

1 TUESDAY  
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# Circular economy research & innovation: how can we scale impact for a green recovery?

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ONLINE EVENT



**CICERONE**

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## EVENT SUMMARY

### Circular economy research & innovation: how can we scale impact for a green recovery?

#### Event overview

The COVID-19 pandemic has brought to light the fragile nature of our current linear economies, and the systemic challenges our societies face. But how can this be an opportunity to build a green and sustainable recovery that will lead to climate neutrality?

Organised by [EIT Climate-KIC](#) and the European Commission's [Executive Agency for Small and Medium Enterprises \(EASME\)](#), this event explored how the efficient design and funding of circular economy research & innovation can support nations all over the world with their economic recovery plans. Bringing together a global community, the session offered an excellent opportunity for learning and best practice sharing, with the objective of increasing cooperation for a circular economy transition.

**Number of attendees:** 308 (excluding panellists)

#### Moderator

- **Cristian Matti** – EIT Climate-KIC

#### Panelists

- **Javier Peinado** – Executive Agency for Small and Medium-sized Enterprises (EASME)
- **Cliona Howie** – EIT Climate-KIC

- **Bernie Kiely** – Department of the Environment, Climate & Communications of the Government of Ireland
- **Janja Kreitmayer McKenzie** – Ministry for the Environment and Spatial Planning of the Government of Slovenia
- **María Paz Díaz Nieto** – Regional Ministry for Economy and Finance of the Government of Cantabria
- **Roberta de Carolis** – ENEA: National Agency for New Technologies, Energy and Sustainable Economic Development of Italy (representing H2020 CICERONE)
- **Keti Medarova-Bergstrom** – Executive Agency for Small and Medium-sized Enterprises (EASME)

## Opening

- **Javier Peinado** – Executive Agency for Small and Medium-sized Enterprises (EASME)
- **Cliona Howie** – EIT Climate-KIC

The European Commission has set an ambitious sustainable growth agenda, translated into the [EU Green Deal](#). This has led to a number of key policies adopted, for example the new [Circular Economy Action Plan](#) and the [Industrial Strategy](#), with the objective of making the EU more prosperous and sustainable.

- There is a strong need to invest in innovation. The Green Deal call will help the EU to recover from the COVID-19 crisis, increasing our resilience and capacity to respond to such threats in the future. 1 billion euros for research and innovation are being unlocked to respond to multiple urgent challenges such as climate, pollution, resource scarcity, biodiversity and health.
- This is coupled with the long-term budget for 2021-2027 to boost recovery by stimulating a green, digital and resilient Europe.
- The new R&I framework programme [Horizon Europe](#) will guide the systemic changes needed to reach impact, with circular economy and systems innovation as key elements for future funding.
- [CICERONE](#) is one example of a key project supported by EASME to increase collaboration and coordination of circular economy programming to reach targets.

The European Commission has recognised the urgent need to transition to a circular economy, as demonstrated in the EU Green Deal and Circular Economy Action Plan. This is particularly relevant in a post-pandemic context where we need to leverage recovery plans to build back stronger and more resilient.

- Circular Economy is a key tool to decarbonise our regions at scale, and moving towards a circular economy will maximise our chances of avoiding the most dangerous effects of climate change.
- But how will we achieve this without fundamentally changing our economic and social systems at local, regional, national and international levels?

A key pathway forward is to empower entire countries, regions, industries and communities to implement a bold transition towards circular economy. And for this to happen, this means combining a portfolio of tailored actions across policy, finance, education, entrepreneurship and innovation to change whole systems from linear to circular.

Leveraging innovation to transform whole systems will be key: new ideas and approaches acting simultaneously on multiple levers of change to trigger transformation to a net-zero emissions.

- Reshaping European policy and public funding to be more systemic, cross-sectoral and include a more diverse range of actors
- Building and orchestrating a network of actors to address specific challenges
- Transitioning national and regional economies from linear to circular
- Supporting the transformation of the private financial sector

- Developing scientific methodologies for stakeholder engagement
- Transforming industrial value chains

What lies ahead is unprecedented and difficult – it's time to build more collaboration and change the big picture for more sustainable circular economy pathways.

## Panel discussion

### Presentation of the initiatives

#### Slovenia

In 2014 the transitional process started with a communications strategy to accelerate ownership of the transition, engage all stakeholders and build a dialogue around the topic of circular transition.

- This resulted in 2018 in a [roadmap](#) which identified opportunities and priority areas for circular economy transition, as well as the inclusion of circular economy principles in all strategic documents.
- The implementation included involving intermediaries such as the [Joint Research Centre \(JRC\)](#), [EIT Climate-KIC](#) and [EIT Raw Materials](#) to develop and co-create a [Deep Demonstration](#) to a low carbon economy through circular economy. This brought a new know-how and knowledge, building on all activities and achievement done so far at national level. The focus of this work is to look at how to achieve systemic change for transition all the while making it tangible and sustainable.
- Three key pillars: circular communities and education, businesses and monitoring, policy making and innovation (procurement, higher education, capacity building).
- The set-up of a new Centre for Circular Economy is key to orchestrate the programme and draw together knowledge.

#### Ireland

Circular economy has been part of the national waste prevention programme for a few years, which evolved in 2020 into a new [Waste Action Plan for a Circular Economy](#). The governmental coalition that includes the Green Party has provided additional support to achieve ambitious goals – with climate change and the need for a sustainable recovery from the COVID-19 pandemic sparking further engagement.

- The objective is to give policy direction to businesses and communities to transform to a circular economy, and a key pathway forward is the production of a national Circular Economy strategy that will go to public consultation in 2021. This step has proved instrumental in disseminating the message to various stakeholders needed to trigger systemic change.
- Ireland's economy is strongly based on agriculture and manufacturing: working with those priority sectors is key, accompanied by an overarching strategy.
- In terms of manufacturing, the initiative [CIRCULÉIRE](#) was set up in collaboration with EIT Climate-KIC: CIRCULÉIRE is an industry-led national platform for circular manufacturing that provides support to actors across the system, for example through an innovation fund, research working groups and training support.
- Public sector leadership is very important, including looking at how to transform finance which is currently designed for a linear system. There is a need to engage across government to work on financial mechanisms

to see what a circular economy has to offer and embrace the need for action on climate change: the circular economy is part of the practical solution and needs to be more systemic.

## Cantabria

Cantabria has been working on implementing a circular economy strategy for the last 2 years.

- In 2018 the [Cantabria Regional Development Agency](#) (SODERCAN) put in place a business forum to support the integration of circular economy principles with local and regional stakeholders: this includes information sharing, best practices and building a community of action around the topic.
- In the same year, SODERCAN and the [Chamber of Commerce of Cantabria](#) signed an agreement with EIT Climate-KIC to serve as a focal point for circular economy and promote activities on the ground. This included the organisation of discussion forums to develop a regional strategy on circular economy.
- There was a need for support to concretely implement the circular economy strategy. Circular economy is cross-cutting by nature and needs the engagement of not only a regional ministry, but various levels of governance to jointly implement activities and raise awareness in society.

## CICERONE

[CICERONE](#) was launched in 2018 to respond to the need for increased coordination of funding in Europe. At present many single initiatives are occurring, but there is a need for a more systemic approach to avoid fragmentation of results.

- To address this the project has delivered a [Strategic Research & innovation Agenda \(SRIA\) on Circular Economy](#). This was built on objectives and innovation fields, proposing 4 joint programmes to tackle the circular economy in specific challenge areas: Urban Areas, Industrial Systems, Value Chains and Territory & Sea.
- There is a need for joint action from European countries and regions: to support this CICERONE is launching the European Circular Cooperation Hub in 2021 to support public bodies in delivering circular economy joint programmes.

## Key topics

### How is the European Commission supporting these actions?

The EU is committed to driving the circular economy transition: many high-level strategies and action plans have been adopted, as previously mentioned.

- There is a strong focus on looking at the life cycle of products, addressing challenges related to design, promoting more sustainable processes and consumption – all with the objective of keeping valuable resources in the economy as long as possible. This is also supported by the new Industrial Strategy is committed to increase green and digital transformations.
- There are a number of upcoming relevant initiatives that aim to frame and accelerate positive developments: The [Zero Pollution Action Plan](#), the Circular Electronics Initiative, a new [Strategy for Textiles](#), and a new Strategy for the Built Environment.

- The European policy framework is key to driving action and increasing incentives within member states and regions, but another important role is to support transition through funding: between 2014 and 2018 [Horizon 2020](#) invested nearly 1.4 billion to support circularity. This is coupled with other EU funding instruments that support circular economy transition, for example under the [Cohesion Policy](#), the [LIFE programme](#) and blended-finance initiatives.
- The Circular Economy Expert Finance Group has already produced [important recommendations](#) to improve the bankability of circular economy projects, how to coordinate funding activities and share best practices.
- There is now a strong need to bring this knowledge together, for example via the [European Circular Economy Stakeholder Platform](#) where over 300 best practices and strategies have already been shared. There is a wealth of project [data hubs](#) presenting the results and impact of initiatives. The [Horizon Results platform](#) is another example of tools developed by the EU for information sharing, with the objective to optimise impact across a variety of initiatives, ensuring more collaboration, synergies and complementarities.
- It is important now to support and promote large-scale demonstration, replication and a wider uptake of circular practices.

### **How can we efficiently transform policy initiatives into concrete action and implementation on the ground?**

Implementation challenges exist on all levels: maintaining support and ownership of the programme, gaining a deep understanding of all the sectors involved and engaging stakeholders.

- Inter-ministerial and inter-departmental collaboration: there are many varying objectives within departments that can hinder the uptake of a systemic approach. Forging partnerships at different levels is essential to show how circular economy can be a key solution to climate-related challenges. The understanding of the concept and potential of the circular economy is essential across governance levels. There is a need for a multi-disciplinary team, access to research, business and finance knowledge – with the ambition of expanding rather than replicating.
- Finance: blended finance is also a challenge – there is a need to discuss how to blend various funding streams and connect this to the recovery fund. Collaboration of ministries is key here, as well as orchestration of an intermediate EU institution such as EIT Climate-KIC, to avoid siloes in the funding of solutions and instead build a common portfolio with common goals.
- Local level implementation: cities and regions play a key role to support on a policy level and are a driving of change, alongside businesses making the transition at production level. Cities and regions are also very close to their citizens: raising awareness with communities is very important.

### **How can we increase collaboration in a systemic way?**

- Joint programming: financing and delivering integrated and large-scale initiatives is essential to cover all the stakeholders needed to transform systems. All stakeholders have a role in the circular economy transition. Co-creation is needed for this and strategic documents such as the Strategic Research & innovation Agenda on Circular Economy can support with priority setting.
- Stakeholder engagement: there is a need to involve a variety of stakeholders in the priority setting to ensure reality on the ground is taken into account and that public authorities can leverage this knowledge in the design of future funding programmes. This includes multi-disciplinary inputs and the integration of know-how from education, business, finance, and citizens. Pilot projects opening this dialogue are underway in many territories at national, regional and local levels.

## How are global value chains being addressed?

- Value chains are not bound to territorial or national borders: while place-based and bottom up actions are important for implementing a circular economy, there is a need for cross-border action – this is where the value of EU and trans-national projects for research and innovation shines through. This will be a key priority for European programmes such as Horizon Europe, to scale up collaboration to approach the global dimension.
- International and multi-level cooperation between institutions and countries is important – both at European and global levels. “Leading by example” is key, and there is a need to break down the fear of a transition to a new paradigm.
- Indicators and metrics: measuring the circular economy at a global value chain will be key to understand our impact. This includes better understanding how value chains work and what are the enabling and success factors.

## Summary & conclusions

- We know that we need an ecosystem approach for a circular economy transition and new ways of collaborating, but how can we ensure this ecosystem has a core structure to achieve impact?
- The role of the public sector at the heart of this systemic transformation is key. Governing bodies need to get involved to trigger change, and efforts need to be both top-down and bottom-up.
- Public administration can support by formalising a specialised unit or working group on the topic: this needs to be cross-cutting, with clear decision-making and accountability.
- The transition to circular economy is not only about waste, or the economy, but it is also about education, health, and every element of society. The COVID-19 pandemic has shown this: a health crisis has changed many aspects of daily life from the way we live, the way we communicate to the way our economy works – demonstrating that the role a system plays in transition is key.
- To achieve impactful transition we need a holistic and inclusive systems map to truly understand the interrelations at play. This can help us understand the status quo, the objectives, and goals we set for a circular economy transition.
- The transition to a circular economy does not mean starting completely from scratch: it means how can we help companies, policy-makers, financiers and all actors of the system to rethink their models to become more resilient, all the while remaining competitive and creating economic and sustainable opportunities for future generations.

## Contact

For more information please contact [circularity@climate-kic.org](mailto:circularity@climate-kic.org)

We would like to take this opportunity to thank all panelists and attendees for their contributions, commitment and interest in this event.