
ENVforum Spin-Off Conference

Circular Industry: Innovation and Digitisation as Enablers for SMEs

24 - 25 October 2022 | Hybrid

CONCEPT NOTE

ABSTRACT

The Asia-Europe Environment Forum (ENVforum) Spin-Off Conference, “Circular Industry: Innovation and Digitisation as Enablers for SMEs” is a 2-day international conference which will take place virtually and on-site on 24-25 October 2022 in Incheon, Korea and on conference platform Whova.

The overarching objective and expected outcomes of the Spin-Off Conference as an Asia-Europe inter-regional platform are to:

- Exchange of knowledge and experiences to ensure in-depth understanding of the key topics of promoting and enabling SMEs’ contribution towards sustainable, green, and digital transitions with a focus on the food industry
- Bring together a wide range of stakeholders, involving policymakers, academia and research community, the business community, and civil society organisations from ASEM countries
- Build an inter-regional network and community of practice and joint identification of potential cooperation initiatives (e.g. cooperation programmes/projects, joint research, joint advocacy, etc.)
- Raise awareness of the SMEs’ twin transition needs and effects with a focus on the food industry sector by producing and distributing synthesised information and knowledge materials on the key findings of the Spin-Off Conference led by the lead experts and practitioners in the selected topics.

In conjunction with the Spin-Off Conference, the ENVforum Steering Committee Meeting will be organised to discuss and identify potential international cooperation areas and initiatives within the framework of ENVforum and in linkages with other relevant forums and conferences.

The conference is a part of 3-year series of activities focusing on SMEs and circularity with a focus on food systems.

BACKGROUND

The Asia-Europe Environment Forum (ENVforum) has been working on the environmental dimension of sustainable development since its inception in 2003. After almost two decades of dialogue between Asia and Europe, it has become eminent that advancing the 2030 Agenda and Paris Agreement commitments are the key international processes guiding the international agenda for both regions.

The 13th Asia-Europe Meeting (ASEM) Summit in November 2021 underlined the importance of promoting SMEs and public-private partnerships (PPPs) between Asia and Europe. The ASEM countries are well placed to advance the environment and SME nexus agenda by addressing the key issues of the environmental footprint of SMEs, SMEs as sources of green innovation, the effect of climate change on growth and jobs in SMEs, and environmental challenges and solutions opening new market opportunities for SMEs.¹

In a time of the global transition towards a more sustainable economy, moving forward with achieving the sustainable development goals (SDGs) and the Paris Agreement, it is

¹ More information: <https://asem13.mfaic.gov.kh/>

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critical to engage with the business community, especially SMEs. Accounting for most of the world's businesses and employers², the importance of SMEs and entrepreneurship have increasingly been recognised by governments around the world with their direct impact on economic growth, job creation, regional and local development, sustainability, inclusion, and social cohesion, providing opportunities for upward mobility for women and men of all ages and backgrounds. As a core driver of innovation and growth, the roles of SMEs are critical to leading to the decarbonisation of industry and responsible business practices individually and in the value chains, often playing a key role in large firms' supply chains. Hence the environment and SMEs nexus is crucial for advancing the circular transition.

Taking an SME perspective into account in the twin transition (the green and digital transitions) is essential to build back better in the COVID-19 pandemic-affected world. It has demonstrated the importance and vulnerability of SMEs, which are dependent, directly or indirectly, on global and regional value chains, to global disruptions of products and inputs, as well as customers. Despite many challenges caused by the pandemic crisis, SMEs and startups have adapted quickly, moving operations online to remain in business. In most countries, between 30% and 50% of SMEs increased their use of digital technologies during the crisis.

The primary drive for SMEs to undertake steps to reduce their environmental footprint is the prospect of cost reduction (ranging between process efficiency, infrastructure efficiency, raw material, product design, packaging, and transport, and waste disposal), along with pressure from actors within the SME ecosystem, including changing consumer demand, employees, business linkages, and investors, as well as supply chain relations and policies. Digitalisation can provide businesses with tools for undertaking greener practices concerning energy and resource efficiency. Digital tools also can enhance transparency around eco-friendly practices, facilitating businesses' adoption and monitoring of environment-friendly processes.

The main barriers faced by SMEs and start-ups in their twin transition efforts include a lack of awareness, information, support to address these, and incentives to innovate, and relatively limited access to resources for greening and digitalising, such as skills, finance, technology, markets, ecosystems at the national, regional, and local level, and networks (linkages along supply chains, between SMEs and with large firms, within and across sectors). An infrastructure gap is big in digital transformation since access to high-speed broadband is a prerequisite for the digital transformation of SMEs, and exposure to digital security risks, and privacy issues grow.

There is a variety of policy approaches that are addressing the SMEs. The policy approaches in ASEM countries can be drawn from OECD, EU, and ASEAN policy frameworks. One cross-cutting support to SMEs' twin transition involves enhancing knowledge of current and upcoming policy requirements and opportunities to reduce resource use through available financial and advisory support measures. It is essential to consider the wide variety of SMEs across sectors, places, and business types. Evaluating existing solutions is crucial for an added value of learning from the practices to advance to the transformation to Circular Industry 4.0.

PROJECT DESCRIPTION

As complementary to the ENVforum Annual Conference held online on 28-29 June 2022, the Spin-Off Conference in Korea is organised back-to-back with the United Nations Office for Sustainable Development (UNOSD) - Sustainable Development Transformation Forum (SDTF) as an associated event. The key findings of the Spin-Off Conference will be presented at the UNOSD-SDTF.

² Across the OECD, SMEs account for 99% of all businesses and between 50% and 60% of value-added.

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The ENVforum international conference was a 2-day online event from 28 – 29 June 2022. It gathered representatives of governments, the private sector involved in agri-food and related stakeholders participating in the food supply chains from Asia and Europe.

As we are now experiencing Industry 4.0, digitalisation and innovation are among the most crucial factors, the green transition toward a decarbonised and circular economy. Is imminent.

This double transition or Twin Transition is the key to decarbonising the economy and adopting a circular development model, transforming linear industrial value chains to minimise waste and pollution. Twin Transition can be a vehicle for facilitating the shift to circularity.

The transition to the circular economy with a specific focus on Net-Zero can only be achieved by scaling up collaboration and partnerships among stakeholders involved in the SMEs ecosystem; the conference will provide a platform to exchange experiences, including challenges and best practices.

The conference will explore the following topics:

- The overview of the environment and SMEs nexus
- SMEs' perspective on twin transition towards a decarbonised and environmentally friendly economy
- The enablers and barriers with the specific focus on digitisation and innovation including enabling ecosystem
- An Asian-European dimension by linking Asian and European viewpoints on solutions to transition to on circular food production system and policy framework addressing SMEs.

The conference programme consists of two main parts:

1. Knowledge exchange component that is focused on twin transition and transformation towards net zero by 2050
2. Study visit to the upcycling facility and facilitated networking

Moreover, as the conference is organised in collaboration with UNOSD Sustainable Development Transition Forum (SDTF) it allows for creating interlinkages among the event connecting the outcomes to the High-Level Political Forum.

All attendees will be strongly encouraged to interact with one another to test their ideas and develop a common dialogue.

Additionally, the conference platform Whova will be open for interaction during the conference providing the space for engagement and interaction outside conference hours to support networking.

OBJECTIVES

The conference is to:

- Exchange of knowledge and experiences of the key issues essential for promoting and enabling SMEs' contribution towards sustainable, green, and digital transitions with a focus on the food industry
 - Bring together a wide range of stakeholders, such as policymakers, academia and research and the business community together with civil society
 - Foster the inter-regional network and community of practitioner
- Raise awareness of the SMEs' twin transition needs and effects with a focus on the food industry sector by producing and distributing synthesised information and knowledge materials in the relevant fora.
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SPEAKERS & PARTICIPANTS	<p>This conference will gather approximately 200 attendees and speakers online and on-site, including:</p> <ul style="list-style-type: none">● Business representatives working in the agri-food sector and related industries● Government representatives from relevant ministries● International and national experts, civil society, academia and business representatives working on SDGs and circular food systems in the ASEM
OUTCOMES	<ul style="list-style-type: none">● An international conference enabling stakeholders to exchange ideas on the Circular Industries with a focus on SMEs in ASEM● Facilitated framework for Asia-Europe collaboration <p>Conference outputs to be presented during the UNOSD Sustainable Development Transition Forum as a part of the input for HLPF</p>
ORGANISERS	<p>Established in 2003, the ENVforum provides an inter-regional platform for knowledge-sharing and capacity building for policymakers, businesses and civil society from Asia and Europe on issues related to sustainable development and climate change.</p> <p>The Spin-Off of ENVforum Annual Conference 2022 in Korea is co-organised by the ENVforum consortium and hosted by the ASEM SMEs Eco-Innovation Center (ASEIC), with support from the Ministry of SMEs and Startups of the Republic of Korea (MSS, ROK).</p> <p>ENVforum is a partnership of the Asia-Europe Foundation (ASEF), the Government of Sweden through the Regional Asia Environment Conference Support Programme administered by Stockholm Environment Institute (SEI), Hanns Seidel Foundation (HSF), ASEM SMEs Eco-Innovation Center (ASEIC) and the Institute for Global Environmental Strategies (IGES).</p>



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ABOUT THE PARTNER ORGANISATIONS



The **Asia-Europe Foundation (ASEF)** promotes understanding, strengthens relationships and facilitates cooperation among the people, institutions and organisations of Asia and Europe. ASEF enhances dialogue, enables exchanges and encourages collaboration across the thematic areas of culture, education, governance, economy, sustainable development, public health and media.

ASEF is an intergovernmental not-for-profit organisation located in Singapore. Founded in 1997, it is the only institution of the Asia-Europe Meeting (ASEM).

ASEF runs more than 25 projects a year, consisting of around 100 activities, mainly conferences, seminars, workshops, lectures, publications, and online platforms, together with about 150 partner organisations. Each year over 3,000 Asians and Europeans participate in ASEF's activities, and much wider audiences are reached through its various events, networks and web-portals.

For more information, please visit www.ASEF.org



The **Hanns Seidel Foundation (HSF)** is an official German Political Foundation. It is entrusted by the German Parliament with a mandate, which lies at the core of the task of promoting democratic and sustainable structures worldwide. This mandate involves the strengthening of the relevant institutions and persons, procedures and norms and the requisite attitudes enabling such development to take place.

For more information, please visit www.hss.de or www.hss.de/southeastasia



ASEM SMEs Eco-Innovation Center (ASEIC) was established in 2011 with the principal mandate of promoting Asia-Europe cooperation to create and enhance eco-innovation of small and medium-sized enterprises (SMEs) in both regions.

For more information, please visit www.aseic.org/main.do



Established in 1998, the **Institute for Global Environmental Strategies (IGES)** is an independent, not-for-profit think tank, based in Japan. It goes beyond research to provide practical ways to protect the earth's environment and to realise greater sustainability and equity in the global community.

For more information, please visit <https://www.iges.or.jp/en>

The ENVforum conference is partly financed by:

