



# Updated Circular Economy Implementation Programme 2021-2023

## Summary



## Towards a circular economy

A circular economy is one in which we use natural resources, materials and products more efficiently, thus reducing our dependence on the extraction and production of new raw materials. Many environmental problems are essentially the result of wasteful use of raw materials. Making the transition to a circular economy enables society to make a major contribution to four significant tasks:<sup>1</sup> cutting CO<sub>2</sub> emissions, protecting biodiversity, improving air, water and soil quality, and ensuring the security of raw materials supply.

The government has set targets of halving raw materials use by 2030 and achieving a fully circular economy by 2050.

## Results in the past year

Since the 2016 launch of the central government-wide circular economy programme, the foundation has been laid for the transition to a circular economy. This can be seen in the wealth of tangible results that have been achieved over the past year. Examples of these results, such as the Denim Deal, are given in the updated Circular Economy Implementation Programme (UPCE). The brand owners and retailers that are signatories to the Denim Deal have undertaken, among other things, to work together in the value chain to produce three million pairs of denim jeans over the next three years with a content of 20% post-consumer recycled cotton fibre.<sup>2</sup>

Another example is the province-by-province map of circular economy plans, in which the Dutch provinces present their goals for achieving a circular economy. Enabling transition flows to cross provincial and international borders is of ongoing importance, and will require collaboration on implementation, legislation and further development of circularity.

A third example is the CIRCO programme, which encourages circular design by companies and designers of products and services. As of mid-2021, a thousand companies had attended a Circular Business Design Track, in which they received help in developing a circular business proposition for their product, equipment, structure or service.

<sup>1</sup> PBL policy letter, 'Mogelijke doelen voor een circulaire economie' ('Possible Objectives for a Circular Economy'), July 2021, <https://www.rijksoverheid.nl/documenten/rapporten/2021/07/14/policy-brief-pbl-mogelijke-doelen-circulaire-economie>.

<sup>2</sup> Post-consumer recycled materials are materials that have been used for an undetermined period for the intended purpose by the end user(s), discarded and then recycled, so that the fibres can be used again in new products.

## Integral Circular Economy Report

The Netherlands Environmental Assessment Agency (PBL)'s first Integral Circular Economy Report (ICER), a Public Value Review, the recommendations of the Circular Economy Reflection Group and the 'red threads' paper of the Circular Economy Accelerator all show that the foundation has been laid for the transition to a circular economy. The next phase will require a sharper vision, an enhanced policy focus, more binding measures and a clearer division of roles. This will make it possible to reverse the trends in raw materials use, reduce environmental impact and ensure raw materials supply security.

In its response of 21 May 2021,<sup>3</sup> the government endorsed the recommendations. By striving for clearer goals and responsibilities, regulation and pricing, market development, knowledge and innovation, the government seeks to promote a circular economy.

As the programme has been updated by a caretaker government, it is confined to efforts that can be pursued within the existing frameworks and with the resources that have already been allocated. PBL's first Integral Circular Economy Report makes clear that more will be needed to achieve our ambitions. The next government will have to make the choices required for an enhanced policy focus.

## Circular Economy Implementation Programme 2021-2023

This update gives an overview of circular economy developments and new activities that are being launched, and reports on the progress of activities that were already under way as part of the Circular Economy Implementation Programme. Under this programme efforts are being made through five transitional agendas, ten crosscutting themes and at regional level, with projects that yield valuable experience and lessons for central government policy and with the best combination of instruments.

The Circular Economy Implementation Programme is updated annually. This edition focuses on three themes:

- 1 Higher on the R ladder (circularity ladder) and further towards the front end of the chain and the product
- 2 Systemic change from a linear to a circular economy
- 3 Impact through a focus on raw materials flows.

<sup>3</sup> Parliamentary Papers, House of Representatives, 2020/21, 32 852, no. 157.

To further reduce raw materials use and ensure maximum value retention, our focus must shift further toward the front end of the supply chain. This requires various circular strategies, such as reuse, circular design, sharing, lending and repair. Reuse is in any event central to Implementation Programme activities, as it was last year. The City Deal for a circular and conceptual approach to construction tasks, agreed by municipalities, provinces, central government, the business community and knowledge institutions, is aimed at bio-based and conceptual and industrial construction. Housing will largely be built with renewable materials, or using components that are built in factories and assembled on-site. This will shorten construction time, raise the quality of housing, and reduce emissions, waste and transport.

Another activity that falls within this theme is the iconic project Convenience Gap. The 'convenience gap' refers to the fact that new products are easier to purchase than used ones. To promote a circular economy, consumers need to be encouraged to buy more second-hand furniture and other consumer items. This is also in keeping with the highest rung of the R ladder, refuse and reduce. Talks with the chains IKEA and Ahrend and with second-hand shops confirm that closing the convenience gap must play a key role in an approach that encourages the sale of second-hand furniture.

The point of departure of the second theme is that a linear economy is fundamentally different from a circular one. It therefore demands a different system, including new business models, financing and legislation on products and their use. For example, financial barriers to the transition to a circular economy must be eliminated. Together with Invest-NL and the financial sector, efforts are being made as part of the Dutch central bank DNB's Sustainable Finance Platform to create a level playing field for circular initiatives. Metrics are also being developed to assess how circular companies are.

The third theme, 'Impact through a focus on raw materials flows', derives from the Integral Circular Economy Report and PBL's policy letter 'Mogelijke doelen voor een circulaire economie' ('Possible Objectives for a Circular Economy'). PBL shows the central importance of examining the raw material flows with the greatest impact on climate, biodiversity, pollution and security of supply. These are not necessarily the most extensive raw materials flows.

PBL states that the effects of raw materials use can be most effectively tackled at product group level. This provides insight into and enables management of raw materials consumption and the associated environmental effects over an entire life cycle, and thus throughout the supply chain. Furthermore, targets in terms of effects at product group

level often give parties in the chain a better idea of what they can do to adjust raw materials consumption or reduce environmental impacts. A joint process has now been initiated of setting specific targets for each project group and drafting implementation plans. The targets and plans will be ready by early 2022, but decisions on them will be made by the new government.

More specific targets can guide and assist the necessary acceleration and upscaling. For this reason, since the autumn of 2020 there have been joint efforts with the partners involved in the Circular Economy Implementation Programme (UPCE) to flesh out and spell out its overall objectives and associated effects. In its policy letter of 14 July 2021, PBL outlines a reference framework for elaborating and specifying UPCE's objectives, and gives insights into the raw material flows and product groups where the greatest impacts can be achieved. As PBL continues to develop the target set and to monitor results, central government and the other parties involved will take the current goal of halving consumption as a firm guideline, and define specific targets for the product groups with the greatest impact.

## And now?

Interest in a circular economy has risen sharply in recent years. It is also receiving growing recognition at international level, as evidenced by the EU Green Deal and the EU Circular Economy Action Plan, for instance. We are seeing excellent practical examples of circularity everywhere. This is important: in this way the public at large will become more familiar with the idea and more engaged with it.

Innovative startups, citizens' initiatives and ideas are springing up everywhere. They go far beyond the content of the UPCE update, not to mention this summary of it. Collaboration between governments, companies, civil society organisations and the public, and within supply chains, is the key to their success.

This update will take an additional step within the existing frameworks. PBL indicates clearly in its Integral Circular Economy Report that an enhanced policy focus is needed. It is time to scale up and speed up developments, to move beyond voluntary efforts to binding measures. The foundation has been laid for the next government to shape this enhanced focus.

The updated Circular Economy Implementation Programme 2021-2023 (in Dutch) can be found [here](#).

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