THE NATIONAL POLICY FRAMEWORK

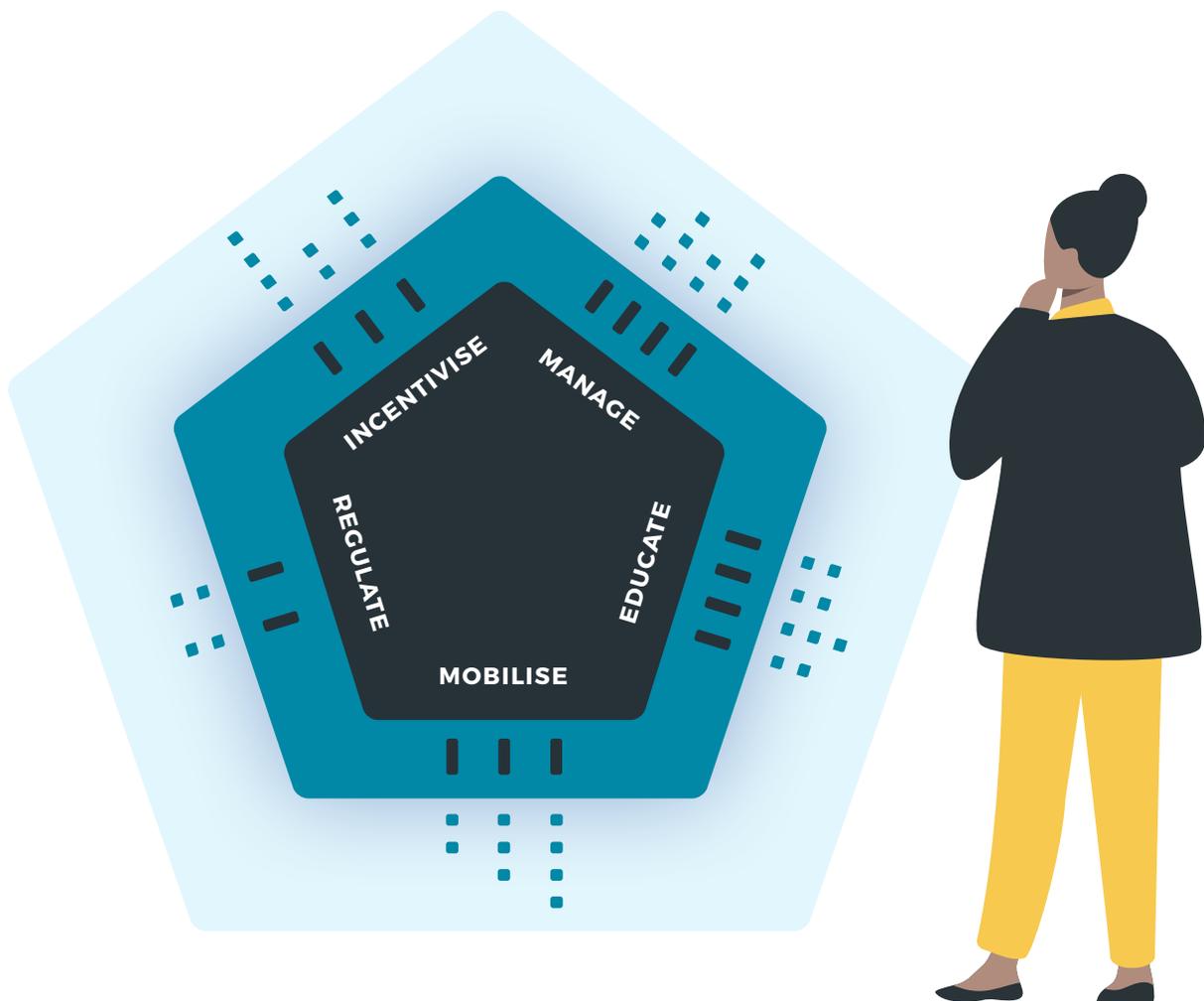## USING POLICY TO STEER COUNTRIES TOWARD A CIRCULAR ECONOMY

Check out our Urban Policy Instruments Framework for a set of policies applicable at subnational level.

WHY DO YOU NEED IT?

National governments hold a privileged position: the ability to lead the discussion on societal goals and facilitate collaboration between different actors within society, spurring welfare improvements for their citizens. In doing so, governments have at hand a set of instruments that span from setting national strategies and convening stakeholders, to informing citizens about national priorities, incentivising economic actors through specific instruments or issuing laws and regulations.

National governments play a key role in the transition to a circular economy because of their leadership position: they set the goals and enforce the rules of the game through fiscal and economic measures and regulations.

By building on previous research and analysing circular policies and policy tools in use around the world, we present a framework of policy instruments that can be used to support the transition to a circular economy at the national level.

CIRCLE ECONOMY

WHAT IS IT?

This is a three tiered framework of policy instruments. Tier one indicates the key function that policy can have, Tier two presents key policy directions and Tier three presents the specific policy instruments that can be used by national policymakers to drive this change.

The key policy functions—Tier one—are:

• Mobilise

sets the direction of and builds momentum towards long-term change, while also dictating how this direction is determined and governed.

• Educate

increases the overall level of awareness and builds the necessary skills and knowledge around the circular economy to foster long-term change.

• Manage

influences the use and function of physical and material elements within the national environment.

• Incentivise

sends market signals and support to businesses, citizens and governments to promote certain activities.

• Regulate

changes the rules of the systems to achieve compliance through enforcement.

WHO IS IT FOR?

This research and framework is aimed at professionals in the field of national policy, who are looking to structure and work with practical examples of how policy instruments are being applied across territories to advance the circular economy and other sustainability-related paradigms, such as green growth and eco-innovation.

The tiered approach, global geographical coverage of the examples included and the number of case studies make this work suited for use by researchers, consultants and policy analysts, whose work spans from academic research to advisory roles in public institutions, think tanks and the like.

· Researchers can use the framework to structure analysis or to guide learning and research, and highlight emerging patterns, differences or relationships among circular economy policies.

· Consultants may use the framework to establish a baseline for a nation, or to identify opportunities for policies that can support targets and goals. The framework is useful to structure analysis, and to extract a representative sample of cases for a given theme or region.

· Finally, policy analysts can also benefit from the framework as a means to structure analysis, put together a policy mix and navigate repositories of examples.

This framework helps policymakers from national governments distinguish between the diversity of available tools and instruments applied worldwide, which could be useful to accelerate the transition towards a circular economy within certain contexts. Also, in the case where the debate on circular economy is yet to start or in its initial stages, this framework could act as a guide for designing a robust set of policies for the country in question.

Check out 300+ examples of policies at national and subnational levels on Circle Economy's Knowledge Hub.

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The framework consists of three tiers:

TIER ONE

TIER TWO

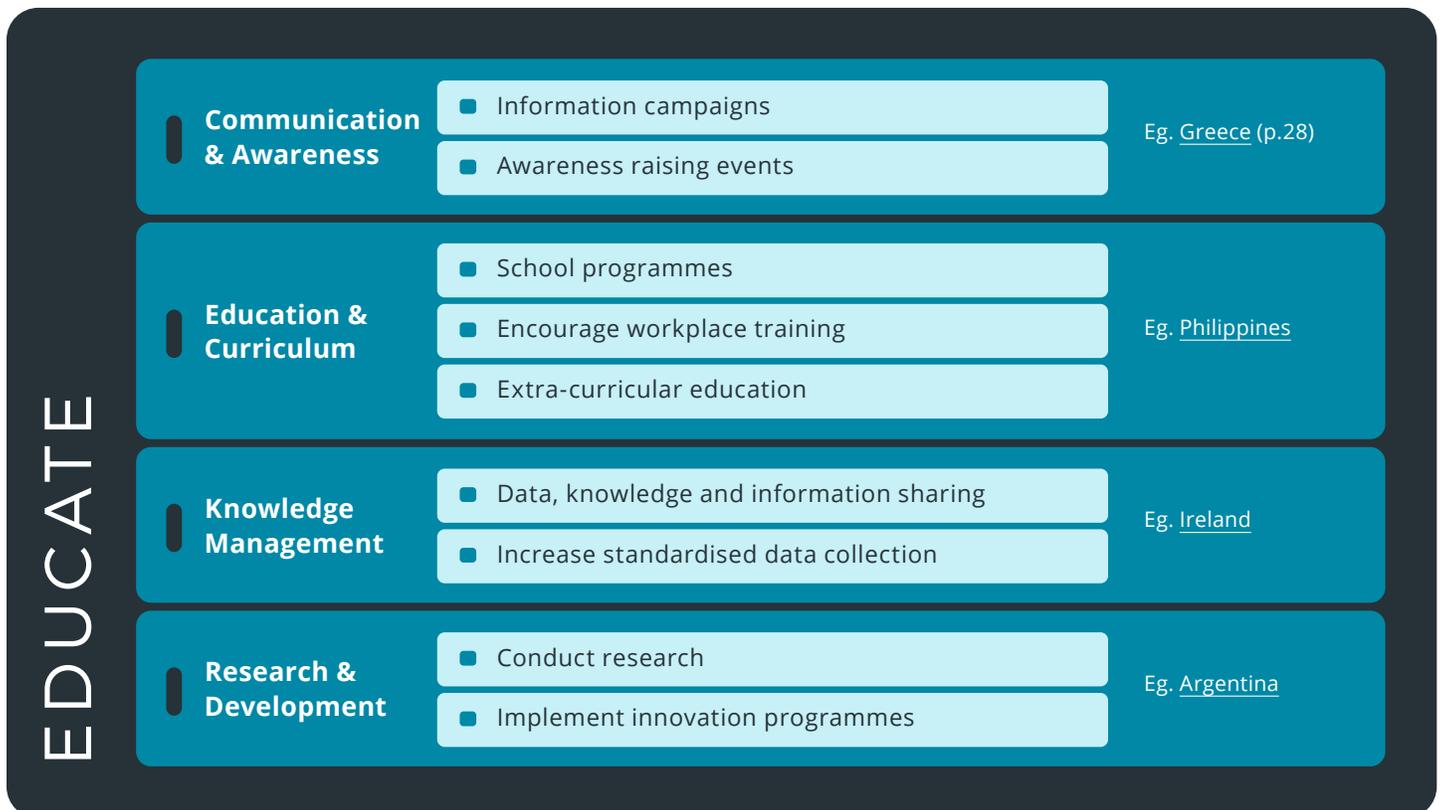**TIER THREE**   Example

Tier one indicates the key function that policy can play.

Tier two presents key policy directions.

Tier three presents a specific national policy instrument.

Relevant examples are provided throughout the framework.

MOBILISE

| Visions & Ambitions | ■ Roadmaps and strategies and targets | Eg. Egypt, the Netherlands |

| Govern the Transition | ■ Institutional design to enable circularity | Eg. Chile |

| Convene Towards Action | ■ Public consultation
■ Matchmaking platforms | Eg. the Netherlands |

EDUCATE

| Communication & Awareness | ■ Information campaigns
■ Awareness raising events | Eg. Greece (p.28) |

| Education & Curriculum | ■ School programmes
■ Encourage workplace training
■ Extra-curricular education | Eg. Philippines |

| Knowledge Management | ■ Data, knowledge and information sharing
■ Increase standardised data collection | Eg. Ireland |

| Research & Development | ■ Conduct research
■ Implement innovation programmes | Eg. Argentina |

MANAGE

Public Procurement
- Circular criteria for public procurement of assets
- Innovation-oriented public procurement

Eg. Costa Rica

Infrastructure
- Infrastructure to support resource cycling
- Develop regenerative infrastructure

Eg. New Zealand, Vietnam

Asset Management
- Circular use of public-owned assets (land, buildings and equipment)

Eg. Korea

INCENTIVISE

Direct Financial Support
- Grant funding
- Debt financing
- Incubator and investment programmes

Eg. Malaysia, Uganda

Economic Frameworks
- Extended producer responsibility
- Public-private partnerships

Eg. Scotland, Colombia

Fiscal Framework
- Charges and tariffs
- Fines
- Tax breaks
- Subsidies

Eg. Korea, France, Chile, Colombia

REGULATE

Visions & Ambitions
- Monitoring & enforcement

Eg. Colombia

Legislation
- Bans
- Performance standards
- Technology standards
- Labelling

Eg. Australia, China

HOW CAN IT BE USED IN PRACTICE?

Evaluate strategies and policies already in place

Even if there is no explicit national circular economy strategy in place, there are likely several policies and strategies that already support the circular economy to some degree, and it is prudent not to 'throw the baby out with the bath water'. This assessment process could also help governments identify what institutional setting is necessary to move towards the achievement of circular economy goals.

Establish the legislative mandate

Depending on legal structures, certain policies can be applied at different levels, from national to subnational. For example, the management of assets and land can take place at a national or subnational level, depending on the legislative mandate, as can the establishment of circular infrastructure or skills development, which can take place at the national level and then be applied to subnational.

Firstly, evaluate the legislative mandate of your federal agency or the agency you are working with to shortlist policies that are relevant and able to be applied. Moreover, for the effective implementation of the policies nationwide, it is crucial to have clear and institutionalised communication between different levels of government.

For example, the Australian Government is working in coordination with state governments, funding waste management and recycling infrastructure projects through the Recycling Modernisation Fund (RMF). Through National Partnership Agreements, the states and territories will receive funding. The allocation of funding to specific projects is the responsibility of state and territory governments, which will assess their jurisdiction's major gaps in local reprocessing capacity (see this case study).

Take a collaborative approach to selecting policies

As the circular economy is cross-cutting, the approach in selecting a policy mix should itself be cross-cutting—and involve multiple departments and federal agencies and illicit a participative approach with industry and citizens. Depending on the list of priorities the government set for its transition to circularity, the collaboration would imply teaming up with specific sectors and Ministries, or having stakeholders come together that represent different actors within the economy.

For example, in 2016 the national government in the Netherlands, issued the Circular Economy in the Netherlands by 2050: a country-wide programme to achieve full circularity by 2050. This national initiative is led by the Ministry of Infrastructure and Water Management, in coordination with the Ministries of Economic Affairs and Climate Policy, Foreign Affairs, Interior and Kingdom Relations, as well as the private sector, civil society organisations and research institutes. The broad collaboration for this programme is crucial as it has set five priority areas: the construction sector, biomass and food, consumer goods, plastics, and the manufacturing industry (see this case study).

In some cases, the installation of specific institutions for the management of circular economy activities and monitoring of progress could be a good starting point. For example, in 2018 Chile opened a Circular Economy Office as part of the Ministry of Environment. This new office is tasked with the monitoring of regulatory activities regarding waste management, extended producer responsibility and the promotion of recycling (see this case study).

Consider a policy mix

In order to support a circular intervention, a nation will likely design and employ a mix of policies, depending on context and which policies are already in place. The prioritisation of policies can and will differ across these contexts. Further to this, different policy instruments will vary for nations based on how far along they are in their circular transition and legislative mandates.

For example, Italy wanted to introduce a technological standard for communicating the recycled content of products. To increase the visibility of such an initiative, Italian authorities partnered with an NGO formed by the National Association of Recyclers to develop a voluntary certification (label) based on the technological standard. To increase its adoption, the government introduced a regulation to integrate the certification as a requirement in its Green Public Procurement (GPP) process, and provided certified companies with the possibility of applying for subsidies and tax breaks (see this case study).
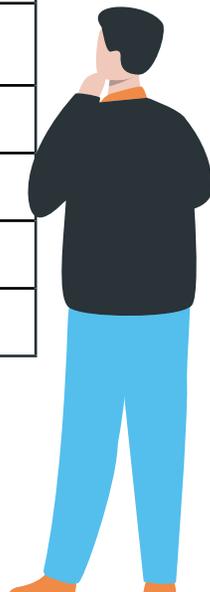
C CIRCLE ECONOMY

HOW WAS IT DEVELOPED?

The framework has been developed based on a combination of academic literature and case studies. In its first iteration, the Toolkit for Policy Makers from the Ellen MacArthur Foundation (EMF) served as the basis. Using this foundation, the Circle Economy team collected over 400 case studies of governments across the globe supporting the circular economy and attributed these to the policy instruments put forward in the toolkit.

The framework was then enriched with policy instruments from academic and other literature through an extensive literature review. Next to the circular economy, this research also took into consideration research and practise in the related fields of eco-innovation, green growth and sustainable development policy. Subsequently, the framework was reviewed by experts and practitioners.

In the second iteration, we gathered examples of national policies in place across the globe—126 examples in total across six regions, as shown in Table One: Geographic Summary of References. This includes policies that are related to circular economy but not necessarily termed as such in policy documentation—for example, integrated waste management strategies, regenerative economies, or similar as defined in our Elements of the Circular Economy framework. A full list of policies can be seen in the references.

Region	National Policies
Africa	18
North Americas	2
Central & South America	21
Europe	34
Oceania	13
Asia	38
Total	126

DISCUSSION

Circular economy goals and interventions often spin off of national waste management policies that came about as early as the 1950s and 1960s, and have been extended and refined to include more circular concepts around design, industrial symbiosis and regeneration. The circular economy can be linked to the broader sustainability and environmental management movement beyond waste management. For instance, environmental education covers 'nature' at all levels of education, and has evolved in line with developments in the field. This movement can be naturally extended to include circular economy in schools and workplace training. Further research on how best to tie circular economy policies into existing environmental, sustainability and waste management profiles, will improve the application of this framework in the development of a suitable policy or mix of policies.

This framework includes policies as well as broader policy tools, so as to provide a larger set of 'actions' a national government can take to support a circular economy. This framework can be extended and improved by qualifying this more robustly, with differences across regions when required. Similarly, the framework can be extended to support profiling legislative mandates for different nations and regions.

Lastly, a final extension to the research will be to map the nation's role in aligning with international standards and employing international cooperation, and how and where this should feature in the development of a circular economy national strategy.

WE'RE LOOKING TO TALK TO NATIONAL CHANGEMAKERS ABOUT THIS FRAMEWORK.

Contact us here:

hello@circle-lab.com

CIRCLE ECONOMY

REPOSITORY OF CE NATIONAL STRATEGIES, POLICIES, SOURCES AND REFERENCES

- Please see this public google sheet for a list of the documents used in the analysis.

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DISCLAIMER

We are striving to continually update our frameworks to ensure they remain relevant and are best suited to facilitate action. To this end, we welcome suggestions and comments on this framework from our Knowledge Community.

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