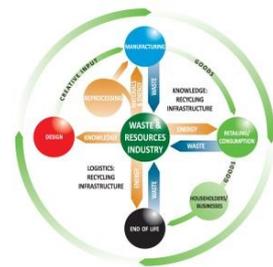
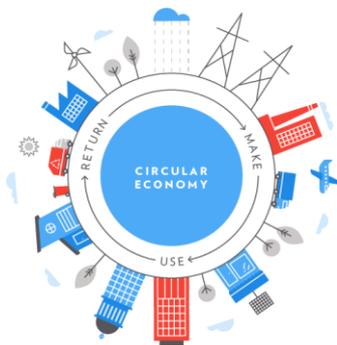


# URBAN AGENDA FOR THE EU Circular Economy

## ACTION PLAN, PART 1

\*\*\* The Pact of Amsterdam states that the Action Plan "can be regarded as non-binding".  
 Therefore, the actions presented in this Action Plan are not compulsory. \*\*\*

Date 31.05.2018



## Table of contents

<b>1</b>	<b>INTRODUCTION</b>	<b>4</b>
1.1	Objectives	5
1.2	Governance of the Partnership	6
1.3	Members	7
1.4	Background information used	7
1.5	Working method of the Partnership	7
1.6	The plan for a circular economy in cities	10
<b>2</b>	<b>ACTIONS</b>	<b>11</b>
2.1	Better Regulation	11
2.1.1	Help make <b>waste legislation</b> support the circular economy in cities	11
2.1.2	Help make <b>water legislation</b> support the circular economy in cities	14
2.2	Better Funding	18
2.2.1.	Prepare a <b>Circular City Funding Guide</b> to assist cities in accessing funding for circular economy projects	18
2.2.2.	Mainstreaming the circular economy as an eligible area into the <b>post 2020 Cohesion Policy and corresponding Funds</b>	22
2.3	Better Knowledge	25
2.3.1	Prepare a blueprint for a <b>Circular City Portal</b>	25
2.3.2	Promote <b>Urban Resource Centres</b> for waste prevention, re-use and recycling	29
2.3.3	Develop a ' <b>Circular Resource Management</b> ' <b>Roadmap</b> for cities	35
2.3.4	Develop a <b>Collaborative Economy Knowledge Pack</b> for cities	39
<b>3</b>	<b>GOOD POLICIES, GOVERNANCE AND PRACTICES (RECOMMENDATIONS)</b>	<b>44</b>
3.1	EU level	44
3.2	Member State level	44
3.3	City level	44
<b>4</b>	<b>LINKS WITH OTHER COMMITMENTS</b>	<b>46</b>
4.1	Link with the cross-cutting issues	46
4.2	New Urban Agenda & Sustainable Development Goals	47
4.2.1	New Urban Agenda (Habitat III)	48
4.2.2	New Urban Agenda and the 2030 Agenda for Sustainable Development	51
	<b>ANNEXES</b>	<b>55</b>
	Annex 1: List of members and involvement	55
	Annex 2: List of relevant studies	60
	Annex 3: List of themes, topics and actions	62
	Annex 4: List of actions in Action plan, part 1 and their correspondence with international commitments	63

*Disclaimer*

*The information and views contained in the present document are those of the Partnership and do not reflect the official opinion of the European Commission nor that of the Partners. The Commission and the Partners do not guarantee the accuracy of the information contained therein. Neither the Commission or the Partners nor any person acting on the Commission's behalf or on the Partners' may be held responsible for the content and the use which may be made of the information contained therein.*

# 1 INTRODUCTION

During the Dutch Presidency of the EU in the first half of 2016 the **Pact of Amsterdam** was adopted by EU Ministers responsible for Territorial Cohesion and/or Urban Matters. The Pact strives to involve Urban Authorities in achieving Better Regulation, Better Funding and Better Knowledge.<sup>1</sup> The relevance of this involvement is highlighted by the statistic that cities and urban areas now house more than 70% of all Europeans.

Cities are the drivers of innovation and the economy but also the battleground for many of the societal struggles of the 21<sup>st</sup> century, as emphasised in the United Nations agreements both the New Urban Agenda<sup>2</sup> and the 2030 Agenda on Sustainable Development<sup>3</sup>. The **Urban Agenda for the EU** helps to ensure that these facts are acknowledged and reflected by EU legislation, funding and knowledge sharing.

The Urban Agenda is composed of **12 priority themes** essential to the development of urban areas. Each theme has a dedicated partnership. These partnerships bring together cities, Member States and European institutions. Together, they aim to implement the Urban Agenda by finding workable ideas focused on the topics of EU legislation, funding and knowledge sharing. One of these partnerships is the **Partnership on Circular Economy**.

Cities play an essential role in the development of a circular economy; they act as enablers of potential measures by which they can influence both the consumers and the businesses. Moreover, overall governance, enabling businesses, public procurement, consumption and resource management are the themes that would all have a bearing upon the development of circular economy concepts within cities. As an example, cities are responsible for waste management at the local level. They have the possibility of mapping resources in products, but also for products when becoming waste within their area. Together with local enterprises, such resources can be transformed into inputs for local, regional and global production.

European cities are uniquely positioned to address complex problems through practical experimentation and innovation. The transition to a circular economy requires multi-level governance and new visions of what the future city could look like. Therefore, involvement at a local level is crucial for the transformation from the traditional linear approach to a circular strategy.

---

<sup>1</sup> [http://ec.europa.eu/regional\\_policy/sources/policy/themes/urban-development/agenda/pact-of-amsterdam.pdf](http://ec.europa.eu/regional_policy/sources/policy/themes/urban-development/agenda/pact-of-amsterdam.pdf)

<sup>2</sup> <https://unhabitat.org/new-urban-agenda-adopted-at-habitat-iii/>

<sup>3</sup> <http://www.un.org/sustainabledevelopment/development-agenda/>

## 1.1 Objectives

The Partnership on Circular Economy has looked into the whole circle, starting with the extraction of raw material, design, production, transportation, consumption and, finally, the recycling of waste with residues for final disposal.



**Figure 1 Closing the loop – An EU Action Plan for the Circular Economy (source: DG Environment, October 2016)**

However, given time and resource constraints, this scope had to be limited, and the Partnership has focused on the parts of the circle which are most relevant to cities and where they have the greatest potential to influence. To choose among several potential topics and actions, a set of criteria have functioned as guidelines in their screening and evaluation:

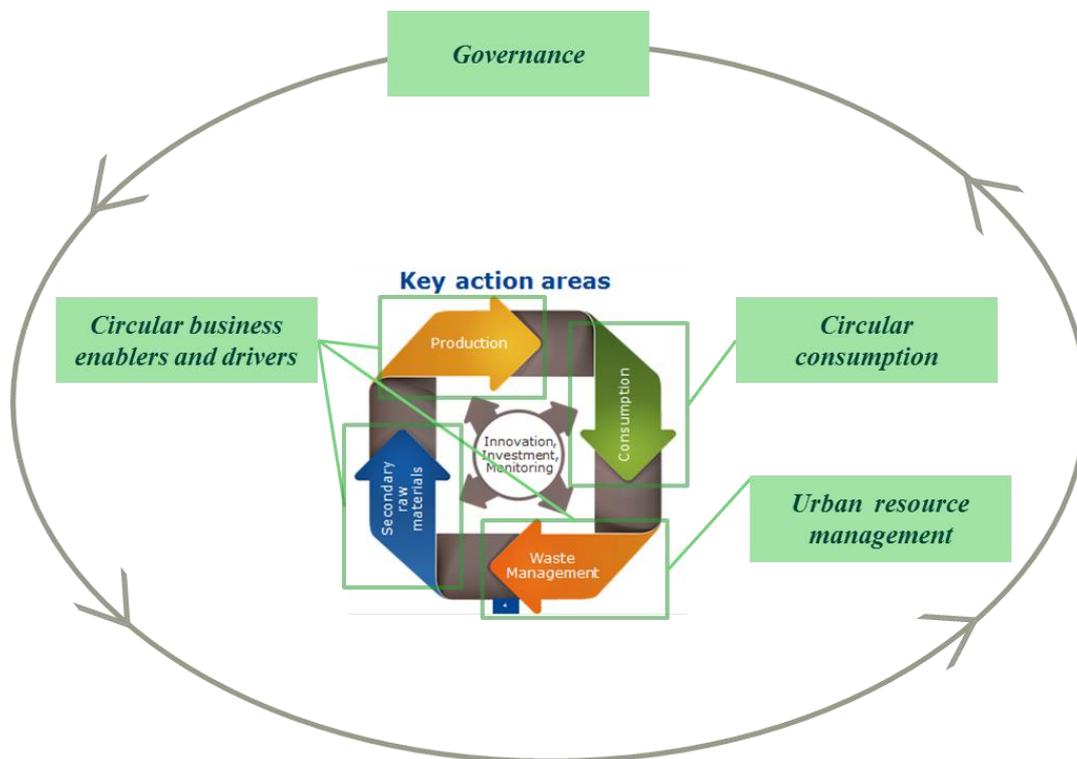
- Cities' needs – the urban dimension clearly reflect cities' needs;<sup>4</sup>
- Fit the concept of the Circular Economy – as put forward by the Commission in the Circular Economy Package on 02.12.2015;<sup>5</sup>
- Potential for improvement – give the greatest potential for improvements in relation to Better Regulation, Better Funding and Better Knowledge;
- Reality check – are feasible and can be realistically implemented;
- Expertise – it is possible for the Partnership to mobilise the necessary expertise needed;
- Added value – that add unique value to this Partnership, and cannot, or are not, being undertaken easily by other partnerships/initiatives, stakeholders, etc.

<sup>4</sup> ESPON, Interact, Interreg Europe and URBACT – Pathways to a circular economy in cities and regions. Policy brief addressed to policy makers from European cities and regions, October 2016

<sup>5</sup> Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions: Closing the loop - An EU action plan for the Circular Economy, December 2015

In the Orientation stage, the following themes have been selected by the Partnership:

- Circular consumption;
- Urban resource management;
- Circular business enablers and drivers;
- Governance.



**Figure 2 Scope of the Partnership**

By choosing the themes mentioned above, the Partnership covered most of the relevant circular economy aspects from a city perspective. The Partnership on Circular Economy has not elaborated an overall plan for introducing the circular economy at a city level, however focused on specific actions and recommendations that would fit into already existing plans for most cities.

The theme of “Governance” is crucial to the circular economy, both at the city, Member State and the EU level. Hence, during the stocktaking phase, a special focus has been placed on the need for better governance at all levels. The cross-cutting topic of governance should help address the right issues at the right level.

## 1.2 Governance of the Partnership

The City of Oslo is the Coordinator of the Partnership of Circular Economy. The Technical Secretariat provided by Ecorys (and funded by EC DG REGIO) has been operating from the beginning of the work of the Partnership.

### 1.3 Members

The Circular Economy Partnership consists of six urban authorities, namely the City of Oslo, The Hague, Prato, Porto, Kaunas and Flanders region. The Member States are Finland, Poland, Slovenia and Greece. The European Commission (DG REGIO, DG ENV, DG CLIMA, DG RTD, DG GROW), the Council of European Municipalities and Regions (CEMR), EUROCITIES, URBACT, the European Investment Bank (EIB) and the Association of Cities and Regions for sustainable Resource management (ACR+) are also partners. A full list of partners and their involvement is included in Annex 1.

### 1.4 Background information used

Each partner submitted an expert nomination to the different topics to be investigated. As a result, the Partnership could rely on several experts to provide input to developing both scoping fiches and actions. In addition, the Partnership has received input from external stakeholders including ICLEI, Europa Decentraal, RReuse, OuiShare and the University of Nijmegen (NL). However, most of the stocktaking was done by the partners themselves. This means that some aspects of the Circular Economy had to be left out due to a lack of knowledge within the Partnership. It goes without saying that circular economy is a broad topic and that it would have been impossible for the Partnership to cover all bottlenecks that cities would face in the introduction of a circular economy in their cities.

The Partnership has not carried out new studies during our work. Several reports from projects or studies by others have been identified and made available for the partners. A list of relevant reports and studies is visible in Annex 2 to this plan.

### 1.5 Working method of the Partnership

By 31.05.2018, the Partnership had organised eight Partnership meetings. For 2018, an additional two meetings are planned. The Partnership has also organised one workshop during the Cities Forum in Rotterdam on the 27<sup>th</sup> November 2017, and a parallel session during EU Green Week in May 2018. In addition to this, the Partnership has discussed some of the draft actions with the members of EUROCITIES Working Group on Waste and interested members at the EUROCITIES annual meeting. In May, the Partnership also co-organised a workshop on urban bio-resources during EU Green Week together with EUROCITIES, Municipal Waste Europe, European Composting Network and the City of Oslo.

So far, the working method of the Partnership has consisted of five main steps:

#### **First step – Orientation paper**

The initial phase of the Partnership was the orientation stage. During the first Partnership meeting, the Orientation Paper was sketched out, giving direction and focus for the Partnership. It was in the

Orientation paper<sup>6</sup> that the six criteria and the four main themes were agreed upon. The Orientation paper has been discussed and acknowledged by the Urban Development Group and the Director's General meeting on Urban Matters in the spring of 2017 during the Estonian Presidency.

### **Second step - scoping fiches**

Each of the different themes was discussed in a separate Partnership meeting. The Partnership invited external experts to provide their input to the discussion. For each topic, interested partners created a working group to identify bottlenecks and possible actions to reduce the barriers. Partners involved local experts to participate in the work, and the outcome of the work was organised into 11 scoping fiches. The first topics were discussed in the second Partnership meeting, and the last theme at the sixth meeting. As a result, the different topics developed separate timeframes for further work. In Annex 3 a list of all the themes and scoping fiches are included.

To develop a scoping fiche on the topic of Circular Public Procurement, ICLEI was asked to summarise the ongoing work in Europe and to develop a draft scoping fiche together with the City of Oslo. This included leading the discussion within the Partnership on this topic. The work of ICLEI was sponsored by the City of Oslo.

### **Third step – selection of possible actions**

For each scoping fiche, a session during a Partnership meeting was dedicated to a discussion between all partners on the following points:

- Does the scoping fiche reflect the discussion put forward in the working groups?
- Do the proposed actions reflect the scoping fiche and identified barriers?
- Discuss the actions according to criteria set by the Partnership (see page 5 in this Action Plan).

Based on these discussions, a list of actions was formulated. To reduce the amount of actions, all partners voted for what they considered to be the most important action and the outcome of the votes formed the basis for the draft action list. Each partner nominated themselves for further work to elaborate the actions.

As a result of the establishment of the Partnership on Public Procurement, the topic and the scoping fiche for Circular Public Procurement was transferred to this Partnership in September 2017.

### **Fourth step – decision on final actions**

After the eighth meeting of the Partnership, the following list of actions was identified. However, some of the actions needed more time to be developed. This resulted in two separate processes with regards to the action plan. The Partnership will put forward an Action plan, part 1 and 2. Therefore the Action plan will have a Part 1, consisting of 8 actions put out for public consultation in

<sup>6</sup> <https://ec.europa.eu/futurium/en/circular-economy/circular-economy-orientation-paper>

February, and a Part 2 for public consultation in July. The allocation of actions per public consultation session is included in the table below.

<b>Table 1 List of actions</b> Action	<b>Related theme</b>	<b>Part 1/ Part 2</b>
<b>Better Regulation</b>		
Help make <b>waste legislation</b> support the circular economy in cities	Urban Resource Management, Governance, Circular business enablers and drivers	Part 1
Help make <b>water legislation</b> support the circular economy in cities	Urban Resource Management	Part 1
Analysis of regulatory obstacles and drivers for boosting an <b>urban circular bioeconomy</b>	Urban Resource Management, Governance, Circular business enablers and drivers	Part 2
<b>Better Funding</b>		
Prepare a <b>Circular City Funding Guide</b> to assist cities in accessing funding for circular economy projects	Governance	Part 1
Mainstreaming the circular economy as an eligible area into the <b>post 2020 Cohesion Policy and corresponding Funds</b>	Governance	Part 1
<b>Better Knowledge</b>		
Prepare a blueprint for a <b>Circular City Portal</b>	Urban Resource Management, Governance, Circular business enablers and drivers, Consumption	Part 1
Promote <b>Urban Resource Centres</b> for waste prevention, re-use and recycling	Urban Resource Management, Governance, Circular business enablers and drivers, Consumption	Part 1
Develop a <b>Circular Resource Management Roadmap</b> for cities	Urban Resource Management, Governance, Circular business enablers and drivers	Part 1
Develop a <b>Collaborative Economy Knowledge Pack</b> for cities	Governance, Circular business enablers and drivers, Consumption	Part 1
Guidelines for <b>circular re-use of urban buildings and spaces</b>	Urban Resource Management	Part 2
<b>City Indicators</b> for a Circular Economy	Governance	Part 2
Develop <b>“Pay-as-you-throw”-toolkit</b> with coaching	Urban Resource Management, Governance, Consumption	Part 2

More information on the actions is included in Chapter 2.



### Fifth step – consultation carried out

The Partnership carried out public consultations from the 6<sup>th</sup> of February until 16<sup>th</sup> of March 2018 through the website Futurium (European Commission). The Partnership has also attended several conferences, meetings, seminars and webinars presenting the 8 actions put forward. Based on the feedback received during the public consultation the Partnership has revised and adjusted the action plan, part 1.

## 1.6 The plan for a circular economy in cities

The Partnership on Circular Economy has been given a very broad remit. From the beginning, the Partnership has been clear on not developing the ultimate guide towards a circular economy. Neither has the Partnership been able to identify all the barriers or bottlenecks that cities experience. Nevertheless, the Partnership has, based on the expertise and knowledge obtained throughout its work, identified several actions and recommendations to be put forward to the EU, Member States and cities. To summarise, these actions and recommendations touch upon some of the most important barriers and also provide advice for cities in their work towards a strategy for circular economy.

The following actions presented are concrete actions to realise a city where residents and entrepreneurs do not think in terms of waste, but in terms of resources with permanent economic and social value. A city where Urban Resource Centres are social and economic hubs for residents and enterprises to meet each other and collaborate on Circular Resource Management. European legislation entices local authorities, companies and investors to make the most of all types of waste, and also water. The knowledge and experience from other cities is shared with others through an interactive Circular City Portal. Through well-developed European Cohesion Policy post 2020, it is also easier for local authorities to direct funding and investment to circular infrastructure and new knowledge. There are also accessible tools that guide the city through the different funding possibilities and also assist funders that are interesting and directing their funds to investments in the circular transition.

## 2 ACTIONS

### 2.1 Better Regulation

The Urban Agenda for the EU focuses on a more effective and coherent implementation of existing EU policies, legislation and instruments. Drawing on the general principles of Better Regulation, EU legislation should be designed so that it achieves the objectives at minimum cost without imposing unnecessary legislative burdens. In this sense the Urban Agenda for the EU will contribute to the Better Regulation Agenda. The Urban Agenda for the EU will not initiate new regulation, but will be regarded as an informal contribution to the design of future and revision of existing EU regulation, in order for it to better reflect urban needs, practices and responsibilities. It recognises the need to avoid potential bottlenecks and minimise administrative burdens for Urban Authorities.<sup>7</sup>

#### 2.1.1 Help make **waste legislation** support the circular economy in cities

*Stimulate resource efficiency by the use of secondary raw materials from waste by improving the resource perspective in the waste legislation of the Waste Framework Directive, Packaging and packaging Waste Directive, End of Life Vehicle Directive, Waste from Electric and Electronic Equipment Directive among others, and removing legislative barriers without compromising current levels of protection of public health and the environment.*

##### **What is the specific problem?**

The Urban Agenda Partnership on Circular Economy has identified several barriers and bottlenecks regarding the use of secondary raw materials (recycling) or products (re-use) originating from waste streams. In the Partnership this has been put forward from a public procurement perspective, a consumer perspective, a waste management perspective, and from a business enabler perspective.

As soon as products or materials enter the waste stream, a set of regulatory measures apply to protect human health and the environment against any harm from those products and materials. These regulations make it difficult, if not impossible to redirect waste fractions back into the economic cycle for re-use or recycling. Where hazardous substances are concerned these regulatory measures absolutely make sense. There are however circumstances in which the rather strict regime of waste legislation is not needed, and can even be counterproductive for the circular economy. For cities, these **barriers become apparent in different situations** such as:

- The recycling of source-separated household waste, like food-waste and plastics;

---

<sup>7</sup> Urban Agenda for the EU – Pact of Amsterdam, Article 5.1

- Initiatives to prepare for re-use, like setting up repair- or second-hand shops;
- Supporting initiatives aimed at waste prevention for enterprises and citizens.

The removal of these barriers is important to facilitate the circular economy and to stimulate the uptake of the use of secondary raw materials. This first of all calls for a basic evaluation of the current legislative framework, the implementation and application of that framework and the definitions of waste in the context of a circular economy. **For analytical purposes** we will take the European waste management hierarchy as a starting point.



The triangle shows that preparing for re-use and recycling are part of the waste definition. As a consequence these two categories that are of key importance to the circular economy are subject to quite strict rules and regulations. An important question that arises is whether this is always necessary from a perspective of protection of human health and the environment, for example in situations where there is no risk of hazardous substances.

An important question that arises is whether a differentiation between waste for repair, reuse and recycling should be separated from waste sent to energy or landfill could be a useful addition to improve existing regulatory provisions to better fit the circular economy. It can be argued that regulatory provisions aimed at the re-use of waste streams already exist in the form of so-called end-of-waste criteria. However, until now, end-of-waste criteria have been set for only a very limited number of materials. Furthermore, the process of developing end-of-waste criteria for new products and materials will be quite complex and time consuming.

One option to better meet the requirements of the circular economy could then be to keep products and materials that are fit for re-use and recycling, out of the waste stream in the first place. This could for example be done through the introduction of 'beginning of waste criteria' by which products and materials that are fit for re-use and recycling will have to meet requirements comparable to primary resources, and will only be allowed into the waste stream when there are clear risks of negative impacts on human health and the environment. Those way secondary raw materials will not be subject to unnecessary limitations that arise from the waste status. At the same time this may allow for a more friendly and competitive market environment for secondary

resources, from which the urban economy will benefit in terms of new economic activity and employment. In turn, products and materials that do enter the waste status can always be redirected back into the economic cycle through the existing provisions for the end of waste status.

#### How do existing EU policies/legislations/instruments contribute?

There are several policies and legislations that (theoretically) contribute:

- Waste framework directive and other waste directives:
  - Definition of waste, definition of recycling (methods for report from Member States to the Commission);
  - End of waste criteria;
  - Separation at source;
- Directive on Packaging and packaging waste
- Proposed Directive on the reduction of the impact of certain plastic products on the environment
- Roadmap resource efficiency:
  - Waste to energy;
  - CE-package.

#### Which action is needed?

The revision of the Waste Framework Directive and associated regulations, and documents such as the recent communication on the interface between chemical, product and waste legislation, primarily aim at improving existing policies and regulations and the European Strategy for Plastics in a Circular Economy,. These are all highly relevant for this particular action of the Partnership. A logical first step would then be to conduct a more **in-depth assessment of the (revised) legal and policy frameworks** in order to gather more precise and comprehensive information on the regulatory obstacles and drivers for boosting the use of secondary raw materials from waste streams.

Depending on the outcomes of the first step, the second step could result in providing **guidance to improve the practical implementation and use of existing frameworks**, thus reinforcing the positive drivers. At the same barriers and obstacles could lead to **recommendations to adapt or complement existing frameworks** in order to better facilitate the use of secondary raw materials from waste streams. Where possible and needed proof of concept to support these recommendations will have to be developed from practical experience. One element of this could be the introduction of so-called 'beginning of waste' criteria as a method of setting standards (including those for public health and environment) to divert end-of-life products and materials away from the waste stream and into the realms of secondary resources for re-use and recycling.

It is important to stress that this action on waste legislation will not remove obstacles and barriers in isolation. This action has to be placed within the context of a broader set of measures that aim at stimulating the use of secondary raw materials from waste streams, like financial incentives, product design standards and planned obsolescence, procurement, etc..

#### How to implement the action?

- Conduct an in-depth analysis of obstacles and drivers in existing (revised) legal and policy frameworks.
- Broad survey to collect more examples from (urban) practice concerning obstacles and drivers
- Case studies as proof of concept for obstacles and drivers and good practice
- Translate results into guidance and recommendations for implementation and improvement

#### Which partners?

**Action leader:** City of The Hague and City of Oslo

**Participants:** Prato, Poland, CEMR, EUROCITIES

**Relevant partners:** expert assistance will be required from Europa Decentraal; a regular exchange of views and information with DG ENV is of key importance for this action.

#### Which timeline?

In the second half of 2018 focus will be mainly on the in-depth assessment of the (revised) legal and policy frameworks. At the same time a broad survey will be conducted to collect more examples from urban practice in terms of obstacles and barriers as well as drivers and possibilities. In the first quarter of 2019, on the basis of the assessment and the survey, a number of relevant case studies will be selected for further analysis and to develop proof of concept to support possible recommendations.

The results of the steps mentioned above will be laid down in a draft report in the second quarter of 2019 and will subsequently be put up for consultation of most relevant partners and stakeholders. The final findings of this action will then be reported in the third quarter of 2019.

#### 2.1.2 Help make **water legislation** support the circular economy in cities

*The Partnership calls for a robust and comprehensive EU legislation to create an environment where cities as water operators will develop and implement solutions for water re-use as a part of a strategy for better water management and a transition towards circular economy. There is an important potential to reduce the use of drinking water in the first place by re-using wastewater and harvested rainwater for purposes such as street cleaning, watering city parks and gardens, and industrial activities. Increasing the available volume of re-used water for such applications would reduce the demand for (scarce) drinking water. The Partnership shall develop a general position*

*(paper) which can be used as inputs into ongoing and upcoming revisions of EU strategies on water and wastewater.*

### What is the specific problem?

Water is one of the most critical resources worldwide, but also in parts of Europe. Clean water is not only used as drinking water, but for a wide range of uses within the city. There are strong restrictions towards the use of cleaned water from wastewater treatment plants – preventing it to be used as drinking water. However, re-used wastewater and harvested rainwater can be used for other purposes such as street cleaning, irrigation of parks and gardens, industrial purposes, etc. After all, different uses require different “levels”/standards of water quality, which means that these other purposes could be met by re-used wastewater – thus reducing the demand on fresh drinking water. Re-use of water and harvested rainwater could also play an important part in broader climate adaptation initiatives.

Due to human health and environmental risks, the re-use of water has strong limitations in the existing EU, national and regional regulation of water and wastewater. A more efficient re-use of water is essential in the transition towards a circular economy. There are currently several projects and initiatives to re-use wastewater all over Europe. Differences in national and regional legislations lead to differences in the possibilities for cities to investigate and use existing knowledge.

Barriers identified in the re-use of water are among others:

- Wastewater from industrial production activities has more regulatory limitations than urban wastewater;
- The term ‘urban wastewater’ is in European legislation defined as domestic wastewater or the mixture of domestic wastewater with industrial wastewater and/or run-off rain water. Most cities have one system for collecting urban wastewater, including wastewater from industries and commercial activities which results in the limitation for these cities to re-use water;
- Lack of minimum quality requirements for water in its different uses and processes, like different quality standards for recycled water, the use of treated wastewater is simply forbidden;
- Lack of a clear responsibility for and the risks born by each player (quality assurance/ monitoring/ maintenance/ black-out);
- Reluctance to allow new technologies to be implemented, meaning that the regulations tend to focus on describing technologies rather than meeting the required standards.

Hence, the Partnership underlines that wastewater is one of the most abundant resources in cities – an “untapped resource” like the UN called it in the 2017 World Water Development Report <sup>8</sup>: Its use should neither be neglected nor discarded and use / re-use could prevent water reservoirs against overexploitation due to future increase in water demand in cities. According to DG ENV, both southern Member States such as Spain, Italy, Greece, Malta and Cyprus and northern

<sup>8</sup> <http://www.unwater.org/publications/world-water-development-report-2017/>

Member States like Belgium, Germany and the UK already have in place numerous initiatives regarding water re-use for irrigation, industrial uses and aquifer recharge. Cyprus and Malta already re-use more than 90% and 60% of their wastewater respectively, while Greece, Italy and Spain re-use between 5 and 12% of their effluents, clearly indicating a huge potential for further uptake.

The Partnership is aware of the regional differences within the European Union. These differences could lead to different priorities for a more efficient water management. Therefore, Member States with less focus on reuse of waste water should not try to stop more ambitious member states by blocking necessary regulations in EU legislation on water reuse. This could hinder other Member States, regions or cities in promoting re-use of water if this is considered an efficient strategy towards better water management by the relevant actors involved. Identifying and proposing changes in European legislation could be an important step towards better water efficiency and contributes towards cities transiting towards a circular economy.

### **How do existing EU policies/legislations/instruments contribute?**

The most important EU regulations are Directive 2000/60/EC of the European Parliament and of the Council of 23 October 2000 establishing a framework for Community action in the field of water policy (the Water Framework Directive) and Council Directive 91/271/EEC of 21 May 1991 concerning urban wastewater treatment (the Urban Wastewater Directive). The Commission is finalising a legal proposal on water reuse based on the JRC report on minimum requirements for water reuse for agricultural irrigation and aquifer recharge. An ATG Water Reuse group under the CIS process also addresses the issue of water reuse.

DG RTD is also running two new pilot initiatives in 2018: the Innovation Deal on Water reuse<sup>9</sup> and the P4P (Projects for Policy) on urban water management (UWM). Furthermore, the current intent at EU level is not to impose water re-use to Member States which do not want to pursue it. In the report of the public consultation to set minimum quality requirements for re-used water in the European Union, the perceptions of stakeholders and citizens are summarised about the idea of re-used wastewater with agriculture purposes<sup>10</sup>. No technical limits or indications are available at this stage (Inception impact assessment)<sup>11</sup>. For this reason an action, promoted by the Partnership, is justified.

### **Which action is needed?**

The Partnership calls for a robust and comprehensive EU legislation to create an environment where cities as water operators will develop and implement solutions for water re-use as a part of a strategy for better water management and a transition towards circular economy. We are seeking: A commitment from the EU Parliament, the Council and the Commission on the theme of water re-use. This is a main theme for European cities in their transition towards a circular economy. This commitment should be visible in all communications regarding the ongoing revision of EU strategies

<sup>9</sup> <https://ec.europa.eu/research/innovation-deals/index.cfm?pg=home>

<sup>10</sup> <http://ec.europa.eu/environment/water/pdf/WaterReuse2ndConsultation-Report-and-Annex-COM.pdf>

<sup>11</sup> [http://ec.europa.eu/smart-regulation/roadmaps/docs/2017\\_env\\_006\\_water\\_reuse\\_instrument\\_en.pdf](http://ec.europa.eu/smart-regulation/roadmaps/docs/2017_env_006_water_reuse_instrument_en.pdf)

on water and wastewater, the revision of EU legislation of the Water Framework Directive, the Urban Wastewater Directive and the publication of guidelines and requirements for re-use of urban wastewater;

- Recognition from the EU Parliament, Council and the Commission on the potential of re-use of water as Climate Adaption measure.
- From the Commission to engage in active implementation of the Urban Water Agenda 2030<sup>12</sup>, as a critical framework which facilitates the implementation of EU water regulation and helps cities to work towards greater water re-use;
- A shift in the EU legislation for re-use of wastewater from a source perspective to criteria for use for different purposes. For this, a higher focus on a control-at-source approach has to be implemented in water legislation, in line with the Extended Producer Responsibilities principles in the Waste Framework Directive;
- Support for development of necessary technology for control-at-source and treatment of wastewater and harvested rainwater;
- Recognition of the importance of a regional and urban/rural perspective of resource management of wastewater, rainwater and sludge;
- Development of a proposal to create a certification label for production processes using recycled water;
- Behavioural change (acceptance for water re-use)

The shift in European policy towards the principles of the circular economy requires better management and re-use of water – and a recognition of the role of all levels (EU, national, regional, local) in European policy making. Together with relevant stakeholders, the Partnership will identify and influence the on-going revision of policy and regulations ask for this recognition and support legal initiatives in this direction. The Partnership's work will be based on practical city experiences from partner cities and other cities.

When water is treated as a consumable, it must be kept pure and only brought into solution or is that easy or profitable to extract. All water, including freshwater, gray water and harvested rainwater, should flow into cascades, where it may be used for another purpose. Whenever possible, energy and nutrients should be extracted from consumable water; there are now many revolutionary new techniques to help with this process, as well as other innovations that encourage reuse.

### How to implement the action?

To promote reuse of waste water and a more circular urban water management, the Partnership will seek to influence ongoing revision of the water and wastewater regulations. The Partnership will develop a general position (paper) which can be used as inputs into ongoing and upcoming revisions of EU strategies on water and wastewater. The Partnership will seek alliances with other local and regional actors to strengthen the importance of cities in the future management of the water resources.

---

<sup>12</sup> <http://urbanwateragenda2030.eu/>

Important steps to reach this will be:

- collect useful information from focus group with relevant stakeholders
- identify and start dialogue with other city stakeholders working on water and waste water
- final position paper on promoting reuse of waste water to be delivered to all relevant EU institutions, Member States and regions.

### Which partners?

**Action leader:** Prato

**Participants:** Prato, Maribor, Flanders, Oslo, EUROCITIES

**Relevant partners:** Europa Decentraal.

### Which timeline?

The action will be carried out during 2018 and 2019.

May 2018 – March 2019:

- Develop position and input to ongoing legal process, in accordance with the timeframe set up by the Commission;
- Start up the process and start interviews and focus group with relevant stakeholders in order to collect useful information for the definition of the certification standard
- Promote the action to the relevant decision makers.
- Meeting with relevant stakeholders for the definition of the main requirement of the certification standard for re-use of water;
- Identify relevant body to develop a certification standard for re-use of water.

April 2019: Evaluation of the results of the work carried out by the Partnership

## 2.2 Better Funding

The Urban Agenda for the EU will contribute to identifying, supporting, integrating and improving traditional, innovative and user-friendly sources of funding for Urban Areas at the relevant institutional level, including those from European Structural and Investment Funds (ESIF) (in accordance with the legal and institutional structures already in place) in view of achieving effective implementation of interventions in Urban Areas. The Urban Agenda for the EU will not create new or increased EU funding aimed at higher allocations for Urban Authorities. However, it will draw from and convey lessons learned on how to improve funding opportunities for Urban Authorities across all EU policies and instruments, including Cohesion Policy.

### 2.2.1. Prepare a **Circular City Funding Guide** to assist cities in accessing funding for circular economy projects

*The guide to be developed under this action is intended to help cities identify and access suitable sources of funding and financing for their own circular projects as well as for projects promoted by private and public entities in their territories. The guide will also build knowledge on how to design*

*and set up effective funding schemes for circular city projects, taking into consideration their varying types, sizes and risk profiles.*

### **What is the specific problem?**

Cities can promote the circular economy by implementing their own projects but also by supporting projects promoted by other public and private promoters inside their territories. In any of these two cases, cities may be in need of external sources of funding/financing to complement their increasingly limited budgetary sources. Besides **lacking the awareness on the existing sources of funding/financing for circular economy** investments and the conditions for accessing/blending them, cities and funding institutions often **lack the knowledge** on how to assess, design and set up funding programmes/schemes for circular economy projects.

Circular developments in cities comprise projects of varying types and scale, involving both public and private promoters. With regards to public promoters, projects may face financing gaps due to constrained municipal public budgets and limited credit lines from public and commercial banks. In the case of private promoters, circular businesses and projects are often small and/or carry other risks that are not acceptable to commercial banks. Such risks can be related to (i) small promoters with limited collateral or few physical assets as loan security; (ii) innovative and not yet fully commercially proven technologies with associated construction and operating risks; and (iii) transitions to new and unproven business models with associated commercial and market risks.

Furthermore, there are obstacles and structural barriers that complicate the blending of public and private financing and of loan financing and grants. There are also obstacles to accessing micro financing and to integrating grants and other subsidies from different sources or funds that target different themes or focus areas. Addressing these barriers and obstacles would improve the often much needed funding for circular projects in cities.

Local authorities, in their capacity of funder, as well as other funders, e.g. commercial banks and private investors, may also have difficulties to relate to the circular economy concept and the particularities of circular projects in cities, something that limits their understanding of needs and opportunities, and willingness to provide funding or financing for such projects.

In light of this, there is **a need to increase visibility and understanding of the different sources of grant funding and loan financing available** for projects that support the transition towards the circular economy in cities, and to enable funders to better relate and respond to such funding needs and opportunities.

### **How do existing EU policies/legislations/instruments contribute?**

In the context of the EU Circular Economy package<sup>13</sup>, reference is made to financial support from the EU to the transition to a circular economy by ESIF funding, including €5.5 billion from structural funds for waste management and investments in the circular economy at national level. Moreover, 940 million are allocated in Horizon 2020 the EU framework programme for research and innovation under the Focus Area "Connecting economic and environmental gains – the Circular

<sup>13</sup> [http://ec.europa.eu/environment/circular-economy/index\\_en.htm](http://ec.europa.eu/environment/circular-economy/index_en.htm)

Economy" of the Work Programme 2018-2020. There is also funding for circular projects available under the Urban Innovative Actions, LIFE, URBACT and Interreg Europe programmes.

With regards to the € 5.5 billion of investment aid for projects in the solid waste sector, parts of these funds are being used to support investments promoting waste minimisation and enabling circular waste management practices such as sorting, recycling and composting of materials and bio-wastes. However, the focus is on (household) waste management and not on the circular economy, and a large portion of these funds can be expected to be dedicated to major infrastructure projects aiming at the safe treatment and disposal of residual household wastes that are not directly contributing to the circular economy, particularly so in new Member States.

Of relevance in this context are also the ESIF funds (2014-2020) potentially accessible for circular economy projects and businesses under the different national and regional operational programmes dedicated to:

- (i) Thematic objective 1, "strengthening research, technological development and innovation – RTDI" (with over € 60 billion in total funds available in the current programming period 2014 – 2020, of which over € 40 billion from the EU);
- (ii) Thematic objective 3 "enhancing the competitiveness of SMEs" (with over € 90 billion in total funds available in the current programming period 2014 – 2020 of which over € 60 billion from the EU);
- (iii) Other thematic objectives including thematic objective 4 ("supporting the shift to a low carbon economy in all sectors").

While there are no investment priorities under these thematic objectives dedicated to the circular economy, part of the mentioned funds could potentially be accessed by businesses and projects dealing with the circular economy, e.g. by RTDI projects involving circular processes or product innovation, or by start-ups promoting innovative circular business models. To be noted is that besides EU funding, there may be other national and regional sources of funding/financing for circular economy projects to be considered in the inventory phase.

Finally, it should be noted that the European Investment Bank (EIB) provides funding for circular projects of different kinds and with different risk profiles, as well as advisory services to circular project promoters. EIB also provides advisory support to urban authorities. An example of this is the European Investment Advisory Hub - URBIS<sup>14</sup>, which is a new dedicated urban investment advisory platform. This will be elaborated further in the Guide.

#### Which action is needed?

This action comprises the **preparation of a guide to funding and financing sources for circular initiatives and projects in cities**. The guide will consider needs for funding and financing of not only project implementation, but also technical assistance and capacity building. The technical assistance may involve both preparation of circular strategies/plans and preparation of project pipelines and individual projects. The guide will target both fund seekers and funders, and to the

<sup>14</sup> [http://europa.eu/rapid/press-release\\_IP-17-4941\\_en.htm](http://europa.eu/rapid/press-release_IP-17-4941_en.htm)

extent justified also other stakeholders on national, regional or local level with a role in facilitating and supporting circular project developments.

As a first step, an assessment and summary of circular city funding/financing needs will be made. In parallel, an inventory of existing guides and resources on circular funding and financing will be carried out, with particular focus on city contexts and needs. With this as basis, available sources and channels for such funding/financing and their respective relevance and applicability for the identified circular city needs will be identified and compiled.

The guide will both introduce and link to existing guides and resources on circular city funding/financing, and present new complementary guidance on CE funding/financing sources for technical assistance and public and private investments in circular city projects. The guide should be comprehensive yet concise and accessible, with a user friendly and easy to update format. Efforts will be made to facilitate navigation according to status as fund-seeker or funder, and reflecting the type of promoter, project etc.

The guide will include information on eligibility criteria and application procedures for different circular city funding/financing sources to support fund seekers. The guide will also consider the needs of cities with limited prior circular insight or experience, giving information on technical and financial advisory providers.

To facilitate the assessment of circular projects in different funding and financing institutions, the guide will also provide guidance aimed at facilitating project assessments and funding/financing decisions. This may for example comprise circular economy project characteristics, definition of circular project screening and bankability criteria and performance or monitoring indicators.

The guide will also provide additional recommendations on how to remove barriers for e.g. blending of public and private financing and of loan financing and grants, and facilitating access to micro financing. Measures facilitating a transition towards more integrated funding of circular projects in cities will be identified, also considering ways to remove barriers to co-funding more than one focus area or theme in addition to circular aspects (e.g. climate).

The guidance provided will be practical and implementation oriented, using case studies and showcasing best practice funding/financing solutions where applicable.

The work under this action will be carried out in consideration to the work done under another Partnership action aimed at mainstreaming circular economy as an eligible area in the future European Structural and Investment Fund programme 2021 – 2027 and the action aimed at enhancing the knowledge base on the development of circular economy in cities (Circular City Portal). This will avoid overlaps and ensure that potential synergies are fully exploited.

In order to increase its visibility, the guide produced under this action will be incorporated into and disseminated together with the Circular City Portal proposed in a separate action by the Partnership, as well as through other appropriate channels.

### **How to implement the action?**

The guide will be implemented in the form of a website, with preparation carried out in two phases. The first phase will comprise desk research, interviews with stakeholders, data and information

collection and preparation of new content for the guide in line with agreed structure and scope. This phase will also include preparation of an interactive pdf prototype of the guide that will serve as basis for discussions with stakeholders. The second phase will comprise development and implementation of the website including migration to a suitable web host.

#### Which partners?

This action will be implemented by a core group comprising the following Partnership members:

**Action leader:** European Investment Bank (EIB)

**Participants:** Flanders, Slovenia, ACR+, DG RTD, DG REGIO, DG ENV

#### Which timeline?

The work on this action will start as soon as possible after the Draft Action Plan of the Partnership is published in the end of January 2018. The work will be planned with a goal to have a first version of the guide ready by mid- 2019.

### 2.2.2. *Mainstreaming the circular economy as an eligible area into the post 2020 Cohesion Policy and corresponding Funds*

*The shift towards a circular economy is expected to start in urban areas where the economic, social and territorial impact is greater and the conditions for integrated interventions are met. Therefore, it is necessary for the European Union's Cohesion Policy to mainstream circular economy, in order to give the required impetus through the European Structural and Investment Funds. Provisions should be introduced in the relative post-2020 regulatory framework to ensure that the ESIF programmes contribute substantially and in a sustainable way to the transition towards a circular economy.*

#### What is the specific problem?

The regulatory framework governing the European Structural and Investment Funds (ESIF) in the current programming period (2014-2020) **does not explicitly support the shift towards Circular Economy** (at least at urban level). Minor exceptions to this are some funding means such as the Urban Innovative Actions (UIA) and the URBACT under the European Territorial Cooperation goal, that may occasionally use Circular Economy (CE) as a topic for funding. However, the funding provided for circular economy-related actions under these programmes is relatively limited and insufficient to create the needed impetus for the implementation of such a policy priority.

In this context, supporting the shift towards circular economy in cities, requires specific and clear references in the regulatory framework to the eligibility of the relevant actions/ operations. Therefore, provisions should be foreseen in the Cohesion Policy post-2020 to ensure that the ESIF programmes contribute substantially and consistently to the transition towards a circular economy in the urban areas of the EU.

### How do existing EU policies/legislations/instruments contribute?

The ESIF regulatory framework provides all the options and opportunities for effective and efficient implementation of innovative and sustainable projects/ investments aiming at social, economic and territorial cohesion in the EU. This framework appears to be appropriate to enable the shift towards a circular economy at EU level due to the magnitude of the financial resources that could be invested to such projects in the context of Cohesion Policy, but also due to the leveraging possibilities, as well as the financial and legal certainty that the framework provides.

The current ESIF regulatory framework does not make a distinct reference to the circular economy as one of the eligible areas for funding, neither at the level of thematic objectives nor at the level of investment priorities or anywhere else. Nevertheless, such relevant actions could be implemented through ESIF funded actions under a broader scope or related content (e.g. "eco-innovation" in investment priority 1b of ERDF, integrated territorial tools such as the Integrated Sustainable Urban Development, Integrated Territorial Investments and Community Led Local Development).

However, a clear reference and focus on the circular economy (at urban level) in the ESIF regulatory framework could decisively boost related investments, which in turn contribute to the achievement of Cohesion Policy objectives i.e. the social, economic and territorial cohesion, as well as to the achievement of other Union goals, ultimately contributing to investments with high European value added.

### Which action is needed?

**A detailed set of legislative options** and complementary alternative recommendations is proposed to be elaborated and submitted under this action that could be useful to the Commission services in charge of planning the European Cohesion Policy post 2020 and preparing the relevant regulations. Moreover, it is proposed to communicate the results and recommendations of this action to all the European Institutions (European Parliament, Council, EESC, CoR). This requires the cooperation and synergy with all relevant stakeholders with common interests for promoting the proposed concepts and options of this action. Finally, it would be recommended to participate/ organise coordinated events for the dissemination of the results and proposals and the awareness raising of a wider group of stakeholders (e.g. metropolitan cities, cities networks, etc.).

More specifically, it is proposed to provide **appropriate amendments and complementary options** to the current regulatory framework governing the ESIF with references and provisions promoting circular economy in urban areas. In particular, it is necessary to clearly provide for the eligibility of funding actions that support the shift towards circular economy (including cooperative/ sharing economy) for a more inclusive and sustainable growth.

As a first reflection and based on the rationale of the ESIF regulations for the 2014-2020 programming period, the eligibility of circular economy actions post 2020 could be ensured by the following ways:

- *Top-down approach:* Broadening the eligibilities set by the regulations alternatively by: a) adding a new thematic objective for the circular economy; or b) incorporating circular economy in an existing thematic objective (e.g. TO 6) adding a clear reference to CE; or c) adding new investment priorities with reference to CE to the Thematic Objectives 2 (“enhancing access to, and use and quality of ICT), 6 (“preserving and protecting the environment and promoting resource efficiency”) and 9 (“promoting social inclusion, combating poverty and any descriptions”); or d) enriching the description of the existing investment priorities with clear references to circular economy.
- *Bottom-up approach:* Introducing circular economy and related actions to instruments and strategies for economic, social and territorial development funded by the ESIF such as the Research and Innovation Strategies for Smart Specialisation, Sustainable Urban Development Strategies etc.

### How to implement the action?

The action will be implemented “in-house” by the action leader and the other members of the action group, utilizing their deep knowledge and experience on EU Cohesion Policy, regional/ urban strategy and development issues and environmental policy as well as planning and management matters. More specifically the following tasks are proposed to be elaborated within this action by the action members:

- 1) Mapping of existing funding opportunities for circular economy actions (at urban level). This includes a critical review and analysis of what aspects/ actions of CE can be financed under the current investment priorities of the ESIF.
- 2) Recording of the funding needs for circular economy actions
- 3) Identification of the gaps to be covered
- 4) Identification of the EU funding sources/ instruments relating to post 2020 Cohesion Policy
- 5) Proposals to feed in the post 2020 Cohesion Policy regulatory framework
- 6) Promotion of the results/ proposals to the European Institutions and all involved stakeholders.

### Which partners?

**Action leader:** Greece (Ministry of Economy & Development)

**Participants:** DG REGIO, CEMR, EIB, OVAM

### Which timeline?

#	Tasks	Duration	Deliverables
1	Mapping of existing funding opportunities	2 weeks (05/02-16/02/2018)	Current situation (at the end of task 3)
2	Recording the funding needs	2 weeks (12/02-23/02/2018)	

3	GAP analysis	2 weeks (19/02-02/03/2018)	
4	Funding sources/ instruments post 2020	4 weeks (26/02-23/03/2018)	Regulatory proposals (at the end of task 5)
5	Proposals to feed in the regulatory framework post 2020	4 weeks (05/03-30/03/2018)	
6	Promoting the results/ proposals	4 weeks (02/04-27/04/2018)	Dissemination material

## 2.3 Better Knowledge

The Urban Agenda for the EU will contribute to enhancing the knowledge base on urban issues and exchange of best practices and knowledge. Reliable data is important for portraying the diversity of structures and tasks of Urban Authorities, for evidence-based urban policy making, as well as for providing tailor-made solutions to major challenges. Knowledge on how Urban Areas evolve is fragmented and successful experiences can be better exploited. Initiatives taken in this context will be in accordance with the relevant EU legislation on data protection, the re-use of public sector information and the promotion of big, linked and open data.<sup>15</sup>

### 2.3.1 Prepare a blueprint for a **Circular City Portal**

*With this action we would like to consolidate, compile and guide cities to relevant information and resources freely available on the development of the circular economy in cities and (ii) promote the further development, dissemination and sharing of new information and know-how on the subject with a focus on practical implementation issues. Its main aim is to contribute to the creation of an openly shared knowledge basis that would inspire and guide cities in their journey towards a circular economy.*

#### What is the specific problem?

At present, most cities still view the circular economy from the perspective of waste management. Over the past couple of decades, many EU cities have acquired vast experience with the development and implementation of waste management strategies and plans that contribute to the development of a circular economy (e.g. on waste prevention, material recycling, bio-waste digestion and composting). Beyond waste management, some cities have started experimenting with individual circular economy initiatives focused on re-use and sharing strategies, but such projects remain the exception rather than the rule.

The vast amount of cities in the EU currently **lacks a holistic and comprehensive strategy, plan or roadmap** for the circular economy that goes beyond the utility and waste management sector.

<sup>15</sup> Urban Agenda for the EU – Pact of Amsterdam, Article 5.2



Only a very small number of European cities have fully embarked on the transition to a circular economy and developed such detailed visions, strategies and roadmaps. When it comes to implementation however, even front-runner cities find themselves in the initial phase of learning, experimenting and discovery. Initial consultations within the Partnership and with several cities have shown that the main obstacles for cities are:

- In most cases the circular economy is not yet mainstreamed in existing strategies, a clear vision is missing;
- Lack of support from the political level;
- Insufficient understanding and (shared) knowledge basis;
- Silo thinking within the city administration;
- Lack of dedicated resources for promotion of circular economy (staff, funding);
- Tax system and specific sector legislation often seen as critical barriers.

The most important limitation in many cases is the **lack of understanding and knowledge of the circular economy and its business models**. Besides, many cities lack adequate institutional capacities and governance strategies, methods and tools required to lead an inclusive, multi-stakeholder process involving the public and private sectors as well as citizens/consumers, towards the outline of said visions, strategies and roadmaps towards a truly circular city.

Working towards the circular economy is a creative process, requiring a lot of networking, connecting practices and knowledge. While there is a vast amount of literature dealing with the barriers and obstacles for the circular economy and the possible actions needed to overcome these, only very few sources are focusing on the specific needs of cities. Strategic approaches, individual roadmaps and projects promoted by front-runner cities that have initiated the transition to a circular economy are presented on different websites and can inspire other cities, but the information available is often not intended to guide cities that have not yet embarked on such a journey.

In addition to the specific problems for the cities described above, a **knowledge gap is encountered** from and towards the European Commission & Member States to the cities. For the moment the proper implementation and guidelines for how the Circular Economy should be addressed at city level is lacking.

#### How do existing EU policies/legislations/instruments contribute?

Through its web portal dedicated to cities<sup>16</sup>, the European Commission (EC) is already providing a lot of relevant information for cities in the circular economy (amongst other priority themes), which features links to relevant EU strategies and policies, funding opportunities and advice as well as to networking points. In October 2017, the EC and the European Economic and Social Committee

<sup>16</sup> [https://ec.europa.eu/info/eu-regional-and-urban-development/topics/cities\\_en](https://ec.europa.eu/info/eu-regional-and-urban-development/topics/cities_en)

(EESC) launched the European Circular Economy Stakeholder Platform.<sup>17</sup> Dedicated to all stakeholders involved in the circular economy process, the Platform aims to act as a network of networks. However, no specific entrance for cities was foreseen in this platform. In the interviews that were done as a preparation to this action, cities pointed out they need more practical guidance to further support circular developments in their city.

After the public consultation and meetings with the EC and the European Economic and Social Committee (EESC) a first step was taken to adjust the Stakeholder platform so cities can search specifically for good practices of local authorities. This is a good first step and the following steps in our action will be to organize a common workshop to gain input from the cities themselves to improve the stakeholder platform towards the urban needs.

Finally, in the context of the EU One Stop Shop for Cities<sup>18</sup> and in support of the ambitions defined in the EU Urban Agenda, the EC and the EIB have recently launched URBIS, a new dedicated urban investment advisory platform within the European Investment Advisory Hub (EIAH). URBIS has been developed to provide advisory support to urban authorities to facilitate, accelerate and unlock urban investment projects, programmes and platforms in various fields including the circular economy.

### Which action is needed?

The members of the Partnership are proposing a **Circular City Portal**, meaning that

- we guide cities to innovative ways of governance which can help in the implementation of a long term circular strategy. This can get the form of an 'easy starting kit to circular economy';
- we search for partners who can bring cities together to exchange experience and to learn from each other. This can be existing city networks but also educational institutes for example who want to set up a circular academy. This action answers to the need of cities to meet in person with other cities, a need we gathered during the stakeholder workshops we organised and during the public feedback;
- And thirdly the circular city portal will also have an online pillar. This won't be a new platform but we will in cooperation with the EC and the EESC and go in dialogue with the cities to optimize the existing Circular Economy Stakeholder Platform to the urban needs.

This way this online platform:

- (i) Serves as a central point of access to information dedicated to the promotion of the circular economy in cities that is freely available from various sources including institutional web-sites and platforms in the public space, thus allowing interested cities

<sup>17</sup> <http://circulareconomy.europa.eu/platform/en/about>

<sup>18</sup> [https://ec.europa.eu/info/eu-regional-and-urban-development/topics/cities-and-urban-development/priority-themes/circular-economy-cities\\_en](https://ec.europa.eu/info/eu-regional-and-urban-development/topics/cities-and-urban-development/priority-themes/circular-economy-cities_en)

and other stakeholders an easier and quicker access and navigation to the relevant information and tools they need.

- (ii) Promotes the further development, dissemination and sharing of new bespoke information, tools and know-how by and between cities with the aim to contribute to the creation of an openly shared knowledge basis that would inspire and guide cities in their journey towards a circular economy.

The Circular City Portal should focus on providing **practical implementation oriented “do-it-yourself” guidance**, based on case studies of best practice from across the EU, on various aspects of circular city developments covering e.g. policy/strategy development, project preparation and implementation, monitoring and evaluation, public awareness raising and stakeholder involvement, access to funding/financing, etc.

For this online portal the contribution of the Partnership (in cooperation with the EC, the EESC, the cities and other relevant stakeholders) will be to draw up a **blueprint for the Circular City Portal**. The blueprint shall be based on a thorough assessment of concrete needs experienced by cities in terms of information and knowledge including but not limited to the following preliminary list of topics identified by the Partnership:

- Development of circular economy strategies and roadmaps, circular business models and value chains (i.e. for food and bio-wastes, for building and construction materials/wastes, etc.) with mapping of key success factors, obstacles/barriers for implementation and mitigating actions;
- Strategic governance options/tools/levers of change focusing on policy/strategy development, spatial planning, multi-stakeholder coordination/cooperation processes, permitting/ licensing, economic incentives/disincentives, public awareness and education;
- Stakeholder mapping and analysis tools;
- City metabolism/resource flow scan/inventory;
- Circular city metrics/indicators and metering/monitoring system;
- Circular procurement guidelines;
- Circular funding/financing and advice;
- Circular training guidelines with map of existing resources/tools;
- Social (behavioral) side of a transition towards the circular economy (i.e. how citizens will be involved in the transition process, how to communicate and reach out to the citizens).

#### How to implement this action?

- Q2 2018: uploading strategies and good examples (learning by doing) by partnership and stakeholders.

- Q2 2018: organizing a workshop with stakeholders (cities etc.).
- Q2 2018/Q1 2019: preparing a (an offline) framework guidance for a circular city governance, including innovative ways of governance to encourage or implement the circular economy in cities.
- Q1 2019: finishing the blueprint for improving the existing stakeholderplatform, so that the urban dimension can become more visible in the future.
- Q1 2019: set up a meeting with coordination group and secretariat of the website to discuss blueprint.

### Which partners?

**Action leader:** Joint Partnership responsibility

**Participants:** Flanders, Slovenia, EIB, URBACT, CEMR, ACR+, EUROCITIES, Oslo, DG REGIO, DG ENV, Poland, Greece, Kaunas

### What timeline?

Basic preparatory work will start in early 2018, following the adoption of the Draft Action plan of the Partnership. The work on developing a first proposal for the blueprint of the Circular City Portal will be made in 2018, with further development and implementation by the custodian in 2019.

#### 2.3.2 Promote **Urban Resource Centres** for waste prevention, re-use and recycling

*This action aims to facilitate the establishment of so-called “Urban Resources Centres” - physical centres that enable sustainable consumption within a city, provide education on waste prevention measures, and facilitate re-use, repair and recycling. This will be done through investigating the potential of these centres and share knowledge through a network of centres and enable peer-to-peer exchange. Part of the implementation of the action, will also be to address alternatives for funding and financing of the Urban Resource Centres.*

### What is the specific problem?

To enable the transition to a circular economy in cities, a much stronger focus needs to be put on the role of waste prevention, re-use and recycling with regards to local waste management. In addition, the city needs to play an active part in facilitating for more circular consumption activities.

Central to the theme of circular economy is sustainable consumption and waste prevention. The choices made by citizens in their everyday life could either support or hamper cities transition to a more circular economy. Cities are in a position to help, motivate, nudge or push their citizens in the right direction. Therefore, **cities should facilitate for citizens so it is easier to reduce waste and develop more sustainable consumption patterns.** However, initial consultation with the

Partnership and several other cities show that the social and behavioural side of a transition towards the circular economy and how citizens will be involved in the transition process is still not adequately addressed at a local level.

The waste hierarchy puts waste prevention at the top of the priorities that public authorities should follow with regards to waste management policy. Yet even though waste prevention principally is to be prioritised, it is rarely an integral part of local waste management.



**Figure 4 The waste hierarchy**

There have been several efforts to ensure a stronger focus on waste prevention. This includes a specific requirement in the Waste Framework Directive for Member States to have national waste prevention programmes. However, the national prevention strategies published so far rarely appoint specific tasks to specific actors. Research<sup>1</sup> shows that local waste managers are rarely mentioned in these programmes as responsible or relevant actors. By the same token, **local waste management authorities are rarely obliged to integrate waste prevention into the local waste management plans.**

At the same time, there is little knowledge among consumers and citizens when it comes to waste prevention and sustainable consumption, and how people can avoid generating waste in their own daily life. The information and knowledge related to repair and re-use services in the city is limited and so is the overview of existing initiatives and services. In order for people to use circular services and products, it needs to be convenient and accessible. Consumer information needs to be contextualised, and the information needs to be where the citizens/consumers make their choices.

Today, many cities miss designated facilities that support and promote waste prevention, re-use and repair activities. There are large recycling facilities for bulky waste, but these facilities do not

necessarily promote waste prevention or re-use. Through this action, the Partnership seeks to use the tools of innovation and co-creation to facilitate for physical centres available to the citizens, where waste prevention, re-use and repair will be put in focus and the priority of the waste hierarchy is implemented at a local level.

#### **How do existing EU policies/legislations/instruments contribute?**

The *Roadmap to a Resource Efficient Europe* (COM(2011) 571) states that a higher priority needs to be given to re-use and recycling and incentives for waste prevention and recycling have to be created. In particular, the Roadmap includes the reduction of waste generation as an "aspirational target" for waste management, which has to be achieved by 2020. It is also stated that Member States should ensure full implementation of the EU waste acquis including minimum targets through their national waste prevention and management strategies. However, as stated above, these strategies are rarely implemented on city level. Also, the focus is often on the waste management strategies and not the waste prevention strategies.

The *7th Environment Action Programme* 'Living well, within the limits of our planet' also highlights the importance of waste prevention, indicating the considerable potential for improving waste prevention and management in the Union to make better use of resources, open up new markets, create new jobs and reduce dependence on imports of raw materials, while having lower impacts on the environment. To achieve that aim, market-based instruments and other measures that privilege prevention, recycling and re-use should be applied much more systematically throughout the Union.

In the revision of the European *Waste Framework Directive* in 2008 (COM(2008)98), one of the changes concerned a stronger focus on waste prevention. A specific outcome of the amendment of the Directive was an obligation for the Member States to develop national waste prevention strategies. Since waste prevention can occur in all phases of the value chain, it is beneficial to develop overall national strategies. However, from a city perspective these waste prevention programmes are rarely integrated into the local waste management plans in cities with concrete measures.

The *Circular Economy Package* from the EU Commission also contains adopted changes in the Waste Framework Directive to address waste prevention. Among other things, there is a focus to reinforce implementation of the waste hierarchy through economic instruments and additional measures for Member States to prevent waste generation. More specifically, the European Plastic Strategy in a Circular Economy emphasises the importance of waste prevention and management as an important factor in keeping plastics out of the oceans. Still, it will take time to see what will be the specific outcome of these adapted changes and how it will affect cities work with waste prevention and re-use.

### Which action is needed?

Cities need a **designated multifunctional place** where waste prevention, re-pair and re-use would be both promoted and exercised in practical terms. The action is to facilitate the establishment of so-called Urban Resource Centres in European cities, where a specific focus is put on preventing waste and facilitating re-use. As mentioned above, there is still a need to put a stronger focus on waste prevention and a correct implementation of the waste hierarchy at city level. To make this happen, the Partnership proposes to facilitate for the establishment of Urban resource centres.

Cities can provide physical spaces in the city centre that are easy to access for the public. Urban Resource Centres bring together a wide community of stakeholders into a disruptive space, combining opportunities to co-create and prototype new products or artistic creations using wastes, access to educational training on new and lost skills in circular economy, entrepreneurship, mobile interpretation centre, community engagement, in order to find alternatives for key waste streams generated at a municipal/ inter-municipal / regional level. The Partnership aims to facilitate the establishment of these kinds of centres in European cities, through acquiring more knowledge on the impact and different functions of these centres. The Partnership will seek to identify barriers in the establishment and operation of these centres with regards to funding, regulation and knowledge and raise these issues on a European level.

Studies show that there are several already established centres. They differ in characteristics and concepts, and also organisational form, funding sources and visions. The Partnership has identified three different functions for these Resource Centres:

#### 1. **Education/communication/awareness raising**

Creating a meeting space for stakeholders, businesses and the citizens where they can come to learn and get information about sustainable living, waste prevention, existing initiatives etc. Such Centres can also showcase good practices and role models, and invite stakeholders and initiatives to share their knowledge.

#### 2. **Social economy and social cohesion**

Involve NGOs and businesses working with marginalised groups to ensure that the Centres also give back to the local community. Collaboration with social entrepreneurs and non-profit organizations that incentivise local job creation and inclusion of these marginalized groups can also be emphasised.

#### 3. **Economic activity/ecosystem/incentives**

The Centres can also work as an incubator, collaborating with local companies to develop sustainable and circular business models that promote waste prevention and that can fuel economic activity in the area. The Centres can also be formed as small recycling stations, where people can bring things they no longer need or that are broken. These Centres need to be cross-sectorial and interdisciplinary, working to build down the silo's both within public administration but also increase the interaction between private and public sector.

The Urban Resource Centres address three different dimensions of the circular economy:

SOCIAL	ECONOMIC	ENVIRONMENTAL
<p><i>Jobs creation (new and lost skills)</i> – industry (SMEs) are increasingly demanding new and lost skills and partnerships on product design, production processes and waste recovery alternatives. This enables job creation, and potentially also the reintegration of marginalized people outside the labour market.</p>	<p><i>Transformation of industrial sectors</i> – Although this trend is still in its infancy in some industrial sectors, in others the transformation to the circular economy is already well under way;</p>	<p><i>Waste prevention</i> – as the first step of waste hierarchy, that goes from prevention, preparation for re-use, recycling and energy recovery through to disposal;</p>
<p><i>Engaging community on responsible consumption and disposal</i> – changing consumer behaviour and stimulate re-use and repair to avoid wastage. Involve marginalized groups in the work and create a platform for knowledge sharing and education for both marginalized groups and also children.</p>	<p><i>Entrepreneurship and New business models</i> – emerging industries and services are rising from the circular economy, Start-ups need support to grow up ideas, business and for a fast market uptake of their solutions</p>	<p><i>Waste management - From waste to resources</i> – When it is not possible to prevent waste, the RC seeks to provide integrated and innovative solutions for waste streams which are not properly managed</p>
<p><i>Increase of life quality</i> – better and friendlier solutions for waste prevention, re-use and recycling. Also re-use and second-hand goods give people from low-income households the ability to maintain good living standards at affordable prices.</p>	<p><i>Co-creation in circular economy: users together with researchers, technologist and artists</i> to develop disruptive solutions and create their own ideas. Develop and enable initiatives supporting a collaborative economy which encourage switching from providing goods to services.</p>	<p><i>Boosting the market for secondary raw materials</i> – The creation of alternative and appealing solutions for the different resources boosts the market towards such solutions;</p>

**Figure 5 Three dimensions of the circular economy addressed by the Urban Resources Centres**

There are three main steps/phases in this action:

**Phase 1– Research/Classification**

1. Conduct a classification study
2. Deliver a final report with further recommendations with regards to the establishment and organization of “Urban Resource Centres”
3. Disseminate findings from classification

**Phase 2 - Enabling knowledge exchange platforms**

4. Enable a city network for Urban resource centres



5. Enable Peer-to-Peer exchanges

### **Phase 3 – Ensure a sustainable organization of European Resource Centres**

6. Address financial and legislative barriers identified
7. Assess different business models to ensure a sustainable organization Urban Resource Centres
8. Ensure a permanent and sustainable organization of the knowledge exchange platform

#### **Phase 1**

There are different centres located all over Europe addressing recycling, re-use, repair and waste prevention in different ways. The first phase concerns assessing the impact of already established centres and through a **classification of the centres**, review critical success factors and transferrable qualities.

#### **Phase 2**

The Partnership and the working group dedicated to this action will facilitate the establishment of Urban Resource Centres through the collection of knowledge and best practices. This will include **collecting experience from existing centres** and organise relevant stakeholders in a **City network** dedicated to facilitate for the establishment of these centres and also enable peer-to-peer exchange. However, there are many already established network dedicated to issues of circular economy, re-use and sustainable resource management. Therefore, the Partnership will also assess whether there are already established networks or structures that could facilitate this knowledge exchange platform.

#### **Phase 3**

The network would investigate funding opportunities; this can include both the development of a business model that would ensure financing of the centres or building of an overview of other options available for funding. The network would also work to develop a **guidance document** for cities to help establish the centres and work to highlight barriers and challenges on an EU level. The experiences collected in the network could be put forward as **recommendations to strengthen the regulatory framework on waste prevention from a city perspective**. The network will also provide the interested cities with the opportunity to participate in peer-to-peer programmes with other experienced cities.

Through this action we hope to establish structures and systems that help cities establish Urban Resource Centres. We believe that through these centres, cities are able to use their physical space to put focus on waste prevention, re-use and resource efficiency in collaboration with both citizens and the private sector.

#### **How to implement the action?**

In the period until October 2018 the working group will focus on the classification: collecting cases, conducting interviews and write a report based on the findings from the classification. There will be continuous dialogue with relevant stakeholders concerning the establishment of a knowledge exchange platform, and how to best organize this platform. In October until the end of the

Partnership, the focus will be on ensuring a sustainable organization and continuous work with the issues of waste prevention, re-use and recycling, through the promotion of Urban Resource Centres.

### Partners

**Action leader:** City of Oslo

**Participants:** Greece, CEMR, Porto, The Hague, ACR+

**Relevant partners:** RREUSE, Interreg project *SURFACE*, Urban Innovative Action *Circular South*

### Timeline

Phase 1 – Research/ Classification

Will be undertaken in the time from March until October 2018.

Phase 2 - Enabling knowledge exchange platforms

Will be undertaken in the time from October 2018 until March 2019.

Phase 3 – Ensure a sustainable organization and continuous work on the topic

Will be undertaken in the time from March 2019 until December 2019.

#### 2.3.3 *Develop a ‘Circular Resource Management’ Roadmap for cities*

*Establish a practical roadmap which enables cities to develop an urban resource management plan. In this Roadmap, the three main elements of resource management will be incorporated; a) mapping of resources and resource flows, b) brokerage facilities to bridge the gap between supply and demand; and c) the monitoring of results.*

### What is the specific problem?

There is widespread support among cities for the transition towards a circular economy. Part of this transition is improved resource efficiency, meaning reduction of the use of virgin resources and increased use of secondary resources. The basic principles of this can be illustrated by the so-called ‘value hill’ of circular economics.

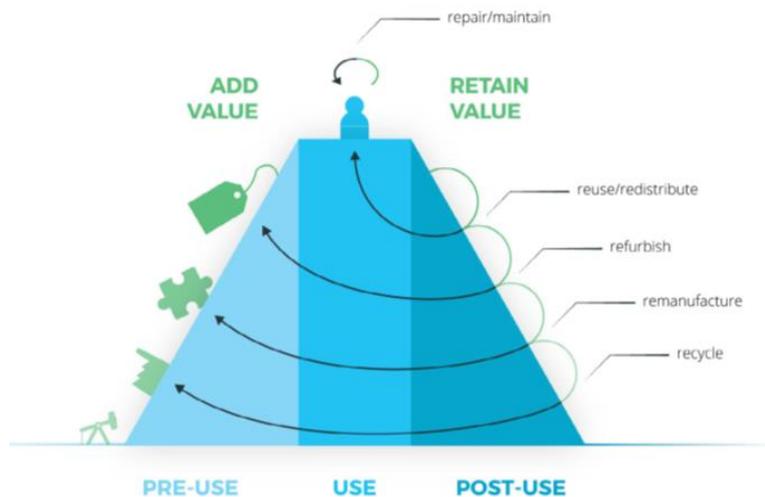


Figure 6 The 'value hill' of circular economics

Identifying and understanding material stocks and flows within the city is of special interest for a resource efficient circular economy. An important aspect of this is the use of the economic potential of waste materials as a valuable secondary resource for new products. Given their vast knowledge of, and experience with municipal waste management, cities are well equipped to facilitate this for the benefit of local economic activity and employment. However, at present most cities strongly focus on getting the waste out of the city as quickly as possible, and at the lowest possible costs. This also means limited focus on waste prevention and resource management in the post-use phase of the value chain.

At the same time, for most businesses resource efficiency is only an issue at the input side of their processes. At the output side there are end products and waste. The end products represent value and profit, and waste represents costs. The practice of most businesses is to dispose of their waste in the most cost effective way possible. So the challenge is to incentivise businesses to become more aware of their waste streams, the value that it may represent and the potential savings in costs.

In the same way at the input side, the focus is on virgin materials and not on re-use or recycling of secondary materials. As a consequence there is limited demand for these materials, although using them could be the most cost effective business option. So on the input side the challenge would be to boost demand for secondary raw materials.

Supporting and enabling businesses to identify and exploit these opportunities may help to speed up cities' transition towards a circular economy in terms of resource efficiency in the value chain. At the same time a shift from urban waste management to urban resource management would be a logical step for cities to take. This does not mean that waste management will become completely obsolete, but the primary focus will shift to waste as a secondary resource. In order to achieve this, all stakeholders involved need to at least:

- a) Gain more insight into the characteristics of resources and resource flows in the city (quantities, flowrates, owners, involved stakeholders, availability, quality, etc.). In recent years several cities have invested in the mapping of resources. The practical impact in terms of resource efficiency has however been limited. This is partly due to the availability, quality and consistency of data.
- b) Know which tools and measures can be helpful in connecting supply and demand of secondary resources. Most stakeholders are not aware of or familiar with the possibilities to use certain waste materials as secondary resources for their products. As a consequence, markets for secondary resources do not develop. Local authorities are in a position to help create a market environment that is resource efficiency friendly. One way of doing this is through so called resource brokerage facilities for bridging the gaps between supply and demand. Although some examples of this exist across Europe, more knowledge about an effective implementation of brokerage facilities is needed.
- c) Monitor the progress of resource efficiency in the city. At present there is a need to develop indicators and hands on monitoring tools that will provide cities with information about the progress made with regard to resource efficiency.

#### How do existing EU policies/legislations/instruments contribute?

The Roadmap to a Resource Efficient Europe (COM(2011) 571) and the EU Action Plan for the Circular Economy (COM(2015)614) outline how we can transform Europe's economy into a sustainable one by 2050. It proposes ways to increase resource productivity and decouple economic growth from resource use and its environmental impact. In January 2018 the European Commission adopted a new set of measures, including:

- A Europe-wide EU Strategy for Plastics in the Circular Economy and annex 1 to transform the way plastics and plastics products are designed, produced, used and recycled.
- A communication on options to address the interface between chemical, product and waste legislation 2 that assesses how the rules on waste, products and chemicals relate to each other.
- The introduction of a monitoring frame work at EU and national level to monitor the progress toward a circular economy.
- A report that highlights the potential on how to make the use of the 27 critical materials in our economy, more circular.

Different (framework) legislations primarily aim at protecting the environment and human health (Directive EG 1907/2006 [REACH]). Examples of such regulations are the Waste Framework Directive and end of waste criteria (2018/98/EC), the Waste Directive (COM/2015/0595, 2015/0275

(COD)), the Water regulation, the Food waste regulation, the Regulation on Animal Bi-Products etc. This also implies that this legislation does not always fit circular economy objectives.

### **Which action is needed?**

Supporting businesses and local authorities to identify their waste or by-products, diverting them away from the waste streams and using them as secondary resources for new products, will contribute to a more efficient resource management that is economically sound in terms of value creation. This may help speed up a city's transition to a Circular Economy in terms of resource efficiency, lowering environmental impact, and creating new economic activity and jobs. The Partnership has identified that an urban resource management plan could be an important tool to achieve this.

The main objective of this action is to establish terms of reference for setting up an effective system of urban resource management. The main outcome of this action will be a practical roadmap that cities can use to develop urban resource management plans that can be tailored to their individual needs.

In this roadmap the three main elements of resource management will be incorporated:

#### **a) Mapping of resources and resource flows**

Availability, accuracy and consistency of data are crucial for the reliability of any system of resource management. Issues like data security and (real time) tracking of resources will also be addressed. Existing systems (like RMIS) will be inventoried and checked for applicability and usability on city level.

#### **b) Brokerage facilities to bridge the gap between supply and demand**

A toolbox that will support cities in setting up the appropriate local facilities to better match supply and demand of secondary resources. This toolbox will suggest options that cities can choose from, like for example a functional description of the tasks of a resource broker or infrastructural provisions like intermediate storage facilities or urban resource hubs. The toolbox will also address issues like financial incentives (subsidies and grants, tendering criteria, etc.), legal instruments (like planning permissions) and communication and education.

#### **c) Monitoring of results**

The roadmap will provide indicators, tips and tools for monitoring progress in resource efficiency. To develop a monitoring framework on city level, existing monitoring systems and indicators will be taken into account and checked for usage and compatibility on city level.

### **How to implement the action?**

In phase 1 an inventory of cities (and contact persons) will be made to find exemplary cities to gather experience of their approach in developing and executing one or more elements we envision

in the resource management plan. In the second phase detailed research is carried out in a selective number of exemplary cities in order to further deepen the knowledge and experience. In phase 3 and 4 the outcome of phase 1 and 2 will be analyzed and worked out into a draft roadmap for cities to develop their own Resource Management Plan. This draft will be discussed with the interviewees and adapted based on the outcome.

The roadmap will then be disseminated through different channels amongst which the network of the partnership and platforms like European Circular Economy Stakeholder Platform.

## Partners

**Responsible action leader:** The Hague

**Participants:** Oslo, Porto, Prato, Maribor, EIB, Poland, Finland, Kaunas, Flanders, CEMR, URBACT

**Relevant partners:** ACR+, MWE, EUROCITIES, EIB/URBIS

## Timeline

- \* Phase 0: Kick-off: May 2018
- \* Phase 1: General mapping of existing practices: May 2018 - Sept 2018
- \* Phase 2: In depth questionnaire of (5-7) best cities/practices: Sept 2018 – Jan 2019
- \* Phase 3: Analysis: Jan 2019 – Mar 2019
- \* Phase 4: Synthesis: Mar 2019 - Jul 2019
- \* Phase 5: Dissemination: Aug 2019 – Dec 2019
- \* Phase 6: System of maintenance: Dec 2019 ->

### 2.3.4 Develop a **Collaborative Economy Knowledge Pack** for cities

*A holistic, co-created and up-to-date Knowledge Pack on the Urban Circular Collaborative Economy' is a guide for city officials and other partners and stakeholders. With such a Pack, stakeholders will be able to make the most of the Collaborative Economy's benefits as well as anticipate and mitigate possible negative impacts.*

#### What is the specific problem?

**A new economic paradigm is developing, which is underestimated and misunderstood.** Currently the widespread connotation of the Sharing or Collaborative Economy is (even by The European Financial Review<sup>19</sup> and PWC<sup>20</sup>) limited to international centralised digital sharing platforms like AirBNB, Uber and Ebay. "There is no universally accepted definition of the collaborative economy, which is also referred to by a range of synonyms such as the 'sharing economy', 'peer-to-peer economy' or 'demand economy'. Most definitions of the 'collaborative

<sup>19</sup> <[www.europeanfinancialreview.com/?p=17488](http://www.europeanfinancialreview.com/?p=17488)>

<sup>20</sup> <[www.pwc.co.uk/issues/megatrends/collisions/sharingeconomy/future-of-the-sharing-economy-in-europe-2016.html](http://www.pwc.co.uk/issues/megatrends/collisions/sharingeconomy/future-of-the-sharing-economy-in-europe-2016.html)>

economy' include some or all of the following elements: online platforms, temporary usage, peer-to-peer (consumer-to-consumer) relations, exchange of goods or services.”<sup>21</sup>

However, there is a myriad of sectors with a variety of spectra within the Collaborative Economy. Ranging from for profit to for benefit; from centralised to decentralised; from global to local; and from online to certainly also offline platforms and communities.



**Figure 3 The various sectors of the collaborative economy**

The Collaborative Economy varies from, and is certainly not limited, to “renting your neighbours’ lawn mower, to sharing energy generation locally and reducing reliance on the grid, to sharing in the purchase and rental of properties with fractional investment schemes.”<sup>22</sup>

The Collaborative Economy is a new economic paradigm that is vastly and rapidly developing globally, on European level, on Member State level, on regional and even on a street level. It can be seen as an illustration of a new global ‘zeitgeist’, heralded by a new philosophical movement as ‘new modernism’ or ‘Transmodernism’, based on values like environmentalism, neighbourhood life, community building and technological development.<sup>23</sup>

The Collaborative Economy is the **driving force or vehicle behind many Circular Economy initiatives**, empowering circular consumption and CO2 reduction. It also fosters **social cohesion and social inclusion**. Due to its apparent novelty, complexity, limitlessness and rapid

<sup>21</sup> COMMISSION STAFF WORKING DOCUMENT: SWD(2016) 184 - European agenda for the collaborative economy - supporting analysis

<sup>22</sup> <<http://www.afr.com/real-estate/smart-homes-blockchain-and-ai-how-tech-will-change-property-in-2018>>

<sup>23</sup> <[en.wikipedia.org/wiki/Transmodernism](http://en.wikipedia.org/wiki/Transmodernism)>

development, the Collaborative Economy and its role and influence on society have become unfathomable for many.

Better knowledge of the Collaborative Economy empowers members of the Partnership Circular Economy, their peers and other stakeholders to competently interact with it, whether to mitigate its negative impacts or facilitating the positive. It is global megatrend that is hitting the world like a wave. The question is where on that wave one wants to be. Being swept away by the wave, ride on top of the wave or co-create the wave?

### How do existing EU policies/legislations/instruments contribute?

The EC has funded several studies on the subject, however they are considered **not comprehensive enough and too much focused on the digital platforms:**

- a) DG GROWTH – PWC: ‘Assessing the size and presence of the collaborative economy in Europe’ (April 2016)<sup>24</sup>: Non-comprehensive and limited to digital platforms;
- b) DG GROWTH: Communication from the Commission: ‘A European agenda for the collaborative economy’ (June 2016)<sup>25</sup> - Non-comprehensive and limited to digital platforms
- c) DG GROWTH: Collaborative Economy - Website, Factsheet, Memo, Infographics, Video, Workshops, Analytical paper<sup>26</sup> - Non-comprehensive and limited to digital platforms
- d) DG CONNECT: The Collective Awareness Platforms for Sustainability and Social Innovation (CAPS)<sup>27</sup> - Date passed
- e) DG RTD: Horizon 2020 funding<sup>28</sup> - Big priority on Circular Economy: A New round in 2018
- f) DG REGIO: ESPON: Deadline 26 Jan. 2018 - Partnership has submitted a request for funding.

### Which action is needed?

**A field research followed by a step-by-step approach to fine-tune and disseminate acquired knowledge.** By creating a comprehensive Knowledge Pack on the Collaborative Economy with a more holistic and current view of the Collaborative Economy, stakeholders will be able to operate with a thorough understanding of the Collaborative Economy and be able to gain most benefit of it and anticipate on possible negative impacts.

Collaborating internally amongst DG's and viewing the Collaborative Economy as more than a profit component (GROW) or digital platforms (CONNECT), more social benefit (REGIO) can be attained and the gap between for profit and for benefit can be bridged. Collaborative Economy can thus, indirectly, become **a tool for diagonal collaboration between various departments and current silos.**

---

<sup>24</sup> Assessing the size and presence of the collaborative economy in Europe, PWC UK for the European Commission (DG GROW)

<sup>25</sup> <[http://ec.europa.eu/growth/single-market/services/collaborative-economy\\_en](http://ec.europa.eu/growth/single-market/services/collaborative-economy_en)>

<sup>26</sup> <[http://ec.europa.eu/growth/single-market/services/collaborative-economy\\_en](http://ec.europa.eu/growth/single-market/services/collaborative-economy_en)>

<sup>27</sup> <<https://ec.europa.eu/digital-single-market/en/collective-awareness>>

<sup>28</sup> [http://ec.europa.eu/research/participants/portal/desktop/en/funding/reference\\_docs.html#h2020-work-programmes-2018-20](http://ec.europa.eu/research/participants/portal/desktop/en/funding/reference_docs.html#h2020-work-programmes-2018-20)

## Actions

### Phase 1: Research

- 1) Stocktaking and assessment of typologies of collaborative circular initiatives across the EU.
- 2) Stocktaking and assessment of typologies of collaborative circular initiatives in about five EU cities.
- 3) Research paper with relevant local, national and EU policies and their impact on aforementioned initiatives.

### Phase 2: Disclose and fine-tune findings

- 4) Co-created Collaborative Economy conference where the findings of steps 1, 2 and 3 are presented to a wide audience and where input is gathered for a white paper.
- 5) White paper created in partnerships with stakeholders.

### Phase 3: Dissemination & application

- 6) Factsheet, Infographics & Video
- 7) Workshop and webinars for city officials and other stakeholders
- 8) Partner cities apply results in their policy development process

## Which partners?

**Action Leader:** The Hague

**Action partners:** Prato, Maribor, Oslo, Porto, Finland, Greece, Flanders, URBACT, ACR+

**Relevant partners:** DG ENVIRONMENT, DG GROW, DG CONNECT, ICLEI, Barcelona City Council, EURO-SHE, Europa Decentraal, CEPS, EESC, Ouishare, Transition Network, Procomuns, DRIFT, FAB City, LabGov, P2P Foundation, Hofstede Insights, Nesta, ShareNL, EURO-LATAM LEX, CALUP, Shared Cities (SCCM), IAAC, Ideas for Change.

## Which timeline?

- Before starting: Jan – April 2018
  - a. Create a partnership with +/- 5 cities
  - b. Apply for ESPON
  - c. Start stakeholder dialogue
  - d. Formulate methodology & ToR
  - e. Prepare a cost estimate & raise funding
  - f. Start dialogue with various DG's and other partnerships
- Phase 1: Research (actions 1, 2 & 3): May – Dec 2018
  - g. Appoint a research team
  - h. Draft a research plan
  - i. Execute the research
- Phase 2: Disclose and fine-tune findings (actions 4 & 5): Feb – April 2019
  - j. Set goals and objectives for conference
  - k. Find partners for conference

- l. Fix data, location and logistics for conference
- m. Create p.o.a. for and write whitepaper
- Phase 3: Dissemination & application (actions 6, 7 & 8): May – Sept 2019
  - n. Find partners for dissemination
  - o. Create portal for dissemination
  - p. Design communication tools
  - q. Design and organize workshops and webinars
  - r. Application of results in policy at partner cities' discretion
- After completion: Oct – Dec 2019
  - s. Evaluation and financial administration

## 3 GOOD POLICIES, GOVERNANCE AND PRACTICES (RECOMMENDATIONS)

Recommendations are meant to suggest good policies, good governance or good practice examples which could be used for inspiration. The below recommendations have been developed during and throughout the seven Partnership meetings that took place in the period January 2017 – January 2018. Some of these have been considered as Actions, others have been conceived as recommendations from the start. All recommendations have the aim to contribute to the uptake of the circular economy within an urban context.

### 3.1 EU level

- 1) *Mainstream Circular Economy dimension into ISO and BSI certification.* Circular economy aspects are also to be considered in the ISO and BSI certification processes.

### 3.2 Member State level

- 1) *Review of VAT on repair services.* Member States are encouraged to review their VAT legislation, with the aim to incentive the uptake of the circular economy in cities. In particular, the use of repair and similar services is to be promoted, e.g. through lowering the VAT rates on such services. In this respect, the recent VAT reform in Sweden is considered as an example, which deserves to be monitored and promoted.
- 2) *Promote the exchange about the Circular Economy amongst cities.* Member States can contribute to the uptake of the Circular Economy in cities by promoting the exchange of good practices within a national context (e.g. platforms).
- 3) *Promote capacity building and training on the circular economy.* The uptake of the circular economy can be enhanced by capacity building and training of (municipal) staff, especially so in medium-sized and smaller cities.

### 3.3 City level

- 1) *The importance of sustainable spatial planning practices.* The circular economy potential in cities can be much enhanced by conducive spatial planning policies, which promote the efficient use of space, urban land and buildings. Generally speaking, the circular economy potential can be enhanced through the development of compact and/or higher densities of cities.

- 2) *Cities should develop indicators for the circular economy.* In order to be able to measure and monitor the future progress towards the circular economy, cities are encouraged to build monitoring systems and indicators, taking into account environmental, economic and social indicators. Such indicators should be tailored to the circular economy goals set by the city, and take account of circular economy business models.

The Partnership has decided to pursue this recommendation further and will therefore put forward an action on city indicators in a circular economy. This action will be out for public consultation in July 2018.

- 3) *A need to review municipal fees.* Cities are encouraged to review municipal fee structures and provide through these incentives to the circular economy, in particular with regard to re-use and recycling of goods and the promotion of services (including repair).

Municipal Fees are identified as a Circular Economic Incentive in the preparation work on the action “Develop a “Pay-as you-throw”-toolkit with coaching”, which will be put forward to public feedback in July 2018.

- 4) *Promote circular public procurement.* Municipalities have an important lever at their disposal through the public procurement of goods and services. They can actively apply circular economy principles through applying circular economy considerations in eligibility and award criteria (e.g. the use of Life Cycle costings)

Recommendation is being pursued in the context of the Urban Partnership on Innovative Public Procurement.

- 5) *Appoint a Circular Economy Coordinator or Project Manager.* Promoting the circular economy is a cross-cutting objective which exceeds the competences of a single city department. Cities leading on the circular economy (e.g. Amsterdam), have appointed a Circular Economy Coordinator or Project Manager who reports directly to a dedicated Alderman and/or the City council.

## 4 LINKS WITH OTHER COMMITMENTS

### 4.1 Link with the cross-cutting issues

Article 12 of the Pact of Amsterdam<sup>29</sup> requests that Urban Partnerships consider in their work the relevance of a range of cross-cutting issues (listed as 12.1 to 12.11). After all, the complexity of urban challenges requires integrating different policy aspects to avoid contradictory consequences and make interventions in Urban Areas more effective. It is understood that competences and responsibilities differ amongst participants and that the EU does not have competences on some of these issues.

First of all, it should be acknowledged that the topic of Circular Economy itself is inherently cross-cutting, and that working on this topic is promoting cooperation across silos and sectors. Having said this, the Partnership on Circular Economy acknowledges to have taken account of the cross-cutting topics as highlighted in the Pact. In particular, it wishes to underline the importance and relevance of following themes:

#### *12.1 Effective urban governance, including citizens participation and new models of governance.*

The circular economy promotes new business models and stakeholder engagement. In particular the Actions on Urban Resource Centres, the Urban Resource Management Roadmap and the Knowledge Pack on the Collaborative Economy support these.

#### *12.2 Governance across administrative boundaries and inter-municipal cooperation: urban-rural, urban-urban and cross-border cooperation;*

Although cities are driving forward the circular economy, it is acknowledged that effective markets for resources and waste require cooperation across municipal boundaries. Several Actions promote such cooperation, notably the Circular City Portal and the network proposed to support Urban Resource Centres (e.g. peer-to-peer review).

#### *12.3 Sound and strategic urban planning (link with regional planning, including 'research and innovation smart specialisation strategies' (RIS3), and balanced territorial development), with a place-based and people-based approach.*

The Partnership actively promotes sustainable urban planning, and this Action Plan has thereto included a recommendation for cities. Furthermore, the Partnership is preparing an additional action on the Re-use of Public Spaces and Buildings.

#### *12.4 Integrated and participatory approach.*

---

<sup>29</sup> [http://ec.europa.eu/regional\\_policy/sources/policy/themes/urban-development/agenda/pact-of-amsterdam.pdf](http://ec.europa.eu/regional_policy/sources/policy/themes/urban-development/agenda/pact-of-amsterdam.pdf)

The Partnership actively promotes an integrated and holistic approach, and has thereto installed from the beginning a specific working group on governance issues.

#### *12.5 Innovative approaches, including Smart Cities.*

The Action Plan strongly promotes innovative approaches, and has applied these in particular in Actions related to the Water Legislation, Urban resource centres, an Urban Resource Management Plan (e.g. use of circular economy brokers) and Collaborative Economy.

#### *12.6 Impact on societal change, including behavioural change, promoting, among other things, equal access to information, gender equality and women empowerment.*

The Action Plan has taken forward several actions that promote such change, notably the Actions on Urban Resource Centres and the Collaborative Economy.

#### *12.8 Urban regeneration, including social, economic, environmental, spatial and cultural aspects, also linked to the brownfield redevelopment with the objective of limiting greenfield consumption.*

The Partnership is preparing an additional action on the Re-use of Public Spaces and Buildings.

#### *12.10 Provision of adequate public services of general interest (within the meaning of Article 14 TFEU in conjunction with Protocol Number 26).*

The Action Plan acknowledges this notion in particular in taking forward the actions regarding Waste Legislation and Water Legislation.

#### *12.11 International dimension: link with the New Urban Agenda (Habitat III) of the UN (to be agreed upon), the Sustainable Development Goals (SDGs, 2030 Agenda on Sustainable Development) of the UN and the Paris Agreement on climate change of December 2015.*

See section below.

A more detailed overview on which of the Partnerships' Actions contribute to the above cross-cutting issues will be provided in Part II of the Action Plan.

## 4.2 New Urban Agenda & Sustainable Development Goals

The Urban Agenda for the EU is part of the EUs commitment to both the New Urban Agenda (Habitat iii) and the 2030 Agenda for Sustainable Development. The actions addressed in this Action Plan are in accordance and correspond with the set commitments and goals in these international agreements. Circular Economy is a topic that touches upon several of the world's critical challenges, both in relation to the social, economic and environmental issues. The following sections will provide an insight into how this Action Plan corresponds with both the New Urban Agenda and the 2030 Agenda for Sustainable Development, a table with an overview is also listed in Annex 4.

#### 4.2.1 New Urban Agenda (Habitat III)

The New Urban Agenda was adopted at the United Nations Conference on Housing and Sustainable Urban Development (Habitat III) in Quito, Ecuador on 20<sup>th</sup> of October, 2016. It was endorsed by the United General Assembly on 23<sup>rd</sup> of December 2016.

The New Urban Agenda represents a paradigm shift and offers a new model of urban development that is able to integrate all facets of sustainable development to promote equity, welfare and shared prosperity. The five main pillars of implementation are: National urban policies, urban legislation and regulations, urban planning and design, local economy and municipal finance, and local implementation.

The New Urban Agenda incorporates a new recognition of the correlation between good urbanisation and development. It underlines the linkages between good urbanization and job creation, livelihood opportunities, and improved quality of life, which should be included in every urban renewal policy and strategy. This further highlights the connection between the New Urban Agenda and the 2030 Agenda for Sustainable Development, especially Goal 11 on sustainable cities and communities.

Based on this a series of commitments is documented covering many different aspects of urban policies. Those commitments which are most related to the theme Circular Economy are listed below, with references to the correspondence with our Partnership:

*45. We commit ourselves to developing vibrant, sustainable and inclusive urban economies, building on endogenous potential, competitive advantages, cultural heritage and local resources, as well as resource-efficient and resilient infrastructure, promoting sustainable and inclusive industrial development and sustainable consumption and production patterns and fostering an enabling environment for businesses and innovation, as well as livelihoods.*

*63. We recognize that cities and human settlements face unprecedented threats from unsustainable consumption and production patterns, loss of biodiversity, pressure on ecosystems, pollution, natural and human-made disasters, and climate change and its related risks, undermining the efforts to end poverty in all its forms and dimensions and to achieve sustainable development. Given cities' demographic trends and their central role in the global economy, in the mitigation and adaptation efforts related to climate change, and in the use of resources and ecosystems, the way they are planned, financed, developed, built, governed and managed has a direct impact on sustainability and resilience well beyond urban boundaries.*

*71. We commit ourselves to strengthening the sustainable management of resources, including land, water (oceans, seas and fresh water), energy, materials, forests and food, with particular attention to the environmentally sound management and minimization of all waste, hazardous chemicals, including air and short-lived climate pollutants, greenhouse gases and noise, and in a way that considers urban-rural linkages, functional supply and value chains vis-à-vis environmental*

*impact and sustainability and that strives to transition to a circular economy while facilitating ecosystem conservation, regeneration, restoration and resilience in the face of new and emerging challenges.*

Partnership's correspondence: The overall work of the Partnership is supportive to these general commitments.

*44. We recognize that urban form, infrastructure and building design are among the greatest drivers of cost and resource efficiencies, through the benefits of economy of scale and agglomeration and by fostering energy efficiency, renewable energy, resilience, productivity, environmental protection and sustainable growth in the urban economy.*

*49. We commit ourselves to supporting territorial systems that integrate urban and rural functions into the national and subnational spatial frameworks and the systems of cities and human settlements, thus promoting sustainable management and use of natural resources and land, ensuring reliable supply and value chains that connect urban and rural supply and demand to foster equitable regional development across the urban-rural continuum and fill social, economic and territorial gaps.*

*51. We commit ourselves to promoting the development of urban spatial frameworks, including urban planning and design instruments that support sustainable management and use of natural resources and land, appropriate compactness and density, polycentrism and mixed uses, through infill or planned urban extension strategies, as applicable, to trigger economies of scale and agglomeration, strengthen food system planning and enhance resource efficiency, urban resilience and environmental sustainability.*

*53. We commit ourselves to promoting safe, inclusive, accessible, green and quality public spaces as drivers of social and economic development, in order to sustainably leverage their potential to generate increased social and economic value, including property value, and to facilitate business and public and private investments and livelihood opportunities for all.*

Partnership's correspondence: Within the topic of Urban Resource Management and Circular Consumption spatial planning and urban infrastructure have been emphasised. All actions are supportive either directly or indirectly to sustainable urban planning and resource management.

*47. We commit ourselves to taking appropriate steps to strengthen national, subnational and local institutions to support local economic development, fostering integration, cooperation, coordination and dialogue across levels of government and functional areas and relevant stakeholders.*

*48. We encourage effective participation and collaboration among all relevant stakeholders, including local governments, the private sector and civil society, women, organizations representing youth, as well as those representing persons with disabilities, indigenous peoples, professionals, academic institutions, trade unions, employers' organizations, migrant associations and cultural*

associations, in order to identify opportunities for urban economic development and identify and address existing and emerging challenges.

Partnership's correspondence: Most relevant and supportive to these commitments are the action on the Circular City Portal and Urban Resource Centres which places a special focus on governance issues in a Circular Economy.

*56. We commit ourselves to increasing economic productivity, as appropriate, by providing the labour force with access to income-earning opportunities, knowledge, skills and educational facilities that contribute to an innovative and competitive urban economy. We also commit ourselves to increasing economic productivity through the promotion of full and productive employment and decent work and livelihood opportunities in cities and human settlements.*

*58. We commit ourselves to promoting an enabling, fair and responsible business environment based on the principles of environmental sustainability and inclusive prosperity, promoting investments, innovations and entrepreneurship. We also commit ourselves to addressing the challenges faced by local business communities by supporting micro-, small and medium-sized enterprises and cooperatives throughout the value chain, in particular businesses and enterprises in the social and solidarity economy, operating in both the formal and informal economies.*

*60. We commit ourselves to sustaining and supporting urban economies to transition progressively to higher productivity through high-value-added sectors, by promoting diversification, technological upgrading, research and innovation, including the creation of quality, decent and productive jobs, including through the promotion of cultural and creative industries, sustainable tourism, performing arts and heritage conservation activities, among others.*

Partnership's correspondence: The Partnership's work on the action supporting a Circular City Funding Guide and the action "Mainstreaming the Circular Economy as an eligible area into the post 2020 Cohesion Policy and corresponding funds" have a special focus on the economic aspects of the Circular Economy. The two actions are listed under Better Funding, and aim to promote economic incentives to foster the transition to the Circular Economy, creating jobs and enabling innovation and business development. These Actions support the above listed commitments.

*66. We commit ourselves to adopting a smart-city approach that makes use of opportunities from digitalization, clean energy and technologies, as well as innovative transport technologies, thus providing options for inhabitants to make more environmentally friendly choices and boost sustainable economic growth and enabling cities to improve their service delivery.*

Partnership's correspondence: This is specifically addressed in the actions on Urban Resource Centres and Collaborative Economy, as these actions specifically address citizens' interaction and how cities can provide smart services which make sustainable choices easier.

65. We commit ourselves to facilitating the sustainable management of natural resources in cities and human settlements in a manner that protects and improves the urban ecosystem and environmental services, reduces greenhouse gas emissions and air pollution and promotes disaster risk reduction and management, by supporting the development of disaster risk reduction strategies and periodical assessments of disaster risk caused by natural and human-made hazards, including standards for risk levels, while fostering sustainable economic development and protecting the well-being and quality of life of all persons through environmentally sound urban and territorial planning, infrastructure and basic services.

70. We commit ourselves to supporting local provision of goods and basic services and leveraging the proximity of resources, recognizing that heavy reliance on distant sources of energy, water, food and materials can pose sustainability challenges, including vulnerability to service supply disruptions, and that local provision can facilitate inhabitants' access to resources.

72. We commit ourselves to long-term urban and territorial planning processes and spatial development practices that incorporate integrated water resources planning and management, considering the urban-rural continuum on the local and territorial scales and including the participation of relevant stakeholders and communities.

73. We commit ourselves to promoting the conservation and sustainable use of water by rehabilitating water resources within the urban, peri-urban and rural areas, reducing and treating wastewater, minimizing water losses, promoting water re-use and increasing water storage, retention and recharge, taking into consideration the water cycle.

74. We commit ourselves to promoting environmentally sound waste management and to substantially reducing waste generation by reducing, re-using and recycling waste, minimizing landfills and converting waste to energy when waste cannot be recycled or when this choice delivers the best environmental outcome. We further commit ourselves to reducing marine pollution through improved waste and wastewater management in coastal areas.

Partnership's correspondence: Urban Resource Management has been a central theme in our Partnership. These commitments are closely linked to several of our action derived from the work on this topic. The actions addressing the adaptation of Waste Legislation, Water Legislation, Circular Resource Management roadmap and the Urban Resource Centres are all supportive of these commitments. Through these action resource efficiency and management is central, and they are all aligned with the aim of the commitments in the New Urban Agenda.

#### 4.2.2 *New Urban Agenda and the 2030 Agenda for Sustainable Development*

In 2015, countries adopted the 2030 Agenda for Sustainable Development and its 17 Sustainable Development Goals. Governments, businesses and civil society together with the United Nations are mobilizing efforts to achieve the Sustainable Development Agenda within 2030. The Agenda calls for action by all countries to improve the lives of people everywhere. The Urban Agenda for

the EU will contribute to the implementation of the UN 2030 Agenda for Sustainability in several ways. Most central is Goal 11 'Make cities inclusive, safe, resilient and sustainable' and the twelve different partnerships all intersects with the ambitions and targets of the Sustainable Development Goals (SDGs).

The SDGs call for action to promote prosperity while protecting the planet. They recognize that ending poverty must go hand-in-hand with strategies that build economic growth and addresses a range of social needs including education, health, social protection, and job opportunities, while tackling climate change and environmental protection.

Several of the SDGs are relevant and correspond with the agreed action within the Partnership on Circular Economy. The most relevant goals and targets are listed below, with a reference to the correspondence with our Partnership:

*Goal 6. Ensure access to water and sanitation for all:*

- *6.3 By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe re-use globally*

Partnership's correspondence: The deliverables in the Action "Help make water legislation support the circular economy in cities" directly address the need for increased recycling and safe re-use of water in cities.

*Goal 8 Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all*

- *8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services.*
- *8.4 Improve progressively, through 2030, global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation, in accordance with the 10-year framework of programmes on sustainable consumption and production, with developed countries taking the lead.*

Partnership's correspondence: As the concept of circular economy concerns the decoupling of economic growth and economic degradation, these targets are generally promoted in all actions put forward. However, the action to promote Urban resource centres for waste prevention, re-use and recycling will have a clear economic dimension aiming to facilitate local job creation and start-up initiatives focusing on circular business models. The actions addressing Better Funding, Circular City Funding Guide and the work to mainstream Circular Economy as an eligible area in the post 2020 Cohesion Policy and corresponding funds will also address this directly.

*Goal 9 Build resilient infrastructure, promote sustainable industrialization and foster innovation*

- *9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities*
- *9.5 Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, including, by 2030, encouraging innovation and substantially increasing the number of research and development workers per 1 million people and public and private research and development spending*

Partnership's correspondence: The overall work of the Partnership corresponds with Goal 9, as upgraded infrastructure and innovative technology and industrial processes are key in a circular economy. Specifically, the work undertaken in the action Circular City Funding Guide and "Mainstreaming the Circular Economy as an eligible area into the post 2020 Cohesion Policy and corresponding funds" will also enable investments and financing of projects that support innovation and new technologies.

*Goal 11. Make cities and human settlements inclusive, safe, resilient and sustainable*

- *11.3 By 2030, enhance inclusive and sustainable urbanization and capacity for participatory, integrated and sustainable human settlement planning and management in all countries*
- *11.6 By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management*

Partnership's correspondence: This Goal is central to the work in the Urban Agenda Partnership and emphasized the cities role in achieving sustainable development. The Partnership has a clear city perspective when addressing the barriers in a transition to a circular economy, and place a special focus on the environmental impacts of cities.

*Goal 12. Ensure sustainable consumption and production patterns*

- *12.2 By 2030, achieve the sustainable management and efficient use of natural resources*
- *12.4 By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment*
- *12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and re-use*
- *12.8 By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature*

Partnership's correspondence: This Goal is central in all actions proposed by the Partnership. The main goal of making the transition from a linear to a circular economy is to achieve sustainable and

efficient use of natural resources. Therefore, this is at the core of all actions put forward in this action plan.

*17 Strengthen the means of implementation and revitalize the global partnership for sustainable development*

- *17.16 Enhance the global partnership for sustainable development, complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology and financial resources, to support the achievement of the sustainable development goals in all countries, in particular developing countries*

Partnership's correspondence: This Goal is central to the work in the Urban Agenda Partnership and emphasizes the need for partnerships to achieve the sustainable development goals. This is the core concept of the EU Urban Agenda as it brings together stakeholders from both local, national and international level to work together to find common solutions to the barriers identified for cities in transitioning into a circular economy.

Conclusion: Several of the actions strongly support the SDGs, mainly Goal 6, 8, 9, 11,12 and 17.

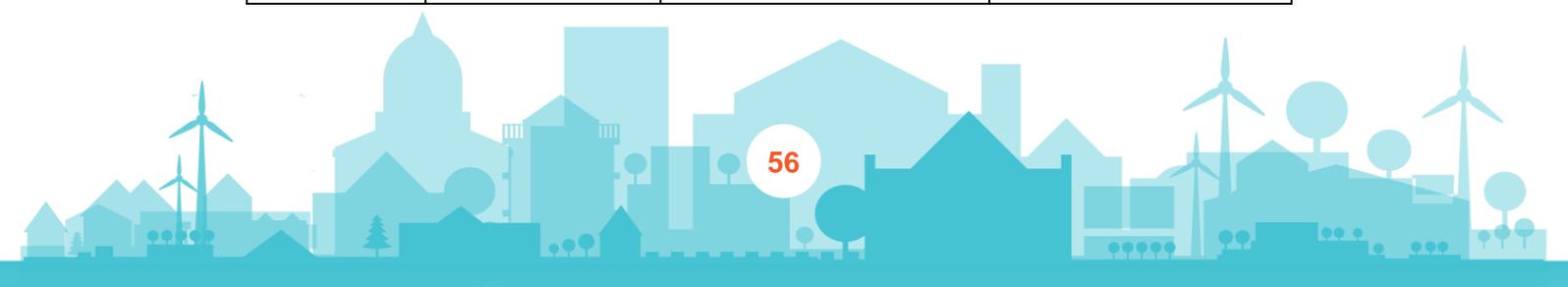
# ANNEXES

## Annex 1: List of members and involvement

Partner	Topic leader	Action leader	Member of Action Working Group
<b>City of Oslo</b>	<ul style="list-style-type: none"> <li>• Circular Public Procurement<sup>30</sup>,</li> <li>• Bio-resources,</li> <li>• Waste prevention and Circular Consumption,</li> <li>• Food waste prevention</li> </ul>	<ul style="list-style-type: none"> <li>• Analysis of regulatory obstacles and drivers for boosting an <b>urban circular bioeconomy</b></li> <li>• Promote <b>Urban Resource Centres</b> for waste prevention, re-use and recycling</li> <li>• City Indicators for a Circular Economy</li> </ul>	<ul style="list-style-type: none"> <li>• Waste legislation</li> <li>• Water legislation</li> <li>• Circular City Portal</li> <li>• Roadmap for Circular Resource Management in cities</li> <li>• Guideline for circular re-use of urban buildings and spaces</li> </ul>
<b>City of Prato</b>	<ul style="list-style-type: none"> <li>• Water as a Resource</li> <li>• Sustainable buildings</li> </ul>	<ul style="list-style-type: none"> <li>• Develop "<b>Pay-as-you-throw</b>"-toolkit with coaching</li> <li>• Help make <b>water legislation</b> support the circular economy in cities</li> <li>• Guidelines for <b>circular re-use of urban buildings and spaces</b></li> </ul>	<ul style="list-style-type: none"> <li>• Waste legislation</li> <li>• Roadmap for Circular Resource Management in cities</li> </ul>
<b>City of Porto</b>	<ul style="list-style-type: none"> <li>• Industrial symbiosis</li> </ul>		<ul style="list-style-type: none"> <li>• Analysis of regulatory obstacles and drivers for boosting an <b>urban circular bioeconomy</b></li> <li>• Roadmap for Circular Resource Management in cities</li> <li>• Develop "<b>Pay-as-you-throw</b>"-toolkit</li> </ul>

<sup>30</sup> The theme of Circular Public Procurement was transferred to the Partnership on Public Procurement in September 2017

			<ul style="list-style-type: none"> <li>with coaching</li> <li>Urban Resource Centres</li> </ul>
<b>City of Kaunas</b>	<ul style="list-style-type: none"> <li>Eco-design</li> </ul>		<ul style="list-style-type: none"> <li>Circular City Portal</li> <li>Roadmap for Circular Resource Management in cities</li> <li>City Indicators for a Circular Economy</li> </ul>
<b>City of The Hague</b>	<ul style="list-style-type: none"> <li>Collaborative economy</li> <li>Urban Resource Management</li> </ul>	<ul style="list-style-type: none"> <li>Help make <b>waste legislation</b> support the circular economy in cities</li> <li>Roadmap for <b>Circular Resource Management</b> in cities</li> <li>Develop a <b>Collaborative Economy Knowledge Pack</b> for cities</li> </ul>	<ul style="list-style-type: none"> <li>Urban Resource Centres</li> <li>Develop "<b>Pay-as-you-throw</b>"-toolkit with coaching</li> </ul>
<b>OVAM (Flanders)</b>	<ul style="list-style-type: none"> <li>Governance</li> </ul>	<ul style="list-style-type: none"> <li>Prepare a blueprint for a <b>Circular City Portal</b></li> </ul>	<ul style="list-style-type: none"> <li>Circular City Funding Guide</li> <li>Mainstreaming the circular economy into the post 2020 Cohesion Policy and corresponding Funds</li> <li>City Indicators for a Circular Economy</li> </ul>
<b>Finland</b>			<ul style="list-style-type: none"> <li>Roadmap for Circular Resource Management in cities</li> <li>City Indicators for a Circular Economy</li> </ul>
<b>Slovenia</b>	<ul style="list-style-type: none"> <li>Governance</li> </ul>	<ul style="list-style-type: none"> <li>Prepare a blueprint for a <b>Circular City Portal</b></li> </ul>	<ul style="list-style-type: none"> <li>Circular City Funding Guide</li> <li>Roadmap for Circular Resource Management in cities</li> <li>Guideline for circular re-use of urban buildings and spaces</li> </ul>



<b>Poland</b>			<ul style="list-style-type: none"> <li>• Waste legislation</li> <li>• Develop “<b>Pay-as-you-throw</b>”-toolkit with coaching</li> <li>• Circular City Portal</li> <li>• Roadmap for Circular Resource Management in cities</li> <li>• Guideline for circular re-use of urban buildings and spaces</li> </ul>
<b>Greece</b>		<ul style="list-style-type: none"> <li>• Mainstreaming the circular economy as an eligible area into the <b>post 2020 Cohesion Policy and corresponding Funds</b></li> </ul>	<ul style="list-style-type: none"> <li>• Develop “<b>Pay-as-you-throw</b>”-toolkit with coaching</li> <li>• Circular City Portal</li> <li>• Urban Resource Centres</li> <li>• Collaborative Economy Knowledge Pack</li> <li>• City Indicators for a Circular Economy</li> </ul>
<b>European Investment Bank</b>	<ul style="list-style-type: none"> <li>• Governance</li> </ul>	<ul style="list-style-type: none"> <li>• Prepare a <b>Circular City Funding Guide</b> to assist cities in accessing funding for circular economy projects</li> </ul>	<ul style="list-style-type: none"> <li>• Mainstreaming the circular economy into the post 2020 Cohesion Policy and corresponding Funds</li> <li>• Circular City Portal</li> <li>• Roadmap for Circular Resource Management in cities</li> <li>• City Indicators for a Circular Economy</li> </ul>
<b>EUROCITIES</b>		<ul style="list-style-type: none"> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>• Waste legislation</li> <li>• Circular City Portal</li> <li>• Roadmap for Circular Resource Management in cities</li> <li>• City Indicators for a Circular Economy</li> </ul>
<b>CEMR</b>			<ul style="list-style-type: none"> <li>• Waste legislation</li> </ul>



			<ul style="list-style-type: none"> <li>• Mainstreaming the circular economy into the post 2020 Cohesion Policy and corresponding Funds</li> <li>• Circular City Portal</li> <li>• Urban Resource Centres</li> <li>• Roadmap for Circular Resource Management in cities</li> </ul>
<b>URBACT</b>			<ul style="list-style-type: none"> <li>• Circular City Portal</li> <li>• Roadmap for Circular Resource Management in cities</li> <li>• Collaborative Economy Knowledge Pack</li> </ul>
<b>ACR+</b> (from September 2017)			<ul style="list-style-type: none"> <li>• Circular City Funding Guide</li> <li>• Urban Resource Centres</li> <li>• Circular City Portal</li> <li>• City Indicators for a Circular Economy</li> </ul>
<b>DG Regional and Urban Policy</b>			<ul style="list-style-type: none"> <li>• Circular City Funding Guide</li> <li>• Mainstreaming the circular economy into the post 2020 Cohesion Policy and corresponding Funds</li> <li>• Guideline for circular re-use of urban buildings and spaces</li> </ul>
<b>DG Environment</b>			<ul style="list-style-type: none"> <li>• Waste legislation</li> <li>• Circular City Funding Guide</li> <li>• Circular City Portal</li> <li>• Water legislation</li> </ul>



<b>DG Research and development</b>	<ul style="list-style-type: none"> <li>• Bio-resources</li> </ul>	<ul style="list-style-type: none"> <li>• Analysis of regulatory obstacles and drivers for boosting an <b>urban circular bioeconomy</b></li> </ul>	<ul style="list-style-type: none"> <li>• Circular City Funding Guide</li> <li>• Guideline for circular re-use of urban buildings and spaces</li> </ul>
<b>DG CLIMA</b>			<ul style="list-style-type: none"> <li>• Water legislation</li> </ul>



## Annex 2: List of relevant studies

Report/Study	Author	Topic	Link
Regulatory barriers for the Circular Economy	Technopolis Group	Regulation in the Circular Economy	<a href="http://ec.europa.eu/DocsRoom/documents/19742">http://ec.europa.eu/DocsRoom/documents/19742</a>
Bridge! Better EU regulation for local and regional authorities	Europa Decentraal	Regulation	<a href="https://europadecentraal.nl/bridge-english/">https://europadecentraal.nl/bridge-english/</a>
Perspective study: Governance for C2C	C2C Network	Governance	<a href="http://www.c2c-centre.com/library-item/perspective-study-governance-c2c">http://www.c2c-centre.com/library-item/perspective-study-governance-c2c</a>
Cities in the Circular Economy	Ellen MacArthur Foundation	Circular Cities	<a href="https://www.ellenmacarthurfoundation.org/publications/">https://www.ellenmacarthurfoundation.org/publications/</a>
Executive Briefing: BS 8001 – a new standard for Circular Economy	BSI	Circular Economy standard	<a href="https://www.bsigroup.com/en-GB/standards/benefits-of-using-standards">https://www.bsigroup.com/en-GB/standards/benefits-of-using-standards</a>
LIFE and the Circular Economy	European Commission	Funding and Circular Economy	<a href="http://ec.europa.eu/environment/life/publications/lifepublications/lifefocus/documents/circular_economy.pdf">http://ec.europa.eu/environment/life/publications/lifepublications/lifefocus/documents/circular_economy.pdf</a>
Green Public Procurement and the EU Action Plan for the Circular Economy	Directorate General for internal policies	Public Procurement	<a href="http://www.europarl.europa.eu/RegData/etudes/STUD/2017/602065/IPOL_STU(2017)602065_EN.pdf">http://www.europarl.europa.eu/RegData/etudes/STUD/2017/602065/IPOL_STU(2017)602065_EN.pdf</a>
Circular Economy in Cities Around the World – a selection of case studies	Patrick Lindner, Cynthia Mooij, Heather Rogers	Circular Cities	<a href="http://www.europarl.europa.eu/RegData/etudes/STUD/2017/602065/IPOL_STU(2017)602065_EN.pdf">http://www.europarl.europa.eu/RegData/etudes/STUD/2017/602065/IPOL_STU(2017)602065_EN.pdf</a>
Circular by design – Products in the Circular Economy	European Environment Agency	Eco-design and circular products	<a href="https://www.eea.europa.eu/publications/circular-by-design">https://www.eea.europa.eu/publications/circular-by-design</a>
Rethinking Economic Incentives for separate collection	Zero Waste Europe	Waste management	<a href="https://www.zerowasteurope.eu/wp-content/uploads/2017/07/Rethinking-economic-incentives2.pdf">https://www.zerowasteurope.eu/wp-content/uploads/2017/07/Rethinking-economic-incentives2.pdf</a>

Environmental taxation and EU environmental policies	European Environment Agency	Taxation and regulation	<a href="https://www.eea.europa.eu/publications/environmental-taxation-and-eu-environmental-policies">https://www.eea.europa.eu/publications/environmental-taxation-and-eu-environmental-policies</a>
Beyond the Circular Economy Package – Maintaining momentum on Resource Efficiency	Aldersgate group	Resource Efficiency	<a href="http://www.aldersgategroup.org.uk/latest#business-needs-long-term-support-to-deliver-324bn-circular-economy-opportunity">http://www.aldersgategroup.org.uk/latest#business-needs-long-term-support-to-deliver-324bn-circular-economy-opportunity</a>
UIA second Call for Proposals: Policy trends from the proposals under the topic of circular economy	Reka Soos, Urban Innovative Action	Trends in Circular Economy	<a href="http://www.uia-initiative.eu/sites/default/files/2017-10/UIACall2_policytrends_circular%20economy.pdf">http://www.uia-initiative.eu/sites/default/files/2017-10/UIACall2_policytrends_circular%20economy.pdf</a>



Annex 3: List of themes, topics and actions

Theme	Topic/Scoping fiche	Action
Governance	Governance	Prepare a blueprint for a <b>Circular City Portal</b>
		Develop “ <b>Pay-as-you-throw</b> ”-toolkit with coaching
		<b>City Indicators</b> for a Circular Economy
		<b>Mainstreaming the circular economy</b> as an eligible area <b>into the post 2020 Cohesion Policy</b> and corresponding Funds
		Prepare a <b>Circular City Funding Guide</b> to assist cities in accessing funding for circular economy projects
Urban Resource Management	Urban Resource Efficiency	Help make <b>waste legislation</b> support the circular economy in cities
	Bio-Resources	Analysis of regulatory obstacles and drivers for boosting an <b>urban circular bioeconomy</b>
	Water as a Resource	Help make <b>water legislation</b> support the circular economy in cities
	Sustainable Buildings	Guidelines for <b>circular re-use of urban buildings and spaces</b>
Circular Consumption	Waste prevention and Circular Consumption	Promote <b>Urban Resource Centres</b> for waste prevention, re-use and recycling
	Food Waste Prevention	Prepare a blueprint for a <b>Circular City Portal</b>
	Collaborative Economy	Develop a <b>Collaborative Economy Knowledge Pack</b> for cities
Circular Business enablers and drivers	Industrial Symbiosis and innovative business models	Develop a ' <b>Circular Resource Management</b> ' roadmap for cities
	Circular Public Procurement	<i>Transferred to Partnership on Public Procurement</i>
	Eco-Design	<i>Transferred to topic on governance, waste prevention and industrial symbiosis.</i>



Annex 4: List of actions in Action plan, part 1 and their correspondence with international commitments

Action	New Urban Agenda	2030 Agenda for Sustainable Development
Help make <b>waste legislation</b> support the circular economy in cities	Section: 45., 63., 71., 65., 70., 72., 73., 74.	Goal 11 (11.3, 11.6), Goal 12 (12.2, 12.4, 12.5, 12.8).
Help make <b>water legislation</b> support the circular economy in cities	Section: 45., 63., 71., 65., 70., 72., 73., 74.	Goal 11 (11.3, 11.6), Goal 6 (6.3), Goal 12 (12.2, 12.4, 12.5, 12.8).
Prepare a <b>Circular City Funding Guide</b> to assist cities in accessing funding for circular economy projects	Section: 45., 63., 71., 56., 58., 60.	Goal 8 (8.3, 8.4), Goal 9 (9.4, 9.5), Goal 11 (11.3, 11.6), Goal 9 (9.4, 9.5), Goal 12 (12.2, 12.4, 12.5, 12.8).
<b>Mainstreaming the circular economy</b> as an eligible area <b>into the post 2020 Cohesion Policy</b> and corresponding Funds	Section: 45., 63., 71., 56., 58., 60.	Goal 8 (8.3, 8.4), Goal 9 (9.4, 9.5), Goal 11 (11.3, 11.6), Goal 9 (9.4, 9.5), Goal 12 (12.2, 12.4, 12.5, 12.8).
Prepare a blueprint for a <b>Circular City Portal</b>	Section: 45., 63., 71., 47., 48.	Goal 11 (11.3, 11.6), Goal 12 (12.2, 12.4, 12.5, 12.8).
Promote <b>Urban Resource Centres</b> for waste prevention, re-use and recycling	Section: 45., 63., 71., 53., 47., 48., 66., 65., 70., 72., 73., 74.	Goal 8 (8.3, 8.4), Goal 11 (11.3, 11.6), Goal 12 (12.2, 12.4, 12.5, 12.8).
Develop a ' <b>Circular Resource Management</b> ' roadmap for cities	Section: 45., 63., 71., 65., 70., 72., 73., 74.	Goal 11 (11.3, 11.6), Goal 12 (12.2, 12.4, 12.5, 12.8).
Develop a <b>Collaborative Economy Knowledge Pack</b> for cities	Section: 45., 63., 71., 66.	Goal 11 (11.3, 11.6), Goal 12 (12.2, 12.4, 12.5, 12.8).

