



Answering
tomorrow's
challenges
today

Side-event at COP29

‘We must talk about resources – circular economy strategies to mitigate climate change’

Event report

We must talk about resources – circular economy strategies to mitigate climate change

Date: 21 November 2024

Time: 13:30 local time

Venue: BENELUX-EIB Pavilion, Blue zone, COP29,
Baku Stadium, Heydar Aliyev, 323, Baku, Azerbaijan

Organised by: Ministry of Infrastructure
and Water Management,
The Netherlands



Ministry of Infrastructure
and Water Management

Supported by: Ecorys



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About the event

The COP28 Global Stocktake (GST) outcome marked a significant shift as circular economy approaches were recognised as an important strategy for mitigating climate change for the first time. However, despite this reference in the first GST outcome, efforts towards transitioning to sustainable lifestyles and sustainable patterns of consumption and production, particularly though resource use, saw very limited movement in the official COP29 negotiations.

Therefore, to help build momentum on this issue on the road to COP30, this side-event aimed to highlight the importance of focusing on resources and set out a convincing, accessible and innovative narrative on the need for a circular economy in climate policy, using helpful examples of tools and practical experience from countries.

Link to recording:

www.youtube.com/live/3NqubpQf3yc

Speakers and participants

Moderator:

- **Max van Geuns**, Policy officer for Circular Economy and Climate at the Ministry of Infrastructure and Water Management, The Netherlands

Speakers:

- **Marcos Neto**, United Nations (UN) Assistant Secretary-General and Director of the **United Nations Development Programme (UNDP)**'s Bureau for Policy and Programme Support
- **Afke van Rijn**, Vice Minister for the Environment and International Affairs, The Netherlands
- **Julia Okatz**, special advisor to the Co-Chairs of the **International Resource Panel**

Panellists:

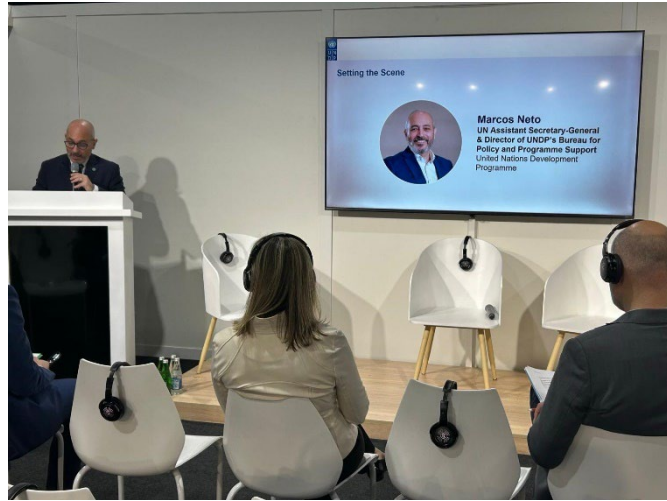
- **Alana Craigen**, Global Climate Policy Coordinator at **UNDP**
- **Patrick Büker**, Planning Officer for Climate and Environment at the **Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)**
- **Lisa da Silva**, Global Circularity Lead at the **International Finance Corporation (IFC)**¹

¹ An additional panellist, Adriana Bonilla Vargas, Director of Climate Change, Ministry of Environment, Costa Rica, was due to join the panel discussion but had to pull out on the day of the event due to an urgent ministerial commitment. Ms Bonilla Vargas had been due to contribute to the panel discussion by sharing her experience of challenges and opportunities of integrating circular strategies in the national climate plans of Costa Rica.

Event summary

Opening remarks: a clear call for circularity in NDCs 3.0

In his opening remarks, **Marcos Neto**, UN Assistant Secretary-General and Director of UNDP's Bureau for Policy and Programme Support spoke of the importance of circularity as a connector in achieving global climate and biodiversity goals as well as driving sustainable development priorities. He highlighted that 2023 was the hottest year on record, with 2024 expected to be even hotter still and material use has **tripled in the last 50 years** and **continues to grow by 2.3% annually**.



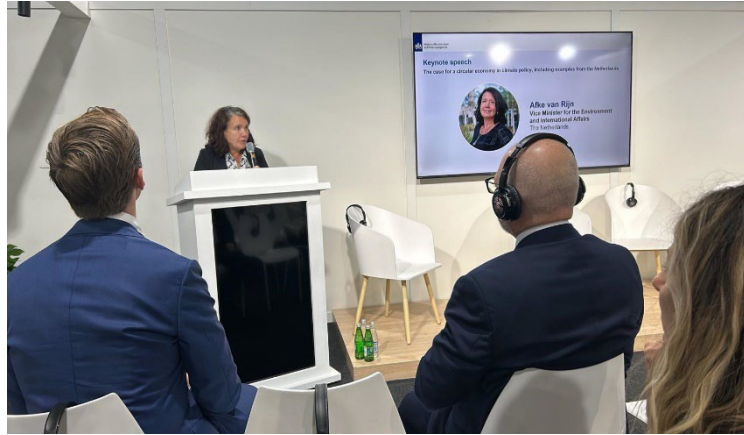
Marcos Neto sets the scene with his opening address

Mr. Neto emphasised that biodiversity loss, land degradation and climate change are interconnected challenges that require integrated solutions, and circular economy strategies are a prime example of an integrated approach that can underpin ambitious climate action and contribute to restoring natural systems, while simultaneously producing new economic opportunities and advancing sustainable development priorities. The UN Secretary-General has given UNDP the task to drive a UN System-wide coordinated effort to support developing countries to prepare their third-generation Nationally Determined Contributions (NDCs), or NDCs 3.0, due in 2025. Currently, only **28% of NDCs reference circular economy** and countries' NDCs 3.0 present an important opportunity to strengthen and integrate circular economy approaches for increased climate ambition and implementation. UNDP is also supporting 140 countries to implement the Kunming-Montreal Global Biodiversity Framework, including through bold National Biodiversity Strategies and Action Plans (NBSAPs) and aligning these with NDCs.

"The just transition to a circular economy must draw lessons from nature's economy – whereby nothing is discarded but instead embraced as raw material for the next cycle of growth and renewal," Mr Neto said, as he called for a **scaling-up of efforts**. The joint UNDP, UNEP's One Planet Network, and UNFCCC secretariat "[Building Circularity into NDCs - A Practical Toolbox](#)" assists policymakers in leveraging the benefits of a circular economy for climate action and is currently being successfully piloted in five countries. However, the goal is to expand it to an additional 20 countries in phase 2 of the joint UN project, which was launched in 2023. Donors are welcome and encouraged to support UNDP, as one of the project partners, to support countries to integrate circularity into their NDCs 3.0.

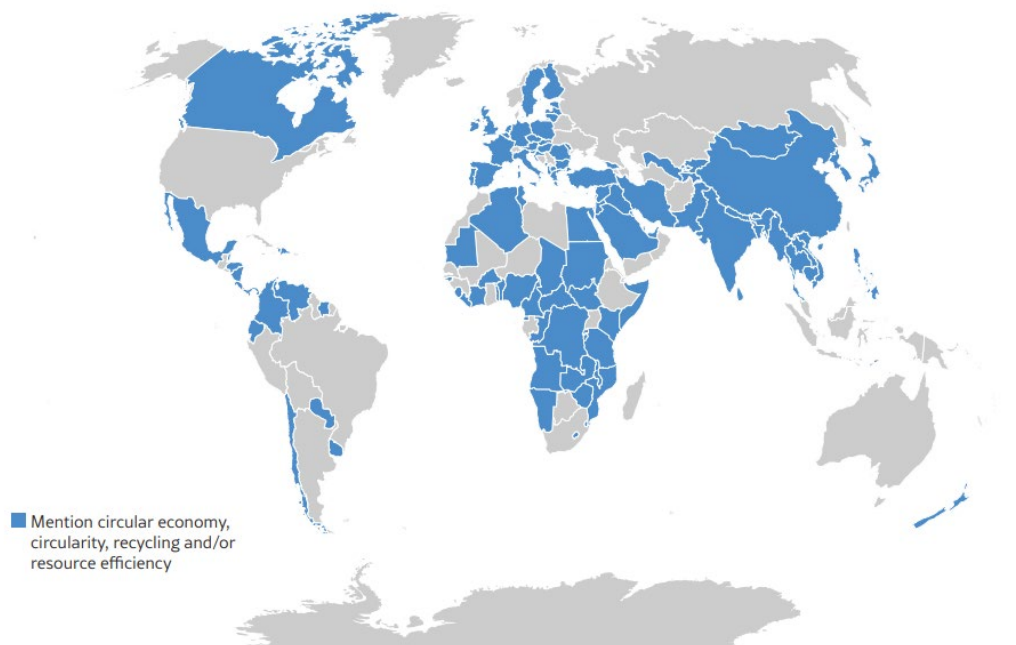
Keynote speech: circularity as the “crucial missing link” in climate policy

In her keynote speech, **Afke van Rijn**, Vice Minister for the Environment and International Affairs (The Netherlands) described the circular economy as a “crucial missing link” in climate policy. **Raw materials** are embedded in our daily lives, responsible for over **90% of impacts on biodiversity and water**



Afke van Rijn delivers her keynote speech

stress as well as **55% of CO₂ emissions**. Resource use is projected to **increase by 26% by 2060**, highlighting the challenge in managing material consumption. "Most strategies focus on energy use and impact on emissions, but to truly transform we need to focus on circular strategies," Ms. Van Rijn said. Renewable energy and sustainable material use are "two sides of the same coin": without tackling resource use, efforts to mitigate climate change will fail. However, **2023 marked a significant shift**, as circular economy was recognised as a key strategy at COP28, moving beyond the sole focus on energy transition.



COP parties with circular or equivalent strategies mentioned in NDCs, based on 2022 data²

² Source: World Resources Institute (WRI) Working Paper: Circular economy as a climate strategy: current knowledge and calls-to-action. This map was made using the keyword search functionality on WRI's Climate Watch. Keywords used: circular, recycling, resource efficient, and resource efficiency. Each mention of 'circular' was checked manually and only those that

More countries must integrate the circular economy into NDCs, using the tools presented in this event. The Netherlands is also doing this through its [National Circular Economy Programme](#). The country is making its public **buildings** fully climate neutral and circular by using an environmental cost indicator, and incentivising **sustainable plastics** production through subsidies and a Recycled and Biobased Polymer Obligation, aiming for **25-30% recycled plastics by 2030**. “By integrating this approach, we can create a more sustainable future.”

An overview of the joint UN “Building Circularity into NDCs – A Practical Toolbox” and GIZ’ Guidance and Activity Sheets

Three UN organisations – **UNDP, UNEP’s One Planet Network and UNFCCC secretariat** – collaborated in 2023 to develop an interactive, first-of-its-kind platform [Building Circularity into NDCs - A Practical Toolbox](#). Through generous support of the Government of the Netherlands, and Sitra, the Finnish Innovation Fund, this practical toolbox **assists policymakers in both developed and developing countries** in leveraging the benefits of a **circular economy**, such as reducing waste, conserving and regenerating resources, and lowering greenhouse gas (GHG) emissions, to **meet their climate targets more efficiently and sustainably**.

The toolbox provides a step-by-step **methodology, tried-and-tested tools, resources, and case studies** to identify GHG emissions hotspots from material use, prioritise sectors/sub-sectors for circular interventions, select appropriate measures, identify policy instruments and indicators, and track and report progress through national Biennial Transparency Reports (BTRs) under the Paris Agreement. Different entry points enable them to start at any stage, from job creation, to addressing priority sectors, expanding scope and identifying policies, and setting targets and indicators. Brazil, Ecuador, South Africa, Zimbabwe and Viet Nam are currently piloting the toolbox to assess and incorporate or strengthen circular economy approaches for their **NDCs 3.0, due in 2025**.

Complementing the Joint UN Toolbox, the **GIZ global programme Go Circular** produced [Guidance on Increasing NDC Ambitions through Circular Action](#) and [27 Circular NDC Activity Sheets](#). The Guidance is designed to supplement the UN Toolbox through specific approaches, including for analysing the circularity of existing NDC documents. The **Circular Activity Sheets** are One Pagers describing Circular Economy Activities and their climate

referenced a circular economy were included. Each mention was also scanned to determine whether systemic, upstream circular economy strategies are included. The NDCs that have not yet been added to Climate Watch were searched manually using the same methodology.

Panel discussion: practical tools and examples of integrating circularity into NDCs

Which countries are currently piloting the toolbox?

Alana Craigen, Global Climate Policy Coordinator at UNDP explained that UNEP's recent Emissions Gap Report revealed that NDCs need to cut emissions by **42% by 2030 if we are to reach the 1.5°C target**; **only 7.2%** of materials used are cycled back into the economy after use – a drop from 9.1% in 2018. This exacerbates existing environmental, social and economic inequalities. This is why UN agencies came together to develop the **joint UN Toolbox** (see box above for more details).

UNDP, together with UNEP's One Planet Network and UNFCCC secretariat, organised three **regional capacity-building workshops** last year, to which they invited government focal points working on circular economy and NDCs to link these two agendas and find co-benefits. One example of a country using the Toolbox is **Ecuador**, which is focusing on **industrial processes and product use**, prioritising **buildings and construction**. It has identified an **alternative material** with the same mechanical strength as **concrete** but much lower emissions. This material could result in a reduction of 50 kg of cement per m³ of concrete produced, or 30 kg of CO₂ per m³ of concrete used. These statistics show its huge potential. Another toolbox piloting country, Viet Nam, has identified **agriculture as a key sector for circularity**. It has identified circular approaches to meet **fertiliser** demand by recovering biproducts from waste streams, eliminating the need for imported, fossil-fuel-based inputs and diversifying incomes for smallholder farmers.

What are the key challenges to getting this done and how do governments, financiers and the private sector work together more effectively?

Unlocking private financing is a big challenge, as explained by **Lisa da Silva**, Global Circularity Lead at the IFC. NDCs can create a roadmap for identifying policies that **incentivise private investment**. For example, mandating use of recycled content and implementing Extended Producer Responsibility schemes can address the economic misalignment caused when virgin materials are cheaper than recycled inputs. Performance based **interest rate step downs** can also help promote investment. Another challenge is the prevalence of small investment sizes along a product lifecycle which will require involvement, and capacity building for local financial institutions. Lastly, NDC roadmaps can help identify pathways for addressing social and environmental challenges that could block scale-up of private investment in future. IFC has seen demand from private companies as well as municipalities and districts looking for support to plan and implement solutions. Chatham House has identified **75 countries** with some sort of circular economy action integrated into their national policies; these actions cover **17 sectors** and **3,000 policy options**. With 71 of the 75 national policies being developed since 2016; these statistics suggest a more positive trend than those cited earlier. It is important to prepare private sector clients for the policy environment ahead.

Patrick Büker, Planning Officer for Climate and Environment at GIZ added that it would be good to see banks and funders move out of their **silos**, for example by supporting blended finance. It can be difficult to assist ministries in working together, even within the same country, so a **truly circular approach from all policymakers and funders** is needed. It is important to strive for **one goal**, make all parties understand how they are part of a circular economy, and push for a better future.



Panellists share their views during the discussion

Why has there been such a focus on waste management when it comes to integrating circularity into NDCs?

Mr Büker noted that this had been an important topic at COP29 and expressed the need to **combine agriculture and the waste sector**. However, it is important that the circular economy does **not focus only on waste**, as there are so many other opportunities, such as in **plastics**. Input and investment are needed, especially at the beginning; banks are looking into this and solutions are not actually very expensive. Countries must really start thinking about circularity and **use the guidance** that is available. Ms da Silva added that **multiple stakeholders** must be in the room, policies must have a clear objective, and conversations must be held with the local **private sector** and other stakeholders.

Closing: Call to action to help shape the future approach to resources

In her call to action, **Julia Okatz**, special advisor to the Co-Chairs of the International Resource Panel, spoke from a global **governance** perspective: “We have really analysed the global landscape in the last six years. There are some essential gaps that we need to fill – probably not new organisations, but institutional foundations within existing ones”.

The translation from **biodiversity and climate targets to circular economy ones** is important, **better measurement** is needed via **alternative indicators** – not only gross domestic product. **Economic incentives** and proper research by economic institutions are needed, while **more data** will also help to set **circular targets**. Ms Okatz also mentioned the scientific report prepared by Janez Potočnik and his co-chair Izabella Teixeira, who have been policymakers in this area for over 20 years. Their a-political policy recommendations are due to launch soon.

Summarising, Ms Okatz shared her final call to action – **“Help us co-shape this”** – and looked ahead to the **World Circular Economy Forum in Brazil** in May 2025, which is “an amazing

opportunity to actually pre-empt COP and show the people in the room why the circular economy is an agenda they'd like to champion”.

In her closing statement, Ms da Silva noted that **NDCs play an important role** in making the transition to a circular economy strategic, with **clear actions and targets**. Mr Bölker said **circularity has to underpin all projects** and called for **lighthouse projects and businesses** to lead by example, especially in the **private sector** and in **developing countries**. Ms Craigen cited the **joint UN Toolbox and GIZ Guidance** as great examples but called for **more engagement across value chains**, creating **enabling environments** and a **common language**, and greater use (through free, prior and informed consent) of the **important knowledge of Indigenous communities**, who have long been applying circular principles. All pieces must be brought together, with a **clear signal to the private sector for investment** in the journey towards 1.5°.

Closing the event, Moderator Max van Geuns thanked all participants in the room online and shared a final call to action: **“We hope after today more countries will follow in integrating the circular economy into NDCs, following the guidance and tools presented today.”**