

Summary

This is the summary of the Circular Economy Progress Report 2022 for the Netherlands. The Dutch Government has formulated the ambition to achieve a fully circular economy by 2050 (Ministries of I&M and EZK, 2016). By 2030, the aim is to halve the use of primary abiotic raw materials (minerals, metals and fossil). PBL Netherlands Environmental Assessment Agency monitors and evaluates the progress of the desired transition towards a circular economy and reports on related developments every two years, in the Integral Circular Economy Report (ICER), which appeared for the first time in 2021. In this intervening year, we will publish a Circular Economy Progress Report in cooperation with Statistics Netherlands (CBS), the Netherlands Enterprise Agency (RVO) and Rijkswaterstaat (the government service for roads and waterways (RWS)). A number of indicators from the ICER monitoring framework have been updated, for this purpose. In addition, this progress report looks more closely at the possible role of the circular economy in tackling the various challenges within the human environment.

Updating the indicators has not led to changes regarding the conclusions of ICER 2021

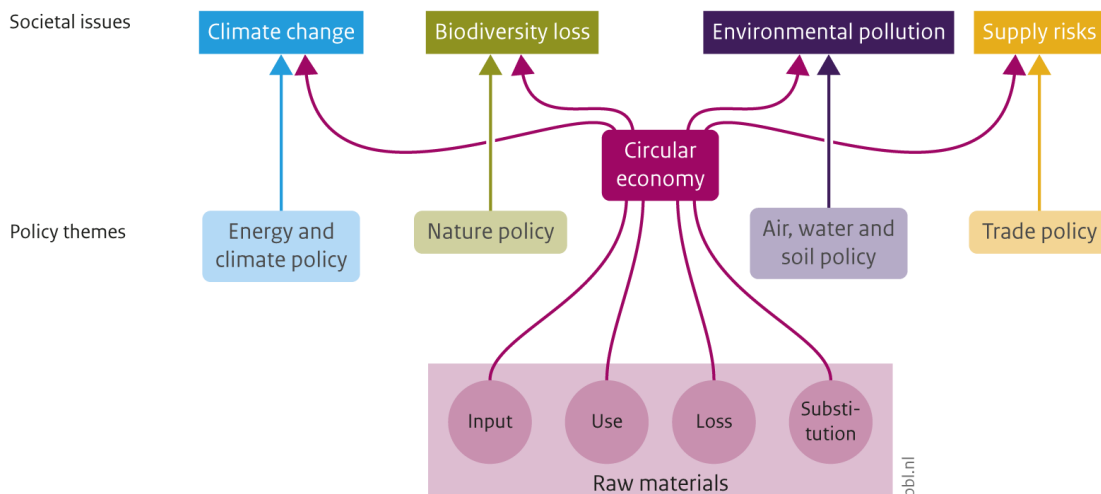
In the ICER 2021 publication, we concluded that, although material efficiency had increased, the extent of raw material use in the Netherlands had hardly changed since 2010. Policy efforts thus far have laid a foundation and developed a structure for a circular economy in the Netherlands, but the Dutch economy still functions mainly in a linear fashion. Research and innovation, for the most part, are technological and mainly focused on recycling and repair. There are hardly any initiatives in the field of socio-economic innovation, such as changes in consumer behaviour or new business models, which are necessary to enable other circularity strategies. In the ICER 2021 publication, we therefore concluded that policy must be intensified if the government's considerable ambitions for 2030 and 2050 are to be realised.

The updating of indicators has not led to the need for changes in the picture painted at the beginning of 2021 about the progress towards a circular economy in the Netherlands. The relative size of circular business activities in terms of added value and employment remains the same. The share of tax and subsidy schemes for circular initiatives also remains the same, and most projects subsidised under these schemes are involved in recycling. However, a slight shift can be seen in the actions in the Circular Economy Implementation Programme towards higher circularity strategies, such as *rethink* and *reuse*.

A circular economy can make a relevant contribution to various social challenges

Increased circular production and consumption can make a relevant contribution to tackling various social challenges, such as combating climate change, reducing pollution caused by, for example, per- and polyfluoroalkyl substances (PFASs), halting biodiversity loss, and limiting security of supply risks (see figure). By radically improving the efficient use of raw materials, materials and products in successive production and consumption chains — from extraction to waste disposal — the related emissions to the environment and the use of natural resources, such as land and water, could be kept to a minimum. Depending on the objective pursued, certain raw materials and materials are more relevant than others. For example, in order to reduce greenhouse gas emissions, the fossil fuel chain and the materials made from this resource are important, whereas reducing land use and thus also the pressures on nature importantly involves biotic resources and materials.

Positioning circular economy in relation to societal issues and other policy themes



Source: PBL

The required policy intensification calls for a government-wide approach

A policy focus on the circular economy would contribute substantially to the way that major social challenges are being approached, such as combating climate change and biodiversity loss. Utilising the potential of environmental pressure reduction calls for detailed, government-wide policy, as well as the deployment of more coercive policy instruments and increased financial resources. A government-wide approach is required, seeing that the changes that are needed in the rules and regulations of the playing field, tax incentives and international trade cover the policy areas of the various ministries.

The Coalition Agreement offers opportunities, but pays insufficient attention to a multifaceted approach ...

The Coalition Agreement of the Rutte IV Government is committed to formulate an ambitious climate target for the circular economy and aims at a better connection between climate policy and circularity. By strengthening the relationship between the climate goals and the circular economy, the opportunities for emission reductions throughout the chain can be exploited. The Coalition Agreement also pays attention to the more sustainable use of raw materials in various other policy areas, such as agriculture and the built environment. Even though the Circular Economy Programme is a government-wide programme, the multifaceted nature of this dossier requires continual attention in order to seize the opportunities that would contribute to the approach of various interrelated social challenges.

... and runs the risk of narrowing the circular economy to recycling

With the exception of recycling, the Coalition Agreement does not specify any detailed circular strategies. As a result, there is a risk that the circular economy focus will be narrowed to the recycling of materials. Policies that focus on changes in production and consumption and on extending the lifespan of products through, for example, changes in product design that would improve reparability and the reuse of parts, are not awarded any explicit attention. However, these would be necessary if we are to take advantage of the opportunities offered by a circular economy.