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| **Project Title:** | **Circular Economy Strategy: A Road to a National Action Plan** |
| **Project Duration:** | November 2021 – October 2024 |
| **Funding:** | USD 833,214 |
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| **Government Focal Point:** | Ministry of National Development Planning/BAPPENAS |

## Background

The circular economy is gaining in importance as it enhances and supports sustainable development, both globally and in Indonesia. The approach of 'take-make-dispose' in economic activity could threaten the sustainability of natural resources in Indonesia, and eventually will impact the people. Therefore, the country needs to shift paradigm from linear to circular economy (CE) in order to minimize the environmental impact, while achieving the economic development agenda.

In Indonesia, the efforts on transitioning from linear to circular have been initiated since 2020, started with the initial assessment of CE potential in Indonesia. The study has identified the potential benefits by implementing CE in five priority sectors. The study was a significant step for the Government of Indonesia (GoI) and followed by the plan to continue developing the strategy to include CE in the Medium-term (RPJMN 2025 - 2029) and the Long-term (RPJPN 2025 – 2045) National Development Planning documents. Some other progress have been made, that includes the establishment of CE Secretariat in BAPPENAS, activity in strengthening policy and capacity building among the CE stakeholders, and additional studies to support CE action plan.

UNDP is committed to keep supporting GoI in developing the National Circular Economy Action Plan (CEAP), to pave the way for stakeholders on accelerating transition of CE implementation in Indonesia. CEAP is expected to provide clear directions and increase collaborations among key actors in achieving the vision and goals of CE. Along with the development of CEAP, it is also important to create an enabling environment for CE transition and demonstrate CE practices to be scaled-up and mainstreamed in the country.

## Approach

**Stakeholders meetings and consultation**
Identifying current CE-related policy, determining target and indicators, policy actions, and strategies for communication and financing mechanism

**Evidence-based study**
Developing CE-related studies to push forward the transition agenda (i.e., resource efficiency, policy incentives)

**Knowledge product development**
Using various communication channels to deliver CE knowledge and information

**Pilot project implementation**
A wide range of stakeholders from cross-cutting sectors such as MSMEs and the local government will collaborate in the development and implementation stages of the pilot project

**Establish partnerships**
Knowledge-sharing, funding and investments, contributing and benefitting from best practice exchanges and technical support schemes

**Monitor and evaluate the progress**
The monitoring and evaluation tools will be used to measure the progress of CE implementation in Indonesia based on the indicators

# Expected Results

- Circular economy **policy** is strengthened
- **Knowledge and awareness** in circular economy is improved
- Circular economy **practices** can be scaled-up and mainstreamed
- Circular economy **platform** is established
- Circular economy **monitoring & evaluation tool** is developed

# Impacts


**By increasing economic growth from resource use, keeping resource use within planetary boundaries and promoting the reuse of materials, implementing circular economy has many potentials for achieving multiple SDGs,**

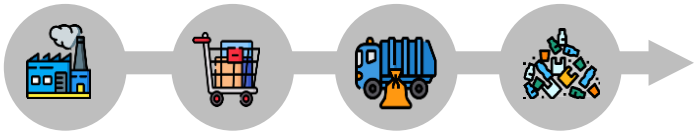
especially **SDGs 12** on sustainable consumption and production, and also SDGs **7** on energy, **8** on economic growth, **11** on sustainable cities, **13** on climate change, **14** on oceans, and **15** on life on land

# Illustrations

## BEFORE

### Take-make-dispose approach

business-as-usual practices, unsustainable material extraction, mismanagement of land & resources, investment in high-carbon technology




### Impacts

- Economic losses
- Volatility of the prices of resources
- Increase in economic costs for waste management & treatment
- Resources depletion & biodiversity loss
- Interruptions in raw material supplies
- Environmental pollution

Icon source: flaticon.com

## AFTER

### Implementing 9R principles, circular business models, circular economy policy & incentives

Minimise resource use, design value of products as long as possible, & return the residues from production and consumption into the product cycle


### Benefits

- Generate an additional economy-wide GDP
- Create jobs
- Reduce waste generation
- Reduce $CO_2$eq emissions