

## **Proposed ideas to feed in the regulatory framework post 2020:**

### **An additional elaboration of the UAEU Partnership on Circular Economy**

#### **1. Introduction**

The UAEU (Urban Agenda for the EU) Partnership on Circular Economy has members from 6 European cities and regions, 4 EU member states, relevant Commission Directorates General (DG Environment, DG Regional & Urban Policy, DG Research & Innovation) and other EU Institutions. One of the Actions the UAEU Partnership on Circular Economy proposed in its Action Plan is “mainstreaming the circular economy as an eligible area into the post 2020 Cohesion Policy and the corresponding funds”.

Given the fact that the post 2020 Cohesion Policy package will be already finalized by the end-of May, in an attempt to timely influence this process, the Partnership decided to hereby provide a more detailed elaboration of a broad spectrum of different eligibility fields/ investment priorities all falling under the circular economy. This is in addition to the more general position paper on this action that the Partnership already submitted during the public feedback, an updated version of which is attached to this document.

#### **2. Basic information**

According to the information communicated by the Director General for Regional & Urban Policy at the EGESIF meeting on March 2, 2018, the post 2020 Cohesion Policy will evolve around the following five policy objectives (which will replace the 11 Thematic Objectives of the current period 2014-2020):

**PO 1: Smart Growth and Innovation**

**PO 2: Social Inclusion** (including everything related to human capital, education, training, etc)

**PO 3: Green Economy** (including issues related to sustainability, **circular economy**, climate action, energy transition, etc)

**PO 4: Connectivity** (including transport and energy networks, as well as ICT)

**PO 5: Europe closer to the citizens** (it is considered to be rather a toolkit for integrated territorial approach, including among others the **urban** dimension, in particular the support of innovative sustainable urban development actions to promote circular economy with its various aspects)

#### **3. Proposed regulatory provisions**

Based on the above, to ensure an essential mainstreaming of circular economy (CE) as such and especially at urban level in the upcoming programming period 2021-2027, the UAEU Partnership on Circular Economy requests that more detailed and distinct references to the circular economy are made, not only in the scope of support, but also when it comes to the specific eligibility fields (e.g. in terms of investment priorities falling under respective policy objectives). Moreover, these should be pursued consistently throughout all other elements of the regulatory framework and post 2020 Cohesion Policy implementation mechanisms.

In this context, the Partnership presents in this document its ideas that could feed in the Commission's regulatory proposals, by Policy Objective. The individual **investment priorities** proposed may be either standalone, or clustered with other similar priorities.

Moreover, the Partnership suggests to make provision for common outcome indicators and common results indicators with regard to these priorities in order to reflect not only the progress in supporting the shift towards circular economy, but mainly the contribution of the support to the achievement of the relevant policy goals.

In addition, provisions could be made for incentives according to which urban authorities choosing to implement circular economy actions could receive some kind of reward, e.g. extended eligibilities.

In the following list of investment priorities, the Partnership highlights the importance of PO 3 "Green Economy" and PO 5 "Europe closer to the citizens" as the main Policy Objectives to boost the shift towards circular economy. However, under an integrated approach, PO 1 and PO 2 should additionally contribute to this goal.

### **PO 1: Smart Growth & Innovation**

Policy Objective 1 could contribute to the transition towards circular economy by promoting relevant business investments in research and innovation and by supporting relevant competitiveness of enterprises and particularly by:

- 1) Developing and implementing new business models for SMEs, in particular with regard to circular economy
- 2) Supporting capacity building and extension of advanced competencies of SMEs for the development of circular products and services
- 3) Supporting the development of ICT products and services (e-commerce, web platforms, etc) for circular economy activities
- 4) Supporting the design of new products or re-design of existing ones on the basis of Life Cycle Assessment
- 5) Supporting the adoption of circular economy labelling (management systems/ schemes) from enterprises, local authorities, organisations, etc.
- 6) Promoting eco-design
  - Life cycle analysis of products, taking into account the energy involved in the production of raw materials and finished products, as well as the cost of their decomposition and disposal
  - Production of products avoiding the introduction of hazardous substances and facilitating repairability and extension of life span. Improvement of waste quality in the production process, reduction of environmental impact.
  - Developing measures to promote product repair, durability and recyclability and ensure availability of spare parts in the context of an eco-design
  - Integrating renewable energy technologies into public works such as hydroelectric, photovoltaic, active and passive systems in buildings, in order to reduce the energy footprint of the projects at the end of their technical life span.

- Developing specifications, standards and certification of recycled building materials (e.g. tiles, paving slabs) and beneficiaries, as well as strengthening of Green Public Procurement.
- 7) Promoting research and innovation activities to improve waste management, such as new technologies for sorting and recycling plants
  - 8) Promoting innovative industrial symbiosis schemes among enterprises based on the use of wastes/byproducts in the urban territory
  - 9) Supporting the adoption of Extended Producer Responsibility schemes by enterprises (manufacturers, importers)

### **PO 2: Social Inclusion**

Policy Objective 2 could contribute to the transition towards circular economy by supporting the development of the required human resources skills and competencies, as well as by promoting the various aspects of circular economy (e.g. sharing economy, collaborative economy, avoidance of food waste, etc.) that contribute to social inclusion and combating of poverty and all forms of discrimination and more specifically by:

- 1) Supporting self-employment, entrepreneurship and business creation, including innovative and/or circular micro, small and medium sized enterprises (e.g. enterprises dealing with remanufacturing, refurbishment and re-use of products and components)
- 2) Supporting the adaptation of employees, enterprises and entrepreneurs (including the development of the required human resources skills and competencies) to the shift towards circular economy
- 3) Supporting employment-friendly growth – including for population outside of the labour market – at local level through the development of circular economy activities (management, recovery and re-use and repair of waste products)
- 4) Promoting collaborative economy, sharing models and change of consumption patterns (e.g. avoidance of food waste) in order to facilitate access to employment and combat poverty

*Note: The use or redistribution of products (such as clothes, furniture, appliances, etc. that are not useful to citizens or families) to other fellow citizens or families may be absolutely necessary. Local initiatives for the collection of useful products that are unnecessary for someone but could be useful for deprived groups or low-income citizens could be supported. Today, the collection and redistribution of those products is carried out by social groups supporting people with basic livelihood needs (homeless, refugees, etc.), however, not always with the proper and effective management, resulting in inefficient utilisation. Such schemes could be rationalized, promoted and reinforced through relevant municipal initiatives.*

### **PO 3: Green Economy**

- 1) Promoting circular economy strategies for urban areas, including strengthened cooperation between local and regional stakeholders
- 2) Supporting recycle and reuse of materials, packaging and other products

- 3) Supporting investments in urban mining including landfill mining as an important part of developing a Circular Resource Management Systems for cities

*Note: Landfill mining represents the activities involved in extracting and processing wastes which have been previously stocked in specific kinds of deposits (municipal landfills, mining tailings, etc.). Urban Mining extends the landfill mining concept to the recovery of compounds and elements from any kind of anthropogenetic stocks, including buildings, infrastructures, industries, products (at the end of use), environmental media receiving anthropogenetic emissions, etc.*

- 4) Promoting integrated actions towards an increased recycling/ recovery of critical raw materials

*Note: This may include the recycling/ recovery of critical raw materials from e.g. discarded electronic devices, mining wastes, etc., as well as development of systems for the exchange of information between manufacturers and recyclers of products, provision of data for economic operators on the potential for recycled critical raw materials, development of recycling standards, etc.*

- 5) Promoting sustainable building and circular re-use of buildings and public spaces under the circular economy concept (design, construction, use, demolition, material recovery and reuse)

- 6) Investing in the establishment of regional markets for secondary raw materials

- 7) Supporting investments for industrial/ urban wastewater treatment/ reuse for irrigation (urban green, gardens, peri-urban agriculture) and/ or industrial/ port uses.

*Note: Such actions could increase the potential of water reuse from treated wastewaters. It should be linked to the revision of the Water Framework Directive. The Commission intends to proceed to a number of actions to promote the re-use of treated wastewater, including through legislation on minimum requirements for reusable water<sup>1</sup>.*

- 8) Promoting the treatment of sludge derived from wastewater treatment processes for further use/ reuse in urban green or energy production (specifications)

- 9) Supporting industrial symbiosis based on the use of wastes/ byproducts between enterprises in the urban territory

- 10) Supporting “Resource Centers” at local level that will encourage repair, reuse, exchange, training in repair processes, etc.

*Note: “Resource Centers” are wider structures based on Green Points, Reuse Centers (meeting points for consumers and producers) that encourage eco-design in urban areas (social training centers, repair-café in cities, local/ regional platforms and web-sites, and more integrated structures)*

- 11) Promoting bioeconomy and the use of biological raw materials and biological processing methods

- 12) Developing and implementing new business models in recycling and product life extension (e.g. repair and reuse)

- 13) Supporting research and innovation in circular economy, particularly through Research & Innovation Strategies for Smart Specialisation

*Note: This may include actions such as the use of “clean” energy, recycling and reusing of materials, packaging and other products, treatment of urban wastewater for the production of “clean” water,*

<sup>1</sup> <http://ec.europa.eu/environment/water/reuse-actions.htm>

*sewage sludge utilization, and generally the reduction of the environmental footprint of specific sectors of the economy e.g. food and beverage, building materials, metal industry, etc.*

- 14) Supporting the use of alternative fuels derived from organic/ industrial wastes, while taking into account the waste management hierarchy
- 15) Promoting green gas production, use (as fuel for transport, enterprises and housing) and distribution through injecting/ blending it into the natural gas network

*Note: The use of biogas and, more general, of “green gas” (methane and hydrogen produced by biogas) is globally a fast growing fuel choice that is necessary for the achievement of GHG emission targets and the objectives of the Paris Agreement. The current technology allows the cleansing of the biogas through the use of membranes that enables the production of methane of similar quality to the one of the natural gas. However, the current legal framework in some MSs allows its use by injecting it into the natural gas network or its use as transport fuel, such as France (FR has set as a target to inject in the natural gas network 1,7 TWh/year in 2018 and to increase the share of “green gas” in the total gas consumption to 10% by 2030). Promoting biomethane would not only contribute to reducing greenhouse gas emissions and reducing gas imports but would also solve the problem of organic waste management from the domestic sector (including hotels and expired food). The use of biomethane requires a lower feed-in tariff than biogas production (around 50%) for both injecting it directly into the natural gas network (usually medium pressure) and for use as a transport fuel.*

- 16) Promoting “energy communities” at urban level through the introduction of Renewable Energy Sources technologies and the improvement of energy efficiency

*Note: This includes incentives for “energy communities” to exploit municipal waste (biomass-biogas) and use the produced electricity to electrify their infrastructures, like transport. As another example could be the participation of “energy communities” in energy upgrading projects by using recyclable materials from Municipalities (provisions taken from the Greek Law 4513/2018 on energy communities)*

- 17) Supporting cooperation platforms to allow active exchange of best practice between key stakeholders including local authorities and cities to ensure a fast transition towards strong circular economy for the EU

## **PO 5: Europe closer to the citizens**

In case that this Policy Objective includes investment priorities, then at least one of them should refer to circular economy as one of the main priorities of the Urban Agenda for the European Union.

In case that it is not linked to specific investment priorities, the related references should provide for the selection of circular economy actions in integrated territorial development plans. Actions/ aspects of circular economy that may form part of integrated territorial development plans are indicatively (but not limited to) the following:

- 1) Supporting recycling and re-use
- 2) Supporting efficient use of resources (in all operations of a municipality: e.g. water supply, irrigation, lighting, building heating, etc.)

- 3) Supporting the utilisation of renewable energy sources in municipal operations
- 4) Supporting of enterprises dealing with remanufacturing, refurbishment and re-use of products and components (e.g. through incubators)
- 5) Promoting of sharing/ collaborative schemes
- 6) Supporting the change of consumption patterns (e.g. minimising food wastes) and initiatives directed at creating a strong public awareness on circular economy
- 7) Promoting green public procurement taking into consideration the notion of circular economy
- 8) Promoting circular economy innovations in the Research & Innovation Strategies for Smart Specialisation
- 9) Promoting the circular economy aspects in the Cross-Border and Transnational Cooperation Programs, as well as in the Macro-Regional Strategies

*Note: According to recent draft report of the European Parliament “the macro- regional approach is the key to achieving regional cooperation and coordination, as well as an opportunity for the establishment of regional markets, in particular for secondary raw materials. Thus, we must streamline the creation of joint capacities, as for instance with respect to regeneration of waste oils and other recycling capacities. Cross – border and transnational cooperation programmes are crucial to foster interregional cooperation on circular economy activities, promote industrial symbiosis, awareness-raising and the exchange of knowledge and best practice”<sup>2</sup>*

- 10) Promoting the development of integrated territorial strategies which take into account the circular economy dimension

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<sup>2</sup> European Parliament, Draft Report on Cohesion Policy and the Circular Economy (2017/2211(INI)), 7.3.2018  
(<http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-%2f%2fEP%2f%2fNONSGML%2bCOMPARL%2bPE-619.126%2b02%2bDOC%2bPDF%2bV0%2f%2fEN>)