

# ICC Working Group on Circular Economy

## Terms of Reference

### 1. Context

The gravity of environmental challenges humanity is facing can no longer be ignored, from climate change and rising global temperatures to pollution, deforestation, and biodiversity loss. The idea of a circular economy is to use resources and products more efficiently and to decouple economic growth from material inputs – providing a path to address the pressing environmental challenges by offering an alternative to the current unsustainable consumption of natural resources and production processes.

The transition to a circular economy is attracting greater attention from policymakers, academics, and practitioners, as it could provide critically needed impetus for economies to shift from a ‘take-make-dispose’ linear scheme of production to a circular one based on the ‘reduce, reuse, remanufacture and recycle’ principles.

The circular economy is an emerging area of work for ICC, and a study on the [Circular Economy and International Trade](#), was commissioned by ICC and published in December 2021. It was subsequently presented to the World Trade Organization’s Trade and Environmental Sustainability Structured Discussions (WTO TESSD).

Based on this work, ICC has been invited to further contribute to the TESSD (and their Working Group on Circular Economy) as well as to contribute to the work of other international organizations that are increasingly looking at circular economy approaches.

It is for this reason that ICC is establishing a new cross-Commission Working Group on Circular Economy (WG CE) to bring together experts from the network and establish ICC as the private sector voice on the topic through the development of relevant policy advocacy tools.

### 2. Relevance to global business

In light of many companies establishing ambitious sustainability goals for their businesses, the transition to a more circular business model would enable them to make an important contribution to the implementation of the UN sustainable development agenda and to accelerate the transition to a more sustainable future.

While many companies have started looking at and investing in circular business models, there are significant policy and regulatory barriers – on a global, regional, and national level – that hamper a serious transition and the use of economies of scale.

Dissecting the barriers and understanding what policy changes are needed to unlock the potential of trade to enable circular solutions will be the mission of this ICC WG that will bring together experts

from different sectors and geographical regions to enable a better understanding for policymakers regarding what needs to be done at different levels to facilitate and accelerate the transition to a more sustainable economic model.

### 3. Alignment with strategic ICC priorities

As the institutional representative of over 45 million businesses, reaching more than 170 countries, ICC is uniquely placed to provide input to international processes that are looking at how to enable a circular economy by providing business expertise and experience on the development of coherent policy frameworks, solutions and tools needed. With our planet and its people under threat by the climate crisis that the current economic system is fuelling, the circular economy offers an alternative way of doing business – aligning with ICC’s purpose to enable business to secure peace, prosperity, and opportunity for all.

ICC has the legacy, expertise, knowledge, and global network to substantially further circular solutions to have a real impact, an objective that this WG will help galvanise, through compelling policy advocacy tools and effective communication through/in international fora.

### 4. Objectives, implementation, and working method

Given the importance and urgency of the environmental crisis – the compounded challenges of climate change, nature and biodiversity loss, pollution and waste as a result of unsustainable production and consumption patterns and natural resource exploitation – ICC should play a leading role in promoting an alternative solution to current economic models and contributing to the development of effective policies and tools through this WG on CE, building on our strong engagement on UN climate processes as well as existing partnerships and initiatives in this area.

The key objectives of the Working Group on Circular Economy are to:

- **Collect business views and industry positions on challenges to transition to a CE that are faced on a regulatory, legislative, and practical level to inform ICC’s engagement in international fora, e.g.:**
  - WTO TESSD, WG on CE
  - UN Environment Programme (UNEP); an international legally binding instrument to address plastic pollution and to move from a linear to a circular economy for plastics is under development; plan to draft an UNEP/UN roadmap to circularity by Chatham House *(may be moved to the next bullet point depending on level of engagement/involvement)*.
  - When needed, work together with ICC WG on Plastics that engages on UN Plastics Treaty
  - World Customs Organization (WCO) Harmonized System (HS) series of symposia: “Visualising a Greener HS to support environmentally sustainable trade”
  - Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal
  - Annual World Circular Economy Forum (2022 Forum to take place in Kigali, Rwanda, 6-8 December 2022)
- **Develop advocacy tools to inform debates and policymakers, e.g.:**
  - What do we need to get to a circular future/What is in the way of a circular future? Analyse barriers on the various levels and sectors – such as national, regional, global, environmental, or sectoral regulations – that hamper a meaningful adoption of CE

- models (include case studies/pilots); dissect agenda on different policy dimensions – WTO, WCO, Basel and Rotterdam Convention, EU and other regional organizations
- Look at interlinked issues of trade, customs and trade facilitation, circular economy, climate and biodiversity and plastics pollution and discuss how smartly designed trade policies and rules can support a transition to a circular, resource efficient and sustainable economy
- ICC x ITC paper on “Circularity economy driving growth in developing countries”

## 5. Membership, industry, and sector engagement

The ICC WG on CE is comprised of members from the ICC Global Commissions on:

- Customs and Trade Facilitation
- Energy and Environment
- Trade and Investment Policy

The WG will particularly benefit from engagement of:

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| • Sustainability experts                     | • Global regulatory and government affairs experts           |
| • Corporate customs experts                  | • Experts from the recycling and waste management industries |
| • Legal customs and global trade specialists | • Experts from chambers, working on CE                       |
| • Trade facilitation experts                 |  |

Expertise can be sought on an occasional basis, as appropriate, from external stakeholders on an advisory basis.

The WG members will meet regularly virtually to progress on the identified priorities.

## 6. Anchor Commission

The WG will be anchored within the ICC Global Trade and Investment Policy Commission and its work facilitated through the ICC Secretariat. Standard ICC governance procedures shall apply to the group’s work.