



Event Report

ASEAN Circular Economy Forum (ACEF) 2025

Accelerating the circular economy transition in ASEAN with green skills, innovative solutions, and investments

Supported by

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List of Abbreviations

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| 3RproMar | Reduce, Reuse, and Recycle to Protect the Marine Environment |
| ABAC | ASEAN Business Advisory Council |
| ACCMSME | ASEAN Coordinating Committee on Micro, Small and Medium Enterprises |
| ACEBA | ASEAN Circular Economy Business Alliance |
| ACEF | ASEAN Circular Economy Forum |
| ACESP | ASEAN Circular Economy Stakeholder Platform |
| ACSDSD | ASEAN Centre for Sustainable Development Studies and Dialogue |
| AEC | ASEAN Economic Community |
| AMS | ASEAN Member States |
| AMSFED | Analysis & Monitoring on Finance and Socio-Economic Division |
| ASCC | ASEAN Socio-Cultural Community |
| ASEAN | Association of Southeast Asian Nations |
| ASEC | ASEAN Secretariat |
| ASOEN | ASEAN Officials from the ASEAN Senior Officials on the Environment |
| ATIGA | ASEAN Trade In Goods Agreement. |
| ATM | ASEAN Talent Mobility |
| BCG | Bio-Circular-Green |
| BOFA | Bornholms Affaldsselskab |
| CE | Circular Economy |
| CHN | Complete Human Network |
| COO | Chief Operating Officer |
| CSIRO | Australian Commonwealth Scientific and Industrial Research Organisation |
| EPR | Extended Producer Responsibility |
| E-READI | Enhanced Regional EU ASEAN Dialogue Instrument |
| ERIA | Economic Research Institute for ASEAN and East Asia |
| ERTH | Electronic Recycling Through Heroes |
| ESG | Environmental, Social, and Governance |
| EU | European Union |
| EU CERC | European Union Circular Economy Resource Centre |
| EU-ABC | EU-ASEAN Business Council |
| GGGI | Global Green Growth Institute |
| GIZ | Deutsche Gesellschaft für Internationale Zusammenarbeit, |
| IGEM | International Greentech & Eco Products Exhibition and Conference Malaysia |
| KLSS | Kuala Lumpur Sustainability Summit |
| KWAP | Malaysia's National Pension Fund Kumpulan Wang Persaraan (Diperbadankan) |
| MADANI | Sustainability, Care and compassion, Respect, Innovation, Prosperity, and Trust. |
| MITI | Malaysian Ministry of Investment, Trade, and Industry |
| MSMEs | Micro, Small, and Medium Enterprises |
| MYCL | Malaysia Mycotech Lab |
| NCEC | Malaysia National Circular Economy Council |
| NGOs | Non-Government Organisations |
| NRES | Malaysian Ministry of Natural Resources and Environmental Sustainability |
| NXPO | Thailand National Higher Education Science Research and Innovation Policy Council |
| R&D | Research & Development |
| S/GPP | Sustainable/Green Public Procurement |

| | |
|---------------|---|
| SCG Chemicals | Siam Cement Group |
| SCOPE Trade | Sustainable Connectivity Package on Trade |
| SCOPE-HE | Sustainable Connectivity Package on Higher Education |
| SCP | Sustainable Consumption and Production |
| SDGs | Sustainable Development Goals |
| SEA-MaP | Southeast Asia Regional Program on Combating Marine Plastics |
| SEI | Stockholm Environment Institute (|
| SME | Small and Medium-sized Enterprise |
| SWITCH-Asia | Programme funded by the European Union for Sustainable Consumption and Production (SCP) in Asia |
| TAF - GTEI | Technical Assistance Facility - Green Team Europe Initiative |
| TRACE | Trade and Circular Economy |
| TVET | Technical and Vocational Education and Training |

Background

From 16 to 17 October 2025, the 3rd ASEAN Circular Economy Forum ‘Accelerate the circular economy transition in ASEAN with green skills, innovative solutions and investments’, took place in Kuala Lumpur, Malaysia. Building on the success of ACEF2023 and ACEF2024, this year’s event was again organised as a joint Green Team Europe Initiative (TEI) effort under the lead of E-READI, the ASEAN Centre for Sustainable Development Studies and Dialogue (ACSDSD), and the ASEAN Secretariat (ASEC). Hosted by the Malaysian Ministry of Natural Resources and Environmental Sustainability (NRES) under Malaysia’s ASEAN ‘Inclusivity and Sustainability’ Chairmanship, it was co-organised with the EU Delegation to ASEAN, Team Finland, the Finnish Innovation Fund Sitra, the Stockholm Environment Institute (SEI), and the Global Green Growth Institute (GGGI) under the Danish Circular Economy project (ASEAN-EU Green Team Europe Initiative: Transition to a Regional Circular Economy). It was held in conjunction with the International Greentech & Eco Products Exhibition and Conference Malaysia (IGEM) and the inaugural Kuala Lumpur Sustainability Summit (KLSS) 2025.

From 14 to 15 October, prior to the main ACEF and alongside it, as part of ASEAN Circular Economy Week, partner events were organised by ERIA (ASEAN Conference on Combating Plastic Pollution), Sitra & EU CERC (Unlocking New Value in Southeast Asia Through Circular Business Models), the Hanns Seidel Foundation (Eco-entrepreneurs’ Marathon), and the World Bank-funded SEA-MaP (Regional Platform for Knowledge and Partnerships + Regional Platform for Innovation and Investments and related events).

This year’s focus was on developing green and circular skills, scaling innovative circular solutions, mobilising finance for high-impact circular initiatives, and exploring ways to bridge the gap between the skills SMEs require and what higher education and research institutions provide.

Objectives

The ACEF serves as an annual platform for the ASEAN policy community to hold dialogues with stakeholders and discuss how to advance a circular transition more effectively through national policies and regional initiatives. It brings together multiple stakeholders, including ASEC officers from the socio-cultural (ASCC) and economic (AEC) communities, officials from the ASEAN Member States and the EU, the private sector, civil society, and academia. The ACEF is a unique platform reflecting the cross-cutting nature and multiple objectives of a circular transition, focusing on ASEAN integration and cooperation, and stakeholder dialogues.

ACEF 2025 had the following specific objectives:

- To raise awareness of how a circular transition can help ASEAN achieve its Community Vision 2045.
- To showcase existing good practices in building skills and know-how, scaling innovative solutions, and mobilising finance for a circular transition.
- To identify opportunities for strengthening ASEAN regional initiatives relevant to addressing critical bottlenecks for a circular transition.
- To ensure ownership of partner-supported circular economy initiatives within each AMS and the ASEAN collectively, and plan for long-term continuity.
- To explore the need for a regional circular economy vision and roadmap, relevant to the three pillars of ASEAN, and discuss how such an initiative could be launched and managed.

Overview and Summary

ACEF2025 attracted more than 200 in-person participants from the public and private sector, including ten representatives from six divisions of the ASEAN Secretariat; thirty-six ASEAN Officials from the ASEAN Senior Officials on the Environment (ASOEN) and related Working Groups from nine ASEAN Member States (Brunei Darussalam did not attend, and Timor Leste only joined ASEAN on 26 October); EU officials; E-READI experts; the EU-ASEAN Business Council (EU-ABC); the ASEAN Circular Economy Business Alliance (ACEBA); ASEAN Business Advisory Council (ABAC); SWITCH-Asia; the Technical Assistance Facility to the Green Team Europe Initiative (TAF-GTEI); the Finnish Innovation Foundation Sitra; the Australian Commonwealth Scientific and Industrial Research Organisation (CSIRO); GIZ; and representatives of private companies, higher education institutions, and civil society. The event was also broadcast live on YouTube, with over 300 people watching sessions online.

The event consisted of six main sessions held over one and a half days. The morning of the first day set the scene for the Forum, starting with inspiring opening remarks from ASEAN, the European Union, Thailand, and Finland. All speakers emphasised the centrality of circular economy for ASEAN's integration and resilient development. They also stressed that circularity is not just about waste or recycling; it is about rethinking our systems of production, trade, and investment so that sustainability becomes the norm.

The first main session gave an update on how circular economy is advanced through regional initiatives in ASEAN, illustrating how momentum on circularity is growing. The second session placed the circular economy efforts in ASEAN in a global context, gave a data-driven snapshot of the state of circularity in the region, showed how the Malaysian Government is adopting an all-of-society approach to circular economy policy making, and introduced the activities of the ASEAN Circular Economy Stakeholder Platform. The presenters shared insights on how more innovative resource utilisation can enhance not only environmental benefits, but also competitiveness and resilience, and how this shift directly aligns with the green, innovative, and people-centred ASEAN Community Vision 2045.

The afternoon began with six brief announcements of new circular economy initiatives in ASEAN. From Malaysia's Centre of Excellence for Green Transition; Startup ASEAN; the establishment of an ASEAN Talent Mobility Community; and EU SCOPE Trade; to new GIZ and SWITCH-Asia programmes, the announcements demonstrated how innovation and entrepreneurship are thriving across ASEAN. The following two sessions featured in-depth discussions related to the ACEF 2025 theme of "green skills, innovative solutions, and investments." The first session consisted of one panel on SMEs, skills, and innovation, and a second panel on higher education, skills, and start-ups. The two panels captured the energy and creativity that define this new generation of circular leaders. Inspiring practitioners - from Thailand's NXPO and SCG Chemicals to Mycotech Lab (MYCL) in Indonesia and GIZ Vietnam - who are transforming ideas into real-world impact. It underlined that green talent, enabling finance, and innovation ecosystems are the engines that will power ASEAN's circular future.

The second afternoon session explored how finance and investments can drive a circular transition. It noted that impact investing is growing, product-as-a-service holds significant potential but requires a shift in mindsets, and digital tools can enable circular market transactions. The day ended with a reflection session where EU and ASEAN representatives shared their key takeaways from the day's discussions. The panellists emphasised that scaling up impact requires aligning policy, industry, and investment, while diverse partnerships are essential. Circular economy is not a side agenda; it is a collective pathway to resilient economies, empowered communities, and a sustainable ASEAN for future generations.

Day 2 consisted of two policy dialogue sessions with panels featuring national policymakers, MSMEs, business groups, city governments, social entrepreneurs, and community organisations. The first panel focused on how harmonisation across the AMS could accelerate a circular transition. The second panel discussed the roles of financing and partnerships. The dialogues built on discussions from Day 1, focused on accelerating the CE transition in ASEAN, highlighting specific actions and recommendations across sectors that ASEAN prioritises in its circular economy initiatives; examining potential trade-offs between economic growth, environmental, and social factors; while exploring ways to balance them, providing examples of “win-win” solutions.

Key Takeaways:

- Invest in Green Skills – Equip today’s workforce with the knowledge and training necessary to drive tomorrow’s circular economy and address the twin challenges of technology availability and affordability.
- Scale Innovative Solutions – Support startups and businesses in expanding ideas that can transform industries and empower communities.
- Mobilise Financing – Unlock innovative public and private financing mechanisms to fuel the circular transition at all levels. The tools for circularity (advanced recycling, digital tracking, etc.) must be accessible and cost-effective for all ASEAN businesses, especially ASEAN’s vital MSMEs.
- Strengthen ASEAN Cooperation – Foster greater collaboration and build stronger cross-border partnerships and harmonised policies to accelerate regional progress.
- Foster Inclusivity in Transition – Ensure everyone benefits from the circular economy by empowering communities, women, and MSMEs.

ACEF2025 concluded with a clear message: ASEAN and EU partners must stand united to accelerate the circular economy through policy alignments for green skills, innovative solutions, and sustainable investments, as it is only through strong partnerships that the regions can build a future that is not just circular but inclusive, resilient, and ready for the next generation.

Detailed Session Summaries

Day 1

Opening Remarks

The forum commenced with four inspiring opening remarks by HE Kao Kim Hourn, Secretary General of ASEAN (Pre-Recorded); HE Sujiro Seam, Ambassador of the European Union to ASEAN; HE Dr Pitchayaphant Charnbhumidol, Advisor to the Minister of Foreign Affairs, Thailand; and HE Jarno Syrjälä, Finnish Undersecretary of International Trade.

HE Kao Kim Hourn stated that circular economy is vital for the region, addressing resource depletion, unsustainable consumption, and climate change, while improving resource efficiency and resilience, and strengthening regional integration. He noted that the circular economy in ASEAN has gained traction since the first ACEF in 2023. He outlined five priorities to speed up the transition: investing in skills and knowledge, especially for youth and SMEs; enabling vibrant innovation ecosystems based on research and entrepreneurship, involving entire value chains; increasing finance and investments; fostering partnerships, including with the region's international allies and between private and public sectors; and promoting science and technology, such as materials' science, biotechnology, and remote sensing. He urged participants to help shift the circular economy from the sidelines to the centre of ASEAN's regional integration.

HE Sujiro Seam emphasised the importance of placing the circular economy at the centre of achieving the ASEAN Vision 2025. The ASEAN Circular Economy Framework demonstrates a strong recognition of this key role. The EU's promotion of a circular transition, which began under the Green Deal, continues with the current Competitiveness Compass – maintaining a firm commitment to a circular transition. The EU-ASEAN Plan of Action includes cooperation in this area, reflecting the joint commitment of both regions. He concluded by highlighting some achievements of this collaboration, such as the establishment of the ASEAN Circular Economy Stakeholder Platform and joint research funded by the EU Horizon programme.

HE Dr Pitchayaphant Charnbhumidol emphasised ASEAN's strong commitment to advancing circular economy through its regional cooperation and integration process. He highlighted the crucial role of the ASEAN Centre for Sustainable Development Studies and Dialogue as a bridge-builder for cooperation, and the significance of the Circular Economy Framework, which has guided collaboration and policy development. He mentioned that Thailand is progressing with a circular transition as part of its Bio-Circular-Green (BCG) economy model. Finally, he stated that accelerating the transition requires capacity building, research and innovation, investments, and close coordination among government agencies and with diverse stakeholders.

HE Jarno Syrjälä noted that ACEF2025 takes place during the ASEAN Sustainability Week – a series of events that highlight the region's strong focus on sustainable development. He shared insights from Finland's implementation of its Circular Economy Roadmap – the world's first such strategy, emphasising the importance of collaboration between the government, academia, the private sector, and civil society. He stressed the vital role of international cooperation, not only to share good practices and technologies but also to establish new partnerships and jointly develop innovative sustainable solutions.

Circular Economy – State of Play in ASEAN

The session provided an overview of existing ASEAN initiatives promoting circular economy. Overviews of Regional Initiatives were given by Dr Vong Sok, ASEC's Head of the Environment Division and Assistant Director of the Sustainable Development Directorate, who talked about Initiatives on Circular Economy in the ASEAN Socio-Cultural Community and Ms Latifahaida Latif, ASEC's Assistant Director and Head of the Analysis & Monitoring on Finance and Socio-Economic Division, who, on behalf of the ASEAN Economic Community, spoke about the latest developments under the AEC CE Framework and related topics.

Dr Vong Sok emphasised that circular economy is recognised as a cross-pillar priority for ASEAN. He showed how actions to advance circularity are included in the strategic action plans under the recently adopted ASEAN Community Vision 2045. Pointing to the ASEAN Regional Action Plan for Combating Marine Debris and the ASEAN Sustainable Consumption and Production (SCP) Framework, he explained how ASEAN takes a comprehensive lifecycle approach to advancing circularity and combines strategic planning and policymaking with research promotion, capacity strengthening, public awareness-raising, and private sector engagement. He demonstrated how ASEAN has built up its activities around circular economy over time through a systematic step-by-step approach. He gave examples of how ASEAN's international partners are supporting the region in achieving its circular ambition. He noted that although substantial progress has been made, it tends to be limited to certain sectors. In closing, he suggested that broadening and accelerating ASEAN's transition to circular economy requires strengthened market demand, improved access to finance and technologies, building relevant skill sets, and enhanced coordination.

Ms Latifahaida Latif highlighted some of the achievements made in ASEAN from the perspective of the Economic Community. She provided an update on the implementation of the Circular Economy Framework, adopted in 2021, where two-thirds of the more than 60 actions have been completed or are ongoing. The implementation of the Framework is overseen by a Focal Group comprising government officials from various relevant ministries. Their work is supported by the recently established Independent Advisory Panel, consisting of representatives from the private sector and think tanks. She stressed the importance of capacity building as a key enabler for the circular transition, including the mobilisation of finance. She presented two related new initiatives, including the Centre of Excellence for MSME Green Transition and the ASEAN Sustainable Finance Support Hub. She also highlighted that ASEAN has included circularity elements in its recently revised regional trade agreement (ATIGA) and in its Strategic Partnership with China.

Resource Use in ASEAN and the Role of the Circular Economy in Achieving ASEAN Vision 2045

The session examined the current state of circularity in ASEAN within a global context. Mr Kari Herlevi, Programme Director Circular Economy, Finnish Innovation Fund Sitra, shared insights from the World Circular Economy Forum and the implementation of Finland's Roadmap. Dr Alessio Miatto, Senior Research Scientist, Commonwealth Scientific and Industrial Research Organisation (CSIRO), presented data on ASEAN's circularity performance and shared reflections from an Australian perspective. Dr Margaret Kuyor, Deputy Undersecretary (Circular Economy Policy), Urban Sustainability Division, Ministry of Housing and Local Government, explained how the Government of Malaysia promotes circularity through coordinated actions by key ministries and stakeholder involvement. Dr Anthony Pramualratana, Deputy Executive Director of the ASEAN Centre for Sustainable Development Studies and Dialogue (ACSDSD), introduced the ASEAN Circular Economy Stakeholder Platform, demonstrating how it advances circularity through networking, dialogue, and the sharing of best practices. The session

was moderated by Ms Asih Budiati, Team Leader of the Technical Assistance Facility for the Green Team Europe Initiative (TAF-GTEI).

Mr Kari Herlevi described circular economy as a megatrend capturing significant attention worldwide. In recent years, more than 80 national or regional circular economy strategies have been adopted. However, he emphasised that action remains insufficient – global resource extraction is rising while the circularity rate is declining. On the positive side, he noted that the EU has achieved some decoupling, making its economic growth less material-intensive. With high per-capita consumption, wealthy nations must show leadership by reducing their resource dependence. He noted that there are significant opportunities for improvement related to upstream circularity approaches, such as product design and new systems for fulfilling human needs. He concluded by sharing four key insights from organising the World Circular Economy Forum annually since 2016: ensuring trade agreements support circularity; recognising the role of circularity in securing access to critical raw materials; reflecting the circular economy more comprehensively in global agreements, such as on climate; and working towards harmonised policy frameworks. He ended by emphasising the need to look beyond recycling and to adopt impactful upstream circular approaches.

Dr Alessio Miatto reviewed past initiatives where CSIRO has worked with the ASEAN to develop knowledge products on resource efficiency. He described circular economy as a way of easing the tensions between a conventional socio-economic development model and ecological stability. He presented quantitative findings on material flows in ASEAN, highlighting the need to address different types of materials with various circularity strategies. He stressed the importance of monitoring circularity performance at national and regional levels, and proposed three key metrics: material footprint, material productivity, and recycling rate. Based on the most recent data, ASEAN as a whole has a circularity rate (the share of resource demand met with recycled materials) of 2%, while a realistically achievable rate is estimated at around 20%. He highlighted areas where circular practices can have a significant impact in ASEAN, including the utilisation of agricultural waste, shared and public mobility, and design for disassembly and modularity in the building sector. He sees an opportunity for ASEAN to leapfrog some of the challenges Australia is facing, for example, by preventing wasteful urban sprawl. Finally, he outlined three priorities for ASEAN: build a strong evidence base and capacity to monitor progress, equip the region's young generation with the correct understanding and skills, and strengthen regional collaboration to harness the potential of a circular economy in achieving the objectives of the Community Vision 2045.

Dr Margaret Kuyor introduced some of Malaysia's actions towards a circular economy, including the recently launched Circular Economy Blueprint, a comprehensive plan with objectives aligned with the regional Community Vision. Malaysia is also in the process of developing an Extended Producer Responsibility (EPR) Framework and conducting a feasibility study for a Circular Economy Act, which is expected to come into force by 2030. To coordinate activities on circular economy, and to facilitate stakeholder involvement, the Malaysian Government has established the National Circular Economy Council (NCEC), with members representing related ministries, local authorities, academia, industry associations, NGOs, and SMEs. She introduced some of the Government's programmes targeting schools and communities, promoting waste reduction and source separation. She ended her talk by stressing the importance of empowering citizens and communities to be part of the circular transition.

Dr Anthony Pramualratana introduced the ASEAN Circular Economy Stakeholder Platform (ACESP), which was launched in 2023, and explained its role in facilitating a circular transition across the region. Its activities include maintaining a knowledge and information platform, initiating dialogues, inspiring network building, and cooperating with international partners. The vision for the knowledge platform is to become a one-stop shop on circular economy in ASEAN. Finally, he emphasised the need for

circular economy practitioners in ASEAN to resonate with local sustainability concepts rooted in Southeast Asia's traditions and values, such as Malaysia's MADANI.¹

Main points from the discussion

- Regional cooperation can inspire national efforts towards a circular transition by providing a vision and common principles. However, regional cooperation needs to build on strong commitment and concrete actions at the national and sub-national levels. Strengthened linkages between these two levels can help accelerate the circular transition.
- Regional cooperation can provide a common monitoring framework for the ASEAN Member States, contributing to evidence-based policymaking.
- Policy harmonisation across ASEAN can facilitate the flow of goods and services and help advance circularity.
- Knowledge sharing, capacity building, and R&D are other areas where regional cooperation can enhance national actions.
- A whole-of-society approach that engages and listens to diverse stakeholders needs to be applied at all levels.
- Countries require policy initiatives that promote circularity at various stages of value chains, from upstream to downstream, but close coordination among responsible government bodies and consistent policies are crucial.

Announcements of New Initiatives

The session spotlighted new initiatives on circular economy in ASEAN through a series of brief announcements. The following new initiatives were presented:

- [ACCMSME Malaysia's Centre of Excellence for Green Transition](#) – a regional platform under the ASEAN Coordinating Committee on Micro, Small, and Medium Enterprises (ACCMSME) aimed at enhancing MSME capabilities in adopting green technologies and sustainable business practices.
- [Cradle Fund Malaysia's "Startup ASEAN: Trade and Circular Economy"](#) – an initiative designed to support start-ups developing circular and trade-related innovations by providing funding, mentorship, and cross-border collaboration opportunities within ASEAN.
- 3RproMar II (Reduce, Reuse, Recycle for Marine Litter Prevention Phase II) – a continuation of the regional programme promoting marine litter reduction through improved waste management, recycling systems, and public-private partnerships across ASEAN Member States, and Trade and Circular Economy (TRACE).
- [EU-ASEAN Connectivity Package on Trade \(SCOPE-Trade\)](#) – a cooperation initiative focused on strengthening sustainable trade and investment ties between the EU and ASEAN by integrating circular economy principles into regional economic frameworks.
- [The ASEAN Talent Mobility Community](#) – an online platform, led by Thailand, facilitating the exchange of professionals and experts across ASEAN to enhance knowledge sharing, innovation, and skills development in green and circular industries.
- SWITCH-Asia: ASEAN+3 Leadership Program – a capacity-building programme under the EU's SWITCH-Asia initiative, providing leadership training and policy support to drive Sustainable Consumption and Production (SCP) and circular economy transitions in ASEAN and its dialogue partners (China, Japan, and the Republic of Korea).

¹ MADANI is a policy concept based on six core values: sustainability, prosperity, innovation, respect, trust, and compassion.

Green Skills, Innovative Solutions and Investments – Unlocking the Potential of Circular Startups in ASEAN

The session explored how active collaboration among government agencies, SMEs, corporations, higher education institutions, and international partner organisations can build green skills and advance innovative solutions. Dr Saravane Singtong, Division Director at NXPO, “Thailand’s innovation economy,” shared experiences from Thailand and presented examples of ongoing activities. Mr Adi Reza Nugroho, CEO & Co-Founder, Mycotech Lab (MYCL), Indonesia, shared experiences as a circular entrepreneur. Ms Unchalee Mulalee, Head of ESG, SCG Chemicals, Siam Cement Group, explained the company’s efforts to address plastic issues and its approach to working with stakeholders. Ms Tran Thi Thanh Thuy, ASEAN Access Network, GIZ Vietnam, presented findings from a recent survey and their model for supporting MSMEs. Mr Nophol “Naps” Techaphangam, CEO, norrnorn, Thailand, introduced the company’s circular business model and shared experiences. Dr Engelbert C. Pasag, Vice President, Panpacific University, explained how the university is supporting the local community through circular practices. Dr Frank Feulner, Team Leader, EU–ASEAN Sustainable Connectivity Package – Higher Education (SCOPE-HE), assessed the situation for green skills in ASEAN and indicated opportunities for improvement. Ms Ulrike Sengstschmid, Advocacy Manager at the EU-ASEAN Business Council, gave examples of how European companies are contributing to the development of green skills in ASEAN. The session was moderated by Ms Imelda “Dada” Bacudo, Climate, Agriculture, and Food Systems Expert.

Dr Saravane Singtong introduced how Thailand’s NXPO promotes sustainable development and a green economy through policy development, deployment, and operation. She presented how they work to encourage green entrepreneurship and innovation through the Bio-Circular-Green Award, where the evaluation criteria are aligned with Thailand’s taxonomy for green investing and adapted to MSMEs. The award scheme is operated in cooperation with the Federation of Thai Industries. She also discussed a project in Saraburi Municipality (Saraburi Sandbox), where a digital platform enables the high-value utilisation of various waste streams and helps assess the associated climate benefits. Finally, she mentioned NXPO’s work in improving higher education and green skills development for a sustainability transition.

Mr Adi Reza Nugroho presented how the company he founded, MYCL, produces an alternative to leather made from mycelium using agricultural waste as feedstock. In addition to the climate benefits of replacing leather, the model also generates additional income for farmers and discourages the burning of farm residues, reducing air pollution. The company, established in Indonesia in 2015, has now expanded its operations to Japan. He identified access to capital as the main bottleneck to scaling up.

Ms Unchalee Mulalee introduced SCG Chemicals’ plastics recycling activities, including collaboration with waste banks and students, and recovery of used fishing nets. She regards leadership as the key factor for successful partnerships between large businesses and SMEs.

Ms Tran Thi Thanh Thuy presented findings from a survey of MSMEs in ASEAN, which indicate that consumer preferences are regarded as the most important challenge to adopting circular economy practices. Higher costs were also seen as a significant barrier. She identified four areas where MSMEs need support: innovation and access to technology; trade and market creation; access to finance; and waste separation infrastructure and systems. She explained how ASEAN Access supports MSMEs through a digital platform, training session, and other activities. She stressed the importance of removing trade barriers for circular products.

Mr Nophol “Naps” Techaphangam introduced the business model of his company, norrnorn, which provides leasing of premium mattresses. After use, the mattresses are returned to norrnorn, which ensures that they are safely recycled. The company plans to expand its model to other products, such as batteries, solar PV panels, and electronic devices. He underscored the importance of reduced consumption for achieving a sustainable circular economy.

Dr Engelbert Pasag explained how Panpacific University supports village communities through circular practices, such as donating books to community libraries and repurposing used uniforms into new school uniforms. Students are involved in these activities as part of their education. A challenge is that these practical cross-disciplinary activities are not recognised in the formal curriculum. He stressed the need for students to acquire practical experiences and skills.

Dr Frank Feulner presented the SCOPE-HE programme, which fosters exchange and cooperation between ASEAN and the EU in higher education and technical and vocational education and training (TVET). He sees a rising demand for green skills in ASEAN, but a mismatch between training and labour market needs. He called for closer collaboration among SMEs, universities, and TVET institutions to build a regional innovation ecosystem. In closing, he stated that ASEAN’s international partners need to move from dialogues to co-creation and pay more attention to empowering local champions.

Ms Ulrike Sengstschmid explained how various green skills are needed to establish and operate circular value chains. She gave examples of how European businesses help building circular skills through partnerships with SMEs and communities. She stressed the importance of policy alignment across the region, especially for extended producer responsibility and recycling systems, and recognising capacity building and skills development as strategic investments in long-term partnerships rather than compliance costs.

Main points from the discussion

- SMEs need employees with circular skills in areas such as design, digital tools, and life-cycle assessment.
- The young generation entering the labour force also needs a sufficiency-oriented mindset, recognising that both human needs and the planet’s resources are limited. Bringing theoretical teaching and practical training closer, for example, in the context of the SDGs, could help foster such mindsets.
- Access to finance remains a significant challenge for circular SMEs. Governments have a role to play in driving more private funding into green sectors. SMEs, on their side, need a strengthened capacity to secure funding from commercial banks. There is a shortage of platforms helping startups and SMEs scale up.
- The growth of circular SMEs is often hampered by institutions operating in silos and failing to connect across sectors. More integrated ecosystems are needed.
- Consumer demand and willingness to pay more for greener products are still weak, creating a major challenge for many SMEs.
- While various stakeholders play critical roles in the circular transition, government leadership is fundamental for orchestrating the changes needed.

Closing the Loop: Catalysing ASEAN’s Circular Transition through Investment

The session took a deep dive into the finance sector’s perspectives on the circular transition. The session was organised in partnership with Malaysia’s National Pension Fund Kumpulan Wang Persaraan (Diperbadankan) [KWAP]. Panellists included Mr Venon Tian, Chief Operating Officer (COO), ZUS Coffee; Mr Mohamed Tarek El-Fatraty, Founder of Electronic Recycling Through Heroes (ERTH); Mr Badrul Hisham Jaafar, Principal and Senior Vice President, COPE Private Equity; and Ms Chai Peng

Teh, Founder & CEO, Complete Human Network (CHN). Ms Fara Alyaa Azmin, Vice President of Private Equity, KWAP, moderated the conversation.

Main points from the discussion

- Impact investors can provide more than capital, for example, assisting small companies they invest in finding markets and signing long-term agreements with customers.
- Entrepreneurs often lack the skills and capacity to assess the benefits of their circular solutions, for example, reductions in greenhouse gas emissions. Investors can help provide such analytics by engaging independent expertise.
- Compared to 20 years ago, many investors are now more interested in seeing how their investments are having a positive impact, including helping circular solutions scale up.
- Also for companies that don't focus on circular economy directly, adopting circular practices can be beneficial in terms of securing a stable material supply or cutting costs. Investors can help companies discover such opportunities.
- For companies that go public, a circular business model or product can be seen as a value-added. For example, a long-lived product that the market is prepared to pay more for can increase a company's value.
- When a company starts adopting circular practices, taking small initial steps, this can increase awareness and interest and lead to larger changes, where the company seeks new ways to generate value from waste or replace input materials with greener options.
- Business models that enable reuse, such as product-as-a-service, can generate benefits for both first and second users but require a shift in mindset. The success of such business models also depends on the supply of quality products and spare parts. Additionally, fiscal policies that make reuse economically attractive can be helpful.
- Lack of awareness and difficulties for potential sellers and buyers in finding one another lead to missed recycling opportunities and economic value loss. Digital tools can help address such market inefficiencies.

Reflections and Pathways Forward

The session provided reflections from three panellists on what they had learnt, unlearnt, and what had surprised them during the day. Panellists included: Mr Michael Bucki, Counsellor for Environment, Agriculture & Health, Delegation of the European Union to Thailand; Dr Anthony Pramualratana, Deputy Executive Director, ASEAN Centre for Sustainable Development Studies and Dialogue (ACSDSD); and Ms Latifahaida Latif, Assistant Director, Head of the Analysis & Monitoring on Finance and Socio-Economic Division (AMSFED), ASEAN Secretariat. It was moderated by Ms Imelda "Dada" Bacudo, Climate, Agriculture, and Food Systems Expert.

Main points from the discussion

- The transition to a circular economy has transformative potential and is receiving strong interest and support from a wide range of actors.
- Circular economy is no longer driven only by environmental concerns but has gained recognition as an essential approach to ensuring competitiveness and resilience – a way of advancing towards the green, innovative, and people-centred region outlined in the ASEAN Vision 2045.
- Momentum towards a circular economy is building in ASEAN. Countries are drafting and implementing policies, pilot projects are scaling, and cross-sector collaboration is increasing.

- There is a need to reframe our understanding of circular economy, moving from the conventional focus on waste to the upstream. Ultimately, circular economy is not about how to make better use of waste, but to prevent the generation of waste in the first place.
- This requires new business models that not only close material loops but also narrow and slow material flows, using fewer materials and keeping them in use for longer. Companies that sell access to products while retaining ownership (product-as-a-service) are one example.
- Improved convenience for consumers can be a selling point for product-as-a-service businesses.
- Many businesses are taking action towards circularity and want to do more. Regulators need to keep up with private sector actors and provide enabling policy frameworks that help them move forward.
- In addition to using conventional policy tools such as regulations and financial instruments, governments can play a role in empowering consumers to make informed decisions. This includes, for example, making consumers aware that products that are easy to repair and upgrade can save money in the long run, despite having a higher price. It also includes ensuring that product information is reliable, preventing exaggerated or unfounded claims such as greenwashing.
- Digital tools are essential to minimise market inefficiencies, such as helping potential sellers and buyers connect. Innovative use of such enabling tools is one of the keys to accelerating the region's circular transition.
- Discussions about circular economy remain limited to a group of experts and practitioners. Building awareness more broadly requires explaining the concept in simple terms in local languages and in ways that resonate culturally.

Day 2: ACEF Annual Policy Dialogue

Opening Remarks

The Policy Dialogue was opened by Datuk Nor Yahati Awang, Deputy Secretary General (Environmental Sustainability), Ministry of Natural Resources and Environmental Sustainability, and Saida Boukaddid, Head of Development, Danish Embassy to Indonesia, ASEAN, Timor Leste, and Papua New Guinea.

Datuk Nor Yahati Awang highlighted Malaysia's efforts to transition to a circular economy for plastics, explaining that the government's actions are based on three pillars: regulation, innovation, and cooperation. Problematic single-use items are being phased out, a forthcoming eco-design framework will spur innovation, while partnerships with industry help turn ambitions into action.

Ms Saida Boukaddid stressed the importance of regionally harmonised standards and practices for establishing circular value chains. She introduced Denmark's support for ASEAN's circular transition, based on two pillars: regional dialogues and waste data systems.

Scene-setting Presentation

Dr René van Berkel began by reflecting on the discussions from day 1. He observed that, although commitments towards circularity are strong and many activities are ongoing, tangible results remain limited. Promising practices and pilot projects need scaling up. Best practices must become the norm. Potential enablers include sustainable/green public procurement (S/GPP) and extended producer responsibility (EPR). While implementation experiences exist, they are mainly in the Global North, where EPR has helped increase recycling and improve cost-sharing but has had little effect on product

design. Applying EPR in ASEAN without adapting from Global North systems will not work, as baseline conditions differ significantly. Adaptation is essential. He concluded by highlighting that locally developed circular practices in ASEAN exist and deserve greater attention.

Panel I: Acceleration of Circular Economy in ASEAN – Priority Areas for Harmonised/Joint Action

The session explored the role of regional harmonisation and actions to accelerate and upscale. Panellists included: Mr Rifki Weno, Executive Director, ASEAN Business Advisory Council; Mr David Christensen, Project Lead, Denmark BOFA; Mr Cuong Tran, Assistant Director of Trade Facilitation Division, ASEAN Secretariat; and Mr Chris Humphrey, Executive Director, EU-ASEAN Business Council. The session was moderated by Dr Vong Sok, Head of the Environment Division and Assistant Director of the Sustainable Development Directorate, ASEAN Secretariat.

Main points from the discussion

- The need for a circular economy transition is already understood by ASEAN businesses, especially the larger companies. Market demand and government regulations are essential drivers, along with potential cost savings.
- Bringing SMEs on board is challenging since they often cannot afford to upgrade their technologies.
- Leadership at the municipal level can be a game-changer, especially when it builds ownership among stakeholders by involving them in setting ambitious and measurable targets.
- Free international movement of goods and services can facilitate circular practices, and as a first step, ASEAN has included remanufactured goods in the latest upgrade of its regional free trade agreement (ATIGA). ASEAN intends to negotiate the inclusion of other types of circular goods in future revisions of ATIGA.
- Policy harmonisation across ASEAN can reduce compliance costs for international businesses.
- There is a shortage of funding for activities that are not commercially viable but beneficial to society, such as removing non-recyclable plastics from the environment.
- Governments need to promote circularity more holistically across entire materials cycles through capacity building, properly enforced regulations, and infrastructure investments.
- Collaboration among government ministries is needed for developing enabling policy environments, which must combine “sticks and carrots” and be developed in dialogue with both large corporations and SMEs. Ministries of environment have a special role here and should be in the lead.
- A comprehensive study of what seems to be working and what obstacles exist could form the basis for a long-term regional action plan.
- Funding for organisations across ASEAN to work together could stimulate innovation and implementation.
- By favouring businesses that offer sustainable circular solutions, public procurement can be an important driver for scaling up good practices.

Panel II: Enabling CE Acceleration through Policy Action, Resource Mobilisation and Multi-Stakeholder Partnerships

The session explored the role of finance and leadership for a circular transition. Panellists included: Mr Muhammad Iqbal Balative, Deputy Director of Islamic Financing, Indonesian Ministry of Finance; Mr Gerald Ko, Senior Investment Manager, Gobi Partners; Dr Tengku Zahaslan, Director of the New

Industrial Master Plan, Malaysian Ministry of Investment, Trade, and Industry (MITI); and Datuk Shahril Azuar Jimin, Group Chief Sustainability Officer, Maybank. The session was moderated by Dr Vong Sok, Head of the Environment Division and Assistant Director of the Sustainable Development Directorate, ASEAN Secretariat.

Main points from the discussion

- The Government of Indonesia has a sustainable financing framework, aligned with its long-term development strategy. Under the framework, the Ministry of Finance assesses project proposals by line ministries based on sustainability criteria. The assessment tool is made public and shared with the private sector to help guide their decision-making. Additionally, the government has established an environmental, social, and governance (ESG) fund which supports eligible activities.
- Malaysia's new Circular Economy Policy Framework for the Manufacturing Sector responds to the need to promote circularity more holistically through upstream measures. It aims not only to reduce environmental impacts but also to strengthen the competitiveness of Malaysian businesses. It intends to create an ecosystem that will help manufacturers transition.
- Many circular practices are currently not economically viable, and governments can help companies overcome these initial barriers.
- Circular economy financing has become recognised as a part of broader sustainability financing.
- Different funding sources play distinct roles in supporting circularity. For example, while venture capital firms may be more focused on businesses developing new technologies, crowdfunding might be better suited to supporting time-limited projects.
- As an example of circular financing with multiple social and environmental benefits, Maybank supports traditional handweaving activities in several ASEAN countries.
- Large amounts of capital are available through a multitude of channels, but accessing it requires knowledge and skills, which innovators, SMEs, and community groups may not currently have.
- Government leadership is critical for creating enabling conditions, but all players need to contribute.

Closing Session

The session provided overall observations by two speakers: Ms Phasporn Sangasubana, Executive Director of the ASEAN Centre for Sustainable Development Studies and Dialogue (ACSDSD), and Mr Jérôme Pons, Head of Cooperation of the European Union (EU) Delegation to ASEAN.

Ms Phasporn Sangasubana stressed the need to rethink consumption and production. She pointed out that markets require clarity and predictability. As a cross-cutting topic, circular economy requires overcoming institutional fragmentation and siloed thinking. Efforts to advance circularity in ASEAN need to build on local wisdom and reflect the region's cultural values. Circularity needs to be framed as a human-centered agenda. Diverse partnerships that connect top-down and bottom-up initiatives are the engines of the circular transition. Finally, she emphasised that co-creation has to be based on mutual trust and shared confidence.

Mr Jérôme Pons pointed out that circular economy is no longer a theoretical concept but a real opportunity for innovation and transformation. He stressed the importance of multistakeholder partnerships, dialogues, and resource mobilisation. Finally, he highlighted how the Team Europe Initiative provides practical assistance to facilitate ASEAN's journey to a sustainable circular future.

Recommendations and Next Steps

The rich discussions over one and a half days generated several recommendations for advancing the circular economy in ASEAN:

Strengthen regional policy alignment and governance by:

- Harmonising circular economy policies, standards, and Extended Producer Responsibility (EPR) frameworks to reduce regulatory fragmentation;
- Institutionalising the ASEAN Circular Economy Framework as a central reference for sectoral and cross-pillar collaboration; and
- Integrating circular economy into ASEAN's trade, finance, and industrial cooperation platforms.

Invest in human capital and green skills by:

- Embedding green and circular skills within TVET and higher education systems;
- Encouraging co-created curricula with industry participation to ensure relevance to labour market needs; and
- Promoting internships, mentorships, and bootcamps for youth and women in the circular economy sectors.

Mobilise finance and investments for circular solutions by:

- Developing blended finance instruments and green credit lines to support MSMEs and circular economy startups;
- Incentivising private sector participation through fiscal measures, public–private partnerships, and sustainability-linked bonds; and
- Scaling up collaboration models like EU–ASEAN SCOPE-Trade and KWAP's circular economy investment dialogues.

Enhance innovation and knowledge systems by:

- Supporting regional innovation hubs, incubators, and academic–industry networks;
- Establishing Circularity Hubs in universities and city clusters as practical learning and innovation spaces; and
- Expanding the use of the ASEAN Circular Economy Stakeholder Platform (ACESP) for cross-sectoral exchange of best practices.

Develop data and monitoring mechanisms by:

- Launching an ASEAN Resource Outlook to measure material flows, circular economy adoption, and policy impact;
- Strengthening national statistical capacities for resource efficiency and waste indicators; and
- Utilising accurate data to guide investment decisions and policy evaluation.

Ensure social inclusion and just transition by:

- Localising circular economy policies to recognise informal sector roles and protect livelihoods;
- Incorporating just transition principles in circular economy strategies to ensure equity and gender responsiveness; and
- Fostering community-based circular initiatives that promote sustainable consumption patterns.

The Forum reinforced ASEAN’s commitment to Vision 2045, highlighting inclusivity, sustainability, and shared prosperity. It convened policymakers, entrepreneurs, educators, and investors to identify opportunities, address implementation challenges, and strengthen partnerships that bridge policy ambition with practical innovation.

The discussions at ACEF 2025 reaffirmed that ASEAN’s circular transition is both an economic opportunity and a development necessity. The region’s diversity in policies, capacities, and economic structures offers fertile ground for innovation, provided regional cooperation and inclusive governance continue to deepen. By investing in human capital, innovation ecosystems, and coherent policy frameworks, ASEAN can advance toward a resource-efficient, low-carbon, and inclusive future aligned with ASEAN Vision 2045. Strengthened ASEAN–EU partnerships and the commitment of the Member States of both regions to action will ensure that the circular economy becomes not just an environmental agenda, but a pillar of sustainable and shared prosperity for the ASEAN Community.

ACEF2025 was perceived as an excellent networking opportunity and a valuable opportunity to gain new insights. In her closing remarks, Ms Phasporn Sangasubana, Executive Director of the ASEAN Centre for Sustainable Development Studies and Dialogue, confirmed that the Centre she is heading will continue to organise the ACEF annually in close coordination with the ASEC and other key partners.

Annexes

The annexes to this report are available through [this link](#) and include the following:

1. Event Concept Note & Agenda
2. Event Statistics & Participants Feedback
3. List of participants
4. Photos taken during the event
5. Flash Report & Blogpost
6. Social media plan
7. Visibility Collateral consisting of e-backdrop, banner, name tag, etc.