

*IBC Training Programme on Green Transitions: Circular Economy*

*27th October 2022*

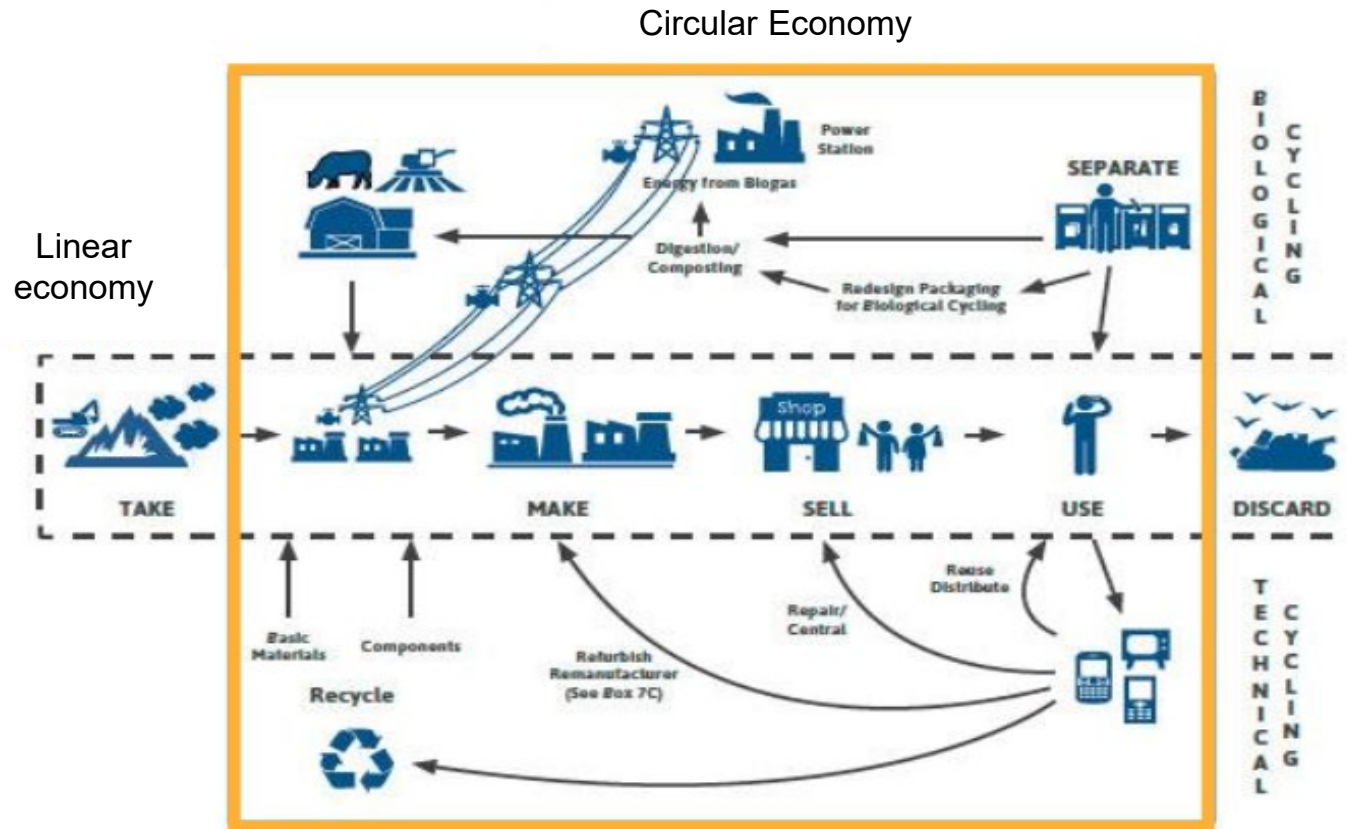
# Opportunities of a Circular Economy and its Status Quo

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**Dr. Henning Wilts**

Wuppertal Institute for Climate, Environment, Energy

# From a linear towards a circular economy



## Definition Circular Economy

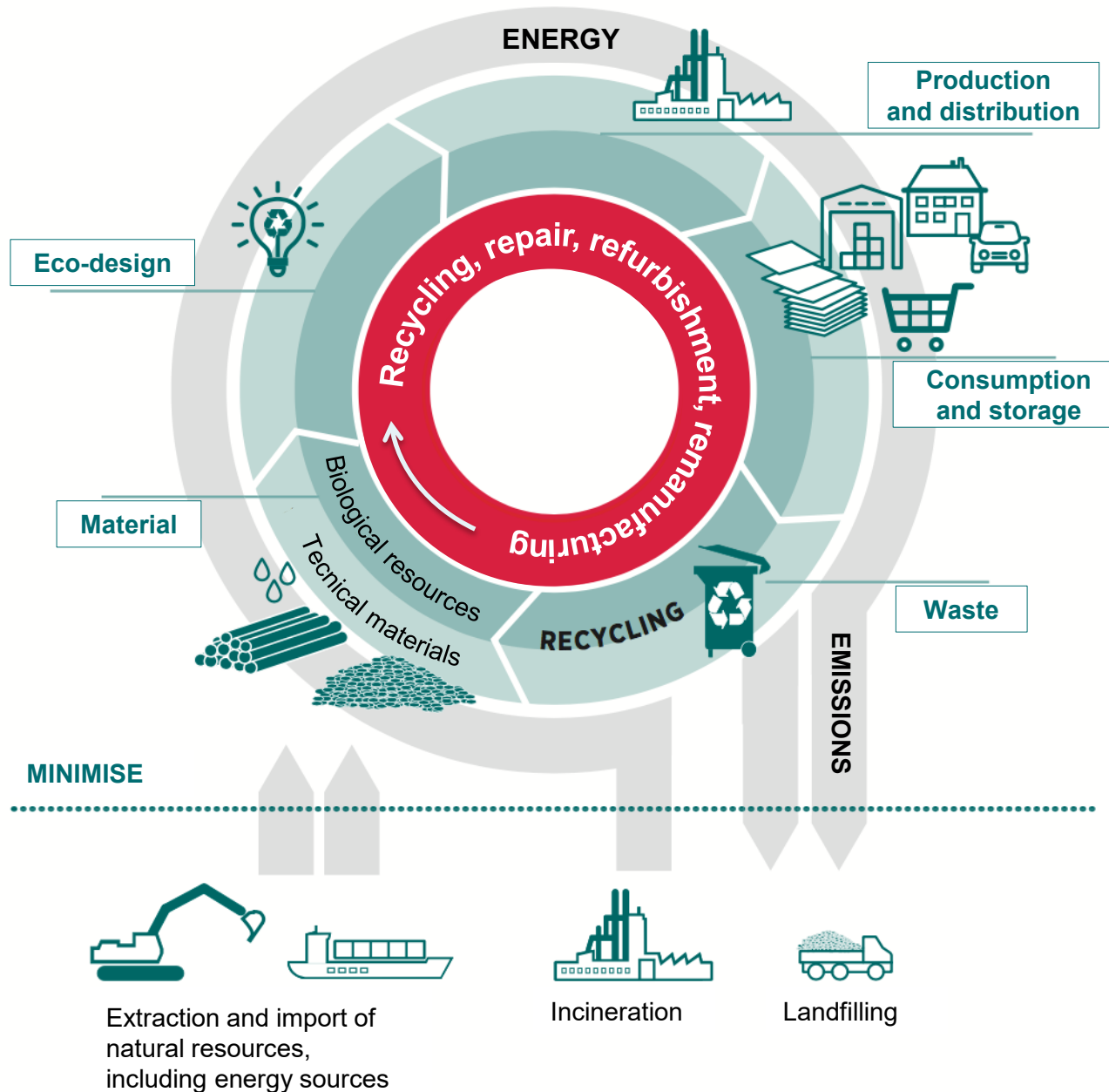
*"The transition to a more circular economy, where the value of products, materials and resources is maintained in the economy for as long as possible, and the generation of waste minimised (...)"*

**Guiding question:**  
**Why is it necessary to support the transformation towards a circular economy?**

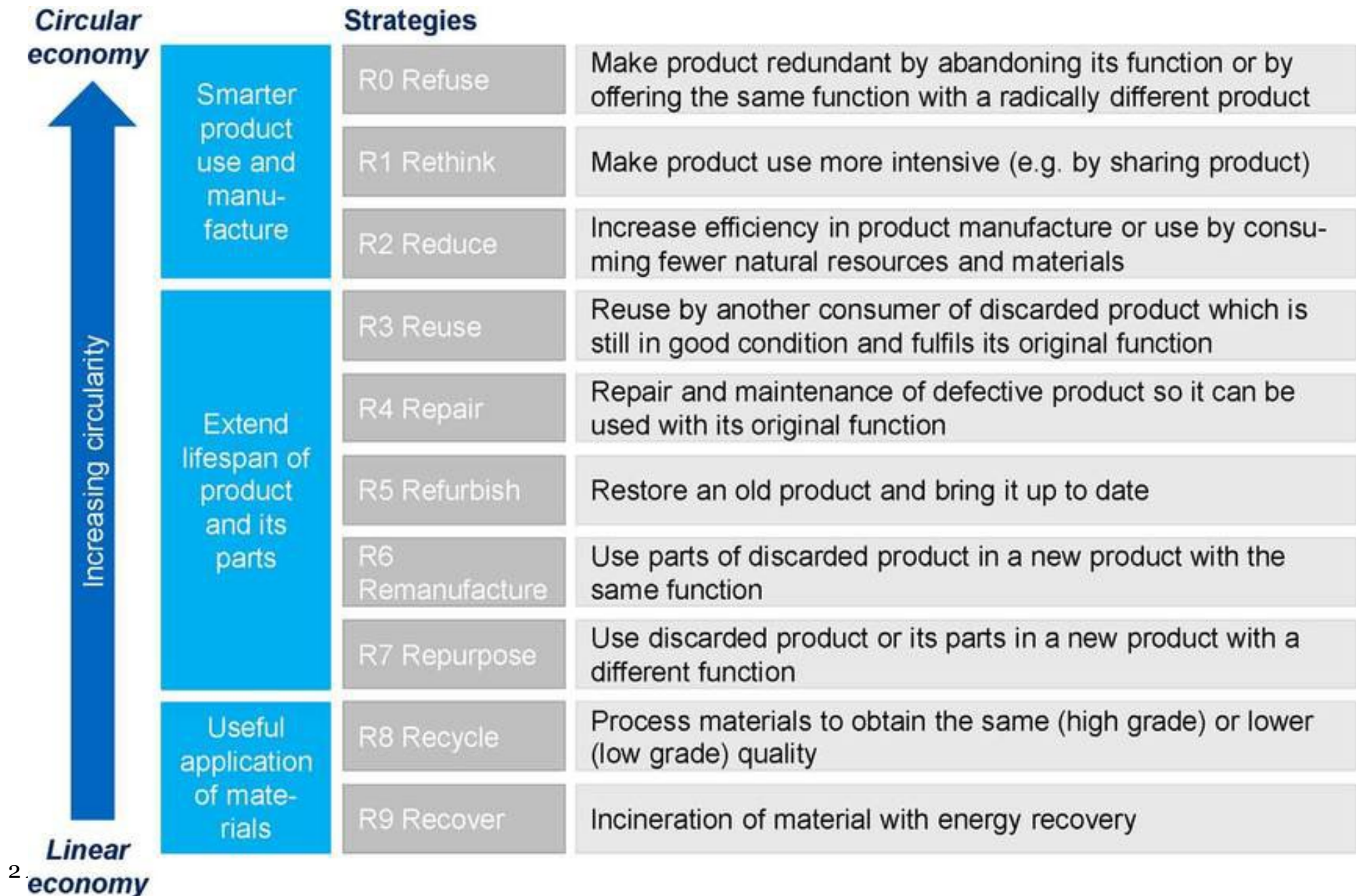
- 1. Definitions and concepts**
- 2. Environmental and socio-economic benefits**
- 3. Status quo of circularity**



# The concept of circular economy

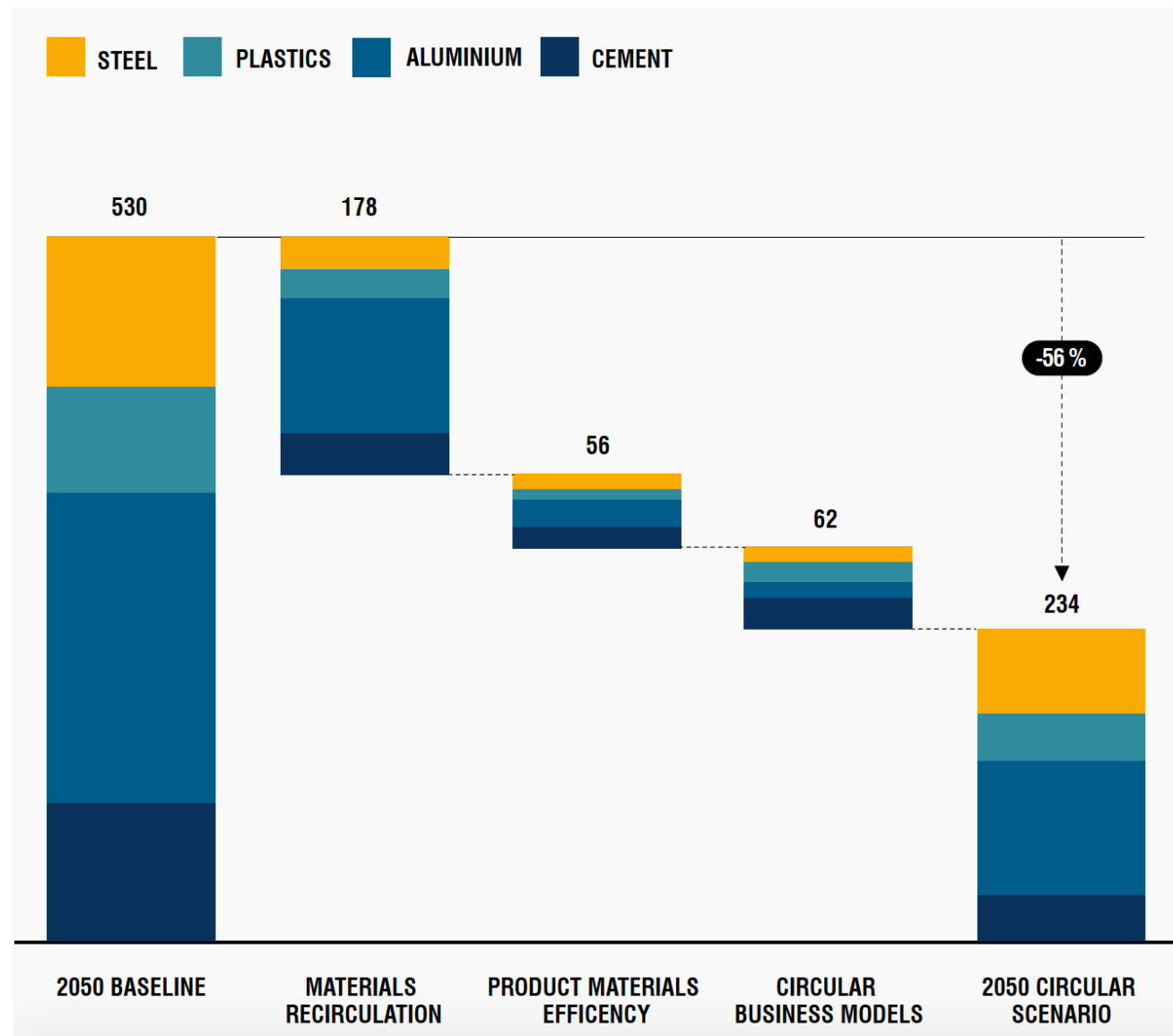


# Becoming circular: The 10 Rs framework

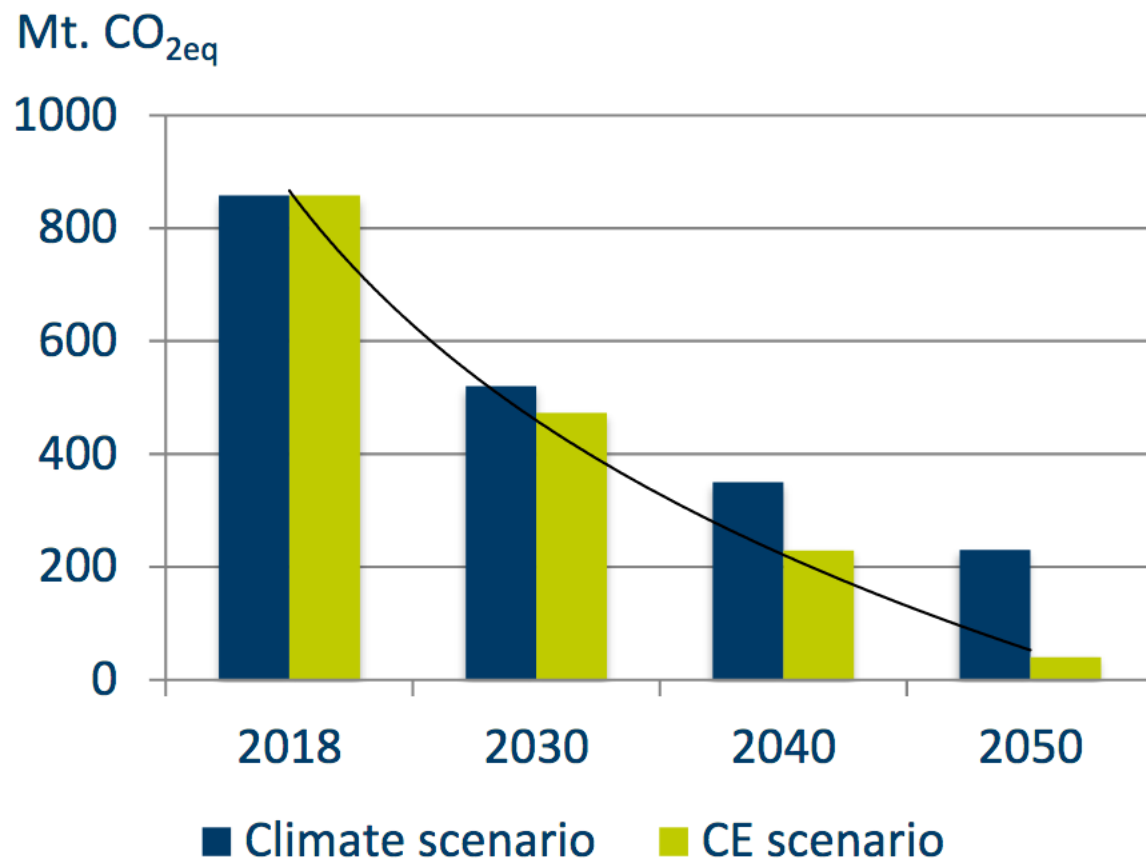


# Circularity: Waste reduction (SDG 12) and much more...





Source: Circular Economy 2018. Material Economics, Lund.

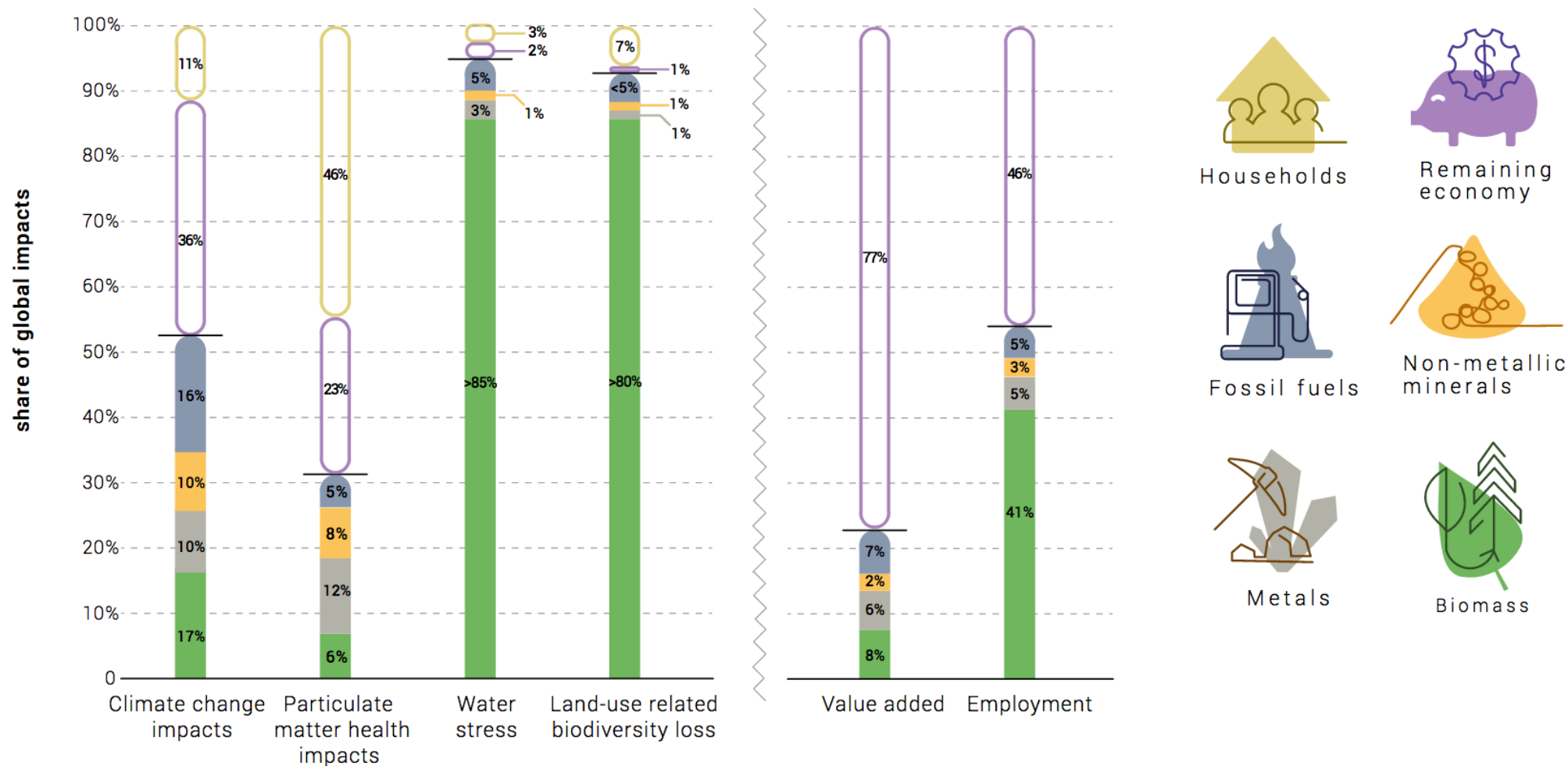


## Circular Economy levers:

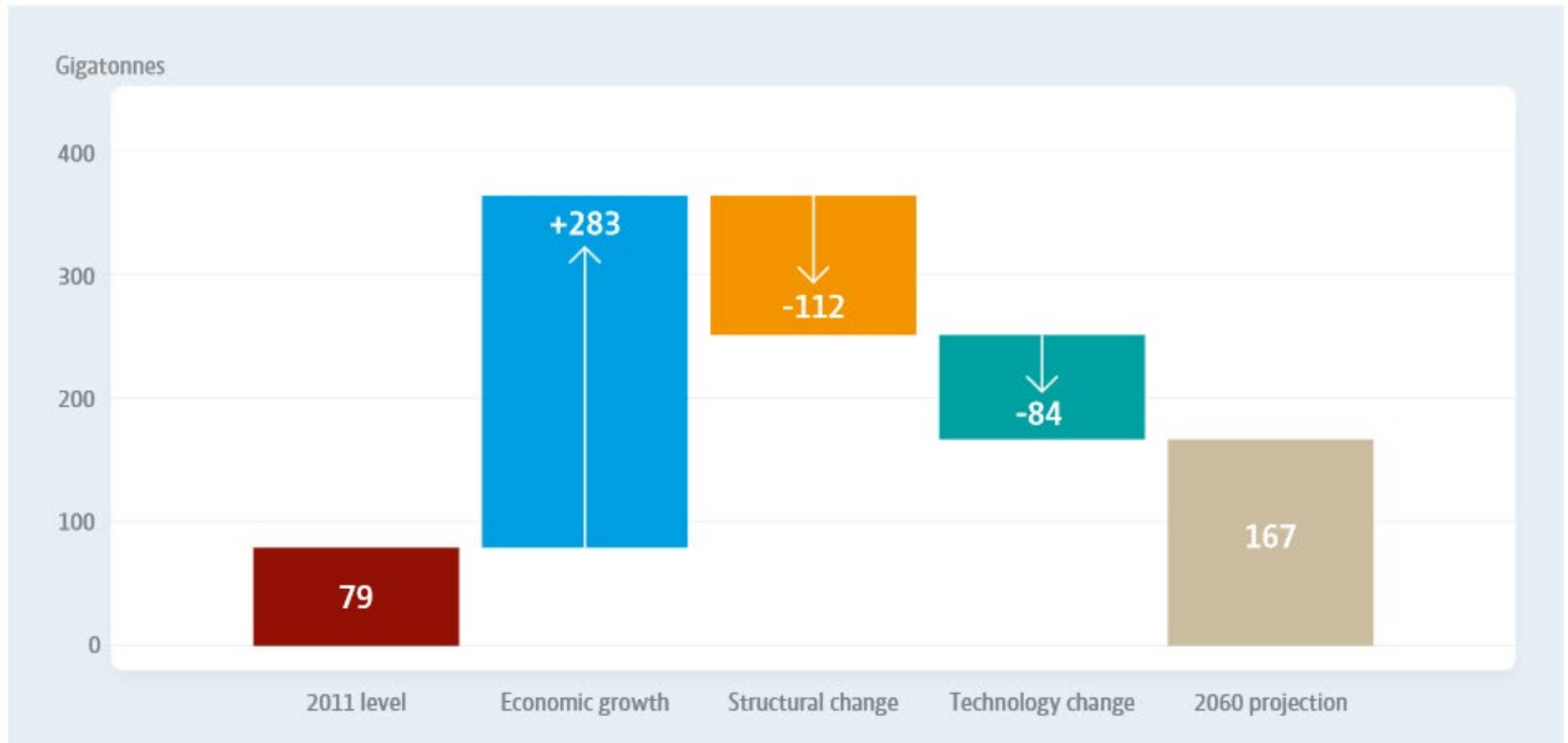
- Life cycle extension
- Product use intensification
- Increased recycling (incl. increased energy efficiency)

# Overconsumption of natural resources causes 50% of GHG emissions and 95% of biodiversity losses

| Figure 4. Global impacts of extraction and processing by resource type, remaining economy and households



# Global materials use is projected to double

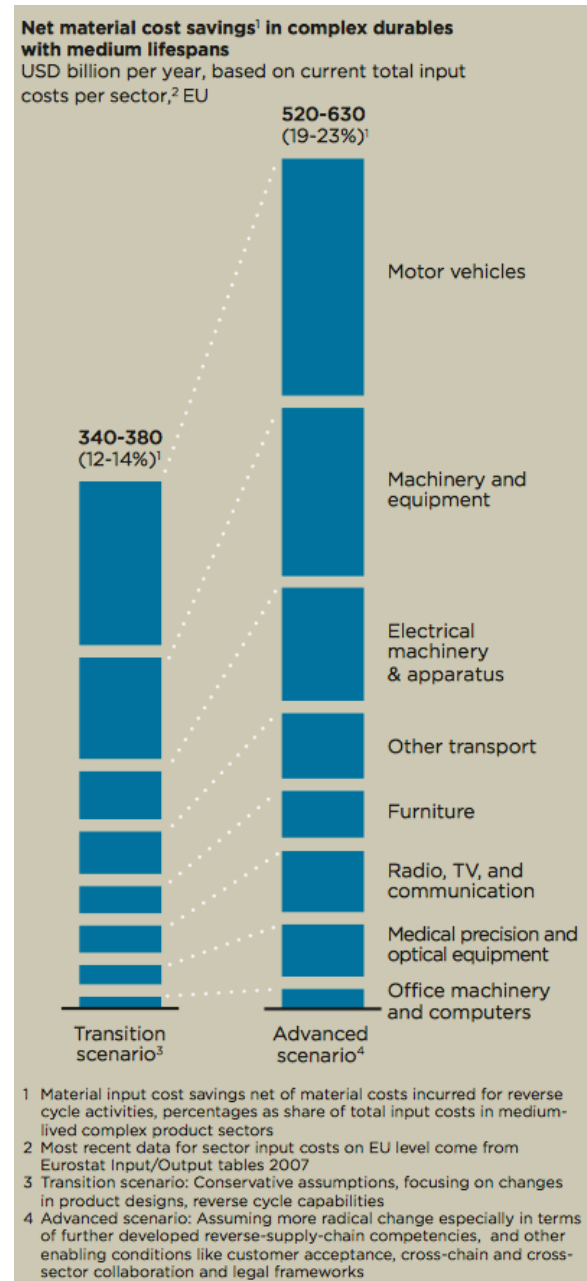


Source: OECD (2018): Global Material Resources Outlook to 2060, OECD Publishing, Paris.

# The circular economy: The potential benefits

**„... better future prospects for the European economy (...)", „Prospects for a sustainable growth that lasts (...)" (EC 2020)**

- Significant impact on innovation, capital productivity and reduced dependence on raw material
- Estimated annual net material cost savings potential of up to 640 billion euros (EMF)

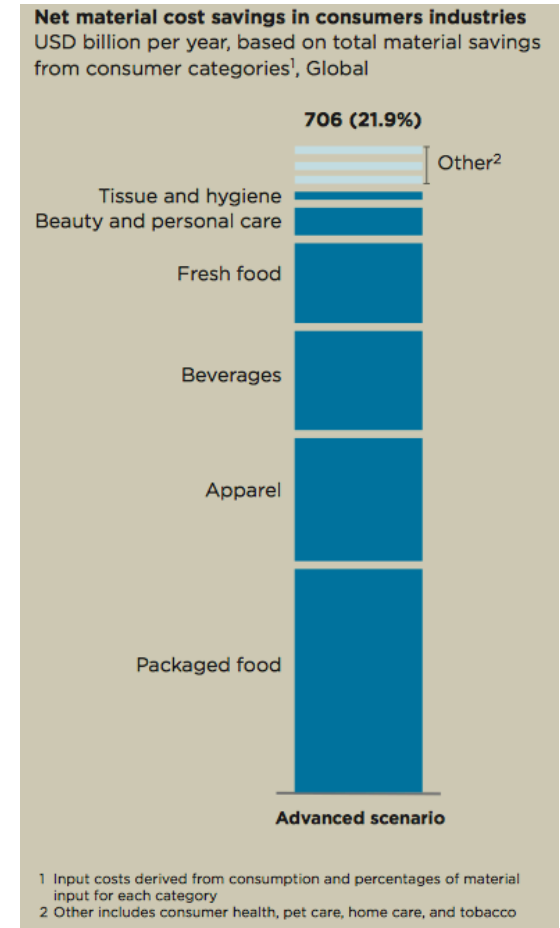


Adoption of circular setups in relevant medium-lived complex product sectors

Source: EMF 2013

Adoption of circular setup in relevant fast-moving consumer goods sectors

Source: EMF 2013

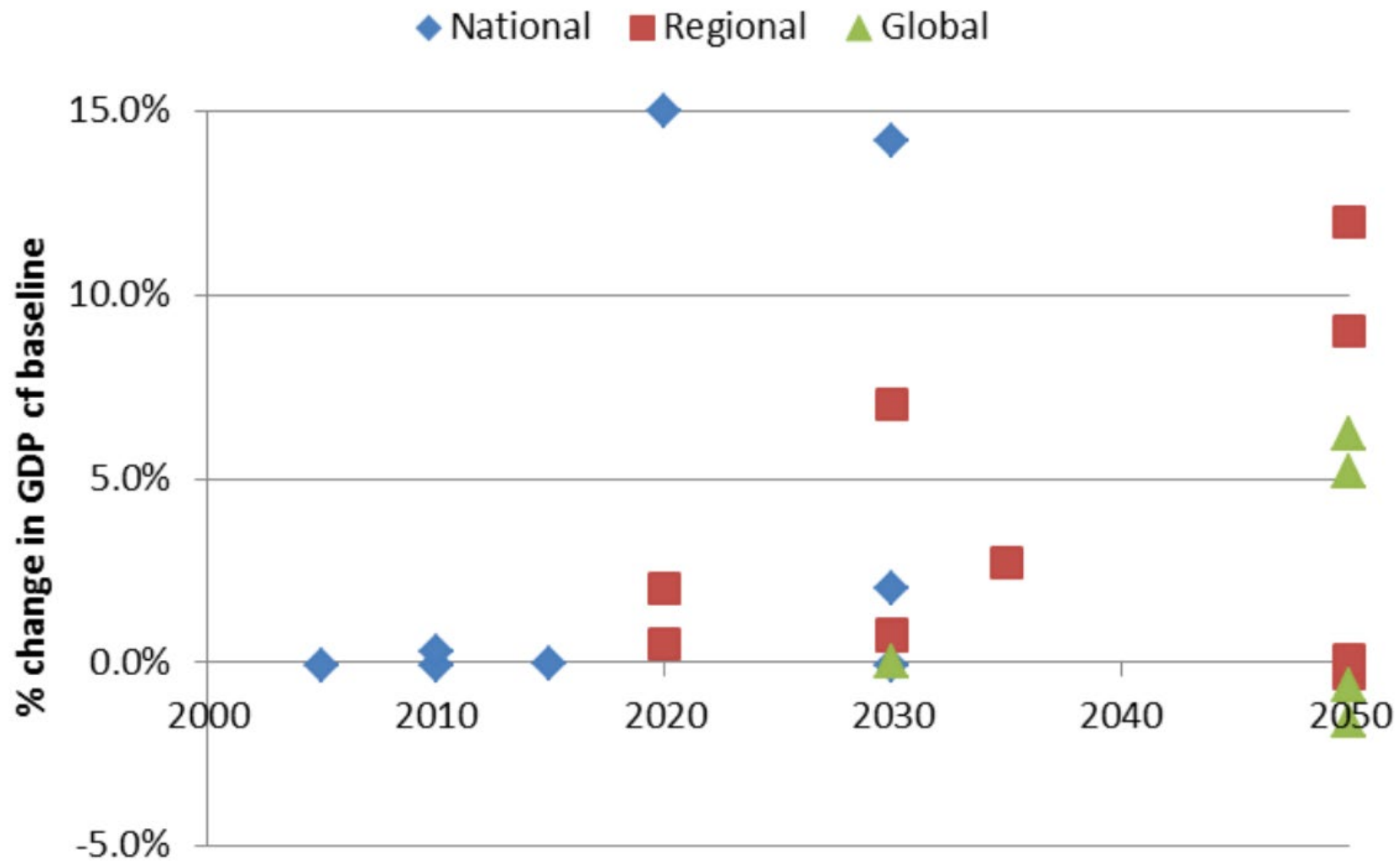


# Cost saving potentials for households

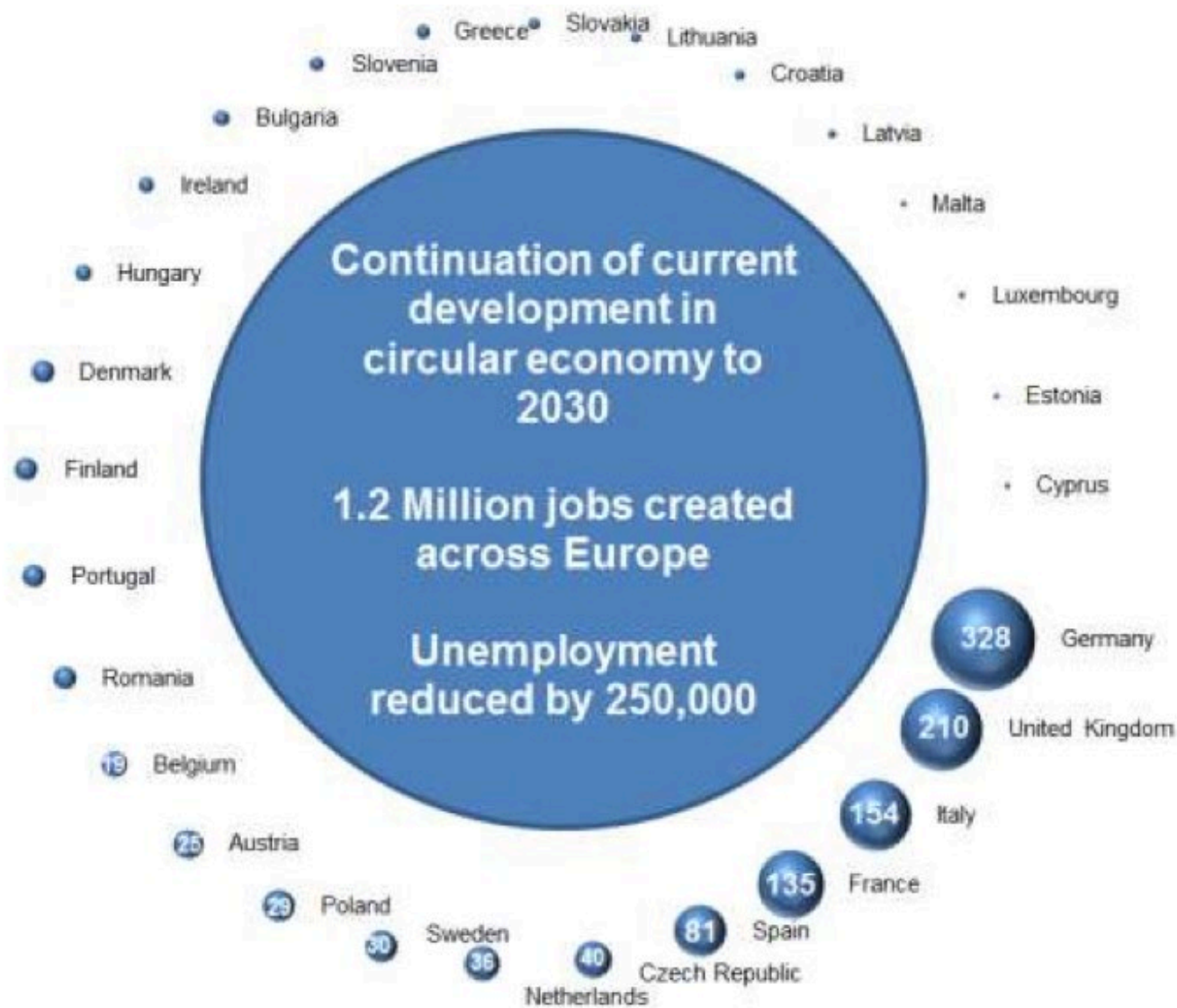
Total annual cash-out costs per household; EU average 2012, €, improvement potential for 2050<sup>1</sup>

● Total savings, %



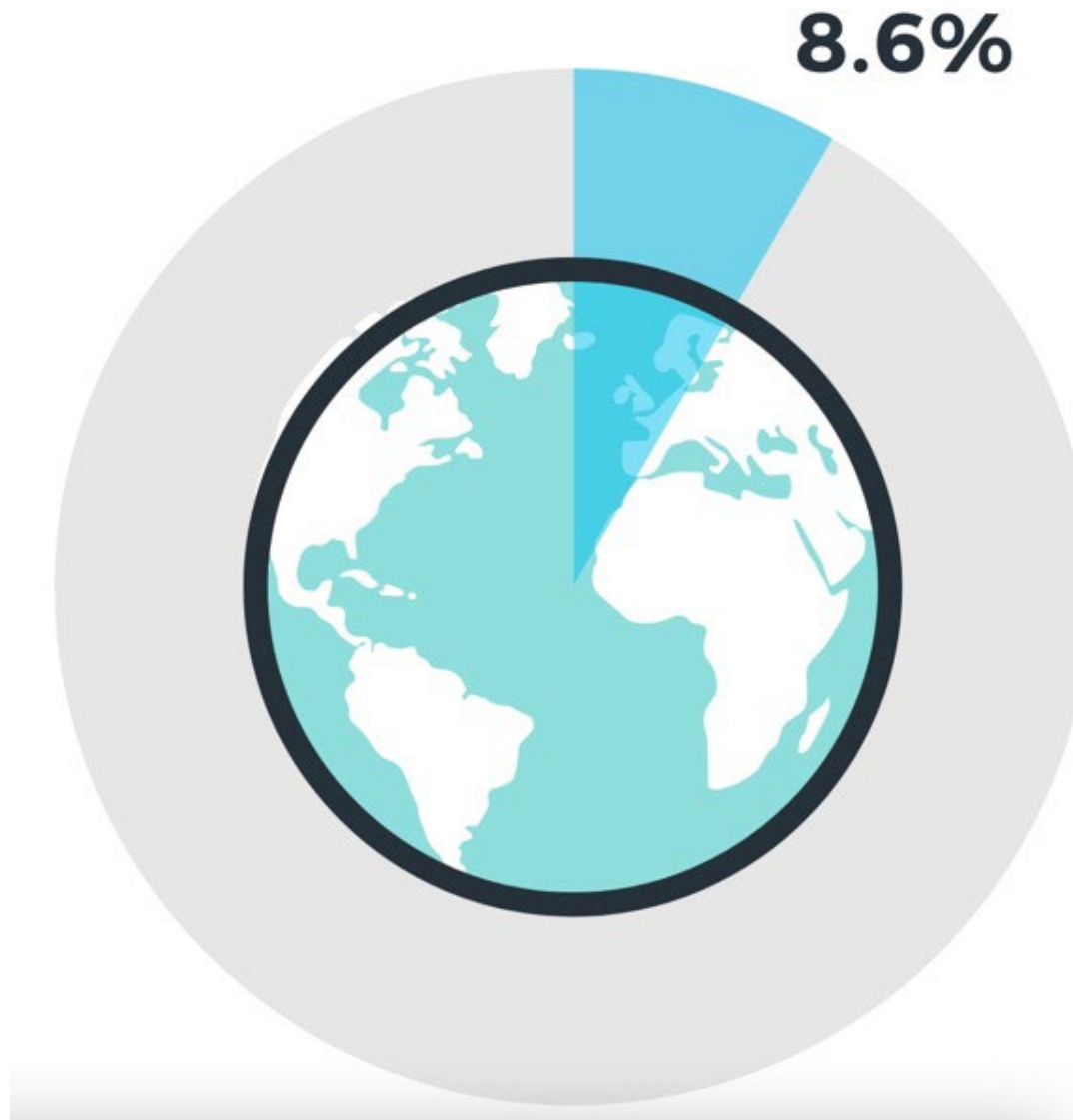


Source: OECD 2020



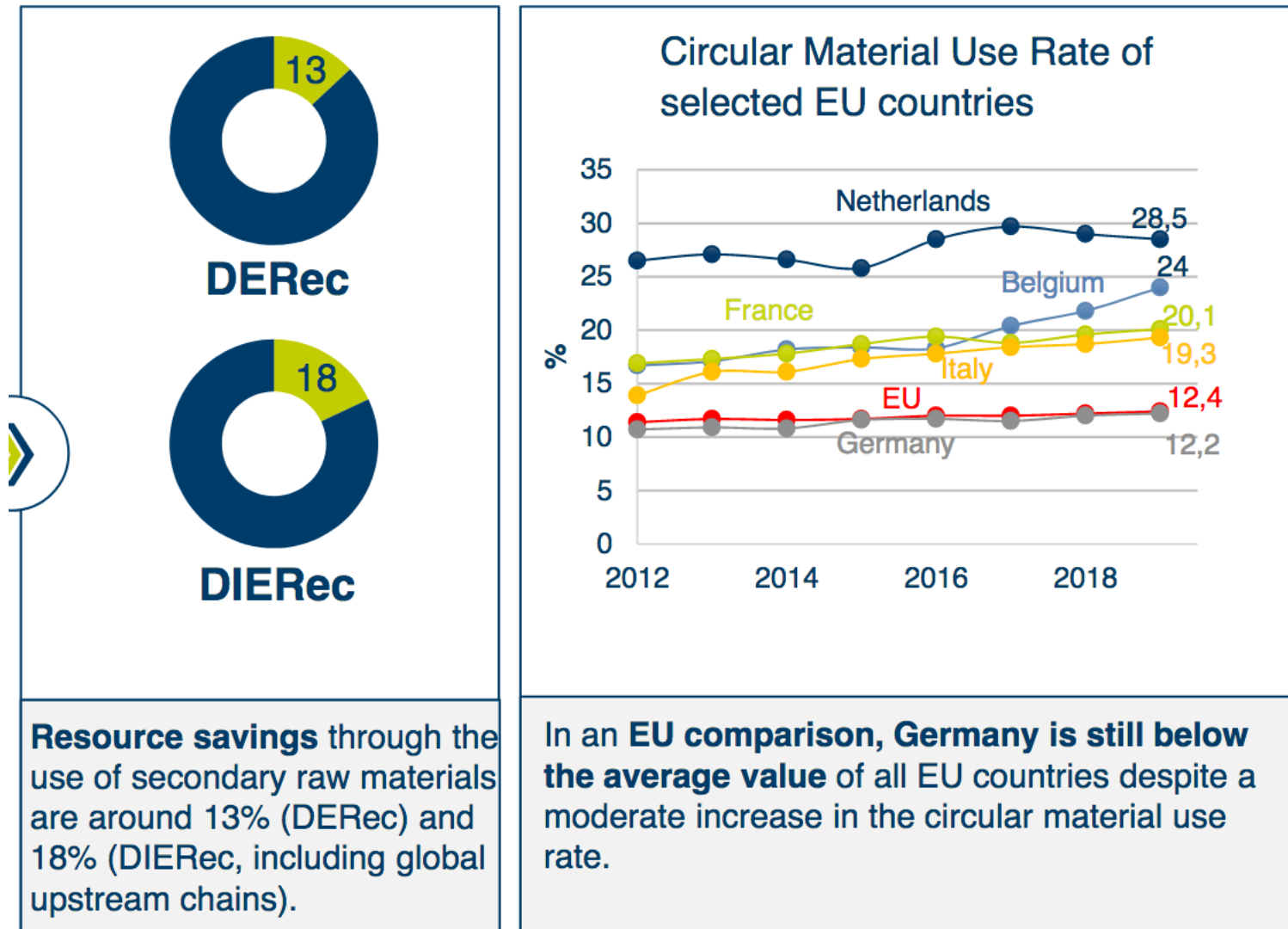
Source: WRAP 2017

**Impressive opportunities:**  
**But how circular are we actually?**

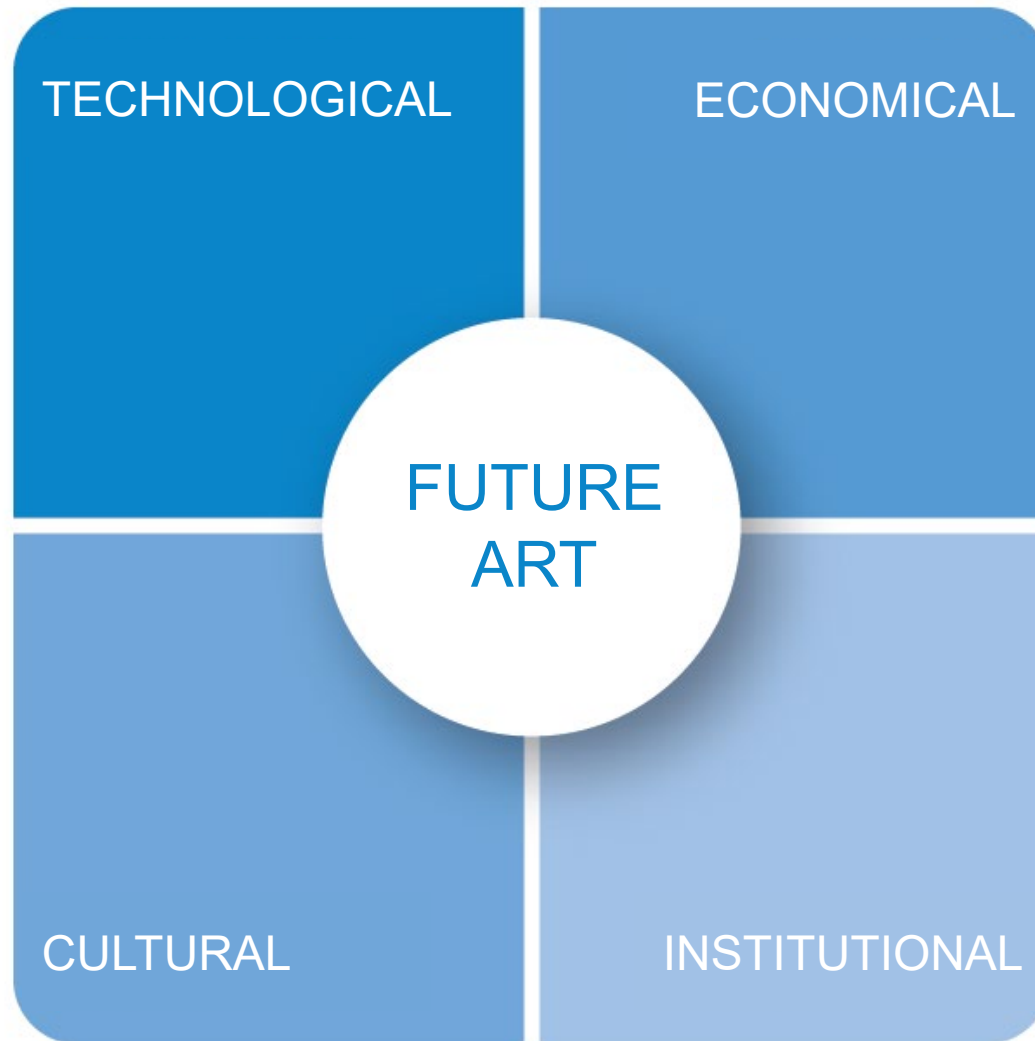


Source: Circularity Gap Report 2022

# Where do we stand on the way to a circular economy?



# Circularity as a multidimensional challenge



Source: Wuppertal Institut/Schneidewind (2018), p. 12

# Thank you for your attention!

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Dr. Henning Wilts

[henning.wilts@wupperinst.org](mailto:henning.wilts@wupperinst.org)

Wuppertal Institute for Climate, Energy, Environment