

European Circular Economy Stakeholder Platform



European Circular Economy Stakeholder Platform (ECESP) Coordination Group

Leadership Group on
Cities and Regions

Strategy paper

Lead: ACR+

Participants: OVAM, BusinessEurope, IRCEM, Circle Economy, circular Change, Ecopreneur, Eurocities, EEB, INEC, ENEA, RREUSE

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Introduction

The Leadership Group on Cities and Regions is led by ACR+, the Association of Cities and Regions for sustainable Resource management, and gathers members of the Coordination Group of the European Circular Economy Stakeholders Platform, more specifically representatives of ACR+, Circular Flanders (OVAM), Circular Change, the European Environmental Bureau (EEB), Eurocities, the French Institute on Circular Economy (INEC), ENEA, Ecopreneur, Circle Economy, Business Europe, the Collaborating Centre on Sustainable Consumption and Production (CSCP), RREUSE, Institute for Research in Circular Economy and Environment “Ernest Lupan” (IRCEM) , and the Product Life Institute. This strategy paper has been drafted with input from the afore-mentioned members of the Leadership Group and other organisations like Zero Waste Scotland and Rijkswaterstaat.

Cities and regions as a territorial perspective of circular economy

The specific focus of this ECESP Leadership Group is the territorial approach to circular economy transition at local and regional level, therefore cities, villages and the interaction with regional areas. Local and regional areas are key levels to launch and implement systemic changes that are needed for the transition to circular economy. On the one hand, the majority of the population lives in cities and by 2050 two out of every three people are likely to be living in cities or other urban centres. This is therefore where most of products are consumed and the closeness between urban stakeholders facilitates the creation and repetition of circular economy activities and short loops (especially for re-use of consumer goods and specific sectors like food and construction). However, the population density and the complexity of interactions and resource flows at urban level is challenging. Besides, smaller areas (villages) face specific challenges due to less means and sometimes remote location, which requires specific attention. Being a level of governance that is close to citizens, city authorities have a strong potential to support and influence the development of circular economy business models on their territory. On the other hand, goods are mostly produced outside of cities, in regions where synergies and symbiosis can be created both for food and industries. Interaction and mutual influence of cities and regions is therefore key. A territorial approach to circular economy will help to address issues and find potential solutions in a transversal way, not depending on one specific sector.

Cities and regions have several instruments in their hands to address local stakeholders, either as suppliers of goods and services, as consumers of these goods and services or as enablers of transition towards more sustainability and circularity: via strategy and planning, economic instruments, awareness raising campaigns, and many other instruments that support local stakeholders' actions, local and regional authorities can facilitate and lead the transition to circular economy on their territory.

Three intertwined issues are covered by the leadership group in order to foster the transition of circular economy in cities and regions: how to organise the governance of the circular economy in cities and regions, how to monitor the circular economy in a way that is achievable at city or region

level, and how to support the increase of circularity within public procurement practices. The role of the European Circular Economy Stakeholder Platform should be to connect all lessons learned so that cities and regions can build upon these experiences as well as support the improvement of the European framework.

The triple focus on governance, procurement and indicators for cities and regions

1. The governance of circular economy in cities and regions

By nature, circular economy calls for a cross-sector approach and a system perspective. The territorial approach of circular economy requires different types of **governance**, enabling the development of efficient strategies and facilitating the involvement of the various kinds of stakeholders that can contribute to the transition (public authorities, private companies, communities, education sector, financing actors); public authorities have a key role to play in that governance since their role is to ensure that public interests of the population are preserved and they should be able to efficiently bring other stakeholders around the table.

From a public authority's point of view, the governance should cover the following dimensions: Multi-actors (penta-helix approach: public, private, academic, NGOs and citizens, financial sector); Inter-services cooperation between public bodies (economy, environment, urban planning, procurement, etc.); Top-Down/Bottom-Up (decisions by the managing authorities and actions proposed by grass root initiatives and on the ground); Political decision makers / Technical staff (political vision and orientation for the territory and action implemented by the administration).

There is therefore a need to share and discuss experiences on governance models at local and regional level, in order to identify barriers and drivers hindering or enabling circular transition at local and regional level, and to provide recommendations for governance at local/regional level.

2. Circular procurement

Specific instruments are also needed to support the testing, replication and upscaling of circular practices at territorial level, from political message and commitment to legal and economic instruments. In that sense procurement, and especially public procurement which represents 14% of European GDP, has the potential for stimulating the development or upscaling of more circular solutions. This approach would also stimulate entrepreneurs to innovate their products and services creating an advantage in the global world market. Circular businesses show more resilience during a crisis and this could benefit the whole European economic system.

The Circular Economy Action Plan clearly identifies public procurement as a key instrument to support circular economy. In the plan the Commission committed to proposing minimum mandatory green public procurement (GPP) criteria and targets in sectoral legislation and phase in compulsory reporting to monitor the uptake of GPP. For the moment GPP is defined in a narrow sense while it is necessary to enlarge the impact over several life cycles. While GPP is one of the indicators in the EU's circular economy monitoring framework, no harmonised and systematic data collection is implemented at EU level on the application of circular and sustainable procurement. There is therefore no way to assess whether the indicative target set by the European Commission that by 2010 50% of all public tendering procedures should be green has been reached (a study launched by the Commission in 2011 showed that it was not the case). An important future focus should be to include Life Cycle Cost in all procurement proceedings. For the environment as well as the economic and social effects the procurement (of goods especially) all life cycles should be considered in the decision-making process.

In addition, the leverage power from public procurers remains very fragmented and capacities have to be built among public procurers about circular procurement process (including among others planning and needs assessment, market engagement, tender specifications, contract management, but also giving more emphasis on services instead of products as incentives for new business models). Besides, public purchasers still lack simplified operational tools to effectively integrate aspects of the circular economy into their

tenders, as well as binding targets.

Therefore, the need to share good experiences of green deals for circular procurement remains very high in order to enable public authorities to capitalise on these practices and learn more about existing tools and good practices.

In addition, we need to promote simplified and harmonized operational tools for purchasers in order to effectively integrate aspects of the circular economy into their tenders, mandatory minimum targets, and enhanced training. Several European projects have worked or are still working on tools and guidance in circular procurement that should be shared via the European Circular Economy Stakeholder Platform.

Furthermore, there is a need to keep promoting circular procurement at the highest levels, for instance via the development of a high-level policy group that could act as ambassador for circular procurement and orientate/improve the European policy framework at EU and national levels.

3. Monitoring the circular economy in cities and regions

Finally, it is essential to be able to **monitor the transition** at territorial level, from resource and environment, economic and social perspectives, as well as its impact on strategic stakes (like climate). The EU monitoring framework launched in 2018 is more addressing the Member States level than cities or regions. It is therefore needed to promote the adoption of a set of indicators relevant to cities and regions that will support them with the monitoring of the transition towards circular economy, with regards to relevant issues, such as resource efficiency, change in consumption models and in value chains, etc.

In addition, policy agendas put climate at the top of priorities, making necessary to develop adequate monitoring frameworks bridging circular economy activities and their impact on major stakes like climate change. Indeed, to reach carbon neutrality in 2050, the carbon footprint of EU citizens must decrease from about 11 tCO₂e to 4 tCO₂e per inhabitant in 2030. According to different sources, the impact of food and material production accounts for 33% to 45% of the European carbon footprint. Circular economy has a tremendous potential to mitigate the impact of products, by preventing waste

generation, extending the lifetime of products, and closing the loops of materials.

Such carbon accounting approach should include the emissions from resource extraction and manufacturing of the products that turned into waste, which would give a more complete picture of the impacts of products, allowing decision makers to prioritise their efforts for maximum carbon savings. Local and regional authorities, in cooperation with other actors, must therefore be provided with relevant instruments and approaches that can help them to measure the carbon impact of production and consumption of goods on their territory.