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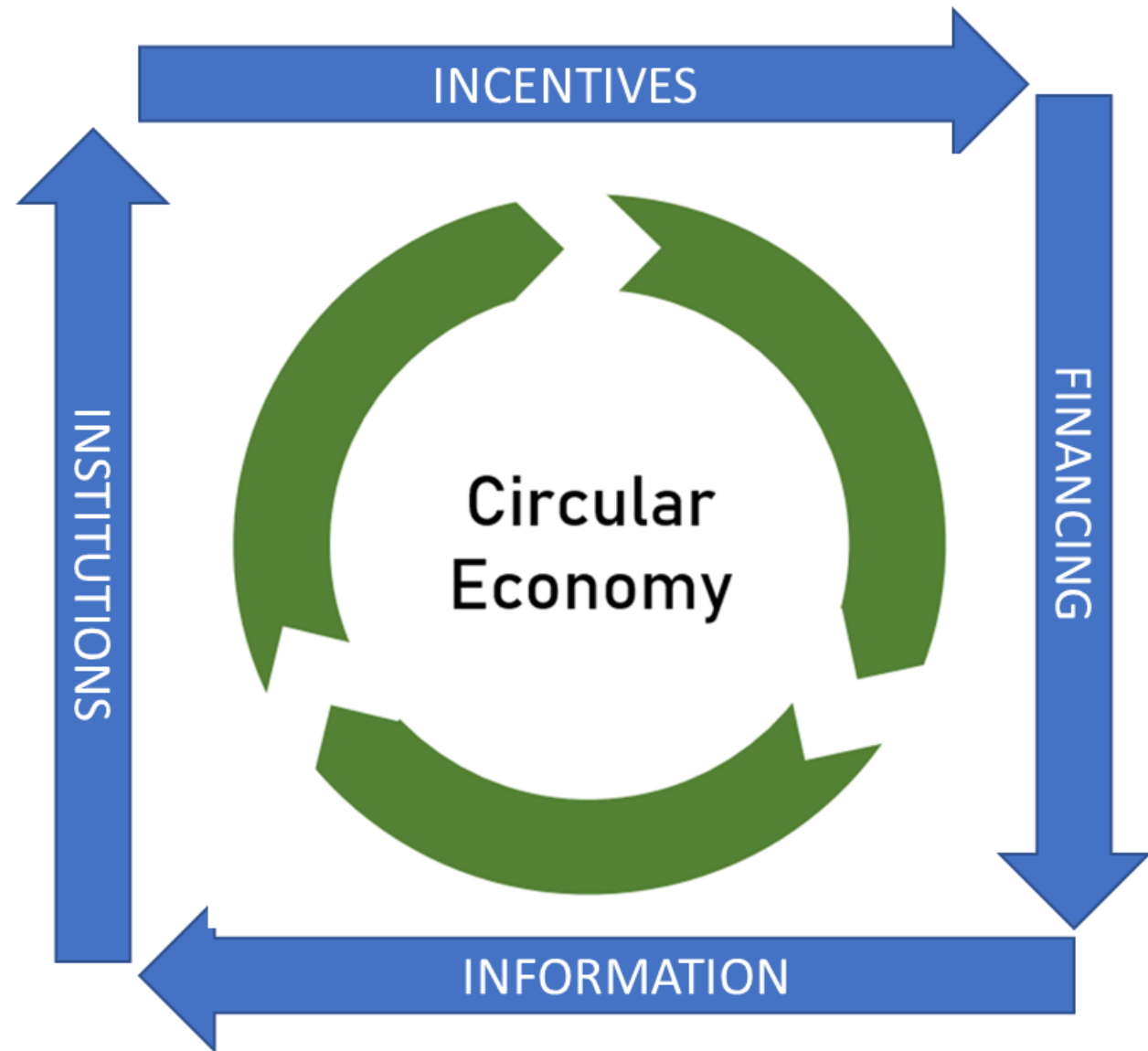
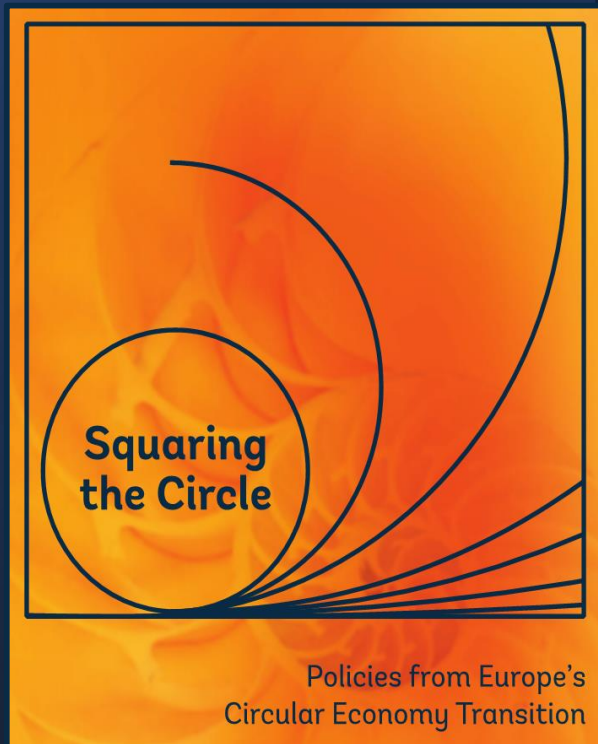
**Technical Assistance for Assessment of Türkiye's Potential on  
Transition to Circular Economy  
EuropeAid/140562/IH/SER/TR**

**CE Focused Activities of World Bank**

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**Activity 1.2.2 - Circular Economy Workshops  
5<sup>th</sup> of October, Ankara, Türkiye**

# Policies for the Circular Transition



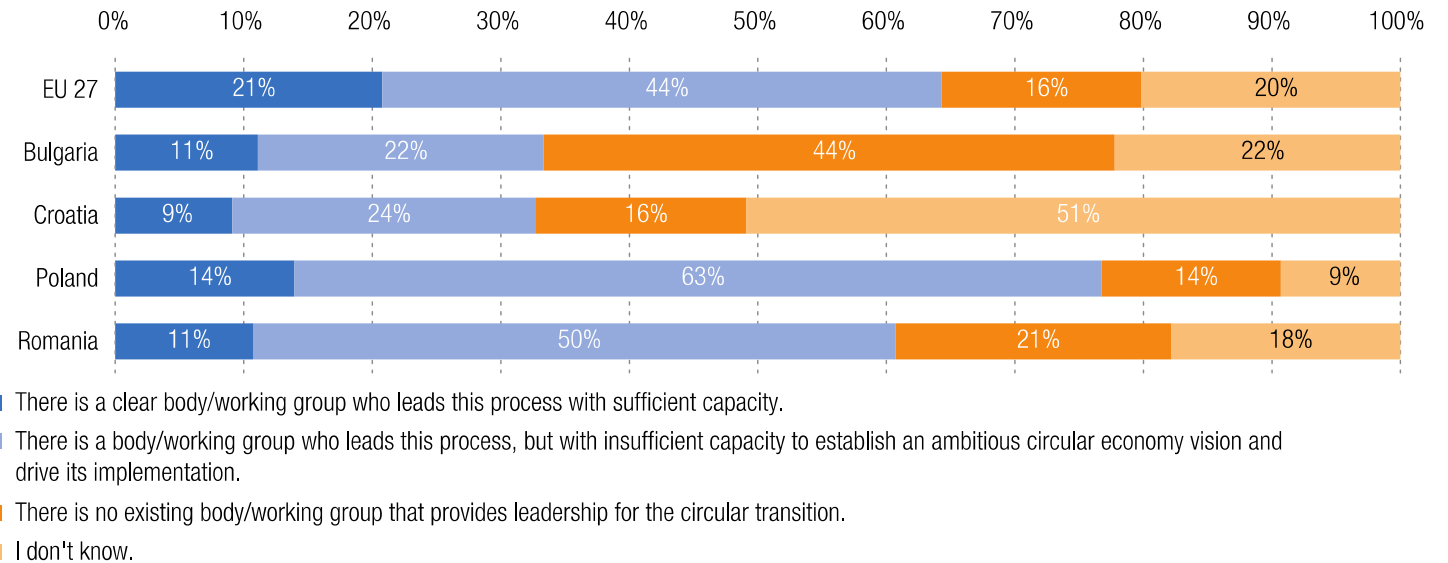
# Incentives

## **Green Fiscal Reform is key to the achievement of CE objectives**

- **(Good) Regulation is key, but...**
- **....distortive prices limit its effectiveness**
- **Tax systems are not geared for the transition**
- **Material taxation can be growth enhancing if revenues are used correctly and if ....**
- **...circular fiscal reform is implemented: Labor to Material Tax shift**

# Institutions

## Is there a leading institutional body in charge of the CE transition?



Source: World Bank.

- **Policy coherence for circularity extends to challenging areas, such as trade**
- **“Whole-of-government” approach, with frontline role for economic decision-making agencies**
- **National-level leadership**

# Information

**Enhance understanding of CE benefits** and implement nudges among public and private actors, as well as consumers, to facilitate the transition

**Address CE agenda globally:** Enhance transparency of embodied materials in imports and their environmental effects

**Long-term transitions require long-term targets:** In the absence of long-term material efficiency targets (and ideally Material Footprint targets), economic actor's expectations are not shaped.

**Improve and leverage indicators** on both outcomes (from DMC to MF) and process (secondary materials production)

**Remove coordination costs:** lower transaction and operational costs through platform technologies and investments to facilitate firms clustering, such as Industrial parks and/or innovation hubs to seek synergies across different industry sectors

**Remove information asymmetries and adverse selection:** standards for secondary materials and CE (refurbished, repair) products

# Financing

**Supporting innovation and new CBMs growth is fine, but work at scale is needed to reverse linearity : sponsoring circularity when linearity is de facto subsidized is ineffective**

**Banking system is not geared to support CBMs**

**Private sector financing models (ie through PPPs) needs to include material efficiency concerns**

**Public procurement is central to creating circular economy markets**

**Developing countries will need help to support the global transition - role of ODAs and trade facilitation**



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# Thanks for your attention.



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