



Circular
europe network

Roles of local and regional authorities towards the prosperity of local SMEs

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Table of content

1. INTRODUCTION	2
2. PUBLIC AUTHORITIES : A KEY ACTOR FOR THE TRANSITION OF THE ECONOMY	2
3. DEMAND SIDE.....	7
4. SUPPLY SIDE.....	14
5. CONCLUSION	22



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1. INTRODUCTION

Accelerating the transformation to a circular economy requires both a global and a local approach simultaneously: **global multi-stakeholder collaboration for large-scale systems change** (in finance, technology, and supply chains), combined with specific localised systems change (in cities, regions, countries).

ACR+ published, the [“CEN general guidelines on circular economy strategies by local and regional authorities”](#). This publication aims to explain the potential role of local and regional authorities, and to help them draw up integrated and efficient circular economy plans. Even though the guidelines acknowledge the broader concept¹, the focus is mainly on materials as it is difficult for local and regional authorities to encompass all topics at once and material resources represent the core element of circular economy.

The current document **“Roles of local and regional authorities for the prosperity of local Small and Medium-sized Enterprises (SMEs)”** completes the general guidelines with examples of good practices to set actions specifically for local SMEs.

Governments have an important role to play in speeding up the **transition of our production and consumption models** in order to make them more compatible with the planet’s limited capacity to provide resources and to absorb pollutant emissions, including waste. This role should be mainstreamed in all governmental tasks.

Governments must create across-the-board connections between stakeholders at all levels, whether they are private companies, public authorities, scientists, academia or consumers.

In the current linear “take-make-dispose” pattern, the everyday products that we use are contributing to the quick depletion of the world’s natural resources, resulting in price volatility and unsustainable future growth. Entrepreneurs must find ways to preserve value throughout their supply chains, design products with longer lifespans and take advantage of the possibilities of circular design. Products need to be redesigned so that they can be reused, remanufactured, and recycled with a goal of reducing the amount of waste that ends up in landfills or incinerators. Public authorities can have an important role in this transition.

¹ A circular economy will save energy and help avoid the irreversible damages caused by using up resources at a rate that exceeds the Earth's capacity to renew them in terms of climate and biodiversity, air, soil and water pollution. A circular economy would also significantly reduce greenhouse gas (GHG) emissions through better waste management and reduced use of resources (such as energy, water, land and materials) in manufacturing, with positive impacts on the climate.

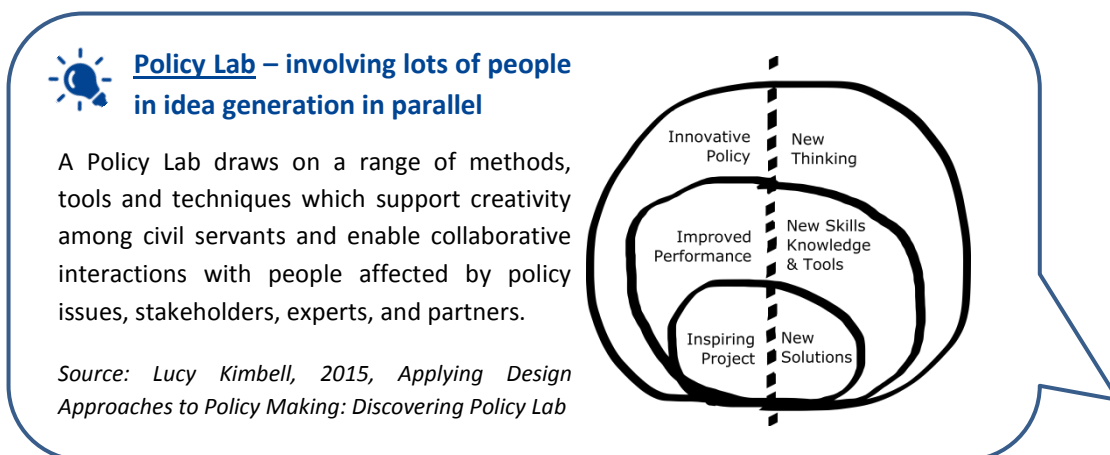
2. PUBLIC AUTHORITIES: A KEY ACTOR FOR THE TRANSITION OF THE ECONOMY

2.1. Service to citizens

Modern democracies understand public administration primarily as a service to citizens. Administration service is usually understood as both administration action (healthcare, education, transport, etc.) and administrative act (issuing licences, permits, certificates, and providing information). In the present period of social change and evidences of planetary boundaries²—the environmental limits within which humanity can safely operate (Steffen, 2015)—public authorities need to make a responsible selection of priorities and to redefine their tasks and functions in accordance with these priorities. This must happen despite limited financial and human resources.

The main objective of public sector entities is achieving outcomes—enhancing or maintaining the **well-being of citizens**—rather than generating profit. However, public sector entities often possess the power to regulate entities operating in certain sectors of the economy or to support the transition of other sectors to safeguard and promote the interests of citizens and to achieve sustainable benefits.

These societal outcomes cannot be reached by public authorities alone. A **deep collaboration with various actors such as private companies** is indeed needed, for instance through co-construction of actions aiming at creating more circularity on the market. A healthy relationship is mainly conceivable when both parties share common objectives. It is not always the case during a co-construction³ process between private and public stakeholders. However, when both parties can see that their activities are complementary contributions, the possibility for a genuine collaboration is opened.



² Will Steffen, Katherine Richardson, Johan Rockström, Sarah E. Cornell, Ingo Fetzer, Elena M. Bennett, Reinette Biggs, Stephen R. Carpenter, Wim De Vries, Cynthia A. De Wit, Carl Folke, Dieter Gerten, Jens Heinke, Georgina M. Mace, Linn M. Persson, Veerabhadran Ramanathan, Belinda Reyers, Sverker Sörlin, *Science* 13, February 2015, Planetary boundaries: Guiding human development on a changing planet

³ Co-construction refers to the participation by various stakeholders, including government, business, the scientific community and the civic sector in the design of public policy.

There are various **benefits of partnerships between public and private actors**. On the one hand, the private sector can be seen as a source of innovation, expertise, effectiveness, long-term business solutions, and, perhaps most importantly, concrete actors in the marketing of future circular products and services. On the other hand, public authorities have to create, among others, a framework in which pioneers of sustainable economic activities (actors of market niches) cooperate with actors of the economic establishment (sectorial federations, trade unions, classical small or large companies). Pioneers and establishment have to cooperate in order to help steer the economy towards more sustainability by emulation and imitation.

Public services professionals need to take a proactive stand with respect to the economic activities in their immediate surroundings. Building a sustainable economy is about connecting places, communities, and economic activities. Moving to a concerted approach is, however, a big challenge.⁴ It requires an increased consideration for **co-construction approaches** and a larger capacity of public administration. Public management teams have to be increasingly aware that time needs to be devoted to **train civil servants** about circular economy and co-construction and that they have to **implement bottom-up and innovative approaches** also within the various administration departments and bodies.



Tools to strengthen the capacity building of civil servants



- [External training](#)
- [In-house course](#)
- [Training on the job](#)
- [Webinar](#)
- [MOOC](#)

Source: Open Education Europa



[Innova.TO](#) to strengthen the innovation of public administrations

It is a competition for all municipal employees of Turin (IT). It aims to stimulate and develop [innovative projects](#) to improve the administration's performance, reducing waste and/or valuing resources. The ambition is to encourage all these employees to see themselves as potential innovators.



⁴ TURAS, 2017, Bridges to local economies. Strategies for place and community based economies



LIPOR's Innovation Team to implement a culture of innovation and creativity

Being the first certified entity in the Portuguese waste sector, LIPOR has been implementing a Research, Development and Innovation Management System (SGIDI) since 2012, with certification according to the NP 4457:2007 standard within the scope of: "Research, Development and Innovation of sustainable waste management solutions". The financial investment in Innovation represents around 2% of the total investments. The Research, Development and Innovation Unit aims to promote and implement a culture of innovation and creativity within the organisation. LIPOR Innovation strategy focuses on 3 priority areas: Slag Recovery, Pure Materials and new Products for Agriculture. To add more value to internal discussions, the Board of Directors recently approved the recruitment of Researchers.

2.2. Transparency to citizens - importance of the monitoring

Governments are challenged to put in place systems with appropriate standards for measurement of success and **monitoring progress** of their actions. Citizens expect all administrations to evaluate the ex-post impacts and costs of all their interventions, including spending, taxation, and regulation. This activity should provide valuable information on the cost-effectiveness of government interventions, to learn lessons to improve current and future policies. For more information, please read section 6.2. Monitoring and evaluating the strategy of the "[CEN general guidelines on CE](#)".



Prevention plan of North London Waste Authority

The aim of the North London Waste Prevention plan is to reduce municipal waste arisings in north London, promote resource efficiency and improve the local environment through a comprehensive and sustainable programme of waste prevention activities. All activities included in the Plan will be rigorously evaluated and impact will be measured via a suite of monitoring methods: physical measure of waste diverted, survey methods, feedback, activity statistics, and proxy measures.



2.3. Bridging actor

Local and regional authorities must take on a key role in the transition to a circular economy. Thanks to their competences, **local and regional authorities are facilitators of circular economy** and as such have to take part in the necessary cooperation between public and private sector. To boost circular economy in Europe, **multi-stakeholder initiatives** are needed.

First of all, **government bodies** have the benefit of being relatively **stable**, and investment in a transition process enables them to ensure sustainability and successful adoption of the model, which thereby guarantees private parties' investment. Secondly, the fact that government bodies are seen as a legitimate, strictly **neutral** third-party guarantor that is restricted by public interest is a definite advantage when it comes to building bridges between private interests.

In determining sustainable outcomes, there will often be conflicting interests between achieving the various economic, social, and environmental benefits. In these cases, the governing body needs to **balance**, preferably through consultation, **the various public interests** concerned and ensure that appropriate trade-offs, based on the outcome of the political consultation, are made.⁵



Employment-Environment Alliance

The Alliance has involved, between 2010 and 2014, stakeholders for designing and/or implementing concrete actions for the transition to a green economy.

Some numbers:

- 250 stakeholders that have implemented almost 200 actions
- The forecast in terms of job creation during the deployment of all the current policies and actions (by 2020) is 10,100 jobs.



The City of Paris is committed to promoting the development of circular economy through targeted measures



The City of Paris launched the General Assembly on the Circular Economy of Greater Paris on March 2015. Nearly 240 participants from various backgrounds attended this event: associations, academics, NGOs, public bodies, businesses, and citizens. All these stakeholders brainstormed during 3 workshops and eventually drew up 65 proposals, published in the White paper on the circular economy of Greater Paris. Their ultimate goal is to help reduce the environmental footprint of Greater Paris.

⁵ CIPFA and IFAC, 2013, [Good Governance in the Public Sector — Consultation Draft for an International Framework](#)

2.4. Connecting demand and supply. The role of public authorities

There is a high level of risk that a transition to Circular economy will not succeed unless the **government** takes on the **role of structuring partnership facilitator** between stakeholders. That role involves:

- Monitoring and following the phenomenon of the transition towards that model;
- Stimulating public procurement as a lever to boost demand;⁶
- Strengthening behaviour change and the participation of civil society (by raising consumers' awareness to change their attitude towards objects and services);
- Easing companies' financing during the transition to a circular business model;
- Helping to launch trainings;
- Structuring research;
- Adapting market instruments;
- Strengthening regulatory instruments;
- Setting up regional coordination for projects.



⁶ According to the European Commission, in the EU, the public purchase of goods and services has been estimated to be worth 16% of GDP. (cf. <http://ec.europa.eu/trade/policy/accessing-markets/public-procurement/> - Consulted on 09/10/2017)

3. DEMAND SIDE

For the stimulation of the demand towards circular economy, public authorities could implement various actions at several levels. Actions targeting specific actors could range from awareness programmes for citizens, to informing industrial actors. Others could focus more on the work of the public authorities, using public procurement to promote circular economy, or local incentives for reuse and recycling. These four cases are detailed hereafter.

3.1. Launch an awareness programme for citizens

The objective of this kind of campaign is to raise awareness about waste reduction, product reuse and material recycling strategies, to mobilise and encourage citizens to concentrate on key action themes, and to support concrete behaviour change regarding consumption and waste management patterns.



The EWWR: an umbrella for awareness-raising actions



The European Week for Waste Reduction (EWWR) is an initiative aiming to promote the implementation of awareness-raising actions about sustainable resource and waste management during a single week.

It encourages a wide range of audiences (public authorities, private companies, civil society as well as citizens themselves) to get involved.



PontVelem Programme

The PontVelem (PointWithMe) Smart Programme is a nationwide initiative designed for primary school students and teachers, involving children's parents as well. It gives a boost to separate waste collection in a joyful way and teaches children about financial consciousness and sustainable development whilst emphasising the importance of charity.



LIPOR Environmental Education and Intervention Programme (EEIP) Geração+ Project

The LIPOR Environmental Education and Intervention Programme annually provides an educational offer that seeks to promote citizens' commitment to good environmental practices, facilitating the acquisition of skills for greater civic, environmentally responsible and sustainable intervention. The LIPOR GENERATION+ project is an offer inserted in the EEIP which aims to be a tool capable of minimizing the environmental problems of social or educational institutions and other organisations. The initiative promotes an optimization of human and material resources, which are part of the environmental management processes.





An alliance promoting a more liveable city – Patto per la bellezza



Amiu, the Genoa waste management company, provides equipment and collection and recycling services for the implementation of a pact signed between institutions and citizens to jointly take care of the urban decorum through activities of cleaning and care of the public goods.

It involves some 60 local associations of citizens, with diverse scopes, and active in different areas of the city promoting some 80 interventions. They promote cleaning initiatives on their respective territories regarding parks and gardens, playground areas, seashores, trekking paths etc. pre-selected in collaboration with the urban sub-municipalities.



North London Community Project Fund

North London Waste Authority has established mid-2017 a Waste Prevention Community Fund to support waste prevention initiatives in the North London area. The aim of the Fund is to provide community-based (non-profit) organisations with access to funding in order to develop new approaches to tackling waste prevention, and also to extend the reach and impact of waste prevention activities in North London.



Call for citizen-led neighbourhood projects

For years the Brussels Region has stimulated innovative and collective actions done by group of citizens living in the same neighbourhood, now gathered under the “Let’s inspire the neighbourhood” call:

- Vegetable Production, collective compost, poultry;
- Zero waste projects: repair, exchange, loans, gifts among citizens;
- Greening the neighbourhood and house facades;
- Good Food actions.



Reuse Month



Reuse Month is a targeted national initiative run in Ireland each October. The initiative aims to educate and raise awareness about reuse through a range of local, regional and national reuse workshops, talks and seminars. A key objective of Reuse Month is to impart the skills and confidence to the general public to help them make more sustainable choices in terms of consumption and waste.



3,000 shops for a targeted awareness-raising campaign on WEEE

In order to promote a new Waste Electrical & Electronic Equipment (WEEE) collection system and the related EU legislation, the City Hall of Genoa and AMIU involved consumer associations to promote a door-to-door awareness campaign directed to retailers.

In three months over 3,000 shops were visited by a team of volunteers in the whole city area and over 1,500 decided to get directly involved as multipliers of the campaign acting as environmental communication point towards their clients. Informative materials and gadgets supported their action.



3.2. Inform industrial and retail actors

Industry and retail actors are also clients of their suppliers. By a more sustainable demand, they can influence the level of circularity of the products they need for their own business. As various supply chain links have to evolve, success stories and better demonstration of the economic and non-economic benefits are needed to encourage adoption of circular business models by companies. Cities and regions have an important role to play to **communicate about the success of front-runners** to encourage further growth of new business models.⁷



Platform on circular economy

The purpose of the database developed by the Institut de l'économie circulaire is to facilitate innovation and a transition towards sustainable models by showcasing "pioneering initiatives". Access to the platform is fully open, allowing project leaders to share experiences and access all the available tools on the subject. It is open to all (citizens, entrepreneurs, local authorities, large companies, etc.) and facilitates networking by means of collaborative spaces.



SEB CAN FIX IT!

PUBLISHED ON 2016-12-19 14:34:35, BY MORANE MANGEANT

Geographical area : France
Niveau d'avancement : In operation

[Locate](#)

[Economie/circulaire.org](#)



Washing station for reusable food containers

PUBLISHED ON 2016-03-31 15:25:41, BY XAVIER MARTIN

Geographical area : Ile de France
Niveau d'avancement : In operation

[Locate](#)

[Economie/circulaire.org](#)



⁷ World Economic Forum, 2014, Towards the Circular Economy: Accelerating the scale-up across global supply chains



Business Development Network – Smart Waste Portugal (SWP)

SWP is a non-profit association founded in 2015 with the mission of involving all stakeholders in the waste sector, enhancing and valuing waste as an economic and social resource, creating the conditions for a greater capacity to react to new national and international trends, acting throughout the value chain through a collaborative strategy, promoting innovation, research, development and implementation of solutions. The SWP launched the pioneering Study on the Relevance and Impact of Portugal's Waste Sector on the Perspective of a Circular Economy to characterize the impact of activities related to the collection, treatment, recovery and disposal of waste in the Portuguese economy within the framework of a circular economy model.



3.3. Promote circular economy through public procurement

Public spending represents between 15 and 20% of global GDP annually.⁸ By **setting requirements for government purchases that mandate the circularity of products and services**, public authorities can encourage the market to use circular production methods and thus be significant advocates for the circular economy.



Circular procurement of furniture in Venlo

In Venlo, for the tender process of municipal office furniture, bidders were asked to offer products based on healthy materials, which would be easy to disassemble, refurbish and retain residual value. The objective was to incorporate new business models by implementing the Total Cost of Ownership concept, which estimates not only direct costs of products but also indirect costs (e.g. ecological, social), and by asking bidders to offer a take-back system for their products after a period of ten years while also considering the financial residual value of these products, including maintenance.



LIPOR Public Procurement Initiatives

For the contracting of cleaning services, LIPOR developed a set of green public procurement criteria. Another example of the inclusion of circularity practices in the acquisition of goods and services refers to the contracting of catering services, promoting the use, in the confection of meals, of products of national origin and, preferably, local, being also contemplated the donation of food leftovers to institutions of social solidarity. This initiative has positive social effects, resulting from the redistribution of surplus food to a more vulnerable population, besides the promotion of national production.

⁸ European Commission: http://ec.europa.eu/growth/single-market/public-procurement_en (consulted on 09/10/2017)



Public Procurement for circular products

Ghent's procurement strategy (Belgium) is in favour of (super-) concentrated detergents and cleansing products, minimal packaging, recycling, less water consumption, and a reduction in the need for transport (lowering carbon emissions), in line with the Cradle-to-Cradle Certified Products Programme. In 2013, the city of Ghent announced that 180 public buildings — including administrative buildings, museums, libraries, warehouses, and community centres — will be cleaned with Ecover's Cradle to Cradle Certified™ Silver products. Ghent is proving an example how innovative a city could be.

More information is available [on the website of the Circular Europe Network](#).



Paris responsible public procurement scheme at a glance

[Paris responsible public procurement scheme](#), based on a collaborative draft submitted by all city directorates, was voted on 16 February 2016 and unanimously adopted by Paris Council members. This scheme is meant to reflect the City's commitment to responsible sourcing. It aims at promoting best practice sharing, quantitative targets, and innovative actions that would support responsible sourcing of all public purchasing made by Paris municipality in regards to economic, environmental and social efficiency – known as the three pillars of sustainable development.



"Closed loop" recycled paper

There was a shift in procurement in a UK government department from a product, paper, to an integrated service. This was done to achieve the dual objective of improving traceability of confidential information while achieving sustainable procurement objectives related to the use of 100% recycled paper. It provided a solution to a confidential paper waste problem by shredding it on-site and selling it back to the department as 100% recycled paper at a lower cost.



European public purchasing archipelago

End 2015, the City of Paris introduced a new method for calls for tenders – a European green buying group. The idea is to allow European cities and metropolises to associate and organize joint public tenders so as to boost demand and to deflect manufacturers' behaviour towards the supply of sustainable solutions. Eventually, joint tenders should allow for price reduction and help encourage the development of green solutions in any industry. The City of Paris will remain coordinator of those future tenders, which any European city could join on a case-by-case basis. So far, 3 French cities (Strasbourg, Bordeaux, and Lyon) and 7 European metropolises (Brussels, Athens, Tallinn, Rome, Copenhagen, Madrid and Lisbon) have grouped for launching a joint tender on public dumps and low-carbon trucks.

3.4. Develop incentives at local level for reuse and recycling activities

The reuse of products leads in many cases to a reduction in material resource and energy consumption, water and air pollution, greenhouse gas emissions, and waste generation. It contributes to the protection of valuable natural resources and is a means to provide affordable second-hand products for people with low income.⁹ The **development of reuse and repair centres/hubs** aims to advance regional ambitions towards a circular economy by providing centres of excellence which maximise reuse and repair, creating jobs and training opportunities with skills to extend the longevity of products and the reuse of materials. These centres/hubs are relevant to both urban and rural communities, addressing social inclusion considerations.¹⁰



Re-use federation

An example of a reuse federation is KOMOSIE in Flanders. De Kringwinkel is the largest social franchise in Europe and is a guarantee of quality of services. In 2017, there were 108 Kringwinkels, as the individual shops are called, operating across Flanders in Belgium. KOMOSIE makes use of local and regional social employment programmes for low-skilled and long-term unemployed people.



Second-hand equipment

Since 1998, Vienna supports financially the repair centre R.U.S.Z. – Reparatur und Service Zentrum. At the R.U.S.Z., Waste Electrical and Electronic Equipment (WEEE) diverted from shredder treatment are collected and repaired. Electronic waste that can be repaired is reused and sold as second-hand equipment.



RREUSE: European federation of 3R actors

RREUSE represents national federations of social enterprises active in reuse, repair and recycling. They want the EU and national governments to move from promoting just recycling and waste management to putting second hand as a higher priority in the hierarchy. RREUSE primarily represents so-called Work Integration Social Enterprises (WISE) which use the economic activity of reuse, repair and recycling to provide job and training opportunities for people often outside of the mainstream labour market.



⁹ CERREC, 2014, Implementation Handbook

¹⁰ ZeroWaste Scotland, 2014, Re-use and Repair Centres/Hubs - Scoping of models and outline business cases



Real Nappy Subsidy

North London Waste Authority has supported the use of real nappies in north London since 2005 by offering parents/carers who can demonstrate that they are using reusable nappies rather than disposable ones a subsidy of up to 54.15 pounds to purchase and trial real nappies. The value of the subsidy is linked to the estimated avoided costs of disposal which would have been incurred by NLWA, had the parents been using disposable nappies instead of reusable ones.

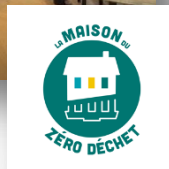


Urban waste collection point – Ecopoint d'Auvours

In 2017, Nantes Métropole inaugurated a new urban waste collection concept, the Ecopoint d'Auvours in downtown Nantes. In addition to its classic skips (cardboard, scrap, etc.) the site offers a closed "re-use space" where citizens can put everything that can be reused (dishes, household appliances, books, clothes, etc.). Reuse associations will sell the recovered items at low cost.



Zero Waste House in Paris



The Maison du Zéro Déchet is a circular economy centre created by the association Zero Waste France with public support from the City of Paris. Visitors are presented with products and possibilities that ease the transition to a life of zero waste production. In this space, people also find waste reduction workshops, such as learning to repair objects or to build more resilient ones, and debates about circular economy.



Rediscovery Centre in Dublin

The Rediscovery Centre is a creative space in Dublin connecting people, ideas and resources. The centre brings together the skills and expertise of artists, scientists, designers and craftsmen united in a common purpose of sustainability through resource efficiency and reuse. The Rediscovery Centre supports the development of the circular economy and advocates for a more resilient, equitable society. The Centre has four reuse social enterprises Rediscover Furniture, Rediscover Fashion, Rediscover Paint and Rediscover Cycling. These enterprises use waste and unwanted materials as a resource and raw material for new product design.



4. SUPPLY SIDE

Instances in which the government, in its role or authority, influences the transition can be found hereunder.¹¹ There are many ways public bodies influence the supply side: legislation which encourages innovation, market incentives, public financing, knowledge and innovation, coaching schemes, international cooperation, are just some of the many examples.

4.1. Fostering legislation and regulations

Legislation and regulations can promote, as well as hamper circular innovation. Although the goal is to remove regulatory barriers, the primary objective is to develop legal frameworks that encourage innovation, promote dynamics, and support investments.

In the development of their innovation or investments for a new product or process, companies often have insufficient access to public legal services, even though they are important partners in the realisation of their business case. **Room for innovation** thus requires that enforcers are closely involved in the drafting of rules and laws in which the needs of entrepreneurs have been understood and taken into account.



Green deal

The Dutch Government has concluded about 150 Green Deals: agreements between various parties, which focus primarily on removing non-financial obstacles, such as legislation and licensing for environmentally-friendly initiatives which encounter barriers. This scheme aims to save energy, materials and water as well as stimulate economic activity from the ground up. Individual Green Deals are voluntary agreements [about regulations] between an initiator and the government. Examples: waste generated on ships, Clean Beaches, Fishing for a clean sea, Biomass flows, etc.



Ban of disposable food and drink containers at events in Munich



In 1999 the local government of Munich banned the use of disposable crockery (paper plates, plastic cups, plastic forks and knives) at large-scale public events that take place on land owned by the city. This obligation applies to all city facilities and events, such as the Munich-based weekly markets in the Olympic Stadium and Munich's Oktoberfest. However, it does not cover events taking place on privately-owned land.

¹¹ See also: The Ministry of Infrastructure and the Environment and the Ministry of Economic Affairs, also on behalf of the Ministry of Foreign Affairs and the Ministry of the Interior and Kingdom Relations, 2016, [A Circular Economy in the Netherlands by 2050](#)

4.2. Targeted market incentives

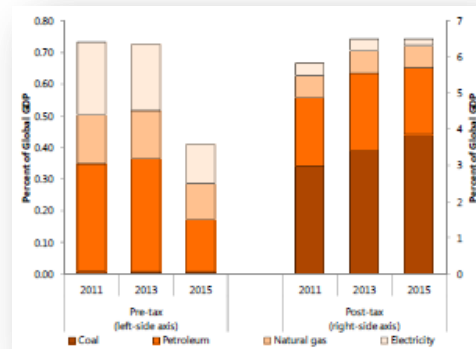
Targeted market incentives are meant to tackle imperfections in the market and to encourage the market to move in the direction of a circular economy through **targeted price incentives and regulations**. This intervention is intended to promote the demand for recycled and bio-based materials, to stimulate circular innovations and business models, and thus reinforce the national and international markets for these types of raw materials.

At the national and European levels, governments have to first focus on **phasing out market incentives (taxes) that have a negative impact** on the environment. Alternative incentives can be applied to the market to either encourage circular economy activities, or discourage non-circular ones. For example, getting rid of indirect subsidies for raw material extraction or fossil fuels could further incentivise performance models.



End of fossil fuel subsidies as a first step of circular economy

Encouraging the reuse of materials and extending product life expectancy are crucial to implementing the circular economy. One of the first steps in this direction must be the elimination of direct and indirect fossil fuels. According to a study by the [international monetary fund \(IMF\)](#), in 2015, the EU spent €330 billion in fossil fuel subsidies. The same study highlights that eliminating these subsidies in 2015 would allow governments to save €2.9 billion—3.6 percent of GDP—and to cut CO₂ emissions by over 20 percent.



Ex'tax: New era. New plan. Fiscal reforms for an inclusive, circular economy

As illustrated by the Ex'Tax Project from the Netherlands, shifting the taxation structure from labour to natural resource use could further incentivise circular practices as well as potentially create hundreds of thousands of jobs.



Tax breaks for repairs

The Swedish government is introducing tax breaks on repairs for everything from bicycles to washing machines so that it no longer makes sense to throw out old or broken items and buy new ones. The labour costs for repairing white goods like fridges and freezers is now partly tax deductible.

A factor to be considered with respect to any subsidy promoting the use of new products or the destruction of used products is whether the subsidy benefits the circular economy or not. If the subsidy does not promote the circular economy, alternatives should be sought that do have this effect. The circular economy concept stresses the importance of covering the whole life cycle of a product (“life-cycle thinking”).

4.3. Financing

Investments in **circular products and services have a different risk profile**, different depreciation periods, and a different cost-benefit balance from linear products. There is also still relatively little knowledge about circular business models. Circular innovations generally entail higher capital requirements. The return-on-investment times are sometimes longer, such as when businesses want to keep possession of their products (Product-Service System) and want to earn money through providing services.

Government financial support such as **grants, capital injections, and financial guarantees are levers** for the up-scaling of circular economy, alongside the levers of technical support, advice, training and the demonstration of best practices.



Circular Economy Investment Fund in Scotland

An £18-million fund, provided over 3 years via structured grant calls & procurements, was set up to help small and medium-sized enterprises (SMEs) in Scotland explore and pioneer ways to develop circular economy. The fund aims to accelerate the development of business innovation, including support for developing new technologies and the infrastructure needed for a more circular economy such as: sharing, leasing or take-back models, encouraging repair or new recycling ideas. The fund will focus on priority commercial and industrial sectors: the bio-economy (food and drink), built environment (construction and demolition) and energy infrastructure (oil and gas decommissioning, renewables, transmission). There will also be funding available for key activities such as reuse, remanufacturing, repair, and reprocessing.



SCREEN project – Synergic CirculaR Economy across European Regions



The SCREEN approach is based on the identification and implementation of operational synergies between investments in research and innovation under Horizon 2020, the Structural Funds and the European Investment Funds. SCREEN will develop a common approach to support the transition to a circular economy and to enhance existing smart specialisation strategies of the regions involved. The project will also develop some policy support advisory services to enable regions to invest EU funds in a transnational value chain that will be identified and ranked by adopting common criteria.



Parisian Participatory Budget

Every year, the City of Paris invites Parisians to decide on the allocation of 100 million euro to invest in the city. The projects the budget will be invested on are also proposed by regular citizens, through an online platform, and can be designed to impact the whole city or a specific neighbourhood. The voting is done either by digital and paper ballot, enabling all Parisians to take part in it. In 2016, 32,000 ideas were proposed to the City of Paris through the online platform and, after a two-layered filter of matters of competency and technical feasibility, 1,402 projects were selected. Thematic committees then decide on which projects should be proposed to Parisians, which led in 2016 to 624 projects put to vote. The participation in the voting phase increases each year, and reached 159,000 votes in 2016 (7% of the Parisian population). Each year, more and more of the projects chosen by this participatory method are in the field of circular economy.



“Third Industrial Revolution” savings account

The Hauts-de-France Region, with the support of the Crédit Coopératif bank, created a “Third Industrial Revolution” savings account. Made possible thanks to the ability of French Regions to experiment new rules on their own territory (a “Right to experiment”), this savings account is completely dedicated to the funding of projects aiming to achieve at least one of the 8 objectives (renewable energy, energy-producing buildings, Energy storage, Intelligent networks, innovation in mobility, energy efficiency, circular economy, service/functional economy) of the Hauts-de-France Region. This savings account is now available for every French citizen since January 2015.



Grants to promote circular economy projects in Catalonia

Targeting private companies, these grants are intended to boost the transition to the circular economy. The actions covered by the grants include eco-design, reuse, industrial symbiosis, take-back schemes, new uses of recycled material, new projects aimed at increasing the recovery of resources, and landfill mining. The grants can reach up to 75% of the project budget (for SMEs), with a maximum of 30,000 euros.



“Be circular, Be Brussels” call for proposals

This call for projects is an initiative of the Brussels-Capital Region for the benefit of self-employed people and businesses in Brussels, designed to support them in their creativity and develop economic activities in Brussels which benefit the environment and local jobs from the viewpoint of the circular economy. The call has an annual budget of €1.5 million in direct support. 4 sectors have been selected for 2017: construction, resources and waste, logistics, retail and food.



4.4. Knowledge and innovation

The development of knowledge (education and research) and its dissemination and exchange in networks are essential for the desired transition. The objective of the knowledge and innovation intervention is to **provide** those who play a central role in society with the **information required to take decisions and to upscale circular solutions**. Strong links need to be created between the public agency of innovation and the other administrations.



Policy-relevant research in Flanders

The Flanders Materials Programme brings together the Flemish government, industry, university & research centres, and civil society in order to achieve Flanders' transition to a circular economy and sustainable materials management. Their Policy Research Centre Sustainable Materials Management (SuMMa) brings together researchers from UGent, KU Leuven, UHasselt, University of Antwerp, HUB, and VITO, and investigates which economic, policy and social preconditions need to be fulfilled in order to realise the transition to a material-efficient circular economy.



LIPOR and Arts Faculty of Porto University partnership

Since 2012 LIPOR is responsible for coaching a semester of a Design Class at Arts Faculty of Porto University. Subjects such as Prevention, Climate Change, Urban Farming, Sustainable Construction and Circular Economy are addressed to provide more skills and new approaches to future younger designers. The students are also invited to develop a design project where they integrate the concepts learned, linking the conception stage with the potentials environmental impacts.

4.5. Dedicated infrastructures

Dedicated incubators are useful to encourage the creation of new business ideas and a new generation of entrepreneurs and to promote a new innovative, scientific, creative and sustainable vision.



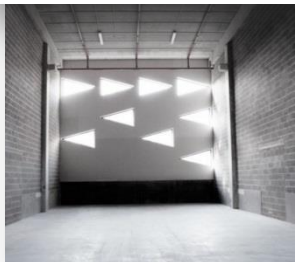
Platform for treatment and recovery of waste from the construction industry

Nantes Métropole is working with the economic actors to build an infrastructure that will propose from 2018 solutions for all building materials and will partly use the river – La Loire – as a means of transport. It will promote the circular deconstruction process on major construction sites in the nearby metropolis.



Greenbizz Incubator

In Brussels, Greenbizz provides companies and start-ups with an area of 8,000 m² of facilities and services to create and develop their green, sustainable, or environmental projects. Their objective is to maximise business' chances of success. To that end, they organise training sessions with experts specialised in entrepreneurship. And because every business project is different, they also organise customised advice and support according to the state of development of the activity.



Incubator BLC3

BLC3 represents an Incubation Centre for ideas and business in Portugal, a structure directed to the creation and development of new business models with a particular focus on natural and local resource valorisation, promoting the Industrial Ecology spirit. The core activities are project management, identification and selection of investment/funding sources, and promotion of structural investment funds.



Food coops – SCOPELI

Nantes Métropole supports Scopeli, a food supermarket where only shareholders can shop. All shareholders must commit to doing three hours voluntary work per month in the store. This includes unloading delivering trucks, stocking shelves, etc. The store is a non-profit coop and aims to offer the best of seasonal food, organic where possible.



le supermarché **coopératif** et **participatif**



Paris & Co

The Paris economic development and innovation agency, Paris & Co, has set up three incubators on the topics of sustainable City: the rolling lab' (innovations in sustainable logistics), the innovative sustainable building platform, and the circular economy incubator. They host and monitor over 100 start-ups, with the participation of 25 big companies and 15 public stakeholders.



Fabcity

Paris incubator on design and crafts is leading an experience associating NGOs involved in the reuse sector, and designers able to upcycle and reindustrialize second-hand goods.



The Circular Business District in Paris

In 2017, the city of Paris decided to launch a pilot area to experiment the first "Circular Business District". This area, located in the south east of Paris, covers 350 ha and represents 100,000 jobs. In cooperation with various economic stakeholders of the area, this joint initiative aims at generating synergies and partnership between local firms in order to improve their environmental performances. This experiment also includes the public facilities of the area. Cooperation could be established on different topics such as waste collection, logistic, purchasing... Several thematic workshops already started with the stakeholders.

4.6. Coaching schemes

The public authorities could finance actors that provide, for example, a creative environment in which businesses and designers can apply circular business strategies to current, real-life cases. So, they can take the first steps in implementing their circular business ideas. At the end of the process, entrepreneurs ideally leave with a clear circular business proposition, a finalized feasibility check and a roadmap to implementation. Throughout a series of support workshops, businesses, designers, and end-users can join forces to create a roadmap to develop business through circular design.



Product-service system support module

The Brussels-Capital Region has granted a budget of € 60,000 to UCM (SME representative) to test a support module for SMEs (less than 10 people) on Product-Service Systems. From March to December 2014, seven companies (2 start-ups and 5 existing companies) followed the individual and collective support module. The selected SME started with an individual interview or pre-diagnosis made by UCM to suggest to most relevant model/tool based on its profile. Then, the SME followed 6 collective sessions, complemented by two personal meetings with a consultant, over 10 months and a regular follow up by UCM.



Catalonia Ecodesign award

The Catalonia Ecodesign Award recognises existing products, products under development, and strategies designed, manufactured, or executed in Catalonia which incorporate in their design aspects aimed at improving their environmental performance over the course of their life cycle. It is aimed at product designers or manufacturers, strategy promoters, or students in Catalonia. The award has 4 categories: product, product under development, strategy and young design.



4.7. International cooperation

Achieving circular economy is an international challenge. Various global developments require a radical change in global production and consumption patterns. The absolute decoupling of our raw materials consumption from economic prosperity requires that we succeed in a **collective challenge**. The transition to a circular economy makes a significant contribution to resolving this issue.



URBAC Boostinno

Paris is a member of Boostinno network, a URBACT European project for developing a Pan-European model on how to boost urban social innovation. In a conscious effort of linking social economy to circular economy, Paris' local group is focused on responsible consumption gathering actors that promote it in diverse ways. They are distributors, reuse actors, advocacy experts, and citizen mobilization actors. The goal of the Boostinno network is to develop the theory behind the roles held by local administrations in fostering social innovation and transitioning to circular and social economy within their cities. The network was launched in 2015 for a period of 3 years.



Circular Europe Network

ACR+ has and continues to support local and regional authorities with the preparation and implementation of ambitious circular economy strategies. Since 2014, ACR+ does so in particular via a specific initiative, the Circular Europe Network (CEN), which gathers ACR+ members who are committed to improving their resource strategies and strengthening sustainable development in their territories. This initiative builds on the expertise of European front runners within the ACR+ network and beyond in order to gather, analyse, and exchange information on efficient circular economy strategies implemented by cities and regions. These good practices are available as factsheets on the CEN website.



CE100 of the Ellen MacArthur Foundation

The Circular Economy 100 is a pre-competitive innovation programme established to enable organisations to develop new opportunities and realise their circular economy ambitions faster. It brings together corporations, governments and cities, academic institutions, emerging innovators, and affiliates in a unique multi-stakeholder platform. Specially developed programme elements help members learn, build capacity, network, and collaborate with key organisations around the circular economy.



5. CONCLUSION

Public authorities have a responsibility to ensure sustainable development of our societies. **Circular economy strategies** can be a **strong driver of change** and a contribution to reach this goal. Local, regional and national authorities have their role to play, an essential role, close to the diverse stakeholders that need to be involved in the process.

The importance of the **circular economy** can be highlighted both **for economic prosperity, innovation, and jobs** as well as for a **strong reduction of the ecological footprint and carbon emissions**. It holds the promise of 2 million new jobs, estimated net savings EU-wide to businesses up to 600 billion euro, and hundreds of millions of tonnes of avoided waste. Through the concept of the circular economy, Europe becomes less dependent on raw materials and energy from outside the continent. By focusing on the circular economy with the ambition for the EU to become the world's leading example of a zero-waste economy, both society as a whole as well as forward-looking businesses will benefit from EU policy.

Governments can create conditions in which circular business models will thrive rather than struggle uphill. If they take off, our businesses will start solving the social and environmental problems of our time within an improved government framework.¹²

The concepts explained in this publication are largely illustrated by activities of front-runner members of ACR+. The Circular Europe Network is built on this expertise of European front runners within the ACR+ network in order to gather, analyse and exchange information on efficient circular economy strategies implemented by cities and regions. The main objective is to translate the broad concept of a circular economy into the real-world throughout Europe and beyond.

¹² De Groene Zaak Sustainable Business Association, MVO Nederland and Circle Economy, 2015, [More prosperity, new jobs Manifesto on Circular Economy Policy in the EU](#)

HOW TO ACHIEVE CIRCULAR ECONOMY AT LOCAL AND REGIONAL LEVEL



LOCAL AND REGIONAL AUTHORITIES FACE MANY CHALLENGES

CIRCULAR ECONOMY

IS A SOLUTION



DISCOVER THE

CIRCULAR EUROPE NETWORK



BEST PRACTICES
150 CASES FROM CITIES AND REGIONS AROUND EUROPE

SHARING, MEETINGS AND CAPACITY BUILDING
IMPROVE YOUR KNOWLEDGE AND TOOLS



GUIDELINES
AVAILABLE IN ENGLISH, ITALIAN, SPANISH, CATALAN AND PORTUGUESE

NETWORKING
GET IN TOUCH WITH FRONTRUNNERS AND EXPERTS



WHERE TO FIND IT?

www.circular-europe-network.eu

JOIN THE CIRCULAR EUROPE NETWORK

Boost local and regional circular economy strategies

Circular Europe Network

Building on 20 years of experience, ACR+ launched the Circular Europe Network, a multi-stakeholder platform aiming at supporting local and regional authorities in adopting aspiring circular economy strategies. Carrying the ACR+ vision for circular economy, the Circular Europe Network facilitates knowledge and expertise sharing on circular economy strategies.

It benefits from the active contributions from ACR+ members, cooperation with national and thematic networks and reviews by an advisory committee. It was launched with the political support of several personalities, in particular Janez Potočnik, former EU Commissioner for the Environment, as well as several mayors and ministers.