Standing Committee on C-II/142/DR-rev

Sustainable Development 8 March 2021

**Mainstreaming digitalization and the circular economy to achieve the SDGs, particularly responsible consumption and production**

***Draft resolution submitted by the co-Rapporteurs***

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The 142ndAssembly of the Inter-Parliamentary Union,

(1) *Fully endorsing* the Political Declaration of the Sustainable Development Goals Summit (September 2019), which reaffirms the commitment to advance the 2030 Agenda for Sustainable Development, and calls for accelerated action in order to achieve the SDGs,

(2) *Recalling* the Ministerial Declaration of the 2019 United Nations Environment Assembly, particularly the commitment made by governments worldwide to "improve national resource management strategies with integrated full life-cycle approaches and analysis to achieve resource efficient and low-carbon economies",

(3) *Welcoming* the establishment of the Global Alliance on Circular Economy and Resource Efficiency, which aims to support the transition to a global circular economy for more efficient and equitable use of resources so as to achieve sustainable consumption and production, and inclusive and sustainable industrialization,

(4) *Underlining* that the circular economy and digitalization, and the interplay between them, can make a major contribution to reaching the SDGs, particularly responsible consumption and production,

(5) *Being mindful* that due to COVID-19 we are facing major disruption that will force us to use our limited means even more efficiently against the background of the crisis,

(6) *Stressing* thatthe COVID-19 pandemic has reversed hard-won development gains and has exposed the deep inequalities and the challenges addressed by the 2030 Agenda for Sustainable Development, thus making the achievement of the SDGs all the more necessary and urgent,

(7) *Emphasizing* that responsible consumption and production are pivotal and cross-cutting elements of the SDGs, and crucial means to build back better and greener, as they enable the efficient use of natural resources, minimize environmental degradation, pollution and waste, and consider each stage of the life cycle while creating opportunities for social and economic development,

(8) *Aware* that the pandemic crisis has revealed the precariousness of long and complex value chains, and the flaws of the linear “take-make-use-dispose” pattern of production and consumption,

(9) *Noting* that the price of products does not always reflect environmental or social costs, such as pollution effects or underpaid labour, which have a negative impact on people’s health and quality of life,

(10) *Stressing* that circular economy transformation, although predominantly associated with product manufacturing or resource intensive industries and value chains, refers to the economy as a whole, including service dominated industries, thus requiring the engagement of the full range of actors across each industry and sector;

(11) *Noting* that the world is currently in the midst of the creation of a more circular economy and of the digital revolution, both of which have the power to transform our economy and society,

(12) *Noting also* that enormous efforts are currently being made by national and international policymakers to promote and regulate both transitions but mostly without aligning their efforts or creating bridges between policies,

(13) *Underscoring* that, through "digital for development" (D4D) policy, consideration is being given to how digitalization could change people’s lives and how the European Union could work in economic partnership with developing countries, rather than providing development assistance, to create jobs and economic growth,

(14) *Noting* that digitalization gives rise to novel digital platforms, helps create new kinds of markets, which can be based on the virtualization of products and processes, and facilitates easier and more efficient networking, collaboration and co-creation with stakeholders,

(15) *Bearing in mind* that digitalization helps to cut costs and increase efficiency, including efficiency of resources,

(16) *Underscoring* the central role of international digital learning and collaboration platforms, often with virtual technologies, for learning, networking and co-creation,

(17) *Aware* that digitalization is not a goal in itself, but an enabler and an accelerator to effectively achieve all 17 SDGs,

(18) *Highlighting* the fact that the COVID-19 crisis has only accelerated the digital revolution,

(19) *Underscoring* that any future disaster reduction strategy will be (big) data driven,

(20) *Paying due regard* to avoiding the most vulnerable people becoming victims of the circular economy and digital transition by including solidarity in the recovery process in order to fully seize the opportunities of the current crisis,

(21) *Stressing* that the shift to a circular economy would allow countries to decouple growth from resource use and environmental impact, generate economic opportunities, build long-term resilience, protect the environment and human health,

(22) *Underlining* that the implementation of the circular economy principles in key sectors can play a critical role in reducing greenhouse gas emissions and successfully addressing climate change,

(23) *Bearing in mind* that creating consumer demand for resource efficient products can be a challenge, as environmentally sustainable products may not be easily available, affordable, user-friendly or functional and attractive to consumers, especially at the early stages of their development,

(24) *Acknowledging* the potential of digitalization to strengthen the circular economy, and stressing that circular economy and sustainability principles should be at the heart of digitalization,

(25) *Noting* that digitalization and the circular economy currently benefit from the following "bridging technologies": the internet of things, artificial intelligence, big data, 3D printing, augmented reality and blockchain,

(26) *Recognizing* that the circular economy and digitalization contribute to equitable economic growth and enable women’s economic empowerment and youth-led collective action,

(27) *Emphasizing* that mainstreaming digitalization and the circular economy requires ambition, political will and a fundamental change of vision at all levels, which go far beyond the standard digital and environmental political agendas, and must be based on a systemic national approach with the participation of all sectors of society, as well as on enhanced international cooperation,

1. *Invites* parliaments to give digitalization and the circular economy more prominence on the political agenda, as part of their efforts to address the SDGs, particularly responsible consumption and production;
2. *Calls on* parliaments to mainstream digitalization and circular economy principles into public policies and national strategies, and to adopt an enabling framework for their implementation;
3. *Urges* parliaments to promote adequate regulatory frameworks, including economic and financial incentives, with a view to enabling circular economy models to deliver sustainable products and services that are both scalable and competitive in terms of price, quality and convenience;
4. *Calls on* all actors to make the right innovative choices against the background of the pandemic and to prioritize future-proof and sustainable sectors and technologies while benefitting from the huge social, economic and ecological advantages of smart digitalization;
5. *Invites* parliaments to recognise the need for and opportunity of a resilient and low-carbon recovery from COVID-19, as a precondition for achieving the 2030 Agenda, and calls onthemto ensure that recovery plans incorporate responsible consumption and production practices, based on digitalization and circular economy principles, among others;
6. *Calls* *on* parliaments to adopt legislation that addresses food waste and loss at every phase and level of the food supply chain, and to stimulate the use of new technologies for the creation of an integrated agricultural and food system whereby food utilization is optimized and loss and waste of resources are minimized;

7. *Urges* parliaments to support policies that encourage resource recycling, the control of primary material consumption, and the utilization of abundant resources to facilitate sustainable resource management, and invitesthem to encourage new business and service models that are not dependent on mass consumption of primary materials;

8. *Requests* parliaments to ensure that the functioning of all public institutions, central and local, takes a more holistic approach to sustainability, while incorporating both digital and circular economy principles, including the adoption of green and sustainable procurement;

9. *Invites* parliaments to encourage international policy coordination and harmonization of standards, regulations and policies for the circular economy;

10. *Calls* *on* parliaments to create an environment conducive to the development and application of digital solutions, such as the internet of things, artificial intelligence and blockchain, aimed at maximizing the potential of the circular economy;

11. *Also calls on* parliaments, as part of efforts to create an enabling environment for digitalization and the circular economy, to place special emphasis on data policies and common data architecture;

12. *Invites* parliaments to encourage research and development, innovation and knowledge-sharing for the uptake, upscaling and replication of innovative business practices based on digitalization and the circular economy;

13. *Calls on* parliaments from donor countries to ensure that international development cooperation agencies mainstream digitalization and circular economy principles in their financial assistance and capacity-building programmes aimed at supporting COVID-19 economic recovery and SDG implementation;

14. *Also* *calls on* governments to integrate digital skills and a circular way of life in education at the earliest possible stage; and to conduct awareness campaigns to encourage consumers’ engagement in sustainable practices;

15. *Invites* parliaments to create an enabling environment for citizens’ access to digital solutions;

16. *Also invites* parliaments and governments to allocate appropriate financial resources to encourage the development of both digital and circular economy business models, while specifically empowering young and women entrepreneurs;

17. *Encourages* parliaments to support efforts by regional and local institutions to foster urban sustainability through the development of inclusive, safe, resilient and sustainable smart cities that digitally optimize communication, transport, energy and the environment, according to circular economy and digitalization principles;

18. *Emphasizes* the urgent need to work towards a circular built environment by adopting building practices that minimize the use of raw materials to decrease emissions, byincreasing the recovery rate of construction and demolition waste, and by improving the energy efficiency and extending the lifespan of existing buildings;

19. *Calls on* parliaments to integrate circular economy models into the national response to climate change, and invitesthem to ensure that climate change policies and strategies include measures to optimize the utility of products by maximizing their use and extending their lifespan, and enhance recycling (using waste as a resource), while promoting a circular design that reduces material consumption and uses lower-carbon alternatives;

20. *Invites* parliaments to support the adoption of sound environmental and social standards for the extractive industries, and of standards and policy frameworks that guarantee the sustainable recycling of secondary materials;

21. *Calls on* parliaments to promote digitalization and circular solutions, including circular procurement, circular design and services instead of products, as a means to develop a more resilient, and economically and environmentally sustainable travel and tourism industry,

22. *Requests* parliaments to ensure that governments invest in adequate digital infrastructure for internet coverage, connectivity and cybersecurity in order to enable the circular economy and D4D to reach their full potential;

23. *Invites* parliaments to incentivize the implementation of circular business models with long-term benefits, such as changing consumer behaviour, stimulating innovation, and the scaling and diffusion of technologies;

24. *Calls on* parliaments to stimulate national and international networking and collaboration between schools and other relevant stakeholders (e.g. companies, NGOs and international organizations) to find digital solutions to challenges related to the circular economy, for example by encouraging co-creation through competitions and hackathons;

25. *Invites* parliaments to ensure that efforts to accelerate the transition to digitalization and the circular economy address potential risks, such as increasing material and energy use, increasing greenhouse gas emissions, deepening the digital gap among and within countries, and increasing the environmental footprint of the IT industry, as well as the transition’s negative consequences in terms of security and human health;

26. *Calls on* the IPU to enhance cooperation with Member Parliaments and other organizations in order to gather evidence on the circular economy, environment and digitalization, to map the interplay between them and to promote guidelines for parliamentary action;

27. *Invites* parliaments to support the use of standardized, comparable and high-quality digital data which is properly mined, investigated and managed;

28. *Requests* parliaments to "de-ideologize" the discussion on data sharing by distinguishing between different types of data and to establish fair and functional data regulation based on common sense by securing fair access to data, as well as fair protection of data according to the European Union’s General Data Protection Regulation, intellectual property rights and other relevant legal frameworks;

29. *Encourages* parliaments and governments to engage in dialogue with stakeholders (e.g. civil society, companies and administrations) in order to increase their awareness of the importance of providing open data and turn them into active participants of the data economy and co-creators of knowledge when legally possible;

30. *Calls on* parliaments to envisage measures aimed at tackling people’s lack of basic digital skills and e-literacy, and at increasing the number of IT, artificial intelligence, blockchain and other digital professionals, as a means to accelerate the digital transition;

31. *Invites* parliaments to exchange information and best practices and implement capacity-building programmes with a view to increasing awareness and knowledge among parliamentarians about the interplay between digitalization and the circular economy, and its potential in promoting a resilient and green recovery and achieving the SDGs, particularly responsible consumption and production.