

CIRCULAR ECONOMY FOR SMALL AND MEDIUM SIZED ENTERPRISES (CESME)

ACTION PLAN

JUNE 2018

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INTRODUCTION

This Action Plan is a document providing details on how the lessons learnt from the CESME project will be explored and implemented into practice in order to improve the policy instrument tackled within The National Development Programme of Bulgaria 2020, Objective 3, Priority 7: 'Methodological support for companies to work together and use effectively the secondary products and usage of wastes as resources. The basis for this is the introduction of the industrial symbiosis concept, which is one of the main drivers of the circular economy approach. It aims at supporting SMEs to achieve green growth and resource efficient use of resources. It specifies the nature of the actions to be implemented, their timeframe, the players to be involved, the costs (if any) and funding sources (if any).

Lessons learnt during the project will be integrated into the revision of regional policies and the action plan will help us to improve in different levels:

- Improvements in the governance and management of the policy by adoption of better methodologies for evaluation, business models, communication tools and monitoring the policy and the performance of SMEs;
- Changes in the regulation of SMEs support for Resource Efficiency policies and innovation and research support instruments in order to improve the connection between policies, in a joined-up approach. For example, to better assess and follow up those projects originated within Resource Efficiency (RE) working groups.
- Better understanding and alignment of Resource Efficiency organizations with the RIS3
- Better understanding and practice of cross-sector cooperation (at regional and international level) in order to develop new value chains in new emerging growth domains, such as advance manufacturing or others enabled by the incorporation of KETs(Key Enabling Technologies).

We have structured this Action Plan according to areas where challenges or opportunities for improvement were identified during the course of the project. This set of areas of intervention are the following ones:

Governance and Mapping Policy Mix Optimization, Resource-efficiency Management and other national policies, that are directly or indirectly related to circular economy, International Projection Monitoring and Evaluation, including alignment with European policies for the promotion of circular economy (as they were incorporated in the White Book).

PART I - GENERAL INFORMATION

Project acronym	CESME
Project title	Circular Economy for SME's
Name of the organization	Bulgarian Association of Municipal Environmental Experts BAMEE
Name of the policy instrument addressed	National Development Programme of Bulgaria 2020, Objective 3, Priority 7: Methodological support for companies to work together and use effectively the secondary products and usage of wastes as resources
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EU 2020 highlights that the EU and Member States should enable SMEs to turn environmental challenges into opportunities. Green growth can offer significant benefits, however as stated in the Small Business Act (EP 2014/2209 INI)) policy makers need to fully understand the potential of the green economy, whilst being aware of the barriers that SMEs face regarding the greening of their products, production processes, business practices and services. The circular economy is a key concept of the green economy, based on optimizing systems rather than components, away from 'Resource to Waste' to resilient and productive circular systems.

Strategic alliances between support organizations such as Ellen MacArthur Foundation, McKinsey Company, etc and multinational enterprises have been at the forefront of circular economy exploration and application. SMEs rarely have the same access to knowledge networks to stay up to date with new technologies, or communicate with potential clients or investors. It is therefore key to understand how SMEs can exploit the opportunities of circular value chains.

The CESME project addresses SME inclusion in the circular economy, by interregional meetings identifying good practices aiming to examine how best regional and local authorities and business development agencies can improve relevant policy instruments and design support packages to assist SMEs to enter the circular economy. Through the creation of a return on investment analysis quantifying the economic and social benefits of circular value chains as well as a white book guiding SMEs step by step into circular economy, the CESME partnership introduces new circular initiatives targeting SMEs. These initiatives will be implemented and tested for feedback and adaptation in order to be replicable tools across EU as well as monitored against their expected impact. Finally, this will lead to the improved effectiveness of the policy instruments addressed by the project partners.

PART II - POLICY CONTEXT

The Action Plan aims to impact:

The major goal of the Action Plan is to impact the National Development Programme of Bulgaria 2020, Objective 3, Priority 7: Methodological support for companies to work together and use effectively the secondary products and usage of wastes as resources (e.g. using industrial symbiosis)' aims at supporting SMEs to enter green growth and industrial symbiosis at best.

The Action Plan aims also to impact Investment for Growth and Jobs programs, European Territorial Cooperation programme and other regional development policy instruments, that will be fostering the support for companies to work together and use effectively the secondary products, usage of wastes as resources and supporting SMEs to enter green growth and industrial symbiosis.

In support of this, the Ministry of Environment and Waters provide information to all organizations and administrative bodies, which deal with waste management.

BAMEE and the municipal administrations are usually providing general information to SMEs e.g. information on national and international markets, tenders, offers and inquiries from Bulgarian and foreign enterprises and finally they also offer specialized training. The more specific approach and specialized support is more professionally provided by intermediaries – business support organization that have specialization in resource efficiency, energy efficiency, SME management and B2B communication.

However, the current policy instrument does not stimulate effective usage of waste as resources. In order for the policy instrument to succeed, there is a clear need to improve tools for B2B communication and improve business models, which will enable more SMEs to raise awareness of the possibilities and benefits of using waste from one SME as a resource to another.

By participating in CESME, BAMEE had discovered good practices and solutions on B2B communication, examples for using improved support systems from the CESME partners. All the conclusions, solutions and good practices had been analyzed, modified and adapted into Bulgarian circumstances and to be used in the local reality.

Specifically, BAMEE's goal was to identify experiences and good practices to actively support SMEs to cooperate and use effectively the secondary products and waste as resources.

The Action Plan is proposing new approaches, tools, mechanisms and projects based on the knowledge and good practices transferred from the partners' projects supporting the policy instrument in terms of solutions to

raise the awareness of to apply the circular economy concept among SMEs, using the waste from one SME as a resource to another, increasing capacity of SMEs in Resource Efficiency management and improve their position in the economic map.

Proposed self-defined performance indicator (in relation to the policy instrument addressed) already 5 SMEs have used the tools for measuring their environmental impact, 30 SMEs have been informed about the circular economy approach, 1 web-based tool was developed and will be used as a communication and monitoring instrument by BAMEE and SMEs to collect and share information, encourage SME collaboration and provide analytical data for monitoring, assessment and prognoses. The creation of this tool had been inspired by discovered good practices within the project and other Interreg practices, analyzing the needs and expectations of local authorities, intermediaries and SMEs. It was created using only our own financial resources, but will be very valuable instrument for our next phase during the obligations for monitoring process, observations and further policy improvements. On other hand, the national strategic document - National Strategy for Environment and National Program for Waste Management (NPWM,) foresees that using an integrated information platform covering the information from the license for treatment of different types of waste, information on control systems and implementation and fulfilling the conditions of integrated permits (under IPPC directive) as well as information on activities on prevention and recovery of industrial waste will contribute significantly to the effective management. At the moment Ministry of Environment and Waters is publishing annually information about the licenses issued and general information (at national level) about the quantities of different types of waste treated. The projects like CESME, that address the issues of industrial waste generation will continually have significant positive impact in second phase of the project and further. All activities in faze 2 will be carried out by funding from the EU Operational Programme 2014–2020, local resources and external programs.

The goals of the project and its results are linked also to the regional innovation strategy for smart specialization (RIS3). Within Green Growth, Bulgaria has great opportunities to participate in relatively big markets. However, due to the enormous gaps within the country, a quick and efficient utilization of new technologies and knowledge in the field of Resource Efficiency is required. Also attention should be paid to the substitution of conventional – finite resources with new technological solutions or the use of recycled raw materials and to stimulate eco-design.

BAMEE will continuously contribute to the content of the cooperation and benefit from it with its considerable expertise on waste management. Furthermore, BAMEE will continue to present good practices from Bulgaria on cross sectoral collaboration on circular economy. At the same time will use the knowledge and solutions based on the partners' experiences within B2B communication and raising the awareness for the benefits from circular economy.

PART III - ACTION PLAN AND PERFORMANCE INDICATORS

	ACTION DESCRIPTION	INDICATOR	OBJECTIVE
1	Analysis of REMOs competences training and development needs	Survey design and launch	Decide on common activities launch
2	Developing and Implementing Tools to Assess REMO's services users perception on Resource Efficiency activity	Nr of reports and analytics provided % users responses	Data collection and benchmarking for better management

3	Setting up a WEB-based platform to be used for business to business communication and using it for monitoring & evaluation, analyzes development and information exchange	Nr of reports and analytics provided	Data collection and benchmarking for better management
4	Action Plan Regular Follow-Up and Validation by the Stakeholders Group	Nr of follow up meetings per year	To ensure smooth implementation of the Action Plan

Date: 6th November 2018

Signature and Stamp of the organisation:

Nikolay Sidjimov, Executive Director of BAMEE




ANNEX: DETAILS OF THE ACTIONS ENVISAGED

ACTIONS RELATED TO **IMPROVED** RESOURCE EFFICIENCY MANAGEMENT - EXCELLENCE. COMPETENCES, BUSINESS MODELS & COLLABORATION DYNAMICS

These actions aim at working with intermediary and Resource Efficiency Management Organizations in Bulgaria in identifying competences and tools for excellent Resource Efficiency management and putting in place relevant training and development activities. There have been various very useful discussions in the CESME Inter-Regional meetings on the role of tools, training and other ways to engage SMEs on the circular economy and to stimulate them to innovate. The development of the CESME circular economy tool is particularly relevant.

The attendees at the November 29th-30th, 2016 Inter-Regional meeting in Bologna identified a number of barriers for a circular economy in SMEs that included lack of information/problem in understanding the benefits of a CE approach and education (people are not aware). Bridges (solutions) identified included better tools, education and training. Also the setup of, and discussions in, the Bulgarian LSG have helped shaped the way forward in terms of delivering this action. Leadership training is particularly important.

1) ANALYSIS OF REMOS' COMPETENCES TRAINING & DEVELOPMENT NEEDS

1. The Background

It is absolutely obvious that excellent Resource Efficiency management requires certain capacities and that training and development can contribute to capacity building for excellent Resource Efficiency management. Furthermore, the results of CESME project shows, among its main conclusions and recommendations, the need to enlarge the Resource Efficiency support scheme to support Resource Efficiency Management Excellence.

Today's work environment requires employees to be skilled in performing complex tasks in an efficient, cost-effective, and safe manner. Training is needed when employees are not performing up to a certain standard or at an expected level of performance. The identification of training needs is the first step to undertake steps in the appropriate direction. A successful training needs analysis will identify those who need training and what kind of training is needed. All the best practice examples demonstrated during the the interregional meetings within the CESME projects framework show that to achieve the positive results achieved a special training and corporate culture is needed imposing certain standards and code of ethics, so that each individual is able to identify him/ herself with the core values of the organizations they are working for.

2. Action

To develop and apply a Resource Efficiency management competences diagnostic survey in order to capture the interests and needs of Resource Efficiency management organizations' staff in terms of training and competences development.

The survey will be designed in early 2019 and will be based on asking Resource Efficiency management organizations' staff on their perception regarding the degree of relevance and their degree of interest and on

their past experience (and references) in 8 basic competences blocks for excellent Resource Efficiency management . The survey will be conducted using a web-based survey implemented by BAMEE. It will allow to identify the two blocks of competencies considered most interesting for training and development; BUSINESS MODEL OF THE Resource Efficiency IMPLEMENTATION and DYNAMISING COLLABORATION.

3. Players involved

- Ministry of Environment and Waters (responsible for the policy instrument addressed)
- Managing Authority – Directorate General 'European Funds for Competitiveness' at the Ministry of Economy and Energy
- Bulgarian Industrial Association, Bulgarian Chamber of comers and industry and other intermediary organizations
- Local Authorities (responsible for the implementation of policies at local level)

4. Timeframe

The survey will be designed, conducted and its results assessed in the first quarter of 2019. Exploitation of the results will start in the 3rd-4th Quarters of 2019

5. Costs (if relevant)

No external expenditure are required. Only staff cost

6. Funding sources (if relevant): BAMEE's budget

ACTIONS RELATED TO MONITORING & EVALUATION

A CESME case study has inspired us for the action targeted to public bodies: Orangebox, the welsh company that produces furniture, that we have visited during the kick off meeting had a positive experience of Green Public Procurement; the company awarded a tender of Public Health Wales (PHW) which requires for environmental, economic and social sustainability to be demonstrated throughout the refit. This experience shows the relevance of public procurement for fostering the production of “circular” products; there is a need to spread information and tools to make public institutions aware and capable of this potential. (Title of the practices: “Public Health Wales Sustainable Workplace”) Within our Local Stakeholders Group, participants discuss on barriers to the transition towards Circular Economy and we concluded that very important is the level of knowledge of public institutions on topics like circular economy, environmental innovation and greener technologies was one of the barriers. This need of knowledge is also valid for business players and might be better approached if we facilitate the exchange of information and experience. BAMEE easily can foster this process through its developed tool for Business to Business communication. This toll will provide also opportunity for direct use as a specific monitoring system for the activities of SMEs. It will be used also as tool to provide information on structural funds, focused on green projects. BAMEE is currently working for upgrading the tool for a monitoring system for ERDF and other calls, aimed at assessing their ability and their potential to foster eco- innovation and sustainability/circularity among enterprises, about eco-innovation and other environmental topics related to the financed projects. The aim is to be established permanent

monitoring system for assessing the environmental quality of the financed projects and the potential of eco-innovation as a key-factor for competitiveness. On the basis of the results of monitoring system, BAMEE will produce a memorandum targeted to Managing Authority on how to embed environmental sustainability (green and circular topics) in future ERDF calls. BAMEE will also share experience and will cooperate with our CESME partner EVERT (Emilia-Romagna Valorizzazione Economica del Territorio - Regional Development Agency of Emilia-Romagna) in this direction.

That monitoring system can be a useful tool for the managing authority to improve future ERDF calls on competitiveness and eco-innovation, making them “more sensitive” to sustainability and able to award “greener” projects.

2) DEVELOPPING AND IMPLEMENTING TOOLS TO ASSESS REMO SERVICES USERS' PERCEPTION ON RESOURCE EFFICIENCY ACTIVITY ("THE VOICE OF THE USER" SURVEY) IN A SYSTEMIC WAY

1. The Background

Bulgaria Resource Efficiency Support Programme has made some progress in monitoring and evaluation of REMOs activities and impact, and needs a lot of improvement and further aligning of the programmes indicators with RIS3 objectives. In order to assess the activities and services delivered by REMOs, and to develop new services or to improve their delivery, simply asking the direct users of REMOs' services and activities, i.e., their members and clients, can provide very meaningful and relevant information and guidance.

It has become clear for us during the project implementation that in order to be helpful for the SMEs we should define a clear purpose and message to communicate when it comes to the circular economy concept and resource efficient use of resources. Then it was needed to observe, question and understand the real situation, to reflect on it and then take action taking into consideration the data received as well as on the feedback provided by the SMEs during our interactions. Without the valuable insights perceived throughout the cooperation with the partners within the CESME projects, we wouldn't have been able to draw our attention in such a persistent and focused way in our communication with the SMEs and other stakeholders concerned.

2. Action

To develop and apply an online survey, designed and agreed upon with all participating Resource Efficiency organizations, asking their member companies and clients and other organizations about :

- Their perception on current services & added value delivered by the organizations
- Their own expectations & interests regarding Resource Efficiency services &

activities

- Overall policy impact on their own competitiveness

A pilot Survey will be conducted with only 4 Resource Efficiency Management Organizations from Bulgaria, using a web-based survey tool in March 2019. In June 2018 the survey was updated and prepared to be extended to the remaining Bulgaria Country Resource Efficiency organisations supported by the programme, with the goal of exploiting the information obtained from the questionnaire in the 4th quarter of 2018.

3. Players involved - BAMEE
4. Timeframe - 2019-2020
5. Costs (if relevant)

No external expenditure required. Activities will be carried out internally.

6. Funding sources (if relevant):
 - Ministry of Regional Development, Fund for local authorities and governments,
 - BAMEE's budget

3). SETTING UP A WEB-BASED PLATFORM TO BE USED FOR BUSINESS TO BUSINESS COMMUNICATION AND USING IT FOR MONITORING&EVALUATION, ANALISES DEVELOPMENT AND INFORMATION EXCHANGE

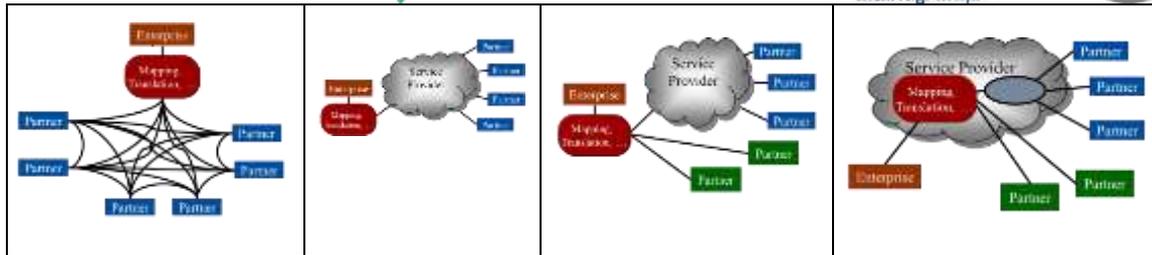
1. The Background

After a series of meetings and discussions with the target group companies, the basic needs of the business were clarified:

- Need to exchange up-to-date information about the opportunities and needs of customers and business partners, suppliers, logistics companies, financing institutions. Explain the ways and possibilities of such communication.
- One of the desired forms of communication is still preferred Direct communication - "B2B model".

In B2B, the direct communication, business connects directly with each of the trading partners to send and receive information. The organizations are responsible for all documents for mapping, translation, technical support and tracking. Everyone agrees to a connection protocol, e.g. FTP over VPN, RosettaNet, OFTP, AS2, and community size remains relatively small (typically less than 100), this approach works well. This is how B2B is being processed at the beginning, but as the size of your community grows, one needs more resources to realize and support each new trading partner. One must constantly monitor communications, manage sales partner calls, and quickly resolve problems. Rapid resolution is crucial because the documents that are exchanged (such as orders, invoices, ship reports) are often the vital force of your business. Adding to complexity, trading partners often insist on the use of different protocols, especially if they trade with other businesses. It is necessary to maintain multiple protocols requiring more resources. The graph below illustrates different direct B2B scenario. The business is represented as "Enterprise", which connects with six trading partners who also trade with other partners.

Network B2B model	B2B model	network	Hybrid B2B Model	Managed B2B Model
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The policy instrument that will be targeted by our Action plan, (The National Development Program of Bulgaria 2020, Objective 3, Priority 7: 'Methodological support for companies to work together and use effectively the secondary products and usage of wastes as resources (e.g. using industrial symbiosis)) aims at supporting SMEs to enter green growth and industrial symbiosis at best. In support of this, the Ministry of Environment and Waters provide information to all organizations and administrative bodies that deal with waste management. BAMEE provides information, specified for SMEs, will offer specialized training, methodological support and consultancy. BAMEE will use the tool for monitoring and evaluation of the SMEs practices for RE, B2B communication and will analyze the needs and options for improvements.

2. Action

However, the current policy instrument does not stimulate effective usage of waste as resources. In order for the policy instrument to succeed there is a clear need to improve tools for B2B communication and improve business models, which will enable more SMEs to raise awareness of the possibilities and benefits of using waste from one SME as a resource to another.

As a part of the total development of the plan was needed working tool to be used before completing the elaboration of the AP. Such business tool was used to mark the way it will be used in the future. There was a small involvement of real IT development (completely covered by from internal BAMEEs sources). In the future BAMEE will put more efforts for disbursement of the information, training, real development of the software, investment in hardware, IT support for maintenance and security issues. All that will be implemented in second phase of the project. We expect that such activities will foster the communication and exchange of resources and provide base for development of new tools and policy instruments for industrial symbiosis and more efficient usage of resources. A key area will be the links between investors and executives, executives, executives and leading innovations and scientific research.

The overall development of the whole idea and its possible implementation outputs, with all elements of the AP, required higher involvement of external expertise. Companies are increasingly outsourcing the entire B2B process to avoid buying and managing. On this basis, a suitable model for Bulgarian companies should be developed to match their capabilities and needs.

There are also a number of classical tools that are part of the corporation's internal network of collaborative cooperation to create an optimal digital B2B communication. It will also be at the forefront of clients of the related businesses, which will have a wide range of opportunities for synergies. There is also an additional element that will be built on customer care and support for the system. The digital platform will be an innovative and highly-sophisticated system for the development of companies and the development of small and medium-sized enterprises, both in Bulgaria and abroad. Thus BAMEE will be able to provide technical tools for the safety of the companies and for their growth. It will involve the diversification of Bulgarian SMEs and businesses, allows to help them communicate with international companies.

3. Players involved – BAMEE, REMO, Governmental Agency for SMEs, Local Authorities
4. Timeframe – starting in second half of 2019, first update in end of 2019 and will continue in 2020.
5. Costs – External support for implementation of the business tool, research and report, yet to be quantified
6. Funding sources –
 - Operational programme “Innovations and Competitiveness”,
 - Operational programme “Regions in Growth”,
 - EEA and Norway Grants and others,
 - Ministry of Regional Development, Fund for local authorities and governments,
 - BAMEE’s budget

ACTION PLAN FOLLOW-UP

4) ACTION PLAN REGULAR FOLLOW-UP AND VALIDATION BY THE STAKEHOLDERS GROUP

1. The Background

The regular meetings of CESME Team and Stakeholder Group had provided interesting and valuable forum for communication and development of further instruments for support of SMEs and improvement of policies. This forum will continue to meet in order to discuss the "Agenda" for the development and improvement of the Resource Efficiency Programs. INTERREG requirements will be taken into consideration accordingly to implement the Action Plan integrating the main GOALS of that agenda. The Action Plan will be the guiding document for monitoring the progress made and the execution of the envisaged changes and improvements.

2. Action

The BAMEE team and Stakeholder Group will meet at least twice a year in order to follow up the advance and execution of the Action Plan and the improvements.

3. Players involved

BAMEE, Stakeholder Group

4. Timeframe

The period 2018-2020

5. Costs (if relevant)

No further cost is expected for the coming period.

6. Funding sources (if relevant): - BAMEE’s budget