

# National Agreement on the Circular Economy

Letter of intent to develop transition agendas  
for the Circular Economy together



## Partners

The drafting partners of this agreement are:

- VNO-NCW (Confederation of Netherlands Industry and Employers) and MKB-Nederland (representing small and medium-sized enterprises)
- FNV, Federatie Nederlandse Vakbeweging (Dutch Federation of Trade Unions)
- VCP, Vakcentrale voor Professionals (Trade Union Federation for highly educated professionals)
- Stichting Natuur & Milieu (Nature & Environment Foundation)
- VNG, Vereniging Nederlandse Gemeenten (Association of Netherlands Municipalities)
- IPO, Interprovinciaal Overleg (Association of Provincial Authorities)
- Unie van Waterschappen (Association of Dutch Regional Water Authorities)
- the Dutch Minister for the Environment and the Minister of Economic Affairs, also on behalf of the Minister for Housing and the Central Government Sector, and the Minister for Foreign Trade and Development Cooperation (referred to jointly hereinafter as the “National Government”);

and:

supporting partners that co-endorse this agreement and would like to contribute to its implementation from the following groups:

- Entrepreneurs
- Employees
- Environmental and nature conservation organisations
- Municipalities, regions, provinces and water authorities
- Financial institutions
- Institutions of knowledge and education
- Other social organisations, partnerships and platforms

The aforementioned signatories, referred to jointly hereinafter as the “Partners”, have the shared ambition of accelerating the transition to the circular economy. This transition provides many opportunities for the economy, the environment and society.

## Motivation

Our society lives from what the earth and the economy have to offer us: we use raw materials to provide us with food, shelter, heating, clothing, electrical devices and mobility. Our need for raw materials will only increase in the years to come, both in the Netherlands and in the rest of the world. At the same time, we waste an abundance of raw materials, thus unnecessarily losing the value they have for us, polluting the environment and impacting the climate. It is estimated that by 2050 there will be more than nine billion people on earth that will need sufficient amounts of food and clean water. They will also want to live in good health, in safety and in prosperity within the limits that our planet can bear (the SDGs, sustainable development goals). To make this possible, we must and can take action now. It is time for the circular economy.

In recent years, many Partners have taken bold steps to utilise raw materials more effectively, intelligently and profitably. Yet things can still be improved in this area. We can do this by focusing not only on quantity, but also on quality and value; by reducing our dependency on non-renewable, critical raw materials and by bringing a halt to wastage and pollution. One way to achieve this is by designing products and services for long-term use, with a focus on reducing a loss in value as much as possible. This will save costs and create new jobs. It would be good for the environment and good for the economy. The Partners understand that a circular economy provides great opportunities for companies, both large corporations and small and medium-sized enterprises. The Partners plan to take advantage of these future prospects by marketing their circular products and services worldwide. The Partners also see opportunities in a circular economy to substantially reduce emissions of CO<sub>2</sub> by managing raw materials, products and services in a sustainable and intelligent manner, thus implementing the UN Paris Agreement on Climate Change.

The transition that is necessary to achieve these goals presents a big challenge for all Partners. It will involve a time-consuming, complex process in which the Partners join efforts to innovate and experiment, a process in which they learn to think and work in terms of circularity, using new insights and developments. A process, in which attention is also given to the effects on the labour market. The Partners subscribe to the view that the social change that is necessary can only succeed if a social agenda is developed as well.

A social agenda that provides people with a solid footing. A social agenda that takes into account the effects on the labour market in order to create prospects for healthy, honest work in the new circular economy.

The transition to the circular economy involves more than simply managing raw materials, products and services in a more efficient and intelligent manner. It also pertains to other work methods and processes within and between organisations, to people and social inclusion. It requires that attention be given to the social dimension of the circular (world) economy in the Netherlands and to the effects that this dimension has worldwide. The Partners are convinced that, by working together in smart national and international networks and in supply chains at various scale levels, they can develop the necessary strength to realise the desired acceleration in the transition towards the circular economy.

### Shared ambition for a circular economy

Against the backdrop of the recommendations made by the Social and Economic Council of the Netherlands (*Sociaal-Economische Raad* - SER) and the Council for the Environment and Infrastructure (Raad voor de Leefomgeving en Infrastructuur - Rli) and the government wide programme entitled *A Circular Economy in the Netherlands by 2050*, published by the Dutch Cabinet on 14 September 2016<sup>1</sup>, the Partners share the ambition of realising a circular economy in which the efficient and intelligent use of raw materials and products will help to reinforce the earning capacity of the Dutch economy, as well as help to bring about a sustainable use of natural capital and achieve climate and other environmental goals. Designing a circular economy is one of the ways that can contribute to achieving this ambition. Specific courses of action will be jointly established in the individual Transition Agendas, in which an effort will be made to seek synergy and coherence with existing efforts within the framework of the climate and energy policy and innovation policies.

The Partners are motivated to make a contribution to this within the scope of their capacity. The three strategic paths, as mentioned in *A Circular Economy in the Netherlands by 2050*, could serve as a helpful guide:

- raw materials in existing supply chains are utilised in an efficient and high-quality manner;
- in cases in which new raw materials are needed, fossil-based, critical and non-sustainably produced raw materials are replaced by sustainably produced, renewable and generally available raw materials when possible;
- new production methods and products will be designed for a circular economy, areas will be reorganised and new ways of consumption will be promoted in order to give an extra boost to the desired reduction, replacement and utilisation of raw materials for strengthening the economy.

The focus here will be not only on quantity and safety, but also on the quality of raw materials, products and services, and on the quality of work. The Partners realise that there is a strong relationship between fossil-based raw materials, the climate and a circular economy. The outcomes of the Netherlands Enterprise Agency (RVO) study into this relationship, to be completed before 1 April 2017, will be included in the transition agendas.

The Partners also realise that the transition towards a Circular Economy in the Netherlands cannot succeed without creating European and international opportunities and conditions for a worldwide circular economy.

Partners will further detail the aforementioned ambition in a number of transition agendas in accordance with the advisory reports by SER and Rli. In these transition agendas, the Partners give direction to the efforts and investments that are necessary to substantiate the transition towards a Circular Economy. The Partners see this agreement as the common starting point for the development of five transition agendas. The National Government will continue to energetically work on its own ambitions regarding the necessary interventions as mentioned in the *A Circular Economy in the Netherlands by 2050* programme (through incentivising legislation and regulations, effective market incentives, including Socially Responsible Procurement, financing, knowledge and innovation, and international cooperation).

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<sup>1</sup> Parliamentary documents II, 32 852, no. 33, dated 14 September 2016

## Transition agendas: structure and content

Working together in the first six months of 2017, the Partners will set up five transition agendas within the priority themes: (1) Biomass and food; (2) Plastics; (3) Manufacturing; (4) Construction; and (5) Consumer goods. The agendas are intended to provide insight into ways in which the transition towards a circular economy can be accelerated within and between these themes, from a national, EU and international perspective, as well as at the level of local and regional “circular hot spots”. Each transition agenda contains agreements on:

- **Courses of action** for 2021, 2025, 2030 (limited number, concrete, feasible and ambitious), including an analysis of the potential for more efficient and intelligent use of raw materials as the basis for the (sub-) agendas below;
- an **Action agenda** in which a select number of innovation projects for the short and long term are identified, with a focus on impact and in which attention is given to:
  - bottlenecks, such as institutional barriers and funding;
  - coherence with other social goals and the international context (such as climate objectives and SDGs);
  - cross-sectoral connections with the other transition agendas;
  - cleverly designing the implementation process, including a clear interpretation of the roles and responsibilities of the relevant Partners;
  - the formulation of flagship projects;
- a **Knowledge agenda** in which knowledge gaps, new knowledge and research questions are put on the agenda that are crucial to the acceleration of the transition, the development of the correct indicators, and for thinking through the interferences between objectives and underlying values;
- a **Social agenda** in which attention is given to:
  - labour market effects (opportunities/risks, undesirable side effects, quality of work);
  - circular business models in which high employee satisfaction and business performance go hand in hand (training, connection between training/education and the labour market, creativity, skill, entrepreneurship, quality and commitment);
- an **Investment agenda** that addresses:
  - barriers to financing the circular economy, with insight about what is necessary to achieve sound and financeable business cases;
  - possible financial interventions that can remove these barriers.

The Partners recognize that to make the progress of the transition to a circular economy visible, including the results of the transition agendas, it is important to develop a **monitoring system** and to take a baseline measurement. The National Government is instructing institutions of knowledge to develop this monitoring system, including a baseline measurement, based on the relevant physical, economic and social indicators with solid, broad support that is focused on:

- the progress of agreed activities;
- the development of raw material flows into, within and from the Netherlands;
- the transition dynamics (where we find ourselves in the transition, how people and organisations are carried along in the transition, how the interventions of the Partners are coordinated with the transition phase of the different priority chains and sectors).

## Transition agendas: process and implementation

### *Signing the National Agreement on the Circular Economy*

During the period that transition agendas are being drafted, the drafting Partners invite other parties to join, co-sign and support the National Agreement on the Circular Economy, and to provide ideas and suggestions for the transition agendas. They are given the opportunity to do so via the website [www.circulairereconomienederland.nl](http://www.circulairereconomienederland.nl).

### *Transition agendas*

The Partners are concluding the following process agreements in order to realise the transition agendas:

- Each of the five transition agendas will be drafted by a transition team under the guidance of an independent, authoritative chairperson and supported by a professional secretariat that has access to a research budget. The National Government is facilitating the transition teams by funding the secretariats and research budgets.
- A core team of partners will ensure the composition of the transition teams (including the chair) before 1 March 2017 with respect to the five priority themes. This team will also be given the assignment in the period thereafter to supervise the process and to ensure the most pragmatic approach possible with good collaboration between the transition teams.

- The Partners are being invited via various forms of participation to take part in designing the transition agendas. They will also encourage their supporters and networks to participate. Relevant Green Deals will be actively involved in the transition agendas to facilitate the acceleration and scaling up of existing initiatives. The Partners will give the transition teams the room to organise the contribution of all Partners as efficiently and effectively as possible (in small and/or large meetings).
- At the beginning of March 2017, a kick-off meeting will be held on the initiative of the National Government at which the first agreements will be reached concerning participation, focus and the process approach for realising the transition agendas.
- Before 1 March 2017, each of the Partners will indicate on the aforementioned website what concrete contribution they will make to the network of Partners (“digital business card”). The *A Circular Economy in the Netherlands by 2050* programme will be the contribution of the National Government.
- The Partners will take up the offer of the SER to be available for consultation and other forms of support during the implementation of the National Agreement on the Circular Economy. In particular, they desire reflection on the degree of focus, impact/scope of the proposed activities, the choice of indicators, cross-sectoral coherence and the relationship with other transition efforts and SDGs .

After the transition agendas have been realised, all Partners shall determine, independently and collectively, whether and, if so, how they will participate in the implementation of the transition agendas.

The agreements as expressed in this agreement are based on voluntary intentions and are therefore not legally binding.

**Thus signed** on the 24<sup>th</sup> of January 2017 in The Hague:

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**CIRCULAR ECONOMY**

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