

Bye bye Calimero!

Why the Netherlands can act big on inclusive and sustainable development



Timetable

	13:00-13:30	13:30-14:30	14:30-15:00	0 15:00	-16:00	16:00-16:30	16:30-17:30	17:30-18:00
Wintergarden	Opening	The Broker Cinema		Bye Bye Calimero: the quiz	The Broker Cinema		The Broker Cinema	Closing
Classroom 1		How to start using pensions to combat climate change?		equali require	equal gain: ty as a nent for nability		House of Commons	
Classroom 2 & 3		Circular migration: a win win or too good to be true?		Teaming up with the private sector in knowledge brokering			It's consumption stupid! A mindset change for a truly inclusive value chain	
Classroom 4		'Going Dutch' in mitigating water conflicts					Beyond the taboo: what can drug economies do for the poor?	

Legenda

Quiz	Panel discussion	Documentary	Debate	Interview
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Join us in building the narrative that the Netherlands CAN punch beyond its weight!

How can the Dutch pension system, which holds significant global prestige, be incorporated in development agendas to maximise impact and address global needs? How can Dutch global expertise on the water-management front be used to meet the demands and needs of the Global South in order to contribute to improve business development? Is there a possible win-win outcome in the circular migration narrative that addresses Western labour market and Southern development needs? How can equality and sustainability be best harmonized with one another to catalyse inclusive development? Can the private sector act as a knowledge broker to shape knowledge processes more inclusively? What is the relevance of illicit economies to the Dutch development agenda? How can we eliminate barriers to the realization of truly inclusive circular economies?

These questions – among others – will be dissected and explored during Broker Day 2019. This document provides an overview of the topics covered in the sessions. Come and join us by bringing your expertise and connect with other worlds of knowledge. We look forward to learning with you!

Session	Why attend this session?				
Pension funds & development	To explore the uncharted waters of how investments by Dutch pension funds can be a major driver for the transition to inclusive and sustainable economies				
Water-conflict management	To consider how a knowledge-exchange between the Netherlands and the Global South can synergistically improve the state of water conflicts worldwide				
Circular migration	To investigate if and how the organization of circular migration can produce a win-win situation for the Netherlands, developing countries and migrants				
Equality and sustainability	To scrutinize the imperative, yet seldom discussed, impact that inequality directly bears on sustainable development				
Knowledge brokering with the private sector	To unravel the intricate, advantageous, and perhaps unusual role that the private sector plays in knowledge brokering for development				
Illicit economies	To critically explore if and how illicit (drug) economies can be engaged by development actors, and if there is a role for Dutch-style 'tolerance policies' in this taboo area				
Inclusive circular economies	To understand the barriers holding back the transition towards a circular economy and identify promising ways forward to realize circularity in the Netherlands by 2050				

Calimero, 1972

The Dutch tend to argue that, due to the Netherlands' relatively small size, it is not able to deliver substantial impact in the international arena. Or at least not without collaborating with global partners. When it comes to promoting inclusive and sustainable development worldwide, this 'Calimero Complex' is often echoed in Dutch politics and civil society; not only do we (the Dutch) tend to underestimate our global role as a donor country, we also neglect the fact that our economic tendencies and consumerist actions have a tremendous global impact.

The Broker Day 2019 aims to shatter this complex for two reasons. First, the Netherlands does have a significant influence on global development initiatives. The Netherlands was the <u>seventh largest donor country</u> in 2018, allocating roughly USD 5.6 billion to official development assistance. In recent years, Dutch development assistance has proven to be <u>effective and efficient</u>. It plays a leading role in specific fields of expertise such as <u>water management</u> and <u>agricultural development</u>, thereby illustrating another strength: the production and sharing of knowledge, technology and innovation.

Second, on top of its current impact, there is a large potential for increasing the Netherlands' influence worldwide. Given the size of Dutch GDP, which is currently <u>ranked 17th globally</u>, and per capita GDP, <u>ranked 13th globally</u>, the Netherlands is a relatively big economy in the world. More specifically, the Netherlands ranks high in terms of the <u>size of its multinational conglomerates</u>, the <u>assets of its pension funds</u>, and the <u>amount of tax evasion</u>, and rather low when it comes to <u>producing sustainable energy</u>. These rankings all show that there is a large potential for the Netherlands to increase its impact on inclusive and sustainable development. The Netherlands has many linkages to other countries, given its high <u>trade-to-GDP ratio</u>, its <u>long history of immigration</u>, and its dependence on international climate change policies to <u>combat sea level rises</u>. This interdependency confirms the idea that a domestic focus can have a major international impact, for instance, by focusing on sustainable production and consumption. Clearly, there is reason to believe that amalgamating these potentials from the Dutch public and private sectors can yield even more substantial results on the development front than the Netherlands has already realized.

In seven carefully designed interactive sessions, our knowledge brokers will contribute to unlocking this potential by connecting different worlds of knowledge and perspectives from the various disciplines and actors that are needed to jointly make change. Some of these sessions involve themes that are relatively unexplored, and others are well known but can benefit from different approaches or the involvement of different actors. Moreover, in line with the innovative nature of The Broker, the sessions at Broker Day 2019 come in various shapes and sizes, including keynote speeches, debates, collaborative brainstorms, and quizzes. This programme presents the context for each of the themes, to set the stage for the sessions that will take place on 6 November 2019. If you are wondering what Dutch pension funds and illicit drug economies have to do with the development agenda, find out more below and at Broker Day 2019.

<u>Disclaimer</u>: This document includes all cited references as hyperlinks for the sake of conciseness and convenience. Electronic versions will be made available in addition to the hardcopies distributed on the day of the event so as to facilitate access to the original sources we have referred to.

Session 1. How to start using our pensions to combat climate change

This session will explore the implications of the actions taken by Dutch pension funds in the context of global human and ecological justice and inclusive and sustainable development. Through a collaborative effort between private, governmental, and NGO actors, we aspire to shed light on this globally impactful topic and attack the following questions:

- Who are the stakeholders dependent on the investment decisions made by pension funds?
- What relationship exists between the stakeholders identified and the sustainable and inclusive development agenda?
- Finally, how can pension funds be best incorporated in the development agenda to promote inclusiveness and sustainability, while meeting the demands of their direct (and indirect) stakeholders?

Pension funds play an integral role in society by providing retirement installations to pensioners, but seldom do we look past their role as 'pension providers' at the global economic impact of their investments. As investors, pension funds globally hold an estimated <u>USD 27.6 trillion</u> in assets under management, which equates to almost 30% of current <u>global GDP</u>. By controlling almost one-third of global assets, pension funds clearly play a pivotal role in global markets. Thus, brokering both agendas and relevant stakeholders is vital to explore the vast array of impacts – and potential benefits – that the actions taken by pension funds may yield.

Actively participating in global stock markets, pension funds trade shares of public companies – some of which are linked to human rights and environmental violations. For example, a recent study¹ (currently under peer review) estimated that a sample of 16 pension funds (including Dutch funds ABP and PFZW) hold at least USD 86 billion (EUR 79 billion) of equity in fossil fuel firms including Shell, ExxonMobil, Chevron, and BHP Billiton, among many others. Of this, USD 14 billion (EUR 12.8 billion) are held by ABP and PFZW.

Large pension funds also invest in illiquid assets, in addition to liquid equity, which may produce externalities. These include investments in, inter alia, real estate and infrastructure that could be used to expand cities and build pipelines. ABP, for instance, allocates over <u>one fifth</u> of its portfolio to illiquid assets and APG (ABP's external asset manager) is planning on expanding its illiquid asset division substantially over the next two <u>years</u>. Illiquid investments, particularly in emerging markets, can lock governments in debt and produce similar externalities to those mentioned in the equity narrative. If we can agree on the premise that negative externalities like risk to human life, contaminated water sources, excessive emissions, and abusive labour conditions are truly undesirable for all stakeholders, the question that persists is: as equity holders (and thus partial owners) and direct investors, how exactly should pension funds act to minimize these negative externalities?

Session time: 13:30-14:30

With: Wiert Wiertsema, Both ENDS

Yvonne Bakkum, FMO

Arthur Rempel, The Broker (moderator)

¹ Gupta, J., Rempel, A., Verrest, H. (forthcoming, 2019). Access and Allocation: The Role of Large Shareholders and Investors in Leaving Fossil Fuels Underground. Unpublished study commissioned by the Journal of International Environmental Agreements: Politics, Law and Economics.

Session 2. Going Dutch in global water challenges: how Dutch should we go?

This section will focus on exploring and scrutinizing both the vast array of available water expertise available in the Netherlands and the <u>transferability</u> of Dutch knowledge, by addressing the following questions:

- Is the emphasis of the Dutch water sector currently on aid or trade? Or perhaps an amalgamation of both? What are the intricacies of one or the other?
- In instances in which solutions are formed on the basis of local input (predominantly from the Global South), do people providing these inputs receive equal gain? That is, does a two-way exchange truly exist in practice?

While it is undeniable that the Netherlands, as a 'water country', has much to offer with regards to solving global water challenges, there are still important shifts to be made concerning the equality of opportunities and outcomes. This session will look into several dilemmas that hold knowledge brokering at their core, as a bridge between the Global South and Dutch stakeholders is critical in addressing water issues. It will explore how the Netherlands can use its expertise and knowledge related to water challenges, not merely as an income generating export product, but as a supporting mechanism to contribute to sustainable global water solutions – a mechanism that supports a level playing field and genuine knowledge exchange, acknowledges local knowledge and is demand driven.

Although the Netherlands has much to offer in terms of knowledge, expertise and solutions to global water issues, it is not the only 'water country' in the world. There are other countries that have been and are coping with either an abundance or lack of water (e.g. Bangladesh, China, Egypt, Chile, Australia). These countries hold great knowledge and expertise on mitigating water related problems; we focus on this notion and push the idea of brokering knowledge synergistic exchanges to identify innovative solutions to existing problems. While the Netherlands has indeed gained much (practical and solution-oriented) knowledge on water, this is not necessarily the only reason why it reigns supreme over the water sector. Access to, and unequal distribution of, resources (e.g. money) certainly have had a hand in the position that the Netherlands has acquired.

Moreover, Dutch water knowledge transfers may not always be demand driven. The Netherlands actively promotes itself as a world leader in managing <u>water</u>. However, studies have shown that Dutch involvement in foreign water affairs is not always spontaneous and as per the request of countries in the <u>South</u>. This undermines the expertise and knowledge of local scholars and experts.

Session time: 13:30-14:30

With: **Henk Ovink**, Dutch special envoy for international water affairs

Shabana Abbas, Aqua4All/Water Youth Network

Ellen Minkman, Erasmus University **Anika Altaf**, The Broker (moderator)

Session 3. Circular migration: a win-win or too good to be true?

This session explores the extent to which circular migration can contribute to win-win situations for migrants, sending and receiving countries (a triple win). It aims to inspire policymakers and stakeholders to move beyond the current policy impasse where the focus is on stemming migration and border control, by asking:

- What are the trends and developments on the Dutch/EU job market and to what extent can regulated circular migration from Africa meets its needs?
- What is the relationship between Africa-EU migration and African development?
- What is the role of diasporas, civil society, enterprises and organizations in the development of reciprocal migration policies?

Until 2010, a growing awareness of the aging Dutch society put the idea of legal circular migration on the political agenda in the Netherlands. Nine years later, the changed political landscape sees international migration from low and lower middle income countries (LLMICs) as a threat instead of an opportunity. Strategic migration policies – such as the European Turkey deal, the Migration Partnership Framework and the European Emergency Trust Fund for Africa – focus on the prevention of irregular migration to Europe. As a result of these policies, irregular migration to the EU has decreased by 90% from its peak in 2015.

Meanwhile, Dutch and European policymakers recognize that the labour market <u>faces challenges</u>, partly due to Europe's aging society. According to the Dutch statistical office (CBS), the <u>Netherlands will continue to experience an aging population</u> in the coming 15 years and 4.2 million will be at least 65 years old. CBS also reports that <u>a quarter of Dutch employers</u> experience staff shortages. Yet there is no integrated policy framework that facilitates circular migration, with existing policies <u>focusing on high-skilled labour</u>. These policies contribute to the brain drain in LLMICs and prevent the circular migration of much needed labour.

Migration scholars theorize that regulating circular forms of migration can lead to win-win situations for host communities, migrant-sending countries and migrants themselves. Through smart, targeted policies for regular circular migration, wealthier host countries could rectify labour shortages and mitigate some of the negative economic consequences of their aging populations. Migrant-sending countries could benefit not only from financial remittances, but from an increase in human capital and skills (a 'brain gain') of returning migrants. Bilaterally, circular migration could build stronger linkages between advanced and developing countries, creating future joint investment opportunities. It could also facilitate cultural exchange with the aim of stimulating social shifts. On the other hand questions should be asked as to what price should migrants be willing to work in the EU and how plausible is it for migrants to come over for temporarily stays?

In addition, <u>different case studies</u> have demonstrated a positive relationship between restrictive migration policy and the unwillingness of people to go back to their home countries. In other words, border control policies do not guarantee <u>more return or facilitate regular migration</u>. Instead, the opposite is the case: restrictive migration policies based on border control can <u>trigger irregular migration</u>.

Session time: 13:30-14:30

Max Koffi, Africa in Motion

With: Anita Strockmeijer, UWV/Amsterdam Institute for Advanced Labour Studies
Sonja Avontuur, Advisory Committee on Migration Affairs
Georgina Kwakye, Pimp my Village/International
Organization for Migration
Bob van Dillen, Cordaid

Awil Mohamoud, Africa Diaspora Policy Center Anne van der Meer, Foundation Max van der Stoel Abubakarr Bangura, Migration and Development Consultancy

Adri Zegers, International Organization for Migration **Kiza Magendane & Vanessa Nigten**, The Broker (moderators)

Session 4. Equal risk, equal gain: equality as requirement for sustainability

This session provides a new perspective on sustainability debates, by showing how dealing with various inequalities can benefit the effectiveness of sustainability policies in the long term. The evidence suggests that various inequalities may also underlie differences in support for sustainability policies. The following questions will be discussed in this session:

- To what extent do the various types of inequality explain (support for) sustainable behaviour?
- What types of policies are required to mitigate the impact of inequality on sustainable behaviour, and in what policy contexts do they need to take shape?

While climate change is only one of the many ecological stresses on planet Earth, it is the one that receives the most attention in policymaking today. The Netherlands is no exception to this: in 2019, <u>Climate Legislation</u> was passed and a <u>Climate Agreement</u>, containing over 600 agreements for cutting carbon emissions, was proposed.

Yet, support for these policies within society is unclear. In 2019, when asked about the budget spent on climate change policies, 38% of the Dutch population supported an increase, while 29% were in favour of a decrease. This shows a polarized view: in contrast to a more neutral standpoint earlier, both the support and opposition seem to be increasing. Although high costs and disbelief about the human contribution to climate change are listed as the main reason for scepticism, there is very little attention being paid tor what may be the underlying driver: inequality and perceived injustice.

Support for environmental policies is <u>strongly correlated</u> with low levels of income and wealth inequality. High levels are associated with greater biodiversity loss, consumption of water, fish and meat, and waste generation, even when countries have similar levels of absolute income. This pattern applies for income gaps <u>within countries</u> and <u>between countries</u>. In the Netherlands, the <u>absolute contribution</u> of high-income households to pollution and other environmental damage far exceeds that of low-income households.

At the community level, the impact of inequality is less clear. The level of organization within networks determines to what extent individuals are <u>incentivized</u> to not exploit environmental 'common property' goods to the point of exhaustion. Even though inequality can also help to overcome the absence of leadership in large, egalitarian communities, <u>the bulk of the literature</u> shows that inequality limits the density and homogeneity in networks, which, in turn, limits the efforts made to protect common property resources.

In June 2019, UN special rapporteur Philip Alston <u>argued</u>: "We risk a 'climate apartheid' scenario where the wealthy pay to escape overheating, hunger, and conflict while the rest of the world is left to suffer". Poor households not only contribute less to environmental risks, they also have a higher probability of being exposed to them. For instance, poor households are more often <u>located near</u> environmentally damaging sites or <u>affected</u> by nitrogen oxide pollution. Moreover, countries with high inequality witness <u>more loss of biodiversity</u> and are more prone to <u>climate-related hazards</u> such as floods or landslides. The number of vulnerable people exposed to environmental hazards is expected to increase: out of the 86 cities with more than 3 million inhabitants worldwide, 46 are located on the coast and are, therefore, at risk of rising sea levels. These between-country inequalities will not just happen in the future. Already, <u>temperature rises</u> due to climate change have led to a 25% larger gap in economic output between rich and poor countries since the 1960s and have reduced per capita wealth in the poorest countries by 17 to 31%.

The Climate Agreement in the Netherlands requires unprecedented investment in sustainable energy sources, infrastructure, farming methods and housing, among other things. CE Delft <u>concluded</u> that the majority of these costs will be borne by consumers, through energy taxes, VAT and various excise duties. This will result in an increase in energy expenses as a share of total income, from 5.1 to 17.1% in 2050 for households in the lowest

income decile, compared to a rise from 1.5 to 5.7% for those in the highest income decile. Moreover, while CE Delft estimated the damage caused by companies in the Netherlands to be EUR 3.3 billion compared to only EUR 2.6 billion for households, households pay almost four times as much energy taxes than companies (EUR 5.4 billion compared to 1.5 billion).

The Climate Agreement is not just costly, it also provides opportunities for businesses and households through subsidies and lower taxes, such as on sustainable cars and solar panels. Yet, does everyone have access to these? Out of the EUR 750 million in <u>subsidies and allowances</u> provided by the Dutch government in 2017 as part of its climate policy, 80% went to high-income households. Low-income households are generally unable to make such sustainable purchases, even when subsidized.

The level of sustainable behaviour is not just the result of (lack of) purchasing power, it is impacted by irrational factors such as familiarity and associations. Various socio-demographic dimensions related to behaviour patterns cause differences in sustainable behaviour:

- Gender: Gender disparities influence differences in consumption patterns between men and women. On average, women are slightly more concerned with environmental issues and inclined to be more proenvironment. Gender socialization, perceptions of risks and vulnerability and feminist, egalitarian beliefs are listed as explanatory factors. In the Netherlands, women are slightly more inclined to support environmental policies as well.
- Age: On average, youth are the age group with the most support for environmental policies. This is no
 temporal phenomenon; in other words, there is no support for the idea that only the current elderly are less
 supportive. Instead, support for environmental policies appears to decline with age, possibly because of
 decreasing exposure to environmental ideology.
- Ethnicity: In the Netherlands, those <u>without a migrant background</u> behave slightly more sustainable than those with a migrant background in terms of their consumption and use of waste and recycling. No difference was found for the use of water and energy.

Session time: 15:00-16:00

With: **Dr. Leo Meyer**, Climate-Contact Consultancy

Darko Lagunas, Fawaka Nederland

Frank van Kesteren, The Broker (moderator)

Session 5. Teaming up with the private sector in knowledge brokering

This niche session aims to co-create awareness of the various roles that the private sector assumes in creating knowledge relevant to the development agenda. With the help and expertise of Sarah Cummings, leader of the Unusual Suspect research project, we will shed light on the following:

- What are the different roles of the private sector in producing knowledge in different contexts?
- How can the private sector be strategically involved in knowledge brokering? Are there instances in which
 the private sector should be omitted from knowledge brokering?
- What are the costs and benefits of a collaborative initiative between the private sector and knowledge brokerage?

Knowledge sharing and collaboration across sectors, in both formal and informal platforms, has been argued to be a critical step towards the achievement of the SDGs and is enshrined in SDG 17: 'Strengthen the means of implementation and revitalize the global partnership for <u>sustainable development</u>'. Knowledge brokering with its diverse terminologies (knowledge intermediaries, knowledge co-creation, knowledge sharing) allows isolated or unconnected actors to share information and resources and to interact economically, politically and <u>socially</u>. Typically, a "broker moves among groups fostering collaborative processes, with the aim of generating new 'brokered' knowledge that is more robust and readily applicable within its intended local <u>context</u>". The broker may connect separate areas of a network socially, economically or politically and, therefore, is the only one to access valued information and resources from different parts of the <u>network</u>.

There is recognition within the international development community that the private sector is an increasingly important partner in knowledge brokering and that more needs to be known about it. This is also reflected in policy with, for example, a recent consultation on Dutch knowledge policy indicating that 'the role and influence of the private sector should receive more attention in research. Although there has been considerable research on knowledge brokering practices, such research mostly focuses on how academic research is taken up in evidence-based policymaking. For example, the Research and Policy in Development (RAPID) group at the Overseas Development Institute (ODI), a prominent British think tank in international development, has published more than 1,007 publications on research and policy in development, focusing on the links between research, policy and practice. The private sector has received much less explicit attention than other actors and can be seen as an 'unusual suspect' in knowledge brokering for international development. For this reason, NWO-WOTRO has funded the research project 'An unusual suspect: the private sector in knowledge brokering in international development'.

The Unusual Suspect research project is analysing the role of the private sector in knowledge brokering within international development, using the example of the five Dutch knowledge platforms and comparable platforms in Uganda, Europe and Africa. It is developing new insights targeted at the domains of practice, policy and research, and the private sector. Formal partners are the Athena Institute (VU), Makerere University (Uganda), and The Broker. Informal partners include four knowledge-platforms and KM4Dev.

Session time: 15:00-16:00

With: Dr. Sarah Cummings, Wageningen University & Research/Vrije Universiteit Amsterdam

Arthur Rempel, The Broker (moderator)

Session 6. Beyond the taboo: what can drug economies do for the poor?

In this session a different, unconventional perspective, with relevance for development dynamics and policy goals in fragile and conflict-affected settings, is explored. Participants will explore the taboo subject of illicit (drug) economies and how, despite their negative effects, they can have a positive development impact for the most marginalized. It will look at what role the Netherlands can play; an open discussion between academia and professionals from policy and practice will explore if, and how, it is possible to move beyond the dilemmas associated with this controversial topic, addressing the following:

- Is it possible to apply lessons from the Dutch experience with people-centred 'tolerance policies' on drugs?
- Are pragmatic, human rights focused approaches possible?
- What does 'do no harm' mean when engaging with illicit economies?

The SDGs were adopted in 2015 with a promise to 'leave no-one behind' and the ambition to 'reach the last first'. Yet progress is barely reaching the places where challenges are greatest: fragile and conflict-affected settings. In the absence of basic services and sustained development, many people living in these environments currently turn to illicit economic activities as a way to complement their livelihoods and build their own resilience. Forced to make difficult choices, communities may engage in smuggling, growing illicit crops, illegal mining or agriculture, logging or fishing in conservation areas, seeking the protection of 'unusual actors' like militias to provide some form of stability. This poses a challenge for states as well as international actors, who see the undermining effects of these illicit economies feeding corruption and fuelling the dynamics of (protracted) conflict.

At the same time, the positive outcomes of these livelihoods are increasingly being <u>studied</u>, especially in relation to <u>illicit drug economies</u>. Despite the serious trade-offs for the marginalized communities engaging in such illicit activities, who are often exploited and may still face violence and insecurity, these illicit economies also provide some form of socio-economic development and order. Securitized responses by the state that reduce such people to criminals risk causing more harm than good. In Afghanistan, for example, many farmers formerly sharecropped poppy and licit crops. However, opium poppy bans in Afghanistan's 'Food Valley' and the influx of international military forces in 2010 left farmers with fewer opportunities to sharecrop or rent out land, as larger areas were needed to make ends meet. As a result, incomes for most households declined as prices for licit crops dropped, while land-poor households were forced to migrate to marginal desert areas where an estimated 2.2 million people became heavily <u>dependent on opium poppy production</u>, negating any progress in reducing its <u>cultivation</u>.

For development and humanitarian organizations these dynamics pose difficult questions. Illicit economies are usually viewed in terms of criminal activity and, therefore, an issue that should be dealt with by law enforcement or security agencies. But if organizations were to start engaging communities involved in illicit livelihoods from a development perspective, what would their role be? Is it possible to link producers to the value chains of the licit pharmaceutical industry? Can people be helped to move out of these livelihoods without doing harm? Is this possible without legitimizing or strengthening bad actors? In the case of illicit drug crops, 'alternative development' approaches have been developed in the past under the guise of crop eradication efforts. Criticized for being instrumentalized by law enforcement agencies, this practice has so far not been able to connect to mainstream development communities and policy.

Yet arguments for broader engagement with illicit livelihoods in fragile settings is worth exploring. Firstly, for its potential to alleviate needs and provide stability for communities in the immediate or short term; secondly, as a way of addressing its destabilizing aspects from a preventative perspective. Now more than ever, the focus of Dutch foreign policy is on providing stability in regions where people are most left behind. Development policy has shifted its focus to the Horn of Africa, the Sahel and the Middle East, and North Africa with a focus on prevention. With West Africa being the continent's largest drug market, the Sahel-Sahara well-known for its smuggling routes, and the role of East Africa in the distribution and consumption of drugs increasing, the destabilizing and undermining

effects of these illicit economies can be expected to continue and even <u>grow</u>. Crops like khat and cannabis currently provide opportunities not readily available in difficult environments, which relate to structural development <u>problems</u>. Such dynamics are increasingly recognized by some African states where policies on illicit drugs are shifting from prohibition to harm <u>reduction</u>. Internationally known for its 'tolerance policy' on drugs, the Netherlands has the potential to bring this experience with pragmatism and people-centred policy into this complex debate. This session will explore how this can be done, in the form of an open discussion with leading expert Eric Gutierrez of Christian Aid and several experts on illicit economies and fragile and crisis-affected contexts.

Session time: 16:30-17:30

With: Eric Gutierrez, Christian Aid

Tom Blickman, Transnational Institute

Dr. Ir. Gemma van der Haar, Wageningen University and Research

Prof. Dirk-Jan Koch, Ministry of Foreign Affairs/ Radboud University Nijmegen

Rojan Bolling, The Broker (moderator)

Session 7. It's consumption stupid! A mindset change for a truly inclusive value chain

This session explores the potential of the circular model as the future of the Dutch economy. Bringing together the perspectives and experience of four experts from different fields, we will discuss how a circular economy in the Netherlands can promote sustainable development and the achievement of truly inclusive value chains. Key questions that will be addressed include:

- To what extent is the Dutch economy already approaching 'circularity'?
- What do we need to scale up circular initiatives and make sure we can realize a transformation towards a circular economy?
- Which actors should take the lead in this endeavour?

In contrast to a linear economy, where resources are extracted, goods and services are produced, and waste is disposed of after end of use, a circular economy is modelled on nature's 'cycle of life'. The premise of the circular economy is to eliminate the disadvantages of linear models, such as the <u>economic</u>, <u>environmental</u> and <u>human damage</u> associated with unnecessary resource losses, the use of unsustainable resources and the distribution of these consequences across populations. A circular economy is a system that is <u>restorative</u>, takes less, uses fully and wastes nothing. In the scientific literature, <u>over a hundred</u> different definitions of circular economy are currently in use, mostly because the concept is applied by a very <u>diverse group</u> of actors.

While the different perspectives of these actors lead to different emphasis on economic, social or environmental dimensions, we acknowledge the importance of all three dimensions in our understanding of the concept. Furthermore, in opposition to a common misconception, we do not view recycling to be central to the circular economy. While recycling is preferable over doing nothing, recycling in itself does not challenge the current system, it merely creates a <u>second material stream in a linear economy</u>. Products are reused, but downgraded in the process, eventually still ending up as waste. In contrast, the circular economy involves the complete rethinking of the current system. From the very outset, products and services are designed to be reused without losing value. The circular model is not about trying to mitigate the damage done by production and consumption, it seeks to ensure that the products we use – not consume – can be fed back into the loop.

The transition to a circular economy comes with great advantages: It decreases <u>dependence on raw materials</u> and <u>vulnerability to price fluctuations</u>, and can increase <u>employment</u> and innovation. It can reduce <u>greenhouse gas emissions</u>, prevent <u>soil, air and water degradation</u> and, consequently, allows for the timely recovery of nature reserves. It can also contribute to economic diversification, value creation and skills development and, thereby, <u>reduce inequality</u>. These advantages can potentially benefit the global economy by <u>USD 2 trillion a year</u> by 2050.

Admittedly, realizing this transition does come with costs, including <u>loss of jobs</u> in sectors involved in the extraction of raw materials. It can also <u>compromise overall sustainability</u> because of the resources required for the transition towards a circular economy. Finally, a circular economy might <u>encourage consumption</u>, rather than promote re-use and saving, leading to smaller net benefits.

The Netherlands is home to a large number of circular businesses and activities. A <u>recent study</u> showed that the Dutch economy contains some 85,000 circular practices of start-ups, SMEs, multinationals and semi-public organizations, providing employment to 420,000 people. Circular activities and jobs make up <u>5% and 4%</u> of the Dutch economy, respectively.

The Dutch government expressed the ambition to drastically expand the size of the circular economy. Its programme 'A Circular Economy in the Netherlands by 2050', launched in 2014, sets outs its key objectives: to reduce the use of primary raw materials by 50% in 2030 and 100% in 2050. In January 2017, the government followed up by signing a National Raw Materials Agreement with more than 180 organizations and enterprises

committed to the same objectives. In addition to written promises, the government is also taking practical measures. It has set up a national helpdesk to assist and connect entrepreneurs, closed a large number of 'Green Deals to remove barriers for sustainable initiatives, and supported initiatives such as the VANG (from waste to resource) Programme and the Plastic Pact NL. And finally, earlier this year, it was announced that an additional EUR BO million would be allocated to promoting circular projects.

Despite these promising initiatives and policies, in practice it <u>remains difficult</u> to get new circular activities off the ground and thriving. A number of barriers still exits, including lack of <u>awareness</u> and <u>price incentives</u> for consumers, <u>taxation obstacles</u> and several <u>policies</u> that hinder circular initiatives. In this session we will explore how these and other barriers can be overcome through policy changes, knowledge exchange and improved cross-sectoral collaboration.

Session time: 16:30-17:30

With: Joost de Kluijver, Closing the Loop

Janneke de Vries, World Resource Institute

Reinier de Adelhart Toorop, Impact Institute/True Price

Aldert Hanemaaijer, Netherlands Environmental Assessment Agency **Yannicke Goris & Jacqueline Vrancken**, The Broker (moderators)



