

CCRI General Conference:

From vision to reality: Cities & regions drive forward Europe's circular transition

Event report





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Introduction

The Circular Cities and Regions Initiative (CCRI) held its first General Conference in Brussels and online on 8 November 2023. Entitled "From vision to reality: Cities and regions drive forward Europe's circular transition", the event gathered around 200 on-site and 400 online circular economy stakeholders. online.

The first conference of the EU's flagship circular economy initiative brought together stakeholders such as the <u>CCRI Pilots</u>, <u>Fellows</u>, <u>Projects</u> and <u>Associated Partners</u>, the European Commission, and wider members of the circular economy community. Those in attendance included representatives of business, industry, academia, research, associations and non-governmental organisations.

Through various sessions, it provided a forum to discover opportunities to scale-up circular solutions and share concrete examples of how cities and regions are already boosting the circular transition, stimulating social innovation, and paving the way for Europe's circular transition.

An exhibition area and networking breaks also provided opportunities for attendees to present their initiatives and exchange ideas with other stakeholders.

In this report, you can find summaries of the main themes and takeaways from the day's sessions. It should be noted that this report is not intended to provide a comprehensive summary of every presentation and discussion that took place, but rather an overall summary of the main themes and conclusions of the conference's sessions. Please note, also, that the views documented in this report do not necessarily represent the official position of the European Commission.

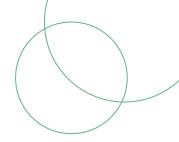
If you are interested in watching back the conference, you can find the replay on the <u>CCRI YouTube channel</u>. You can also find the <u>presentations</u> and <u>photos</u> from the event.





9:15 AM - 10:15 AM (CET)

About the session



Speakers

- Pavel Misiga, Head of Unit, European Commission (Directorate-General for Research and Innovation (DG R&I))
- Janez Potočnik, Co-Chair of the International Resource Panel and former European Commissioner for the Environment
- Lamia Kamal-Chaoui, Director of the Centre for Entrepreneurship, SMEs, Regions and Cities, <u>Organisation for Economic Co-operation and Development</u> (OECD) (remote)
- Philipp Horn, Head of the Circular Economy Division, European Investment Bank
- Bart Somers, (Former) Vice Minister-President of the Government of Flanders (Belgian EU Presidency) (video message)

Summary

Pavel Misiga, Head of Unit in the European Commission's DG R&I, was honoured to open the CCRI's first General Conference. "The reason we are meeting is to provide inspiration and advice to each other," he said. "It is great so see so many practitioners here."

Mr Misiga began by stressing the urgency of climate change and its associated environmental crises, noting that the circular economy is one of the most important transition pathways and key to tackling environmental challenges. "Every tonne of materials reused or recycled means a tonne less extracted," he said.

"The benefits of a circular economy must be spread across the value chains, so all actors are motivated to join," he continued. "This is difficult to achieve. We need agents who can facilitate this collaboration between actors, including companies, public institutions and consumers."

"This understanding of slow [circular economy] progress led us to conceive the CCRI. We want to recognise the potential to implement projects first as pilots, and later on a broader scale," he said, reiterating the reasons behind the conception of the Initiative. "Clearly, local and regional governments will play a pivotal role in local and regional transformations," he added.

"I hope today we will bring our knowledge together, enrich each other, and come together to plan circular local and regional projects. I hope we will all leave this room with more motivation and a greater ability to implement the circular economy in our local and regional contexts," he said, setting the tone for the day's discussions.

Mr Misiga then gave the floor to Janez Potočnik, Co-chair of the International Regional Panel (IRP), a scientific panel of experts

focusing on using natural resources sustainably. The IRP's standpoint is that the extraction of resources is fundamentally driving the environmental crisis. Some 50 % of global climate change impacts are linked to biomass use, he said. Global material use has tripled in the last 50 years, and although material productivity grew until the turn of the century, it is now declining.

The challenge lies in how we meet our needs in the most resource and energy-efficient way, Mr Potočnik said. The most resource intensive human needs – such as housing, mobility, nutrition, and daily functional needs – are almost entirely concentrated in cities, hence why cities and regions are so fundamental to Europe's transition.

To meet these needs, we must move from a sectoral approach to a systemic one. Cities, he said, are well placed to lead the transition as they are the areas where the key problems – and therefore solutions – are concentrated. "The CCRI is an important pioneering effort in this circular economy landscape," he added. "The future will be green or there will be no future".

Lamia Kamal-Chaoui, Director of the Centre for Entrepreneurship, SMEs, Regions and Cities of the OECD, then spoke via a video message. Speaking on behalf of the OECD, a strategic partner for the CCRI focusing on governance, she said: "I truly believe this [the CCRI] is a great initiative. In recent years we've seen the circular economy go from concept to action."

"This shift from linear to circular can foster sharing, enhance reuse, and nurture circular economy innovation (e.g. via start-ups and incubators)," she said. Ms Kamal-Chaoui then introduced the OECD's Programme on the Circular Economy in Cities and Regions, which has been working with local and national governments, building on two years of policy dialogue with 300 stakeholders across 50 cities and regions.

Progress is being made, she said, citing the example of France, where the circular economy is expected to create half a million new jobs by 2030. She noted, however, that **around two-thirds of cities and regions surveyed by the OECD lack a holistic vision for the circular economy, while over half lack the necessary information to innovate.** "I hope we can work with all of you to join forces to work together," she concluded. "We want to provide fair support to cities and regions."

Philipp Horn, Head of the Circular Economy Division of the European Investment Bank (EIB), spoke about how the EIB can support the circular economy. Like the OECD, the EIB is a strategic partner for the CCRI, focusing on financing. "The time for circular economy projects in cities and regions is now," he said. He stated that in many cities, public sector activities have created an environment that attracts businesses. Cities can benefit from attracting and retaining talent, skilled people, and sustainable business, and the private sector is increasingly discovering the circular economy as a viable sector.

As the EU's public bank, it provides various financing options for circular projects, including investment costs, intermediary loans and equity funds, as well as dedicated advisory services for cities – in particular through its <u>Circular City Centre</u>. Over the past five years, the EIB has financed EUR 3.4 billion into 118 circular projects – a large sum, but nonetheless only 1.5 % of annual EIB lending. "We want to do more, but lack similar

projects to finance," Mr Horn said, encouraging projects to contact the EIB Circular City Centre (C3) to discuss their projects.

"We count on you to make good use of the support that we offer and come back to us to get your funding," he added. "The EIB and C3 stand ready to support cities and regions through advisory [services] and financing. C3 can help you identify right sources of financing and prepare projects."

Finally, Bart Somers, former Vice Minister-President of the Government of Flanders (Belgian EU presidency) and Mayor of Mechelen, emphasised the need to involve citizens in the transition. "Challenges are becoming much more transversal. We have to bring more people and more knowledge together," he said. "Climate change needs input from almost every sector of society – we have to be able to mobilise, inspire and convince citizens."

The opening session also saw the event's moderator address a poll to the audience, asking how participants would rate recent progress of EU cities and regions in the circular transition. On a scale of 1 to 5, almost 80 % rated the progress either 2 or 3 out of 5, showing that the transition is clearly underway and making good progress, albeit with a long way still to go. This poll set the tone for the day's thematic discussions, which looked at the good practice examples, **challenges and opportunities the transition is bringing to Europe's cities and regions**.



Presentation of the Circular Cities & Regions Initiative

10:15 AM - 10:30 AM (CET)

About the session

Speaker

• Lucie Blondel, European Commission, DG R&I

Summary

In this session, Lucie Blondel of the European Commission's DG R&I provided a more detailed overview of the CCRI and its multistakeholder support scheme. The Initiative was launched by the Commission as a new experimental support scheme as part of the Circular Economy Action Plan, using the traditional EU research and innovation funding programme, Horizon Europe, in a non-traditional way.

The CCRI has a clear focus on the implementation of circular systemic solutions in EU cities and regions. It is not to be seen as yet another EU initiative, Ms Blondel said, but as an experimental scheme driven by Europe's cities and regions. "It is your initiative – you are the faces," she said. "We are just here to help you connect."

The Initiative aims to find new ways to support cities and regions and translate their ideas into actions. It combines support and collaboration, mobilising many partners. "This is a community with a shared ambition of boosting circularity," Ms Blondel said, mentioning the 12 Pilots and 25 Fellows involved in the Initiative. These cities and regions are searching for new solutions that, if successful, can then be further replicated and upscaled around Europe.

"We want a new dynamic of collaboration," she said, highlighting the Initiative's comprehensive support — both technical and financial — and the fundamental role of the CCRI Projects and Associated Partners. She also emphasised the CCRI's systemic approach and solution-oriented focus, citing a couple of interesting examples of CSS, such as Uppsala's creation of a marketplace for repurposed, unused construction materials, and Munich's creation of a coordination office for the circular economy within the city administration.

Ms Blondel also highlighted the significant research and innovation funding behind the Initiative, which has more than EUR 250 million earmarked for the period 2020-2024 alone. The Commission hopes to continue this funding in the next funding and programming period.

Ms Blondel encouraged stakeholders to look at the relevant open calls on Horizon's Europe funding portal, follow the CCRI website and social media for updates on the Initiative's activities, and contact the helpdesk in case of questions.





Driving Change: Explaining the benefits of Circular Economy

11:00 AM - 12:00 PM (CET)

About the session

Speakers

- Jocelyn Blériot, Ellen MacArthur Foundation (CCRI Advisory Board)
- Ioannis Bakas, European Environment Agency (CCRI Advisory Board)
- Elmar Willems, Flanders Region (CCRI Pilot)

Summary

Jocelyn Blériot of the <u>Ellen MacArthur Foundation</u> (EMF), a CCRI Advisory Board member, began by setting the context for the session. **The circular economy is still quite downstream**, he said, noting that it is often seen as recycling. The circular economy needs greater participation of ministries of economy and finance, in particular – this is how we will achieve system change. He also noted the pioneering role of cities; London and Paris, for example, had circular economy schemes in place before their respective national governments did.

He noted that discussions so far in the conference had touched upon the topic of business models and the **important question** of how to move from the pilot projects, many of which are doing really good work, to replication and upscaling. "We need profound economic reform to move from a model that provides value by depleting to one that regenerates and rebuilds," he added. "And if we want to advance, we need to measure to know where we stand."

Mr Bakas of the European Environment Agency, also a CCRI Advisory Board member, continued with this point. "You cannot really manage what you cannot measure," he said. "But first, you need to understand it." He added that the larger the "circle", the more important the touchpoint becomes. Proper monitoring schemes will help to measure progress, monitoring both uptake and impact, but there are questions around what should actually be monitored.

"The EU has an unsustainable consumption pattern," Mr Bakas said. He presented a consumption footprint graph, which showed that 50 % of climate impacts and 90 % of biodiversity impacts relate to resource consumption. All actions should eventually lead to a smaller intake of raw materials, avoiding resource extraction.

Mr Bakas used the example of buildings to discuss how we can calculate the actual benefits for the climate, given the construction sector is responsible for 50 % of Europe's extracted materials and 40 % of its annual energy consumption. In a case study, the Agency devised a list of three key clusters of circular economy measures: increasing lifespan; reducing material consumption (including renovating in a more efficient way); and using new-generation materials (i.e. nature-based solutions).

Presenting the perspective of the Flanders Region, a CCRI Pilot, Elmar Willems reported that Flemish municipalities rate the maturity of their circular economy work as a 4.3 out of 10, showing that progress is being made but there remains a long way to go. When it comes to using circular materials, the Netherlands led the way in Europe in 2020, with a use rate of 31 %., compared with an EU average of 13 %.

The Flanders Region is working on several circular economy initiatives, including local coaching, communities of practice, a stakeholder platform, and political support and communication activities. Mr Willems referred to the impacts of the circular economy on both society and business. "Companies say that they are more innovative and have more networking capabilities by engaging in the circular economy," he said.

Mr Willems noted that there are many potential indicators but no clear methodological framework for measurement. He also made the point that "stories go around better than indicators" and showed a video presenting an interesting initiative in Ostend, known as "0.666". This project has created a

circular site in a brownfield area, which now acts as an incubator for the circular economy. It is the result of a partnership between several stakeholders, including youth organisations and entrepreneurs.

Wrapping up the session, the moderator noted that there are clear environmental, social and economic benefits to the circular economy transition. Indicators are needed in order to measure its progress, and these indicators can help to tell their own stories. However, indicators do not find it easy to reach the minds and hearts of citizens – it is stories that matter and motivate.







12:00 PM - 1:00 PM (CET)

About the session

Speakers

- Dorota Pawlucka, Circular Foam (CCRI Project)
- Maite Ferrando, Agro2Circular (CCRI Project)
- Simon S. Rossau, City of Aarhus in Central Denmark Region (CCRI Fellow) & Geir Sæther, TOMRA Systems ASA

Panellists

- Laura Blair, Zero Waste Scotland (CCRI Fellow)
- **Igor Kos**, <u>Podrajve Maribor</u> (CCRI Pilot)
- Julia Okatz, <u>SYSTEMIQ</u> (Advisory Board)

Summary

Featuring presentations and a panel discussion, this session showcased several practical examples of circular systemic solutions. The speakers and panellists included <u>CCRI Projects</u>, <u>Pilots</u>, <u>Fellows</u> and <u>Advisory Board</u> members, illustrating the concrete circular economy progress being made by the various practitioners involved in the Initiative.

Kicking off the presentations, Dorota Pawlucka presented Circular Foam, a CCRI Project. Circular Foam aims to deliver cross-sectoral, cross-regional solution to turn end-of-life polyurethane foams into new, high-performance plastics. By using waste, it aims to provide access to alternative resources. If the project were to be replicated across the EU, Ms Pawlucka said, it could achieve annual reductions of 1 mt in waste and 2.9 mt in CO2 emissions. The design of the project ecosystem takes into account regional transformation, reverse logistics, collection and sorting, and recycling technology. The project is also involving several model regions, including Rheinisches Revier, Upper Silesia Metropolis, and Greater Amsterdam, where it aims to connect to crucial stakeholders.

The Agro2Circular Project focuses on implementing the circular economy in the agri-food sector, considering not only food but also plastic waste. It takes a systemic, multi-actor approach covering several different dimensions, including governance and financing as well as environmental and socio-economic aspects.

Technological development and integration are key to the project, as is monitoring through data. The project started out by looking at the situation in Murcia, including circular economy barriers and drivers. After validating model its model with experts from nearly 50 institutions, it began looking at tools and instruments to replicate the model in other regions.

In Aarhus, a public-private collaboration between TOMRA Systems ASA and the Aarhus regional government has created a pilot initiative focusing on food and drink packaging, which represents almost half (48 %) of general public waste in the city. In particular, some 180 million disposable cups are used in Denmark each year, so the pilot project is initially focusing on these cups.

The initiative involves the city's cafes and restaurants, whose buy-in is essential. These businesses will have to use higher-quality packaging, which can then be returned to local, 25-30 automated collection points in the city. An industrial sanitising hub will also be created, so that the cups can be sanitised and returned to the businesses for reuse.

In the panel discussion, key themes included the need for funding to set up solutions, and the need for robust data for monitoring purposes. "Consistent, robust data is absolutely essential to what we are trying to achieve for the circular economy," said Laura Blair of Zero Waste Scotland. "We would ask policymakers to help create conditions to support data collection."

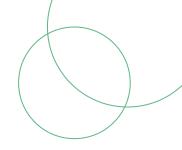
Referring back to the Aarhus pilot, Mr Sæther explained that as the circulation fees are likely to be expensive, TOMRA is investing in the pilot phase of the Aarhus initiative to help incentivise local actors and show it can be sustainable if implemented well, before it is scaled up. Legislators must also introduce incentives to move away from cheaper, single-use

packaging, he said. Ultimately, an open system will be needed with public collection points providing one place to return all packaging from suitable retailers.

"A systemic solution can only work if all elements of the system are working at the same time," said Ms Pawlucka. "We need a system that is robust and scalable at industrial levels. Taking a holistic look at the whole system can help accelerate implementation."

"You need a multidimensional strategy and the right people engaged in the process," echoed Ms Ferrando, emphasising the complexity of this process.





Mobilising key stakeholders & transforming governance models

2:00 PM - 3:00 PM (CET)

About the session

Speakers

- Oriana Romano, OECD (CCRI Advisory Board) moderating
- Simo Karetie, Helsinki-Uusimaa (CCRI Pilot)
- Nina Wolf, Gothenburg (CCRI Pilot)

Summary

Opening the session on mobilising key stakeholders and transforming governance models, Ms Romano shared more details about the <u>OECD's Programme on the Circular Economy in Cities and Regions</u>, as mentioned by Ms Kamal-Chaoui in the opening session.

The programme's 2020 synthesis report looked into circular economy stakeholder engagement, surveying 51 cities and regions. It found that in the majority of cases, stakeholders are consulted on circular economy initiatives, but in few cases does this involve co-decision and co-production. Lots of different stakeholders are involved, however, showing that the circular economy really is an umbrella concept.

She emphasised the fundamental nature of stakeholder engagement to avoid solely top-down decision making. "Good stakeholder engagement is needed to build trust, acceptance, cultural change and buy-in from different stakeholders," she said. She added that three key barriers to this are cultural barriers, regulation and financing.

Ms Romano also presented the <u>OECD Checklist for Action</u>, which aims to support and improve stakeholder engagement with a list of activities.

Presenting Helsinki-Uusimaa's experience so far as a CCRI Pilot, Simo Karetie said: "We appreciate a lot the support we've received from the CCRI office and this initiative." Helsinki-Uusimaa is an intra-municipal local authority with a national green deal process led by the ministries for economy and environment

"We have a shared vision," he said. "We aim to align national work to regional and local work." He explained that lots of work is being carried out in the areas of stakeholder mapping, communications, and thematic workshops, which focus on construction, plastics, textiles, food, and electronics. These working groups help to create a physical ecosystem to build connections. This is combined with a digital ecosystem in the form of an online platform and social media, which helps to share information to the community.

Speaking on behalf of Gothenburg, also a CCRI Pilot, Nina Wolf said the city has been implementing its circular strategy since 2021 to help speed up its transition and achieve the city's ambitious goals.

"We must engage many stakeholders to become a circular city," she said. "We must also mobilise our own departments within the city administration to become 'circular customers'." Among 40 departments, the team is already collaborating with 10 key departments in the city on its circular economy work, but it also needs to engage with the rest of the departments. "We want to reduce climate impact by 90 % in our purchases," she added.

"We aim for a sense of 'We'," Ms Wolf said. Common goals, responsibilities and expectations, are needed, which in turn will make it easier to collaborate, empower and motivate by sharing experiences and good practices. This is however challenging, as large organisations often operate in silos.

Part of the city's strategy focuses on circular construction and demolition. Many property owners have signed a letter of intent for circular construction. This year, the city has also started to collaborate with Malmo, one of Sweden's other major cities, to collaborate on leading the way in circular construction, which it believes will help drive the transition while promoting wellbeing and sustainability.

Challenges face by the city include the lack of a political mandate and financial resources, unclear incentives to collaborate towards common goals, and other political priorities that are competing for time and attention, particularly when it comes to collaboration with other departments.

Discussions in this session also looked at why **public-private cooperation is key**. Public and private organisations can play different roles; for example, a cluster might act as an

accelerator for a particular thematic ecosystem, whereas regional authorities might orchestrate this ecosystem. Likewise, a large company might act as a driver and a smaller company or incubator as a developer, whereas a municipality's role might be to coordinate and procure.

Overall, the session emphasised the **need to motivate and empower key stakeholders and to use systemic thinking to find effective ways to connect**, whether it be through joint projects, meetings and study visits, matchmaking activities, workshops and training, co-planning or networking.





3:00 PM - 4:00 PM (CET)

About the session

Moderator

• Phillip Horn, European Investment Bank (CCRI Advisory Board)

Speakers

- Nathalie Binet, European Investment Bank (CCRI Advisory Board)
- Jesús Díez Vázquez, <u>Castilla y León</u> (CCRI Pilot)

Panellists

- Miguel Angel Suarez, HOOP (CCRI Project)
- **Stan van der Berg**, Amsterdam Metropolitan Region (CCRI Fellow)
- Carlo Mango, Cariplo Foundation & Circular Economy Lab (CCRI Advisory Board)

Summary

Representing the <u>EIB</u>, Philipp Horn introduced the session by noting his surprise at the **apparent lack of awareness among stakeholders of funding opportunities**, which had emerged so far in the conference. It will be a priority, he said, to raise awareness of existing funding streams and tools, adding that this would be on the agenda at the CCRI Advisory Board meeting after the conference. "Without money, projects go nowhere," he said.

Nathalie Binet then provided an overview of the EIB's priorities as the public bank of the EU. She detailed its climate commitments, including at least 50 % of EIB financing being dedicated to green projects by 2025, 100 % of EIB financing being aligned with the Paris Agreement, and the EUR 1 trillion to be dedicated to mobilising financing in the decade 2021-2030.

The EIB provides various financing options for circular projects. Ms Binet explained that the EIB can finance 50 % of investment costs for projects, with a 3-4 year investment programme. It can also provide credit envelopes where projects do not have to be identified upfront. Intermediary loans support companies by transferring a financial advantage and blended financial instruments encompass repayable financing. Equity funds are also a crucial way to finance projects. Venture debt can also be used for scalable new technologies.

In the public sector, the EIB is supporting projects focusing on waste management and mobility, particularly with framework

loans. For corporates, the EIB conducts research, development and innovative production facilities, as well as various circularity elements, including circular design and production, circular use, circular value recovery, and circular support. This is done in a wide range of sectors, such as new recycling technologies, low carbon raw materials, reduction of resource use and 3D printing.

The EIB also offers dedicated advisory services for cities – in particular through its <u>Circular City Centre (C3)</u>. Nathalie highlighted the experience of the C3 with Leuven, as they had a collaboration with them during the piloting stages of the C3. They are currently exploring the possibility of financing further projects from Leuven in the construction and buildings sector, among others.

As mentioned, the EIB has financed EUR 3.4 billion into 118 circular projects, which represents only 1.5% of annual EIB lending, so it wants to do more in this area if presented with the right projects. "Cities are a cradle for circularity," Ms Binet said. "They can also support emergence of ecosystems.

Up next, Jesús Díez Vázquez shared his experience of building a Circular Systemic Solution Business Plan for a food-water-nutrient value chain. Without financing, it would be practically impossible to develop a circular systemic solution, he said. He explained that such a systemic solution is the fulcrum for implementation that is governed at the local/regional level but can have an EU-wide impact.

In order to design a business plan, he said, it is important to first identify solutions and needs along the entire value chain, then explore funding options for each need. Here, it is important to identify concrete investment opportunities, the main funding categories and their relevance, as well as monitoring calls and further financing options. The final step is then to draft projects and business cases, including the business model, cash-flow, budget and risk profile, then search for partners, stakeholders and investors. Finally, it is important to find synergies and funding opportunities with other value chains.

The panel discussion also involved Stan van der Berg (Amsterdam Metropolitan Region), Carlo Mango (Cariplo Foundation) and Miguel Angel Suarez (HOOP Project). The Amsterdam Metropolitan Region faces many challenges, including a housing crisis and the circular transition, which it aims to address together via a triple-helix approach.

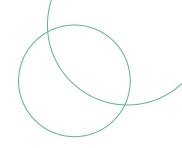
The Cariplo Foundation teamed up with Banca Intesa and established the Circular Economy Lab, joining forces between philanthropy and financing. "As a shareholder of the most relevant Italian bank, he said, we asked them to join forces

in the circular economy area. The most important thing is the public good. This is a story of a blended institution that tries to provide public and private operators with attention to circular economy and development."

The HOOP Project provides project development assistance to circular urban bioeconomy projects. Cities are the centre of the project, and consumers are also the driving force of it. HOOP is developing a great number of tools and providing guidance and evaluation to find the best solutions and opportunities for financing. The complexity of funding in this sector is particularly high, and regulatory barriers can disrupt both projects and financers. "Trying to find the best option for financing is not an easy task," he said. "It is difficult to finance a product you might not sell!"

Following on from this point and closing the session, Mr Horn encouraged project developers to always start by looking at how to finance a project before developing it. He added that the EIB invites cities to get in touch with the EIB's C3 to discuss financing options, reiterating the EIB's availability to support with financing aspects.





Coupling Circularity with climate action for supporting green transition

4:30 PM - 5:30 PM (CET)

About the session

Speakers

- Joshua Newton, Ellen MacArthur Foundation (CCRI Associated Partner) moderating
- Lisa Henningsson, Uppsala (CCRI Pilot)

Invited panellists

- **Lieve Van Espen,** Leuven (CCRI Fellow)
- Fabio Magrassi, FRONTSH1P (CCRI Project)

Summary

This session explored interconnections between circular economy, climate action and cities. The session was moderated by Joshua Newton of the EMF. "We are an Associated Partner and a proud member of the Advisory Board of the CCRI," Mr Newton said.

In his opening presentation, Mr Newton reiterated that the circular economy is an important framework to tackle global challenges including climate change. However, **the energy transition is not enough to meet climate goals, we need circular economy**; according to the EMF, some 45 % of global emissions are related to how we take, make and waste products in our current extractive economy. Applying circular principles including through adopting circular systemic solutions can therefore help reduce emissions, ensure maximum utility from embodied emissions, as well as support carbon sequestration.

At a national level, there is still a strong focus on downstream (waste) activities, Mr Newton said. Attention needs to be paid to upstream sectors such as the built environment, transport and food. The United Nations has developed a toolbox to help build circularity into the Nationally Determined Contributions. Currently, there is little integration of the circular economy in the Climate Action Plans of cities globally: a high level of integration is present in only 4 of the 54 cities analysed by the EMF. Many such plans do not even use the words "circular economy" – instead, they use words such as 're-use' or 'recycle'. Cities have a role to play in encouraging and raising awareness of this concept. Mr Newton added.

A second presentation was given by Lisa Henningsson of Uppsala, a CCRI Pilot. Uppsala is looking to be climate neutral by 2030 and climate positive by 2050. At the same time, the population is growing rapidly, with 320 000 inhabitants expected by 2050, so this presents an additional challenge. The city needs to increase the pace of its transition at least fivefold.

For Uppsala, construction is a key sector to address to make this transition happen. Circular strategies for climate neutral construction include better use of existing stock, flexible design, building optimisation, reuse of building materials, and good material choices. In particular, using wood and low-carbon concrete would reduce CO2 by 70 % compared to existing materials and methods. Low-emission construction sites, including strategic management of excavated masses and use of fossil-free equipment and machinery, are also an important strategy.

"Many of these strategies need to be addressed in a local setting," Ms Henningsson said. "We cannot be sending concrete all over Europe – it needs to be done locally." Part of the reason so many reusable materials end up as waste is the lack of financial instruments, she said, referring back to the topic of the previous session's discussion.

There is also a lack of producer responsibility for building materials, building regulations that encourage reuse of materials, laws preventing functioning items from becoming waste, and laws preventing demolition (which is not always possible unless for cultural heritage reasons). Where there

is a gap between waste and a use-case for secondary products, cities must step in to fill a gap by creating a market, she added. Within the context of the CCRI, Uppsala's solution as a CCRI Pilot is a re-use platform for secondary construction material. It addresses the issue that, across the reuse chain, storage is a key problem. Uppsala has set up a map for matchmaking, to help find materials.

Fabio Magrassi (FRONTSH1P, CCRI Project) explained that they are working on different circular systemic solutions in different regional environments. It is important to work with citizens from the outset to make such systemic solutions successful. He gave the example of waste-water treatment, a solution where education on safety is essential. Another example of a circular systemic solution involves wood pellets, which are used to transport goods but then dumped. The project has started to develop a solution to re-use these materials: 60 % in the same way, 40 % with a new purpose.

Lieve Van Espen (Leuven, CCRI Fellow), mentioned that Leuven wants to move away from the experimental phase of small projects to upscaling and replication. They have created new

infrastructure with a triple-helix approach platform, where each stakeholder has a direct line to each other. Leuven's dynamic learning approach involves its circular entrepreneurship hub, citizen movements and social-economy collaboration, including through a climate city contract. It is important to foster collaboration with impactful stakeholders.

Ms Henningsson said Uppsala uses a similar instrument for climate-positive neighbourhoods. They use a climate bonus as an extra incentive to push them to go even further. One pilot project involves creating incentives through land sales. "We let real estate developers compete on who can build with the lowest climate impact," she explained. "In order to get a contract, they need to follow our roadmap toward climate neutrality for the building sector, which means they need to show us they can achieve a set limit value (CO2e/m2) depending on which year the construction starts. If they manage to go even lower, they get a climate bonus of up to 45 euro per m2 for multi-family houses."

Asked by the audience about the challenges of re-using waste, the panel noted that the key step involves deciding what constitutes waste and then assessing how best to re-use it. Legislation can also be a barrier, for example when it comes to wastewater, which in many cases cannot be re-used even for agricultural purposes.

Summarising the discussions, Mr Newton said climate is one driver for circular economy action, but there are also other drivers. In particular, social considerations and a critical mass of actors are needed at local levels.



Closing remarks and next steps

5:30 PM - 5:45 PM (CET)

About the session

Speaker

• Pavel Misiga, European Commission, DG R&I

Summary

Closing the conference, Pavel Misiga of the European Commission's DG R&I recapped the key themes and outcomes from the day's discussions. Mr Misiga was positive about progress yet realistic about the challenges still to come on Europe's circular economy journey:

"It was important for me to hear about the social, economic and environmental aspects," he said. "We should include social aspects in this, as the social tipping point will come before the environmental one." He also noted the importance of citizens, who must be involved in the circular transition in local communities. "Mayors have told us they have to be able to show tangible examples and benefits of the circular economy for citizens"

He also spoke about the importance of incentives, which can help to encourage businesses and financiers to get more involved in the transition. "Circular economy must be seen in a more positive way to achieve the climate objectives that are already politically and economically accepted," he said.

Mr Misiga during the closing remarks



"We heard that current markets are not made for the circular economy. This is why we need incentives – for several economic actors – and maybe regulation too," he said. "We need to find a way to change the institutional setup so costs and benefits are distributed so as to incentivise actors along the market value chain to make changes," he noted. "It is important to engage all stakeholders but is it not easy."

Referring back to the session on financing, Mr Misiga said it is clear there are a lot of funds available at EU level, although national-level financing was not mentioned as much in the sessions. Awareness of both types of financing seems relatively low. "We are reflecting on how we can improve this, combine resources and make them available," he said.

Addressing Europe's largest community of leading circular economy practitioners, he thanked attendees for the rich and fruitful discussions and remarked that a community is building: "I feel like we are a community of people who want to work together to achieve a common objective. We hope this will help us achieve collaboration between cities, supporting organisations, and together exchange our knowledge and experience."

Following the main conference on 8 November, <u>CCRI</u> <u>stakeholders</u> were invited to attend the 2nd CCRI Coordination and Support Workshop on 9 November, where they had the chance to take part in a matchmaking experiment, through which over 45 matches were made between CCRI stakeholders.



