

Better Funding



Mainstreaming
into EU post-2020
Funds

Action 5 - Mainstreaming the circular economy as an eligible area into the post 2020 Cohesion Policy and corresponding Funds

It is essential for the European Union to mainstream the circular economy into its policies and particularly into the Cohesion Policy (which through its corresponding Funds amounting around 1/3 of the total EU Multiannual Financial Framework), can provide the required impetus for the promotion of the transition towards circular economy starting from the urban level.

Scope and working method by the Partnership

The aim of the Action was to contribute to shaping part of the content of the post 2020 EU Cohesion Policy so as to include in its rationale the circular economy. The action which was implemented by the Partnership members, comprised: a) analytical review of the regulatory framework ruling the European Structural and Investment Funds (ESIF) 2014-2020 in order to identify possible barriers in the funding and implementation of various actions that fall within the concept of circular economy in urban areas, b) elaboration and provision of respective policy recommendations and ideas for regulatory provisions for the 2021-2027 programming period. The results were brought to the attention of the European Commission and other European institutions and organisations for further use.

Drivers and Barriers identified and how the barriers are addressed through the Action

By definition, the Cohesion Policy framework provides all the options and opportunities for the effective and efficient implementation of innovative and sustainable projects and/or investments aiming at social, economic and territorial cohesion in the EU. This framework appears to fit very well in enabling the shift towards circular economy in the EU due to the critical amount of financial resources that could be invested to relevant projects, but also due to the leveraging possibilities as well as to the financial and legal certainty that this framework provides. The main barrier identified is that the current EU Cohesion Policy 2014-2020 and the related regulatory framework on the European Structural and Investment Funds (ESIF) for this programming period lack absolutely the term “circular economy». Thus corresponding focused provisions and funding are very limited. This action succeeded to address the above barrier by:

- Drafting a position paper and submitting to the European Commission as the Partnership’s contribution to the public consultation on the post 2020 cohesion policy in February 2018
- Providing a working document with recommendations/ proposals for the 2021-2027 Cohesion Policy provisions relevant to circular economy with focus in urban areas and submitting it to the European Commission ahead of the time of publication of the legislative proposals
- Distributing the above mentioned documents to the European Parliament, the European Committee of the Regions and other organizations (Council of European Municipalities and Regions, EUROCITIES and ACR+) in order to inform on the proposals of the Partnership and to feed the thinking of policy makers.

As a result, the Partnership is happy to see that Circular Economy is now explicitly mentioned in the European Commission’s legislative proposals for the 2021-2027 programming period.

Potential impact of the Action *(Stats, numbers, trends)*

The overall potential impact of the action lies on the strong impetus that could be succeeded in the cities through the expected use of the significant amount of financial resources provided by the EU cohesion policy towards achieving the transition of the EU growth process based on the circular economy model, which ensures financial, social and environmental sustainability. Indicative specific impacts:



- **Social**
 - Support of job creation and new skills responding to circular economy
 - Promotion of collaborative/ sharing economy schemes, and change of consumption patterns as well as facilitating access to employment and combat poverty
 - Promotion of multilevel government with the involvement of all local stakeholders
- **Financial**
 - Support of entrepreneurship, innovation (new business models) and competitiveness
 - Financial stability in terms of availability of resources, better sharing of financial risk and higher financial leverage for circular economy investments
 - Contribution to the restructuring of industry (industrial transition)
- **Environmental**
 - Promotion of natural resources saving
 - Contribution to tackling climate crisis

How will this help the new Circular Economy working program of the European Commission?

This action has no direct impact on the new Circular Economy working program of the European Commission. However, the Cohesion Policy 2021-2027 and its related Funds could possibly finance relevant initiatives, e.g. studies focusing on circular economy in cities, etc. In addition, it could benefit from the relevant strategies, policies and projects to be included in the Partnership Agreements 2021-2027 and the respective Operational Programmes.

Recommendation from the Partnership to the European Commission

Since circular economy has now been mainstreamed in the regulatory provisions for the 2021-2027 programming period particularly of the cohesion policy, the partnership further recommends focusing on **ensuring an adequate programming and effective implementation** of the relevant regulatory provisions in the next years. The cohesion policy programs should aim among others at **reinforcing capacities at local level in order to accelerate the transition towards a circular economy**. Moreover, we recommend to the European Commission to extend the aims of its existing expert groups (where relevant), in order to introduce/ strengthen the theme of circular economy in its tasks and involve in its meetings/ working groups delegates from the city level. As a representative example we would like to mention the European Network of Environmental Authorities and Managing Authorities (ENEMA) which operates under the DG Environment and its main goal is to contribute to the integration of environment and sustainable development within the Cohesion Policy programmes and projects. Finally, the partnership encourages using existing platforms such as the Urban Agenda partnerships, the Circular economy stakeholder's platform or local government networks to **enhance peer to peer learning and capacity building**.

Connection to the SDGs and contributions to better governance

This action fits indirectly to the following SDGs:



The planning and programming of circular economy actions in the framework of Cohesion Policy should be guided by the partnership principle according to the European Code of Conduct on Partnership. It therefore promotes multilevel governance with the involvement of all stakeholders.

The necessary next steps

The action accomplished successfully the purpose for which it was designed and implemented. However, the Partnership may keep promoting the outputs on the occasion of other relevant dissemination activities, as its



proposed ideas are still timely and may prove useful to the regions/ member-states concerned in the planning process of their 2021-2027 Operational Programs.

Where to find more information

Position paper developed by Partnership, [available here](#).

