

Circular Economy- A key lever to achieve the Sustainable Development Goals

Seven principles by Luxembourg Council for Sustainable Development



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Recurrantly mentioned as a key solution¹ for implementing SDG 12 on sustainable consumption and production, circular economy is a forceful tool for also achieving several other SDGs, including SDG 6 on energy, SDG 8 on economic growth, SDG 11 on sustainable cities, SDG 13 on climate change, SDG 14 on oceans, and SDG 15 on life on land.

The implementation of a circular economy entails, however, a paradigm shift in value creation and fundamental modifications on multiple levels of the existing socio-economic system. It is therefore necessary to provide clear visions and guidance, as

well as involve all public and private stakeholders in jointly building new product and value chains.

Developed in a co-working process with actors from the private and public sector, the Luxembourg Council for Sustainable Development² has recently defined seven principles for circular economy, which have been integrated in Luxembourg's national macroeconomic strategy promoting and developing circular economy:

1. Value creation
2. Systemic and holistic
3. Two cycles
4. Health, well-being and positive impacts
5. Restorative and regenerative
6. Focus on diversity
7. Local and supportive

These seven principles are fundamental to a sustainable economy aiming to increase its resilience but also the resilience of a country as a whole. They are guidelines for both sectoral and industrial strategies, as well as for national macroeconomic strategies.

The disruptive circular economic model *creates value* (1) not only economically but also ecologically and socially by its very nature. Following the principle of participation, to which Agenda 2030 attaches great importance, the circular economy is based on an interdisciplinary, *systemic, holistic and collaborative approach* (2). It eliminates the notion of waste by relying on

¹ Notably by the Expert Group Meeting and in-depth review of SDG 12 on Sustainable Consumption and

Production (SCP) during the 2018 High-Level Political Forum,
² www.csdd.lu

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two distinct cycles (3), the *biological cycle and the technological cycle*.

A circular economy contributes to the strengthening of positive impacts on both humans and nature. Merely reducing negative impacts is indeed not considered sufficient for sustainable development. Therefore, elements such as *health and well-being* (4) are an integral part of the circular economy.

Circular economy is *restorative and regenerative* (5) by its nature. It preserves and strengthens ecosystem services and promotes biodiversity. Furthermore, processes of technological cycles must be designed to maintain or even increase the quality of the resources and products used.

It promotes the *diversity* (6) of solutions in all aspects, whether technical, economic, ecological or socio-cultural. Finally, this economic model encourages *local and solidarity-based solutions* (7), and promotes proximity cycles.

These seven principles may serve as guidelines for public policies, but not only! With regard to the crucial role of the private sector in establishing a circular economy, all economic sectors combined are encouraged to appropriate these principles, to adapt them to their products and business lines, and thus develop and improve related skills.

Turning the circular economy into a comfort zone for stakeholders needs a continuous development of projects that allow dedicated actors, businesses and sectors to learn and co-create a circular ecosystem. Here again, the seven principles may serve as a valuable orientation tool.