu>, <http://www/switchmed.eu>

<sup>5</sup> COM(2020) 98 final – A new EU Circular Economy Action Plan

more than 90% of biodiversity loss and water stress come from the extraction, processing, and manufacturing and consumption of materials/natural resources, the EU launched the European Green Deal, a concerted strategy for a climate-neutral, resource-efficient, and competitive economy. Besides measures to phase out fossil fuels and decarbonize the economy, scaling up the circular economy and reducing material consumption in high income countries will make a decisive contribution to delivering on global climate (both mitigation and adaptation) and biodiversity commitments and decoupling economic growth from resource use, while leaving no one behind. **Unless we radically transform how we use materials to satisfy our needs, we will not achieve several of the SDGs, the objectives of the Paris Agreement and of the Montreal Kunming Global Biodiversity Framework.**

The new EU Circular Economy Action Plan (CEAP) is a central element of the European Green Deal: it puts in place a set of measures to move the EU in a truly circular economy path. Aiming to keep resources in economic cycles as long as possible, the plan addresses key product value chains such as electronics and ICT, batteries and vehicles, packaging, plastics, textiles and food. It also recognises that Europe will not achieve transformative change by acting alone. It commits the EU to continue to lead the way to a circular economy at the global level and to **use its influence, expertise, and technical and financial resources** to support the circular economy transition in partner countries and implement the 2030 Sustainable Development Goals.

Beyond Europe, a growing number of countries and regions are embracing the circular economy as a positive agenda and pathway to achieve sustainable economic development, job creation and enhanced strategic autonomy, while tackling growing resource scarcity and decoupling growth from greenhouse gas emissions and biodiversity loss. Over 50 countries are developing or implementing circular economy roadmaps and/or measures; regional circular economy alliances and coalitions have been created in Africa, Asia and Latin America and the Caribbean. At global level, the Global Alliance on Circular Economy and Resource Efficiency and the World Circular Economy Forum serve as global conveners. Many developing countries have economies that are much more circular than in industrialized countries and have the opportunity to leap-frog to more sustainable consumption and production models and circular economic models. The action will allow actors from Europe and partner countries to learn from each other and identify green transition pathways.

The Neighbourhood, Development, and International Cooperation Instrument (NDICI or Global Europe Instrument)<sup>6</sup> sets out a Global Challenges programme for 2021-2027 to pursue and project EU's interests and values in support of universal global agendas and initiatives. The Prosperity pillar of the Programme implements the EU's political priority of 'an economy that works for the people and for the planet'. It responds to the aspiration of a climate-neutral and healthy planet, built on a resilient, green, and circular economy (CE), which needs global support and coordination if we are to achieve a sustainable and inclusive economic recovery.

The Global Gateway is the EU's contribution to achieve a strong, inclusive, green, and digital recovery and transformation. It will invest in developing infrastructures that are clean, climate-resilient and aligned with pathways towards net zero emissions. The action will, in particular, support the Gateway principle of smart, clean and secure investments in quality infrastructure and in connecting goods, people and services around the world in a sustainable way.

The action contributes to the implementation of the EU Circular Economy Action Plan's international objectives (indicatively to 'identify knowledge and governance gaps in advancing a global circular economy and take forward partnership initiatives, including with major economies', to 'step up outreach activities', and 'to enhance coordination and joint efforts for a global circular economy'). It has the potential to amplify the impact of various legislative measures tabled by the EU under the CEAP, notably on making sustainable products the norm<sup>7</sup> and on the Commission's Proposal for a Directive on Corporate Sustainability Due Diligence<sup>8</sup>, aspiring to lead by example towards sustainable consumption and production globally (SDG 12).

It also supports an inclusive economy that works for the people, leaving no one behind. One that creates and promotes decent, green jobs, especially for women and young people in their diversity, and disadvantaged groups, such as persons with disabilities and indigenous people. What is more, in line with EU commitments under the Gender Action Plan III, the action promotes gender perspectives into circular economy policy development, e.g., by addressing knowledge gaps on the role of gender in the circular economy transition.

<sup>6</sup> REGULATION (EU) 2021/947

<sup>7</sup> [https://ec.europa.eu/commission/presscorner/detail/en/ip\\_22\\_2013](https://ec.europa.eu/commission/presscorner/detail/en/ip_22_2013) [Accessed 22.06.2022]

<sup>8</sup> COM(2022)71 of 23.02.2022



The circular economy must be gender-responsive to actively bridge gaps and overcome barriers to ensure a just transition for all. Existing research shows that women are disproportionately represented in low-value added, informal and end-of-pipe activities of the circular economy, including recycling, reuse and waste management. By contrast, when delving into higher value-added circular activities women's participation is less prominent. A just and inclusive transition towards circularity calls for a stronger participation of women across the *entire* circular economy spectrum<sup>9</sup>.

The action's circular economy ambition complements and strengthens planned and on-going EU support on the Green/Circular economy at country level (e.g. in 26 country Multiannual Indicative Programmes (MIPs) that include the circular economy as a specific objective or expected result), regional level (e.g. through the regional SWITCH programmes in Asia, Africa and the Mediterranean<sup>10</sup>, and through policy engagement with regional platforms on Circular Economy, such as the African Circular Economy Alliance and the Latin America and Caribbean Circular Economy Coalition) and global level, through inter alia the EU-led Global Alliance on Circular Economy and Resource Efficiency (GACERE) and the World Circular Economy Forum. Acknowledging the existence of several structures and processes aiming to accelerate the circular economy transition, the EU Circular Economy Resource Centre will build on and seek synergies with existing networks and platforms, notably the EU CE Stakeholders Platform and will complement and strengthen circular economy processes at country, regional and global level, further enabling cooperation and dialogue among programmes, regions, policy as well as business stakeholders.

The action is framed under the European Green Deal and the Circular Economy Action Plan. It supports their international dimension. It contributes to the implementation of the United Nations (UN) Agenda for Sustainable Development (here particularly, SDG 8,9, 12, 13, 14, 15 and 5), the European Consensus for Development (with a focus to protecting the environment, climate and sustainable growth and jobs) and the Paris Agreement, with circular economy practices offering an essential mechanism to transform our economies towards net-zero emissions. The action contributes to the implementation of sustainable trade standards, the promotion of sustainable value chains and the creation of enabling environments for sustainable investment pipelines, to be financed under the EFSD+, and to the implementation of the Global Gateway objectives linked to the climate and energy partnership area, supporting a green transformation by means of green technology exchanges.

The action will also seek synergy with relevant Team Europe Initiatives. The involvement of EU Member States is expected to further facilitate the promotion of EU sustainability standards and investments. The actions will serve as a convener for circular economy initiatives by the EU and Member States with the knowledge and policy lab connecting, collecting, and consolidating information and knowledge produced with view to disseminating and replicating EU learnings and know-how relevant to partner countries.

## 2.2 Problem Analysis

Current economic models -largely extractive, linear, and based on fossil fuels- are unsustainable. Humanity has exceeded six of nine planetary boundaries<sup>11</sup> that mark the processes of regulating the stability and resilience of the Earth system. Unless we urgently shift to low-carbon circular economies, we risk crossing dangerous thresholds and possible tipping points. Circular Economy is a transformative agenda: achieving global circularity calls for capacity-building and innovation in economic policies, strengthened regulatory frameworks, finance and investment in sustainable solutions, and new business models and approaches. The generation and dissemination of knowledge, the development of capacities and the provision of high-level technical assistance is required to support public and private actors in this transition in partner countries. There are many opportunities to leverage EU expertise in these areas and promote partnerships, but this demands tailor-made solutions and must also be viewed through the lenses of our partner countries and in the spirit of partnership.

Policy and other initiatives promoting the circular economy transition face challenges related with limitations in available knowledge and evidence, on which appropriate decisions can be made. Lack of credible studies, especially on matching with the gaps in global value chains and within the regulatory frameworks of partner countries, but also lack of coordination of relevant research and analytical work add further burden to efforts

<sup>9</sup> [Why adopting a gender-inclusive approach towards Circular Economy matters, UNIDO 2022](#)

<sup>10</sup> SWITCH Asia: C(2016)7768 of 24.11.2016 and C(2018)8635 of 10.12.2018; SWITCH Africa Green: C(2016)8242 of 02.12.2016; SWITCH Med: C(2018)7631 of 14.11.2018

<sup>11</sup> Stockholm Resilience Institute accessed at: <https://www.stockholmresilience.org/research/planetary-boundaries.html>

towards evidence-based decision making. Gaps in knowledge and evidence are apparent on all aspects of the economy and society, from policies and regulations to business models and technologies and consumption and production patterns upstream and downstream global value chains (particularly with focus on downstream stakeholders taking shared responsibility for upstream impacts). Information/outcomes are not analysed (need to enhance analytical work) and not taken forward; beyond lack of coordination, there is also absence of mechanisms to support regional and country actors and to help build common knowledge for CE stakeholders globally.

Gaps in data and knowledge are particularly evident in the social dimension of the circular economy. These gaps are larger in the Global South context where limited research exists on how a circular economy can be materialised. The shortage of gender-disaggregated data needs to be urgently addressed, to avoid gender-blind circular policies that ignore gender as a factor in the green, notably circular transition thus reproducing and reinforcing gender inequalities. There is a need to consolidate findings on policy measures to counteract the gender imbalance in the circular transition. Increased knowledge addressing different contexts to ensure that the new circular business models do not reinforce gender stereotypes where men take charge of high technology while women attend to traditional women's tasks such as repairing clothes needs to be generated and made available. And yet knowledge and know-how on how to address gender imbalances in the circular economy transition, is scattered or not available. Practitioners have emphasized that the transition to circularity must not repeat the inequality-breeding practices of the linear economic model. The systematic inclusion of a gender lens in the circular economy could empower women and ensure a just transition<sup>12</sup>. In addition, inclusion of persons with disabilities and their needs within the greening of jobs is indispensable to ensuring a just transition<sup>13</sup>.

Addressing the aforementioned needs opens opportunities for circular economy exchanges and partnerships among both public and private institutions, as well as Civil Society Organisations. It also requires new structures and processes enabling more active and multiple collaboration, as well as collaboration and experience sharing on circular economy policy design and implementation. Mechanisms convening policy makers, industries, investors, and technology providers are necessary to facilitate an ecosystem approach involving the sharing of experiences, capacities and capabilities on operational policies, processes, standards, supply chain mechanisms, technological innovations, intellectual property rights, and circularity metrics among others.

Such mechanisms are not only a prerequisite to designing and deploying circular networks across multiple countries or regions; they are also the means to promoting learning by doing. Their relative absence from global green transition processes creates a gap in overall capacities, which is accentuated by the huge deficit in expertise and professional skills on circular economy. EU support has been channelled towards building the business case for the circular economy in partner countries, establishing a conducive business environment and investment climate, providing access to finance, and improving the capacities and skills of workers in both the public and private sectors. There is an opportunity and need to further leverage EU knowledge and experience on how to develop circular economy policy, implement it from a business and consumer perspective, and promote peer to peer exchanges with partners in third countries in order to scale up and accelerate the global transition.

Transitioning to a circular economy calls for stronger international cooperation, reversing current trends of fierce competition for resources and to move towards common standards and objectives, collaborative economic models, and partnerships enhancing circularity and resource- and energy efficiency in value chains that cut across borders. There is therefore a huge need to connect relevant actors, both public and private, across countries and regions.

To accelerate the transition to a circular economy, trade in particular plays a crucial role, which is acknowledged in international processes as exemplified by World Trade Organisation (WTO) Public Forum, where circular economy is already on the agenda. In this transition process, businesses and value chain actors seek partners to gain access to (emerging) circular markets and channels, share intellectual property or infrastructure, or reduce risks while turning circular. However, mechanism to establish business partnerships are not fully developed. Further, a limited number of businesses change to circular business practices due to missing incentives, lack of circular business partners and lack of a regulatory framework that encourages the necessary investments and changes. The lack of peer-to-peer partnerships of circular businesses and a coordination of value chain actors that advance towards circularity slows the transition process.

<sup>12</sup> [More than Just SDG 12: How Circular Economy can Bring Holistic Wellbeing](#). IISD 2022.

<sup>13</sup> [Persons with disabilities in a just transition to a low-carbon economy](#), ILO, 2019.

What is more, the circular economy remains a niche<sup>14</sup>, distributed among a few suppliers and consumers, manufacturers and brand owners, industry, and services. The scale and strength at which a circular economy transition is needed requires an unprecedented level of finance to be directed to circular economy investments and away from linear business models, thus calling for Finance Institutions to step up their financing and advisory services for circular economy.

Investments are increasingly directed to circular businesses and projects. Following the launch of the new EU taxonomy, the financial sector has started to embrace circular economy opportunities, with new instruments being introduced and tenfold growth taking place in private market funds. As many as 77% of EU firms touch upon circular economy in their sustainability reports, and companies are increasingly implementing circular strategies to gain a competitive advantage and respond to a changing customer behaviour. The momentum is there to also look beyond EU borders. By mainstreaming circularity even further, the EU can help deliver a truly circular single market, as an EU and global standard.

**Identification of main stakeholders** and corresponding institutional and/or organisational issues (mandates, potential roles, and capacities) to be covered by the action:

The circular economy transition is a multi-faceted process engaging a broad range of stakeholders across the full spectrum of policy makers, economic actors and citizens/consumers, who need to put their actions in synergy in order to promote the uptake of relevant policies and production and consumption models. The EU Circular Economy Resource Centre targets a wide range of circular economy stakeholders, notably: global and regional alliances and fora; national governments, businesses and their associations (in particular within SME networks, such as business associations, or large companies that impact decisions upstream supply chains), knowledge organisations (including think tanks and academia) and civil society organisations (in particular representing the views and interests of consumers), in EU partner countries, globally.

The Centre will address these stakeholders with tailored guidance and support services to design, finance and implement resource efficiency and circular economy policies and/or investments. In particular, governments will be involved in dialogues and will receive assistance (including in the form of policy support) to conceive, develop and implement conducive frameworks for the circular economy, such as circular economy strategies, roadmaps and regulations, improvements in the business environment and investment climate, sustainable trade, or sustainable consumption incentives. Business Intermediary Organisations and large companies will be involved in the facilitation of business exchanges and peer-to-peer support, as well as the dissemination of knowledge, experiences and support tools to their members or supply networks. Individual SMEs or start-ups will be addressed and engaged when identified as front runners or circular champions with potential contribution to peer-to-peer activities and support.

The direct beneficiaries of the action are the partner countries, companies and business intermediaries, regional and global alliances and fora on circular economy, that will benefit from the EU Circular Economy Resource Centre. The private sector in partner countries and the EU will also indirectly benefit from enhanced policy frameworks, increased knowledge on the circular economy, circular business models and sustainable trade standards.

The EU Resource centre will seek to mobilize the circular economy know-how of a diversity of European actors. It will build on the EU Circular Economy Stakeholders Platform, its network and its knowledge platform and will promote synergies with the action of Member States entities engaged in similar external initiatives to promote a circular economy. Consultation meetings with EU Member States, their agencies and other relevant entities allowed to identify various entities, including the European CE Stakeholder Platform, SITRA (the Finnish Innovation fund, which leads the World Circular Economy Forum) and Finland's Ministry of Foreign Affairs, ENABEL (the Belgium development agency), the Netherlands Government and Dutch entities (Circle Economy and Circular Hotspots), Germany (BMUZ, GIZ) and Denmark (DANIDA). All have expressed interest in the action. Some have stated their willingness to play a role in its implementation.

<sup>14</sup> Global circularity is estimated at only 7,2% according to the [2023 Circularity Gap Report](#)



## 3 DESCRIPTION OF THE ACTION

### 3.1 Objectives and Expected Outputs

The **Overall Objective** of this action is to increase the uptake of sound and inclusive Circular Economy policies and business models, based on peer-to-peer exchanges and partnerships between EU and third country stakeholders.

This action establishes an **EU Circular Economy Resource Centre**, contributing to the implementation of the external dimension of the Circular Economy Action Plan and its commitment to **mobilise EU expertise** to support the circular economy transition in partner countries. The Resource Centre will have a coherent, modular, structure (comprising three labs: a ‘Knowledge Lab’, a ‘Policy Lab’ and a ‘Business Lab’). It will facilitate the mobilization of EU circular economy know-how in support of processes at country level (e.g. policy development and implementation, business development), regional level (e.g. regional CE alliances and coalitions) and global level (e.g. GACERE, World Circular Economy Forum). It will thereby complement and strengthen EU and Member States’ programmes at country and regional level

The **Specific Objectives** of this action are:

**SO1:** To document and consolidate EU know-how on the circular economy transition through partner country lenses and make it available to public and private sector stakeholders in third countries through a knowledge lab.

**SO2:** To inspire and facilitate the development and implementation of sound circular economy policies and regulations through a policy lab.

**SO3:** To support partner country businesses to go circular and access emerging circular economy markets globally through a business lab.

The Outputs to be delivered by this action contributing to the corresponding Specific Objectives are:

#### **Outputs under SO1:**

1.1. An EU Circular Economy Resource Centre established and maintained.

1.2. Consolidated EU circular economy know-how that is of relevance to partner countries made available and accessible to public and private sector stakeholders globally.

1.3. Circular economy knowledge challenges of partner countries and stakeholders addressed on-demand.

#### **Outputs delivering to SO2:**

2.1. Circular economy policy and regulatory processes in partner countries benefitted from EU knowledge and EU experience.

2.2. Enhanced experience and knowledge sharing involving EU and partner country stakeholders on enabling policy and regulatory frameworks for circular economy.

#### **Outputs delivering to SO3:**

3.1. EU circular economy business practices explained, analysed, and showcased to private sector stakeholders in partner countries.

3.2. Circular economy businesses convened and facilitated in peer to peer exchanges and making business deals that help close the loop and/or promote a global deployment of circular economy business models.

The action will systematically promote **inclusive economic models that focus on human well-being, environmental sustainability, and decent job creation, addressing inequalities**, notably gender inequalities.

### 3.2 Indicative Activities

**Indicative Activities relating to Output 1.1 (An EU Circular Economy Resource Centre established and maintained):**

1.1.1. Set up an EU CE Resource Centre with its governance structure and management unit, agile decision-making processes, appropriate knowledge and expertise, management, and monitoring functions.

1.1.2. Establish project management procedures and a Monitoring & Evaluation system.

**Indicative Activities relating to Output 1.2 (Consolidated EU circular economy know-how that is of relevance to partner countries made available and accessible to public and private sector stakeholders globally):**

1.2.1. Set up and maintain an online circular economy knowledge platform supporting the global transition.

1.2.2. Systematically map, document, analyse and consolidate (through partner country lenses) knowhow and knowledge available in Europe that is of relevance to partner countries (e.g., linked with EU CE policies and market requirements, successful business models, addressing issues with an international dimension such as global value chains and trade, or contributing to issues of interest for partner countries, like the informal sector, job creation, or access to finance).

1.2.3. Undertake analytical work on specific topics to fill knowledge gaps related to the needs of partner countries.

**Indicative Activities relating to Output 1.3 (Circular economy knowledge challenges of partner countries and stakeholders addressed on-demand):**

1.3.1. Establish a technical assistance facility / helpdesk to address knowledge challenges reflecting a diversity of geographical, political, and other contexts.

1.3.2. Identify opportunities and gaps in capitalising on EU circular economy policy, know-how and experience, notably of the members of the EU circular economy stakeholder platform (including facilitating connections with circularity experts and stakeholders).

1.3.3. Organise on demand peer-to-peer exchanges and events bringing knowledge stakeholders together in order to exchange learnings, and innovative approaches.

**Indicative Activities relating to Output 2.1 (Circular economy policy and regulatory processes in partner countries benefit from EU knowledge and EU experience):**

2.1.1. Provide technical assistance and organise peer-to-peer exchanges tailored to the specific circumstances of partner countries (on demand).

2.1.2. Provide capacity-building to accelerate circular policy development and implementation, notably of circular economy roadmaps.

**Indicative Activities relating to Output 2.2 (Circular economy experience and knowledge sharing mechanisms, involving EU and partner country stakeholders, supported):**

2.2.1. Identify and exchange drivers and lessons learnt by partner countries in the transition process towards the circular economy.

2.2.2. Develop tools to improve coherence in policy design and implementation, in particular by helping to streamline and implement circular economy policies, roadmaps and action plans, when needed.

**Indicative Activities relating to Output 3.1 (Circular economy business practices explained, analysed, and showcased to private sector stakeholders in partner countries):**

3.1.1. Support business with information (best practices, market outlooks, opportunity scans, baseline and benchmarking studies, and circular business playbooks) on EU experience and future circular market requirements and standards.

3.1.2. Identify and showcase circular economy champions and enable peer to peer networking.

3.1.3. Track business data and impact and analyse it from partner country lenses.

**Indicative Activities relating to Output 3.2 (Circular economy businesses convened and facilitated peer to peer exchanges and in making business deals that help close the loop and/or promote a global deployment of circular economy business models):**

- 3.2.1. Showcase successful CE businesses and conduct matchmaking programmes bringing EU circular economy businesses together with businesses from partner countries (notably in relation with the Circular Economy missions organised by the Commission).
- 3.2.2. Facilitate peer to peer exchanges, partnerships and business deals between EU and third country businesses that help close the loop and/or promote a global deployment of circular economy business models.

### 3.3 Mainstreaming

#### **Environmental Protection & Climate Change**

Environmental protection and climate change mitigation and adaptation are central objectives of the transition towards a green and circular economy and are the main focus of the Action. Fully in line with the European Green Deal ambitions, the action mainstreams a broader approach aimed at supporting the transition to a circular economy. The principles of the circular economy - designing out waste and pollution, keeping products and materials in use for as long as possible, and regenerating natural systems - can deliver positive environmental impacts together with financial savings. The action is expected to contribute to environmental sustainability, including climate change mitigation, reducing waste and pollution, and promoting a more sustainable use of raw materials and natural resources. The transition to a circular economy contributes to Climate Change mitigation through the reduction of GHG emissions related to the extraction, processing, and consumption of materials, while circular economy strategies can slow down nature degradation by reducing the demand for virgin materials, decreasing pressure on ecosystems, land, and water (especially within food systems), thereby contributing to reduce biodiversity loss and to enhance climate resilience. Circular economy strategies help build resilience to climate and other shocks, for example by promoting regenerative agriculture that improves soil health and food production, by reducing water use and waste on the streets rendering them less prone to flooding, or by improving access to goods and services when needed, through local material use and sharing, reuse, repair, and refurbishment practices.<sup>15</sup>

#### **Outcomes of the SEA screening** (relevant for budget support and strategic-level interventions)

The Strategic Environmental Assessment (SEA) screening concluded that undertaking a SEA is not required: key environmental and climate-related aspects need to be addressed during design and implementation.

#### **Outcomes of the EIA (Environmental Impact Assessment) screening** (relevant for projects and/or specific interventions within a project).

The EIA (Environment Impact Assessment) screening classified the action as Category C (no need for further assessment); however, mitigating the environmental impacts of economic development will be a central consideration of the action.

#### **Outcome of the CRA (Climate Risk Assessment) screening** (relevant for projects and/or specific interventions within a project).

The Climate Risk Assessment (CRA) screening concluded that this action is no or low risk (no need for further assessment); however, promoting economic models that contribute to climate change mitigation and reducing vulnerabilities to climate change will be a central consideration of the action.

#### **Gender equality and empowerment of women and girls**

As per OECD Gender DAC codes identified in section 1.1, this action is labelled as G1. This means that gender equality is a significant objective. This implies that studies and policy dialogues that will be funded by this action will mainstream gender as a key consideration for analysis and policy dialogue. Furthermore, the EU and its Member States recognise that the effects of climate change, natural resource scarcity and environmental degradation are felt most acutely by women and girls, as well as other segments of the population who contribute the least to them and who are in vulnerable or marginalised situations, owing to intersecting factors such as geography, poverty, age, sexual orientation and gender identity indigenous or minority status, socio-economic or

<sup>15</sup> <https://www.wri.org/insights/3-ways-circular-economy-can-aid-climate-action#:~:text=Circular%20economy%20strategies%20could%20slow,flooding%20or%20forests%20regulating%20temperatures>

health situation, national or social origin, birth or other status as well as disability. Policy and action supported by the Resource Centre need to consider the importance of promoting inclusive transition processes, addressing inequalities, and integrating a gender perspective in this regard.<sup>16</sup> In this sense, the gender dimension will be taken into account in the activities envisaged, where appropriate.

The Action will contribute to EU's Action Plan on Gender Equality and Women's Empowerment in External Relations 2020–2025 (GAP III), especially to its Thematic Area of Engagement 'Promoting economic and social rights and empowering girls and women' and its Specific Thematic Objective (Outcome) 'Women in all their diversity have improved access to entrepreneurship opportunities, including social entrepreneurship, alternative livelihoods and strengthened participation in the green and circular economy'.

### **Human Rights**

Respect for human rights, including women's rights, is a fundamental value of the European Union. In this sense, the action will be aligned with the EU Action Plan on Human Rights and Democracy 2020-2024. The action contributes to promoting the creation of decent jobs and sustainable development through the transition to a circular economy. It will promote inclusive policies and practices and give due attention (for example through promoting reskilling opportunities) to those sectors of the population that may be affected from the shift of investments away from linear economic sectors, including those who are most marginalised, excluded or discriminated against and living in vulnerable situations. At the same time, it works towards improving the labour conditions of workers employed in the circular economy, notably of waste collectors and handlers. It will do so by applying a human rights-based approach respecting five working principles: respect to all human rights, participation, non-discrimination, transparency, and accountability in every step of the Action. Furthermore, the action aims to do no harm, will promote responsible business practices and will address the human right for a clean environment. Analyses and assessments will be conducted to incorporate specific work on Business and Human Rights and mainstream the human rights-based approach and responsible business conduct.

### **Disability**

As per OECD Disability DAC codes identified in section 1.1, this action is labelled as D0. This implies that disability is not considered the overall nor a specific objective of the action. However, in all activities all possible measures will be taken to ensure inclusive policy dialogues. Therefore, attention will be paid to ensure and enable the participation of people with disabilities in the transition to a green and circular economy.

### **Reduction of inequalities**

The Action has the potential to contribute to inequality reduction by promoting inclusive policy processes, a just transition, the creation of decent jobs and sustainable development. An inclusive circular economy can enable resource abundant countries to utilise their natural resources to promote development, retain long-term ownership over them and address issues such as conflict metals and exploitation. A circular economy can also improve the working conditions and can benefit health and quality of life for workers and users in a range of practical circular economy applications in sectors and SDGs including, among others, waste management, water and sanitation, clean energy, food production and urban development.

### **Democracy**

The Action promotes institutional coordination, cooperation, and consultation with relevant stakeholders. The action will support a culture of social inclusion, institutional dialogue, data sharing and knowledge dissemination as well as participation of civil society and other partners in decision-making processes.

### **Conflict sensitivity, peace and resilience**

Activities will be developed in an inclusive manner with a strong attention to facilitating dialogue. Through promoting decent jobs and circular economy, the Action is expected to positively contribute to the resilience of the people and of enterprises to climate shocks and a more sustainable use of natural resources.

### **Disaster Risk Reduction**

<sup>16</sup> Submission by France and the European Commission on behalf of the European Union and its Member States – Submission for the mid-term review of the progress of implementation of the activities contained in the GAP, Paris 31 March 2022.

Building resilience and preventing disaster are particularly relevant when it comes to the link between sustainable management of natural capital and climate change adaptation. Promoting greener business models and circular economy has positive impact on mitigating environmental disaster risks. Targeted value chains, such as in waste management, may contribute to reducing the risk of health diseases linked to air or water pollution.

### Digitalisation and Minorities

The promotion of digital solutions and technologies will be promoted where appropriate, as a pivotal aspect to support the circular transition. Inclusivity of marginalised communities, minorities, indigenous people, people with disabilities and people living in severe poverty, vulnerable women, children, and youth will be taken into account when designing specific activities mobilising societal demand.

## 3.4 Risks and Lessons Learnt

Category	Risks	Likelihood (High/ Medium/ Low)	Impact (High/ Medium/ Low)	Mitigating measures
<b>Demand / political</b>	<b>Risk 1:</b> Lack of buy in from partner governments and negative perceptions of the EU market requirements spelt out in the Circular Economy Agenda.	<b>Medium</b>	<b>High</b>	Provide demand driven support addressing the EU market requirements where relevant. Promote high level political commitment and build alliances; implement outreach, advocacy, and awareness activities to mobilise policy makers. Emphasise multiple benefits of a circular economy. Support / align with the agendas of partner Governments and recognise the wide variation in progress in transition across world.
<b>Demand / political / Private sector</b>	<b>Risk 2:</b> Increasing global geopolitical competition and growing natural resource scarcity may lead to less collaboration and integration in global markets and value chains.	<b>Low</b>	<b>High</b>	Close cooperation and support to policy dialogue and collaboration through all labs targeting intergovernmental and public private dialogue. Emphasise multiple benefits of a circular economy. Support / align with the agendas of partner Governments and recognise the wide variation in progress in transition across world. Make the link to potential investors and related mechanisms (DFIs / EFSD+) more explicit, to stimulate the demand side.
<b>Organisation</b>	<b>Risk 3:</b> Overlapping and possible duplication with other initiatives at regional levels.	<b>Medium</b>	<b>Low</b>	Close cooperation (when relevant) and involvement of Commission services, the EU Delegations, for coordinating activities at local level and regional stakeholders at regional level will be ensured to avoid duplication of work.
<b>Organisation:</b>	<b>Risk 4:</b>	<b>Low</b>	<b>Low</b>	Develop partnerships with other existing initiatives that are compatible with and



	Lack of coordination with other initiatives and donors promoting the circular economy.			complement the EU Circular Economy Resource Centre, in particular regional alliances supported by the EU, the SWITCH Programmes, and global knowledge partner like Green Growth Knowledge Partnership (GGKP) and Partnership for Action on Green Economy (PAGE).
<b>Financial</b>	<b>Risk 5:</b> Cost of circular transition reduces partner governments and industry willingness to adopt circular practices	<b>Medium</b>	<b>High</b>	The Action promotes access to awareness raising around the benefits of circular business models, and access for Business Development Service Providers and the private sector on viable circular solutions, investments, and business models. The prices for circular technology are expected to steadily decrease, as climate action accelerates pace.
<b>People</b>	<b>Risk 6:</b> Lack of human and financial resources as well as limited mandates within partner governments and industry hinder achievement.	<b>Medium</b>	<b>Medium</b>	Capacity building is directly supported by the action. Activities are designed with current mandates in mind and based on EU circular economy policy and experience from implementation by EU Member States and industry.

### Lessons Learnt:

*Overall:* A circular economy requires fundamental shifts in economic models and business practices, supported by innovation. There is a huge need of building and sharing knowledge and of providing guidance and technical assistance. The European Commission and EU Member States have developed some of the most advanced circular economy policies, plans, legislative measures, and business models; they provide technical assistance in all the fields of development cooperation. However, the knowledge, best practices and lessons learnt are often insufficiently collected and organised. An EU Circular Economy Resource Centre will make knowledge and know-how available and accessible to enhance policy frameworks and scale-up circular businesses. As such:

- The proposed action therefore responds to a need to document and consolidate lessons learnt, findings and results from an increasing number of initiatives being implemented worldwide, and to facilitate both bottom-up and top-down flow of information and exchange of knowledge and experience. Addressing this need opens opportunities for circular economy peer exchanges among both public and private institutions.
- Processes encouraging collaboration among policy makers, industries, investors, civil society organisations and technology providers are necessary to facilitate an ecosystem approach that is necessary for a transition to the circular economy. The action can also pave the way for new partnerships and dialogue processes to be developed, enabling more active and multiple collaboration on inclusive circular economy policy design and implementation.
- Shared ownership of coordination activities with EU partner organisations from an early stage of planning enhances the feeling of ownership to all those involved, positively influencing their commitment and contribution to such actions.

*Inclusive circular economy in national policy frameworks:* A number of partner countries today have national development plans or equivalent cross-sectoral strategies in place that integrate green economy and circular economy targets and align with SDGs. Beyond ‘making the case’ the action will aim for more targeted and tailored technical

advice for budgeting processes, design of policy instruments as well as the engagement with stakeholders in critical steps in the reform processes. Going forward, the action will provide knowledge, technical expertise and targeted advice at critical points in the policy reform processes of partner countries.

*Non-linear policy processes and continued engagement:* The circular economy transformation, and the related policy processes are not linear processes in partner countries. With a solid EU policy framework integrating circular economy objectives into its global trade, partner countries can be faced with unexpected developments and new challenges. Further engagement with partner countries may allow for important additional outcomes with a comparatively small investment, to further engage with partner countries to capitalise on the knowledge and experiences gained on the EU transition to the circular economy.

*Private Sector Engagement and circular economy transition in targeted value chains:* The action also recognises the need to support enterprises within selected value chains to adopt circular economy practices. The action targets the application of circular economy approaches that requires coherent practices and knowledge access by all actors of the value chains, from SMEs to leading companies in the Regional/Global Value Chains. Close cooperation is required for multinational companies and SME suppliers to meet their circularity goals. This includes providing supportive tools for private practitioners to build awareness and enable access to targeted knowledge and support services.

*Evolving technical cooperation landscape:* As many more synergies with other on-going projects and programmes are possible, the partners involved will follow a systematic approach closely working with EU Member States, the Commission, EU Delegations, and partner Governments to engage and find platforms for collaboration and partnerships. At global and regional level, the aim will be to bring the wider range of partners into a dialogue that continues to explore the frontiers of the circular economic transformation.

### 3.5 The Intervention Logic

A staggering 100 billion tonnes of natural resources like minerals, ores, fossil fuels and biomass enter the global economy annually, with only 8.6% of them being actually re-used<sup>17</sup>. Numbers leave no doubt about the economic inefficiency of the linear resource use model, yet the wastage of valuable resources continues to prevail and demand for more resources continues to increase. Markets for secondary materials are growing, though are still at an infant stage in most sectors and countries, hampered notably by lack of awareness, limited access to circular economy knowledge, expertise, technology, business models, skills, and other capacities.

At the same time, the EU, is creating favourable framework conditions for the introduction of circular economy approaches in both business operations and consumer behaviour. Many EU companies are world leaders in circularity, with the deployment of circular economy business models, and the uptake of business practices leading to resource efficiency and waste minimisation. European companies adopting a circular business model (for example, extending product life through repair, resale, refurbishment, and/or recycling) view circularity as an opportunity for growth<sup>18</sup>.

The proposed action responds to a need to document and consolidate findings and results from an increasing number of circular economy policy and business initiatives being implemented in the EU and worldwide, and to facilitate both bottom-up and top-down flow of information and exchange of knowledge and experience. Addressing this need opens opportunities for circular economy peer exchanges among both public and private institutions. It can also pave the way for new partnerships and dialogue processes to be developed, enabling more active and multiple collaboration on inclusive circular economy policy design and implementation. Processes encouraging collaboration among policy makers, industries, investors, and technology providers are necessary to facilitate an ecosystem approach that is necessary for a transition to the circular economy. This would involve the sharing of capacities and capabilities on operational policies, processes, standards, supply chain mechanisms, technological innovations, intellectual property rights, and circularity metrics, with due attention to EU commitments on social change and equality, such as the Gender Action Plan III.

Setting up such processes is well rooted in the EU's commitment to a stronger support to global values reversing current trends of fierce competition for resources, and to a move towards common standards and objectives, collaborative economic models, and partnerships enhancing circularity and resource- and energy efficiency in value chains that cut across borders. It is also based on the assumption that a significant number of public and private stakeholders in partner countries will remain committed to the circular economy transition and interested in accessing consolidated EU know-how when developing and implementing related policies and business models.

The envisaged EU Circular Economy Resource Centre builds on the foundations of the European CE stakeholder platform, to reach out to the global landscape of entities active in the field of the circular economy. It capitalises on- and mobilises EU circular economy know-how, policies and regulations, technologies, business models and business practices, and the green investment agenda. The aim is to support the uptake of sound CE policies and business models, based on exchanges and partnerships between EU and third country actors, and related policy and operational frameworks in partner countries, including the capacities of public and private stakeholders to embed circularity in their activities. The action targets three key drivers of the transition: 1) increasing awareness, knowledge, and know-how by inspiring and learning (SO1), 2) developing enabling frameworks (SO2), and 3) implementing circular business practices (SO3), through an equal number of interlinked labs (Knowledge / Policy / Business) to be established under the EU Circular Economy Resource Centre.

The proposed action is expected to complement and strengthen action at country and regional level, systematically seeking synergies and complementarity with EU bilateral and regional programmes. Activities will prioritise countries engaged into circular economy processes with EU / Member State / Team Europe support, including members of the African Circular Economy Alliance and the Latin America and Caribbean Circular Economy Coalition, to which the EU is a strategic partner.

<sup>17</sup> Circle Economy (2022), [The Circularity Gap report](#) 2022.

<sup>18</sup> McKinsey & Company (2022), 'European consumer goods companies that adopt a circular business model view extending product life through repair, resale, refurbishment, and recycling as an opportunity for growth rather than a threat'

### 3.6 Logical Framework Matrix

This indicative logframe constitutes the basis for the monitoring, reporting and evaluation of the intervention. On the basis of this logframe matrix, a more detailed logframe (or several) may be developed at contracting stage and updated/fine-tuned during the first year of implementation. In case baselines and targets are not available for the action, they should be informed for each indicator at signature of the contract(s) linked to this AD, or in the first progress report at the latest. New columns may be added to set intermediary targets (milestones) for the Output and Outcome indicators whenever it is relevant.

- After inception, the first annual progress report should include the complete logframe (e.g., including baselines/targets).
- Progress reports should provide an updated logframe with current values for each indicator.
- The final report should enclose the logframe with baseline and final values for each indicator.

The indicative logical framework matrix may evolve during the lifetime of the action depending on the different implementation modalities of this action. The activities, the expected Outputs and related indicators, targets and baselines included in the logframe matrix may be updated during the implementation of the action, no amendment being required to the Financing Decision.

PROJECT MODALITY (3 levels of results / indicators / Source of Data / Assumptions - no activities)

Results	Results chain (@): Main expected results (maximum 10)	Indicators (@): (at least one indicator per expected result)	Baselines (values and years)	Targets (values and years)	Sources of data	Assumptions
Impact	<b>OO: To increase the uptake of sound and inclusive Circular Economy policies and business models, based on peer-to-peer exchanges and partnerships between EU and third country stakeholders</b>	1. Percentage of circularity of the global economy  2. Number of processes related to partner country practices on the circular economy which have been influenced by the EU-CERC	1. 2022 <sup>19</sup> : 7,2%  2. 2022: 0	1. 2028: To be defined in inception phase  2. 2028: To be defined in inception phase	1. <a href="#">Circularity Gap Report</a>  EU-CERC reporting	
Outcome 1	<b>SO1: To document and consolidate EU know-how on the circular economy transition through partner country lenses and make it available to public and private sector stakeholders in third countries through a knowledge lab</b>	1.1. Number of policy and business decision-makers (disaggregated by sex and country) having benefitted from consolidated EU CE know-how made available by the EU-CERC  1.2. Number of gender-responsive policies approved by partner	1.1. 2022: 0  1.2. 2022: 0	1.1. 2028: To be defined in inception phase  1.2. 2028: To be defined in inception phase	1.1. EU-CERC reporting; Feedback on missions from supported stakeholders	A significant number of public and private stakeholders in partner countries remain committed to the circular economy transition and

<sup>19</sup> Reported in 2023 with reference to 2022 data

		government in the circular economy sector with support by the EU-CERC (GAP III Key thematic outcome indicator)			1.2. EU-CERC reporting; Feedback on missions from supported stakeholders	interested in accessing consolidated EU know-how
<b>Outcome 2</b>	<b>SO2:</b> To inspire and facilitate the development and implementation of sound circular economy policies and regulations through a policy lab	2.1 Number of policy decisions on the circular economy made by governments and companies with support from evidence created and disseminated by the EU Circular Economy Resource Centre	2.1. 2024:0	2.1. 2028: To be defined in inception phase	2.1. EU-CERC reporting	Public and private stakeholders in partner countries remain committed to the circular economy transition and continue to develop circular policy frameworks
<b>Outcome 3</b>	<b>SO3:</b> To support partner country businesses go circular and access emerging circular economy markets globally through a business lab	3.1 Number of partner country businesses taking up circular economy practices with support by the EU Circular Economy Resource Centre	3.1. 2024:0	3.1. 2028: To be defined in inception phase	3.1. EU-CERC reporting	Public and private stakeholders in partner countries remain committed to the circular economy transition and continue to develop circular business practices
<b>Output 1 relating to Outcome 1</b>	1.1. An EU Circular Economy Resource Centre established and maintained	1.1.1. Number of EU Circular Economy Resource Centre labs providing services to partner country stakeholders 1.1.2. Number of EU-CERC Steering committee meetings	1.1.1. 2024: 0 1.1.2. 2024: 0	1.1.1. 2028: 3 1.1.2. 2028: 4	1.1.1. EU-CERC reporting 1.1.2. Steering Committee reporting	Continued global interest to accelerate the Circular Economy Transition
<b>Output 2 relating to Outcome 1</b>	1.2. Consolidated EU circular economy know-how that is of relevance to partner countries made available and accessible to public and private sector stakeholders globally	1.2.1. Number of consolidated CE knowledge products (reports, videos, webinars, etc) made available and accessible	1.2.1. 2024: 0	1.2.2. 2024: 40	1.2.1. EU-CERC reporting; Mission reports; Feedback on missions from	Outreach, advocacy and awareness activities to inform



					supported stakeholders	stakeholders are implemented
<b>Output 3 relating to Outcome 1</b>	1.3. Knowledge challenges of partner countries and stakeholders addressed on-demand	1.3.1. Number of requests for support to address knowledge challenges received by the EU-CERC  1.3.2. Number of requests for support to tackle knowledge challenges addressed by the EU-CERC	1.3.1. 2024:0  1.3.2. 2024:0	1.3.1. 2028: To be defined in inception phase  1.3.2. 2028: To be defined in inception phase	1.3.1. and 1.3.2. EU-CERC reporting; Mission reports	Stakeholders remain committed to accelerate the circular economy transition
<b>Output 1 relating to Outcome 2</b>	2.1. Circular economy policy and regulatory processes in partner countries benefitted from EU knowledge and EU experience	2.1.1. Number of strategies <sup>20</sup> , policies, regulations or legislations related to the circular economy [developed / improved / adopted / implemented] with the support of the EU Circular Economy Resource Centre	2.1.1. 2024:0	2.1.1. 2028: To be defined in inception phase	2.1.1. EU-CERC reporting; Mission reports	Partner countries remain committed to the circular economy transition and interested in accessing consolidated EU know-how
<b>Output 2 relating to Outcome 2</b>	2.2. Enhanced experience and knowledge sharing involving EU and partner country stakeholders in relation with enabling policy and regulatory frameworks for circular economy.	2.2.1. Number of stakeholder exchange mechanisms on the Circular Economy supported by the EU Circular Economy Resource Centre  2.2.2. Number of institutions, organisations and company representatives engaged in circular economy experience and knowledge sharing mechanisms, established with the support of the EU Circular Economy Resource Centre (disaggregated by sex and sector)	2.2.1. 2024: 0  2.2.2. 2024:0	2.2.1. 2028: to be defined in inception phase  2.2.2. 2024: to be defined in inception phase	2.2.1. EU-CERC reporting  2.2.2. Database of participants	Opportunities for synergies and complementarities with other relevant interventions continue to exist
<b>Output 1 relating to Outcome 3</b>	3.1. Circular economy business practices explained, analysed, and	3.1.1. Number of circular economy businesses in partner countries supported by the EU-CERC with	3.1.1. 2024:0	3.1.1. 2028: To be defined	3.1.1. and 3.1.2. EU-CERC reporting	Circular economy companies remain interested in deploying their

	showcased to private sector stakeholders in partner countries.	analyses and examples of circular business practices  3.1.2 Number of tools and services developed to explain and analyse circular business practices	3.1.2. 2024:0	in inception phase  3.1.2. 2028: To be defined in inception phase		business practices in multiple countries globally
<b>Output 2</b> <b>relating to Outcome 3</b>	3.2. Circular economy businesses convened together and facilitated in making business deals that help close the loop and/or promote a global deployment of circular economy business models.	3.2.1. Number of peer-to-peer partnerships convened by the EU-CERC  3.2.2. Number of Circular Economy business representatives attending Circular Economy networking events organised with the support of the EU Circular Economy Resource Centre, (disaggregated by sex, sector)	3.2.1. 2024:0  3.2.2. 2024:0	3.2.1. 2028: To be defined in inception phase  3.2.2. 2028: To be defined in inception phase	3.2.1. and 3.2.2. EU-CERC reporting	Stakeholders remain committed to accelerate the circular economy transition

## 4 IMPLEMENTATION ARRANGEMENTS

### 4.1 Financing Agreement

In order to implement this action, it is not envisaged to conclude a financing agreement with the partner country.

### 4.2 Indicative Implementation Period

The indicative operational implementation period of this action, during which the activities described in section 3 will be carried out and the corresponding contracts and agreements implemented, is 72 months from the date of adoption by the Commission of this Financing Decision.

Extensions of the implementation period may be agreed by the Commission's responsible authorising officer by amending this Financing Decision and the relevant contracts and agreements.

### 4.3 Implementation Modalities

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures.<sup>21</sup>

#### 4.3.1 Indirect Management with an entrusted entity

This action may be implemented in indirect management with a consortium including two or more of the following entrusted entities: the Finnish Innovation Fund (SITRA), subject to completing the pillar assessment, the Ministry of Foreign Affairs of Finland and ENABEL. This implementation entails the implementation of all activities and outputs contributing to the specific objectives 1, 2 and 3. The envisaged entities have been selected using the following criteria: a. Technical expertise in the green / circular economy and capacity to mobilize the EU circular economy know how (both in public and private entities) in support of third countries; b. Experience in international cooperation on the green / circular economy, including policy support and/or private sector development; c. Experience in establishing knowledge documentation, consolidation and sharing mechanisms; d. Strong convening capacity within the community of green/circular economy stakeholders or capacity and track record in collaborating with other EU Member State Agencies, EU Delegations, and partner governments, and the private sector; and e. Operational capacity at global level and/or a large number of countries.

Finland is a circular economy world leader. The Ministry of Foreign Affairs of Finland (MoFA), is a Pillar assessed entity in charge of Finland's international cooperation. Finnish MoFA promotes the circular economy internationally and has a strong track record in collaborating with the Commission and EU Member States Agencies, EU delegations and partner governments. Moreover, the Finnish Government is supporter of the WCEF and circular economy pioneer. Finland was the first country in the world to publish a circular economy road map and has a strategic programme to be circular and carbon-neutral by 2035. Finland aims to curb the overconsumption of natural resources.

The Finnish Innovation Fund (SITRA) spearheads Finland's work on circular economy. It is a circular economy world leader and aspires to lead by example. It is a key contributor and organiser of circular economy knowledge and policy exchange initiatives reaching a global audience, such as the World Circular Economy Forum. WCEF offers a unique platform that can be harnessed to support implementation of this action. SITRA, notably through the World Circular Economy Forum (WCEF) platform has experience in supporting circular economy knowledge (for example with studies linking the circular economy with climate

<sup>21</sup> [www.sanctionsmap.eu](http://www.sanctionsmap.eu). Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

mitigation and with biodiversity), policy (national circular economy roadmap), and business (accelerating circular business with pilots, studies, programmes and playbooks).

ENABEL has a strong experience and expertise in international cooperation on the green/circular economy, including policy support and private sector development. It builds on solid partners and technical expertise within the European private, research and institutional ecosystems. It combines field and technical expertise, with experience in supporting green / circular economy policies and business processes in partner countries, notably in the construction, agri-food, and waste sectors. ENABEL also has experience hosting knowledge hubs, such as the VET-Toolbox and the D4D Hub.

In the case one or all the envisaged entities would need to be replaced, if negotiations with the above-mentioned entities fail and/or if additional entities need to be mobilized, the Commission's services may select one or more other entity(ies) using the same criteria. If an entity is replaced, the decision to replace it needs to be justified.

#### 4.3.2 Changes from indirect to direct management mode (and vice versa) due to exceptional circumstances (one alternative second option)

If the envisaged implementation modality under indirect management above cannot be implemented due to circumstances outside of the Commission's control, part of the action may be implemented through a direct grant awarded without a call for proposals, according to the conditions set out in article 195(f) of the Financial Regulation, and/or through a procurement contract.

Under the responsibility of the Commission's authorising officer responsible, the recourse to an award of a grant without a call for proposals is justified because the action has specific characteristics requiring a specific type of beneficiary with specific technical competences and high degree of specialisation in line with the criteria spelled out in section 4.3.1 above: a. Technical expertise in the green / circular economy and capacity to mobilize the EU circular economy know how (both in public and private entities) in support of third countries; b. Experience in international cooperation on the green / circular economy, including policy support and/or private sector development; c. Experience in establishing knowledge documentation, consolidation and sharing mechanisms; d. Strong convening capacity within the community of green/circular economy stakeholders or capacity and track record in collaborating with other EU Member State Agencies, EU Delegations, and partner governments, and the private sector; and e. Operational capacity at global level and/or a large number of countries.

#### 4.4. Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply.

The Commission's authorising officer responsible may extend the geographical eligibility on the basis of urgency or of unavailability of services in the markets of the countries or territories concerned, or in other duly substantiated cases where application of the eligibility rules would make the realization of this action impossible or exceedingly difficult (Article 28(10) NDICI-Global Europe Regulation).

#### 4.5. Indicative Budget

Indicative Budget components	EU contribution (amount in EUR)
<b>Implementation modalities</b> – cf. section 4.3	
<b>Objective 1</b>	
Indirect management with an entrusted entity(ies) - cf. section 4.3.1	6 million

<b>Objective 2</b>	
Indirect management with an entrusted entity(ies) - cf. section 4.3.1	4.5 million
<b>Objective 3</b>	
Indirect management with an entrusted entity(ies) - cf. section 4.3.1	4.5 million
<b>Evaluation</b> – cf. section 5.2 <b>Audit</b> – cf. section 5.3	may be covered by another Decision
<b>Totals</b>	15 illion

## 4.6 Organisational Set-up and Responsibilities

The implementation of this action will be overseen by a Steering Committee (SC) comprising representatives of the European Commission and the implementing entities. The SC will ensure the oversight and steering of the action. It will meet regularly to review progress, approve overall orientations, provide strategic guidance and approve work plans, with the view to achieving the action intended objectives, outcomes and outputs. Decisions will be taken by consensus. If consensus cannot be reached, the European Commission may exercise its right to decide.

A Secretariat of the EU Circular Economy Resource Centre will be established by the implementing entities. It will operate on a permanent basis, connecting and coordinating operations under the Centre's three Labs: Knowledge, Policy and Business. It will be in charge of the day-to-day operations, including activities necessary to ensure the Centre's efficient and coordinated functioning. These activities may indicatively include the day-to-day planning and monitoring of outputs, the implementation of standard communication tasks (such as developing a visual identity for the Centre, setting up and maintaining the knowledge platform, outreach to target groups and beneficiaries, event communication, news updates), the mobilisation of resources in response to on-demand requests (e.g., for information, technical assistance, peer-to-peer exchanges), and the provision of secretariat support to the Steering Committee (incl. assistance in the organisation of annual SC meetings and all related tasks). The governance and management structure will be agile and light, able to adapt the action implementation to a quickly evolving area of work, on the basis of demand, evidence and lessons learnt.

An Advisory Group comprising selected EU and partner country circular economy stakeholders and convened by the Secretariat may be constituted to provide a forum to discuss and gather feedback on the strategic orientations of the EU Circular Economy Resource Centre, providing recommendations to the SC on an annual basis.

As part of its prerogative of budget implementation and to safeguard the financial interests of the Union, the Commission may participate in the above governance structures set up for governing the implementation of the action and may sign or enter into joint declarations or statements, for the purpose of enhancing the visibility of the EU and its contribution to this action and ensuring effective coordination.

## 5 PERFORMANCE MEASUREMENT

### 5.1 Monitoring and Reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process, and part of the implementing partner's responsibilities. To this aim, the implementing partners shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual), inception and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (Outputs and direct Outcomes) as measured by corresponding indicators, using as reference the logframe matrix.



The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

Roles and responsibilities for data collection, analysis, and monitoring:

- Roles and responsibilities for data collection, analysis and monitoring will be established within the implementing entities
- Annual reports will be presented summarising the main activities and the values of outputs' and direct/intermediate Outcomes' indicators
- Stakeholders will be consulted regularly by the implementing entities.

All monitoring and reporting shall assess how the action is considering the principle of gender equality, human rights-based approach, and rights of persons with disabilities including inclusion and diversity.

Where feasible and relevant, monitoring (and evaluation) will be based on indicators that are disaggregated by sex, age, and disability.

Lessons learned in the course of project implementation will be included in the monitoring process to continually adapt and improve action and address challenges encountered during implementation.

## 5.2 Evaluation

Having regard to the importance of the action, mid-term and final evaluations may be carried out for this action or its components via the implementing partners, independent consultants, or a joint mission.

A mid-term evaluation may be carried out for problem solving and learning purposes, in particular with respect to additional EU / Member States support, e.g., in a future phase of the action.

A final evaluation will be carried out for accountability and learning purposes at various levels (including for policy revision), taking into account in particular the fact that the action complements other EU support on the green / circular economy at regional and country levels.

Where an evaluation is planned and is to be contracted by the Commission, the Commission shall inform the implementing partner at least 3 months in advance of the dates envisaged for the evaluation missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

The evaluation reports may be shared with the partners and other key stakeholders following the best practice of evaluation dissemination. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, apply the necessary adjustments.

In addition, all evaluations shall assess to what extent the action is taking into account environment and climate change, the human rights-based approach as well as how it contributes to addressing inequality, including gender equality and women's empowerment and disability inclusion.

The financing of the evaluation may be covered by another measure constituting a Financing Decision.

## 5.3 Audit and Verifications

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audit or verification assignments for one or several contracts or agreements.

## 6 STRATEGIC COMMUNICATION AND PUBLIC DIPLOMACY

The 2021-2027 programming cycle adopts a new approach to pooling, programming and deploying strategic communication and public diplomacy resources.

In line with the 2022 '[Communicating and Raising EU Visibility: Guidance for External Actions](#)', it will remain a contractual obligation for all entities implementing EU-funded external actions to inform the relevant audiences of the Union's support for their work by displaying the EU emblem and a short funding statement as appropriate on all communication materials related to the actions concerned. This obligation will continue to apply equally, regardless of whether the actions concerned are implemented by the Commission, partner countries, service providers, grant beneficiaries or entrusted or delegated entities such as UN agencies, international financial institutions, and agencies of EU Member States.

However, action documents for specific sector programmes are in principle no longer required to include a provision for communication and visibility actions promoting the programmes concerned. These resources will instead be consolidated in Cooperation Facilities established by support measure action documents, allowing Delegations to plan and execute multiannual strategic communication and public diplomacy actions with sufficient critical mass to be effective on a national scale.

## Appendix 1 REPORTING IN OPSYS

A Primary Intervention (project/programme) is a coherent set of activities and results structured in a logical framework aiming at delivering development change or progress. Identifying the level of the primary intervention will allow for:

Articulating Actions or Contracts according to an expected chain of results and therefore allowing them to ensure efficient monitoring and reporting of performance;

Differentiating these Actions or Contracts from those that do not produce direct reportable development results, defined as support entities (i.e. audits, evaluations);

Having a complete and exhaustive mapping of all results-bearing Actions and Contracts.

Primary Interventions are identified during the design of each action by the responsible service (Delegation or Headquarters operational Unit).

The level of the Primary Intervention chosen can be modified (directly in OPSYS) and the modification does not constitute an amendment of the action document.

The intervention level for the present Action identifies as (tick one of the 4 following options);

<b>Action level (i.e. Budget Support, blending)</b>		
<input checked="" type="checkbox"/>	Single action	Present action: all contracts in the present action