



European
Circular Economy
Stakeholder Platform

**EUROPEAN CIRCULAR ECONOMY
STAKEHOLDER PLATFORM (ECESP)
COORDINATION GROUP**



**2021
OUTCOME
DOCUMENT**

**ECESP LEADERSHIP GROUP ON
CITIES AND REGIONS**

INTRODUCTION

Cities and local areas play a major role regionally in promoting the launch and implementation of systemic changes needed for the transition towards a circular economy. The ECESP Leadership Group focuses on this approach, therefore urban and rural areas and the interaction with regional areas are at the core of the LG's discussions. Cities and regions have the tools to address local stakeholders, as suppliers of goods and services, as consumers of these goods and services or as enablers of the transition towards more sustainability and circularity. Thanks to strategy and planning, economic and legislative frameworks, awareness-raising campaigns and many other instruments that support local stakeholders' action, local and regional authorities can facilitate and lead the transition to the circular economy in their area.

The region-specific approach of the circular economy requires good governance based on a collaborative and multi-stakeholder approach so as to enable the development of efficient strategies. Public authorities have a key role to play in ensuring that public interests are safeguarded and bringing different stakeholders to the table. Monitoring is an important part of ensuring that progress is on track. The European Commission communication on a monitoring framework for the circular economy published in 2018 contains ten indicators updated by Eurostat. The European Commission aims to update the monitoring framework as stated in Annex 2 of the CEAP. The Communication addresses Member States and there is therefore a need to promote the adoption of a common set of indicators relevant to cities and regions. In addition, policy agendas make climate action the top priority, and so adequate monitoring frameworks must be developed to link up circular economy activities and their impact on major issues such as climate change.

The transition to a circular economy entails a systemic transformation of entire value chains, covering design, production and consumption phases. The same logic applies to commodities, infrastructure and biological nutrients. At the end of a lifecycle, the used materials need to re-enter the economy to really close the value cycle. Cities and regions are hubs of innovation and socio-economic transformation, with great potential to lead the transition to a circular economy. However, this deep transformation often requires supporting mechanisms to make it happen. The European Commission together with the European Investment Bank (EIB) supports the necessary investments at regional level and ensures that all regions benefit from the transition by harnessing the potential of EU financing instruments and funds as stated in the Circular Economy Action Plan (CEAP). For example, the Circular City Funding Guide provides information and support on financing in the urban context. In addition to awareness-raising, cooperation and capacity-building, cohesion policy funds will help regions to implement circular economy strategies and reinforce their industrial fabric and value chains. The Circular Cities and Regions Initiative will also provide key assistance for cities in their transition towards a circular economy.

ACTIVITIES CARRIED OUT IN 2021

The Leadership Group on Cities and Regions promotes the exchange of practices by organising specific thematic meetings. In 2021, three meetings and two EU Circular Talks (EUCT) were organised.

First meeting

The first LG meeting took place on 8 February 2021. The main objective was to establish an outline of how the working group planned to organise its work using the EUCT process and to brainstorm about the priorities to be tackled by the leadership group. Three main priorities were identified to boost the transition towards a circular economy in cities and regions: 1. Consider the needs of cities and regions - focus on barriers and types of needs that could be addressed by other stakeholders (in particular linking up with climate and circular economy monitoring) 2. An inclusive approach to stakeholders - focus on governance models, cooperation and knowledge access facilitation 3. Include territories that are lagging behind - focus on quick wins and longer-term structural transformations.

Second meeting

On 13 April 2021, LG members reached a final agreement on the topics for the EUCT and identified possible dates for implementation. An online board was used as a tool to support the brainstorming. Based on the interest expressed for the issues highlighted during the LG meetings, it was proposed that #EUCirculartalks would be organised on the following topics:

- Improving the regulatory and policy framework in/for cities and regions
- Improving the monitoring of circular economy (and its impact) by/in cities and regions
- Facilitating the governance of circular economy in cities and regions
- Renovating the waste management sector for a systemic approach

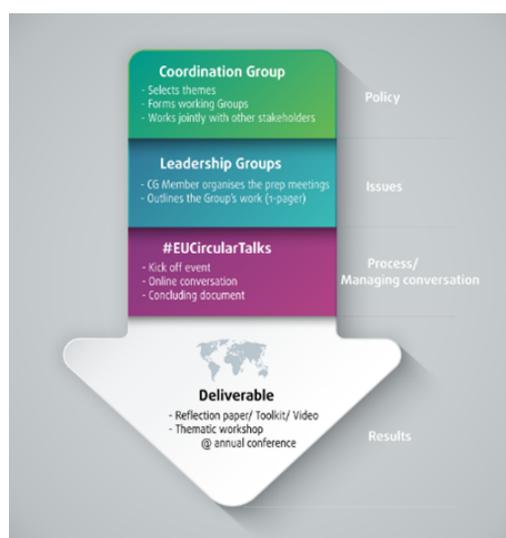
Third meeting

On 4 October 2021, the LG organised the third meeting to finetune the agenda for the EUCT. At this meeting, LG members were asked to contribute to the topics selected during the previous meeting. As an outcome of this meeting, the main topics of the EUCT were identified:

- Measuring Circular Economy impacts in cities and regions.
- Cities and Regions fostering circular economy transition.

First EU Circular Talk: Measuring Circular Economy impacts in cities and regions

The first EUCT was held on 17 November 2021 with the aim of discussing how monitoring frameworks support the measurement of circular economy actions and their contribution to climate mitigation. The event was introduced by ACR+ which presented its More Circular Less Carbon (MCLC) campaign, a practical example of monitoring the circular economy linked to climate. The presentation was followed by statements from Florian Marin (EESC), Stephane Ardit (EEB) and Katerina Fortun (European Commission) that structured the debate.



- Cities will be essential in the transition towards a circular economy. They can unleash the potential of Green Public Procurement (GPP) and make the best use of building renovation waves and smart deconstruction. Thus, it is very important to set monitoring systems for the circular economy at city level. Many systems are already in place, and harmonisation would help to analyse data and to compare good practices.
- The existing indicators set at EU level could be aligned at city level, for instance on waste generation, food waste and GPP. Waste generation data should be used to set waste prevention targets. Other possibilities would be to align material flows quantification and indicators on job creation. The involvement of citizens' assemblies in the co-decision making process will unleash new and more ambitious ideas and long-term actions. The European Climate Pact intends to connect different stakeholders on the ground and encourage initiatives. The link between the circular economy and climate will promote a more integrated plan at city level, ownership of the circular economy and a more holistic approach.

- The panel discussion included Iain Gulland (Zero Waste Scotland), Carolina Innella (ENEA), Cynthia Reynolds (Circular Regions) and Cristian Matti (EIT Circular Economy Community). The discussion focused on the link between climate and the circular economy.
- The MCLC tool was developed to shift from the quantification of materials to emissions. This required a different way of thinking about which data need to be gathered and a tailored approach. To foster climate data gathering, the EU could require Member States to report on climate metrics while providing capacity-building and support instruments for cities and regions.
- New metrics are needed to take account of wellbeing and social aspects. Data sets are important for mapping good practices, and a holistic understanding is needed.
- The Italian Circular Economy Stakeholder Platform launched a survey to understand the strengths that cities need for the transition towards a circular economy. The cases of Prato and Genoa were highlighted for their programmes, visions and multilevel governance processes.
- The example of the Western Balkans on supporting managing authorities to understand what the circular economy is about was explained. This included a portfolio map of circular economy activities developed in six countries. This activity underlined the crucial need to involve the public in the process.

Main outcomes of the first EUCT

Cities play a key role in the transition to the circular economy and so there is a need to develop a harmonised monitoring framework that will facilitate data analysis and the comparison of good practices. Moreover, in order to better connect the circular economy with the climate agenda, a set of common climate indicators at EU level must be devised to promote a more integrated approach at city level and to gain ownership of the circular economy. Finally, to measure the level of circularity in cities and regions, social aspects need to be fully taken into consideration.

Second EU Circular Talk: Cities and Regions fostering circular economy transition

The second EUCT was held on 13 December 2021 with the aim of discussing the supporting tools that are available for cities and regions in their transition towards a circular economy. This second EUCT also touched on the indicators for measuring circularity and their links with the awarding criteria.

- The event was introduced by Piroska Kallay (EESC) and Tjisse Stelpstra (CoR). There are several existing initiatives that support the transition towards the circular economy in cities and regions, such as the Urban Agenda partnership identifying the main barriers facing cities, the Circular Cities and Regions Initiatives (CCRI) and the Horizon programme that supports the transition towards the circular economy by facilitating research and innovation, knowledge sharing and implementing action plans.
- The first panel discussion focused on supporting mechanisms available to cities and included Jonas Byström (EIB Advisory Hub), Giustino Piccolo (Energy Cities) and Ignacio Calleja (EIT Raw Materials).
- The EIB presented different lines of support available for cities, including the Circular Cities Centre (C3). The C3 provides awareness building, knowledge sharing, tools and advice for cities that are at the earlier stage of circular development or at a more advanced stage. All cities have the potential to progress towards a circular economy, and the EIB helps them to identify how this can best be done.
- Energy Cities introduced the EU City Facility (EUCF), funded under H2020, which targets local authorities regarding financing climate and energy projects. The EUCF encourages cities to have a more integrated and holistic approach in their applications. The Facility helps cities to overcome the difficulties in implementing their local strategies.

- EIT presented the Knowledge and Innovation Communities (KICs) initiatives, which aim to strengthen and facilitate coordination and collaboration between stakeholders. In their different KIC calls, the proposals should be aligned with strategies at regional level. Under the European Raw Materials Alliance (ERMA), EIT analyses investment case studies and potential implementation and funding.
- The second panel included Merce Boy Roura (Interreg MED Green Growth community), Joanne Rourke (Dublin city) and Montse Guerrero (AIN on behalf of the Navarra Government).
- The Green Growth community is a network of 17 projects and funded by the Interreg Mediterranean Programme, which includes 13 countries and 57 regions from the northern shore of the Mediterranean region. As a community, they support the projects and actors that are involved in those. Some of their activities involve the transfer of results, capacity building, analysis of needs in the different areas and giving support to facilitate the transition to a green and circular economy.
- Dublin City also provides different support initiatives such as the Circular Economy programme for SMEs and a mentoring and innovation initiative. A toolkit for climate was also designed specifically for SMEs. The Rediscovery Centre in Dublin (also financed by Dublin City Council) includes reuse projects, education and a focus on the social economy.
- The Government of Navarra highlights the need for a regional strategy aligning the various stakeholders. Taxes are used to finance circular economy projects and grants are given to start-ups to help them to scale-up.

Main outcomes of the second EUCT

- This EUCT presented different support tools that are currently available for cities in their transition towards a circular economy. In order to increase investors' trust in circular economy projects, it is necessary to build awareness and increase understanding among financial institutions of the impacts and benefits of circular economy projects and the risks related to linear practices.
- There is a need for coordination between the different financial resources already available, especially at local, regional and national scale. Previous experiences of investments, for instance in the case of the energy sector, could be replicated in the field of the circular economy.
- Capacity building for companies and good coordination and collaboration among departments can facilitate investments in the circular economy. Green public procurement is a powerful tool to take into consideration.

NEXT STEPS

Governance will continue as the main topic of the Leadership Group in 2022. The exchange of approaches and good practices between actors, the definition of common indicators to measure circularity at city and regional level, the link between the circular economy and climate, the application of nature-based solutions as systemic solutions, support for cities and regions throughout their transition towards a circular economy and how to involve specific sectors in this transition will be some of the topics up for discussion.

Moreover, the LG will align its activities with the Circular Cities and Regions Initiative (CCRI) to boost cooperation and maximise the results. The LG will work with CCRI's Coordination and Support Office promoting the demonstration projects, including those that will be generated by the EU Green Deal call for Demonstration of systemic solutions for the territorial deployment of the circular economy. The LG will contribute to the CCRI_CSO tasks on the collection of good practices and technical guidance for the pilot projects. CCRI webinars and resources will be promoted on the ECESP website.