



European
Circular Economy
Stakeholder Platform

EUROPEAN CIRCULAR ECONOMY STAKEHOLDER PLATFORM (ECESP) COORDINATION GROUP



2021

THE POWER OF CIRCULAR ECONOMY HUBS

LEADERSHIP GROUP ON NETWORK GOVERNANCE
AND CIRCULAR ECONOMY HUBS

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FOREWORD

Inspired by lessons learned during 2020, when a group of CG members from the ECESP leadership group (LG) focused on **road-mapping processes in various countries**, we resolved to take a closer look at **the role of circular economy hubs for a successful circular economy transition**.

During the ECESP virtual conference in November 2020, the outcomes of these road-mapping processes were charted and the document prepared by SITRA – How to make a national circular economy roadmap – has served as a kind of "toolkit" for further developments in this field. We realised how valuable this kind of toolkit is for work on the ground and started exploring where to find **more knowledge and expertise on the role of circular economy hubs** for successful roadmapping and for the long-term and demanding systemic circular transformation, in which **transformation networks** play an important role.

In 2021, **Circular Change and Holland Circular Hotspot** joined forces. Together with other members, the powerful **Leadership Group on Network governance** including **circular economy hubs** was created. It was tasked with exploring the true value of **nourishing and activating networks** of previously identified stakeholders in the process of implementing CE strategies and roadmaps and in the broader context of the circular economy transition.

We already have many hubs, centres and other organisations focusing on the circular transition at local, national and international level. However, the key to success is **making the networks work**, making them actionable, with a focus on **network governance** and **the role of individual CE hubs**.

Two newly published books by **Prof. Jacqueline Cramer** (Utrecht University, member of the Amsterdam Economic Board, Board Chair of Holland Circular Hotspot, former Dutch Minister of Housing, Spatial Planning and the Environment) entitled How network governance can power the circular economy and Building a Circular Future – Ten takeaways for global change-makers are a perfect "guide" for this joint exploration of the power of networks on the ground.

The concept of "**network enablers**" introduced by **Dr Petra Künkel** (a member of the Executive Committee of the International Club of Rome and the founder of the Collective Leadership Institute), an expert in the field of **collective leadership and transformation networks**, has contributed to a better understanding of how to activate systems at different levels: <https://www.collectiveleadership.de/>.

EXPLORING THE 'WHY'

The circular economy is one of the priorities of the European Commission as well as of the global movement towards a sustainable future based on SDGs. The circular economic model has been included in several EU strategic and policy documents, such as the Circular Economy Action Plan, the European Green Deal and Fit for 55.

The shift from a linear to a circular economy is multi-layered, long-term and cross-sectoral. Thus, it requires a **systemic change** and **multi-stakeholder engagement** to pursue the transformation at different levels: economic, social and environmental.

By nature, **the 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). **Radical collaboration** is needed, **bridging public and network governance**. The circular economy hubs (such as centres, platforms and networks) at national and regional levels play an important role and contribute significantly to the implementation of circular economy principles.

DEFINING OBJECTIVES

Leadership group objectives were identified as:

- exploring ways to **empower, engage and connect national circular economy hubs** and hotspots;
- **position the role of "transition brokers"** and examine how to enable their activities in the long run (resources – human, financial, knowledge, etc.);
- extend the **understanding of network enablers and network governance** by engaging leading international experts (Prof. J. Cramer and Dr P. Künkel);
- **contribute actively** to Prof. J. Cramer's books via a series of interviews;
- encourage and empower **collaboration between public and network governance at national and international level** and by doing so tap the potential of CE networks and foster their economic and societal impact.

IMPLEMENTING ACTIVITIES

1. CONTRIBUTION TO PROF. J. CRAMER'S BOOKS VIA A SERIES OF INTERVIEWS

During LG sessions and meetings, we were honoured to host [Prof. Jacqueline Cramer](#) (Utrecht University, HCH) who exclusively presented her findings from her two new books on the topic of network governance: [How network governance can power the circular economy](#) and the sequel [Building a Circular Future – Ten takeaways for global change-makers](#).

In the first book; Prof. Cramer introduces **Ten guiding principles for circular initiatives** to demonstrate the power of network governance in implementing circular initiatives. It shows how a network approach can strengthen the circular economy.

Sparking the transition

Guiding principle 1: The circular initiative starts with a shared sense of urgency.

Guiding principle 2: The implementation of circular initiatives occurs in four sequential yet cyclic phases.

Guiding principle 3: Tasks to be performed for each circular initiative are roughly the same, but the focus is case-specific.

Guiding principle 4: Building a circular economy is a journey with a clear destination but no predetermined path.

Context is key

Guiding principle 5: Focus on the most promising and disrupting innovations.

Guiding principle 6: Map the key drivers and preconditions for successful implementation.

Guiding principle 7: Identify the relevant actors and assess their willingness to join forces.

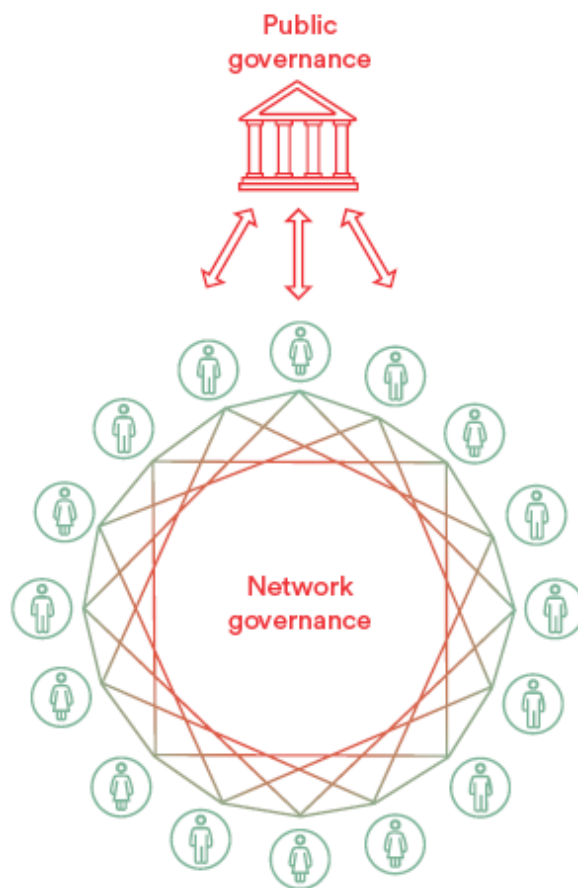
Successful implementation

Guiding principle 8: New circular business models should benefit all network partners.

Guiding principle 9: Transition brokers can accelerate circular initiatives.

Guiding principle 10: A transparent division of labour among the relevant actors is crucial.

Relation between public governance and network governance



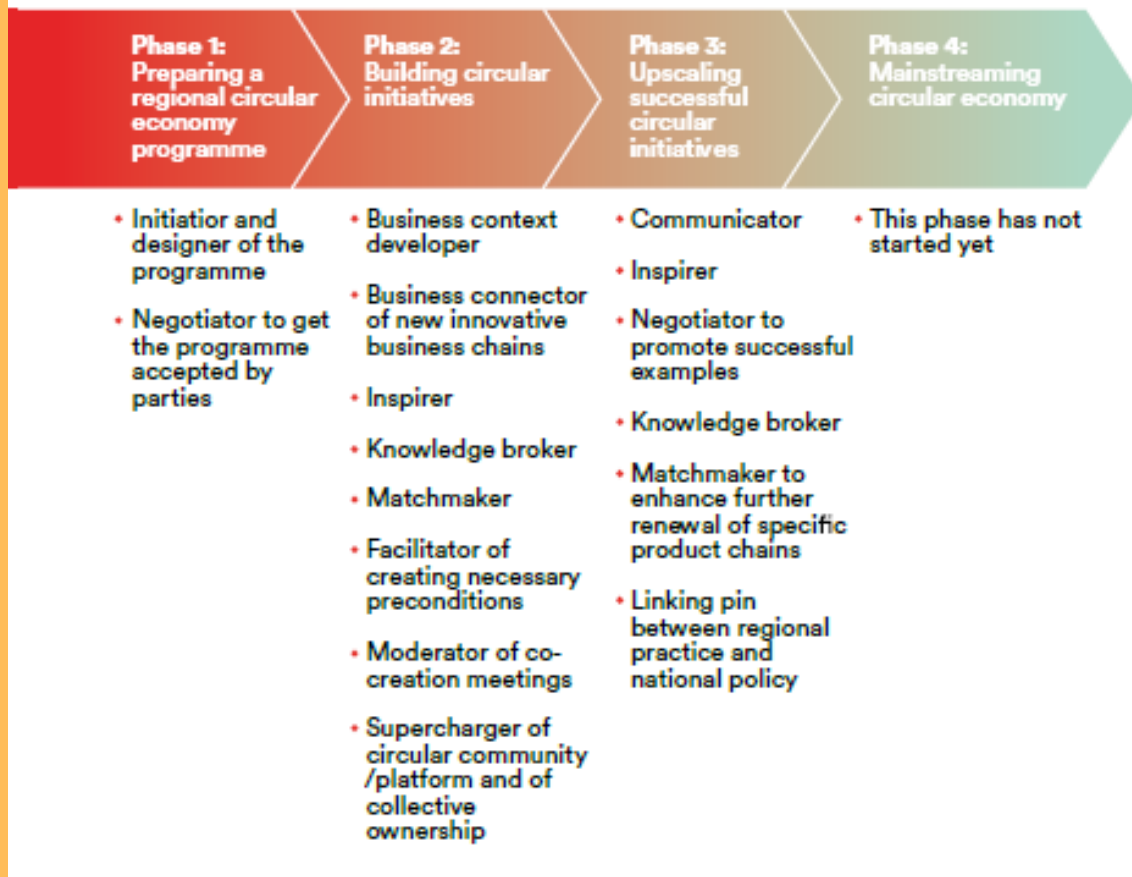
LG members were able **to contribute their insights and experiences via a series of interviews to Prof. Cramer's** latest published book: Building a Circular Future – Ten takeaways for global change-makers.

Interviews with "transition brokers" from different countries offered great insight into the status of circular transition actors and can help further promote the development and empowerment of circular hotspots as one of the crucial "epicentres" of the transformative ecosystem.

According to Prof. Cramer, in the complex circular transition process, many of the relevant actors are used to working in silos; thus building circular initiatives through new forms of cooperation is a real challenge.

Intermediaries, **"transition brokers"**, can help align all relevant stakeholders. Transition brokers **orchestrate not only the process, but also the content of the circular transition.** Their efforts focus primarily **on circular initiatives with a positive impact on prosperity, wellbeing and the environment.** The transition brokers need to ensure that the most promising circular options are prioritised in building the circular initiatives.

Roles of transition brokers in various phases



2. #EU CIRCULAR TALK during the Slovenian presidency of the EU Council in October 2021: THE ROLE OF NETWORK GOVERNANCE AND CIRCULAR ECONOMY HUBS IN THE CIRCULAR TRANSITION OF THE EU

The aim of the EU Circular Talk was to **introduce the role and impact of hubs** (members of the ECESP as well as of others) and **to encourage the transition towards network governance driven by "transition brokers"**.

By considering different experiences, projects, activities, achievements and barriers, we can gain a better understanding of the role of hubs. As the "network of networks", the ECESP has demonstrated the power of networking and collaboration, based on stories shared by CE hub leaders (transition brokers) from different countries.

Some of the aspects discussed:

- what is the hub's position in the existing system;
- what impact are hubs creating and through which activities (e.g. matchmaking, roadmaps, recommendations, business model consultations);
- what are the barriers to establishing a hub and to further developing the role of hubs;
- what are the challenges in terms of financing and government support.

As **Cillian Lohan**, Vice-president of the European Economic and Social Committee, has said, transitioning doesn't happen on its own: **governance is the key to harness the energy to deliver the results**. Everything starts with the networks, but governance is needed to empower the transition. **Scaling up and replication is the way forward**. The transition is systemic: **it is an ecosystem of network governance**. We can replicate these ecosystems to deliver systemic change.

There are two key takeaways to explore and tackle:

1. finding specific **examples that work** (eg EPR, green public procurement)
2. **financing** – information must be available on how to access financing for the CE transition.

3. A SURVEY MAPPING LG HUBS, HOTSPOTS AND NETWORKS: PRIORITIES & GOALS, KEY COMPETENCES AND BARRIERS

Establishing a **hub** means providing an entry point for different stakeholders while developing and facilitating the connection and connectivity between them. Hubs are able to empower and support stakeholders, contribute to solving problems and facilitate the development of practical solutions. They pursue **different missions**, including fostering the dissemination of the circular economy in society, connecting and engaging stakeholders, stimulating and accelerating the transition towards a circular economy and overall making the circular economy desirable.

Circular economy hubs and hubs from other areas can be **differentiated and classified** based on the following:

- **Sectoral inclusion**: overarching and multi-sectoral or sector specific. They can also target a certain area or areas of sustainability/circular economy;
- **Actors involved**: multi-stakeholder or stakeholder-specific (e.g. business-focused);
- **Financial structure**: commercial and profit-based, non-commercial, publicly and/or privately funded;
- **Legal structure**: public bodies, non-profit social enterprises (associations and networks), and other NGOs (foundations, associations and institutes);
- **Organisational structure**: centralised with headquarters or decentralised with a network operating over a defined territory.

Through the activities of the LG, we explored the various aspects of circular economy hubs. They provide **different services and carry out several types of activities based on the goals, sectors of interest and stakeholders targeted:**

- Education, awareness-raising, capacity building, and training;
- Supporting the creation of new business models;
- Fostering industrial symbiosis;
- Providing expertise and advice and consulting with stakeholders;
- Establishing investment funds to support stakeholders;
- Accelerating programmes;
- Participating in the development of public policy;
- Research, pilot projects and studies;
- Participating in EU-funded projects;
- Organising workshops;
- Disseminating good practices and case studies;
- Providing communication support and publishing;
- Organising events, seminars and conferences;
- Conducting study visits and missions;
- Circular diplomacy.

Through our survey, **LG hubs and hotspots priorities** for 2021 were identified:

- experience and knowledge exchange and transfer;
- good practices in circular business models;
- circular economic incentives, sustainable finances and support schemes;
- circular hub structure, management, financing and collaboration;
- CE instruments: economic, regulatory, measuring and educational;
- (Green public) procurement;
- industrial symbiosis and industrial transition.

Key competences mapped among LG members:

- cross-sectoral dialogue and stakeholder orchestration;
- building hubs;
- knowledge sharing and awareness raising;
- circular strategies;
- orchestrating innovation;
- digital infrastructure to support hubs/networks ;
- data and technology development;
- expertise in CE business models ;
- industrial synergies.

The barriers they identify that prevent the hubs/transition brokers having a greater impact:

- lack of knowledge of how other hubs and networks operate;
- stable financing;
- governmental support, national and regional leadership;
- experience of establishing and running a hub;
- missing connections, knowledge and tools;
- knowledge of actions, connections, incentives, initiatives and strategies;
- possibility of pooling competences/resources with other hubs and networks.

Three ideas we harvested, some of which are already in practise, could be promoted to support LG members and their activities and ensure a more powerful impact:

- **Buddy/partner programme** – mature, well-established hubs mentoring freshly established ones in emerging markets;
- LG as a place of new partnerships and collaboration in **joint proposals** (HORIZON EU, INTERREG, etc.);
- **Finding partners** for webinars to share good practices.

4. JOINT EVENT – CIRCULAR EUROPE DAYS AT DUBAI EXPO – 17 & 18 January 2022



The ECESP Coordination Group showcased Europe's pioneering work performed by its leadership groups in the field of the circular economy in front of a global audience at the Circular Europe Days in **Dubai on 17 and 18 January 2022**.

Following the objectives set by the LG, the Netherlands pavilion at Dubai EXPO hosted the official opening session for **Circular Europe Days: The power of European circular networks**, a session programmed **by the LG Network governance and CE hubs**.

It highlighted **the need to collaborate on circular transformation** while the co-chairs, Ladeja Godina Košir (Circular Change) and Freek van Eijk (Holland Circular Hotspot), guided participants through the role of network governance and circular hubs in the EU's circular transition:

VIDEO https://www.youtube.com/watch?v=tAb-Y-J_FMY&list=PL3Q88g1PzZl2nZvU58e48Ewu6SlrhPvke&index=1

Martijn Lopes Cardozo, Circle Economy CEO, presented the journey towards the Circularity Gap Report 2022 and how circularity can unite businesses worldwide and inspire action towards a sustainable and inclusive future.

During a panellist round, the European Commission and State Representatives explored collaborative circular actions and opportunities post COVID-19, the impact of these hubs on the ground, case studies and experiences.

This high-level hybrid event helped to bring the debate on the role of CE hubs, hotspots and networks as well as network governance to global audiences.

Online and onsite matchmaking opportunities offered further space for networking of various stakeholders.

OUTCOMES AND OUTLOOK

As Prof. Cramer describes in her books, **network governance is a crucial addition to conventional public governance in the complex transition towards a circular economy.** While the government kickstarts change in the desired directions by deploying policy instruments, it is a bottom-up movement: initiatives, frontrunners and different practices emerge and demonstrate that the circular economy is in reach. **Network governance is needed to get everybody on board, thereby helping put the circular economy into practice.** Network governance needs transition brokers.

The success of CE hubs depends on several factors. A clearly defined and strongly portrayed and embedded mission is crucial to lay down successful foundations for the hub. Furthermore, circular economy hubs have benefited immensely from the support of public or private institutions that can lay the foundations for the successful consolidation of circular economy hubs. Private and public support can come in the form of funding, legal basis or other means. A strong circular economy hub that is made out of founding partnerships will benefit from interdisciplinary and complementary partners.

The vision of the hub has to be clear, with well-defined objectives, goals and milestones in the short, medium and long term. Their strong mission statement is magnified when embedded into their facilities/offices and actions. This means having an impact, with practical and tangible solutions that can demonstrate and pilot the transition.

A strong network is fundamental for the success of a hub. Strong national and international networks and a strong international presence have been beneficial for circular economy hubs. The ability to successfully engage local and international stakeholders is paramount.

A systemic approach is needed to understand and address the context and areas of interest. The success of hubs depends on the level of understanding of the needs of stakeholders and the dynamics of the context. Only in this way can the hub provide adequate services to stakeholders and produce an actual impact.

FOOD FOR THOUGHT

Challenges and opportunities to be addressed and resolved based on activities and exchanges within the LG and in interaction with other circular economy frontrunners during our joint journey in 2021/22:

- Since many actors are used to working in silos, building circular initiatives through new forms of cooperation is a real challenge.
 - ▶ "Out of the silos" thinking to be promoted and practiced.
- CE hubs are still underutilised.
 - ▶ More recognition, engagement and (long-term financial) support to be provided by public institutions at national and EU level.
- Leadership is needed from governments for ambitious targets, indicators and funds, but also from businesses.
 - ▶ Specific circular economy action plans (based on CE roadmaps or other strategic documents) to be co-created, implemented and monitored in a transparent way.
- No company or organisation can deliver the CE alone, hence the need for a network and for network governance.
 - ▶ Knowledge and experiences of network governance to be shared, specific training to be organised.
- Combining public and network governance enhances the transition.
 - ▶ Introduction of good practices for this kind of collaboration to be shared and promoted via CE associations and global networks (conferences, webinars, talks, publications, etc.)
- Network governance needs transition brokers.
 - ▶ Transition broker to be positioned as a profession – recognised and valued appropriately. Training to be organised and exchange of knowledge supported at international level.
- Receptivity to network governance depends on the socio-cultural and political context.
 - ▶ National CE hubs can serve as the "lighthouse" for the implementation of network governance at smaller scale, in collaboration with stakeholders engaged in their activities.
- Country-specific drivers (linked to the market's characteristics) can enhance effective governance. Governments need to provide public governance, funding and leadership.
 - ▶ International exchange of experiences and knowledge transfer to be systematically supported via the "network of networks" (ECESP) to foster the circular transition at EU level.

LIST OF LG MEMBERS IN 2021



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