

# "CircE - European regions toward Circular Economy" INTERREG Europe Project



## Policy Instrument Analysis and policy options Project Partner 4 – Gelderland

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## 1. Executive summary

In 2016 the province of Gelderland was one of the first provinces in the Netherlands to develop a policy plan for the circular economy. This policy action plan “Out with the disposal economy!” focuses on a 50% reduction in the use of raw materials by government and industry by 2030.

The policy mix breaks down in three policy instruments:

1. Green procurement: the government as launching customer in building and road constructions
2. Innovation policy: speeding up innovation process within the smart industry and bring innovations in the biobased economy to the market
3. Regulations: Indicate and remove barriers in current legislation that prevent industry from using waste as secondary raw materials

The current action plan will be fully executed in 2019 and succeeded by a more broader and integrated policy plan aiming at maximum impact and truly transition toward a circular economy. In the context of the CircE project we have developed a new policy approach for three leading sectors within Gelderland namely Textile, Building and Biomass. Together with our stakeholders we have identified 12 opportunities that can take business models in the three sectors a step further. This CircE Action Plan is a central element of a broader policy plan Circular Economy plan to be released after regional elections in 2019

In addition to the existing policy plan and policy mix we will lay greater emphasis on customer awareness and the direct involvement of industry.

## 2. Policy instrument analysis

In the extend of European (circular economy action plan) and national policy (Netherlands Circular 2050 program) The Province Gelderland plays and tackles the role as a “middle” government. As a regional government we are able to make the connections between policy ambitions and practices. We can interface between companies (multinationals/sme’s), knowledge organizations, governments and financial sector.

At this point in time Gelderland is working on a new and broader policy plan that can take the circular economy to a next level. The development of action plans and actions that are carried out within the Interreg Europe project CircE fits perfectly in this approach. In CircE,

we selected three sectors with a strong base in Gelderland and relevant when it comes to reduction of raw materials. It concerns Textile industry, Biobased economy and the construction sector.

In collaboration with CircE partners and our regional stakeholders we identified the following opportunity's.

PRIORITEIT	OPPORTUNITY	EXPLANATION	SECTOR
1	Technological innovation	Mechanical and Chemical innovation	Textile
2	Energy positive buildings	Built energy positive buildings, who can support their own energy needs	Building
3	Demand in stead of supply input	Try to think more from the demand way then only from the supply way. If the buyers say they only want circular textile the suppliers have to change the way they produce/work.	Textile
3	Urban mining	Re-use of build material when demolishing buildings for new building projects. Example: company New Horizon	Building
4	Emmission Trading	Smarter producing to get CO2 reduction	Crossover all sectors
5	Tax reduction	For sectors and companies who are willing to change the way they work tax reduction is needed to make that possible	Crossover all sectors
5	Launching customer	The province needs to become the launching customer for the changes that are needed in the sectors.	Crossover all sectors
5	Demanding % waste material in new products	The government can demand that % for new products come from waste material	Crossover all sectors
5	Young start-ups	New young start-ups are aware of the need for working circular. They are the new economy and realise that a change is needed.	Textile
5	Local Cultivation	Instead of importing woodpulp the cultivation of regional miscanthus, grasses and hemp for different kinds of sectors/(chemical) industry	Biomass
6	Communication	The 'customer' needs to be more aware of their power to change the way companies produce their products.	Crossover all sectors
7	Databank for using waste material	Waste material become ingredients. A databank which connects companies who have waste materials and companies who ar looking for ingredienst	Crossover all sectors

In order to put opportunity's into action we identified the following policy instruments:

1. Collect best circular practices and give leading entrepreneurs and frontrunner the floor to inform, inspire and encourages others to follow their example (communication).
2. Identify restrictive laws and regulations and set them on the agenda of organizations that can influence them.
3. Set up and adjust (provincial) financial instruments.
4. Promote triple helix collaboration around clusters, value chains and prime locations.
5. Support business- and product development.
6. Take a leading role as launching customer in purchasing and tendering.
7. Include circular economy in provincial programs and instruments: economy and innovation, energy transition, sports, building environment and spatial planning, labour market development, mobility and infrastructure, soil/water/biodiversity, nature management.
8. Insist on and lobbying for supra-provincial issues for instance: stimulating laws and regulations, emission trading, CO2 pricing, tax reduction, % circular materials (waste/residues) in new products etc.

### 3 Policy options Identified

Policy instruments can be attributed to different governmental levels. Several policy instruments (e.g. legislation) can only put into effect when addressed on a national or European level.

In the stakeholders meeting of February 12<sup>th</sup> we discussed the list of policy options with our stakeholders. In this meeting we concluded that given the 12 opportunities there are a number of policy options that should be addressed on a national/international scale.

For the sake of the action plan of Gelderland we will focus on the policy options that can be put in place by the province of Gelderland. That means we will focus on the following policy options:

#### Table: Policy Options Regional scale

Opportunity ID	Opportunity	Sector	Policy Option
PP04-S5-001	Technological innovation	Textile	<ul style="list-style-type: none"> <li>• Support the Regional Textile Hub for Fashion and Design Arnhem – Nijmegen (GIST)</li> <li>• Create public awareness for fabrics from locally produced natural fibers (hemp, miscanthus)</li> <li>• Encourage quantitative + qualitative upscaling of recycled fibers: support pilot productions to the end market</li> </ul>
PP04-S5-009	Energy positive buildings	Building	<ul style="list-style-type: none"> <li>• Act as launching customer for innovative and energy saving (biobased) materials that can be applied in government owned buildings</li> <li>• Stimulate development of innovative products within the building industry</li> <li>• Encourage reuse of building materials as part of contracting housing projects (urban mining)</li> <li>• Stimulating real estate owners through subsidies, competitions and the use of knowledge experts.</li> </ul>
PP04-S5-003	Demand instead of supply input	Textile	<ul style="list-style-type: none"> <li>• Set up a program for jeans recycling with a Jeans brand with natural fibers from Gelderland:               <ul style="list-style-type: none"> <li>- good collection</li> <li>- fiberization</li> <li>- recycled denim cloth</li> <li>- reorganize the chain                   <ul style="list-style-type: none"> <li>• Prevent industrial textile waste (example in Belgium: company Honest)</li> <li>• Province acts as launching customer for circular textile</li> </ul> </li> </ul> </li> </ul>
PP04-S5-011	Urban mining	Building	<ul style="list-style-type: none"> <li>• The province sets requirements for reuse of building material in contracts for demolishing of real estate</li> <li>• Stimulating real estate owners through subsidies, competitions and the use of knowledge experts.</li> <li>• Set up a regional deposit for secondary building material</li> </ul>
PP04-S5-010	Demanding % waste in new products	Cross over all sectors	<ul style="list-style-type: none"> <li>• Reuse as a criteria in provincial procurement (not via rules / legislation)</li> </ul>

			<ul style="list-style-type: none"> <li>Encourage municipalities to apply green procurement procedures</li> </ul>
PP04-S5-002	Young start-ups	Textile	<ul style="list-style-type: none"> <li>Increase creativity with Wageningen University and Design Academy Artez in Arnhem</li> <li>Create an incubator for start ups in circular fashion and design</li> <li>Initiate start up programs</li> <li>Connecting the regular fashion industry</li> </ul>
PP04-S5-008	Local Cultivation	Biomass	<ul style="list-style-type: none"> <li>Province has commissioned a circular atlas of biomass</li> <li>Stimulation of local cultivation of crops such as miscanthus and hemp</li> <li>Investigate what it takes to be self-sufficient. What is needed for that? Can cultivation and local processing provide for this?</li> </ul>

There are 4 opportunities that need policy action on a national or even EU level. The regional government can team up with the industry and EU-regions so that the issue can be addressed on a higher political level.

**Table: Policy options national- and/or EU scale**

Opportunity ID	Opportunity	Sector	Policy Option
PP04-S5-004	Emission Trading	Cross over all sectors	Is only possible from an (inter) national approach. The province will encourage this wherever possible.
PP04-S5-006	Tax Reduction	Cross over all sectors	Is only possible from an (inter) national approach. The province will encourage this wherever possible.
PP04-S5-005	Communication	Cross over all sectors	Is only possible from an (inter) national approach. The province will encourage this wherever possible.
PP04-S5-012	Databank for used materials	Cross over all sectors	Is only possible from an (inter) national approach. The province will encourage this wherever possible.

## 4 Other policy instruments analysis

### 4.1. Circles: support network for SME's

In Gelderland the Kiemt Foundation (100 business members) and branche organization VNO-NCW Middle founded the Circles network. It is a cluster / platform that enables SME's to take a first step towards a circular business model or -production. Circles is funded by the European Fund for Regional Development



[www.circles.nu](http://www.circles.nu)

### 4.2. Good practice: Relay race for circular initiatives

Another good practise for raising awareness among public is the relay race for circular initiatives. This project was born as a spin off from the fact that Nijmegen was granted as EU Green Capital in 2018. The CircE partners visited the EU Green Capital in june of 2018. Starting off from our Green Capital Nijmegen every two week another town or city handed over a relay stick to another circular initiative across our province. In this way we created a podium to put a spot light on circular initiatives across our whole region. In this way we raised public awareness and gained a great deal of media coverage .





#### 4.3. OP-ERDF

Based on the regional economic policy agendas for smart specialisation, East Netherlands has chosen the following four focus sectors:

- Agro & Food
- Health
- High-Tech Systems and Materials (HTSM)
- Energy and Environmental Technology / Biobased economy (EMT)

Within the current Operational Programme (European Regional Development Fund) carbon low and circular economy have become major topics. The available funds for 2019 will be allocated to fully encourage innovation in this sector.



European Union



European Regional Development Fund

## 5. The Stakeholders

In the Circe project we work with stakeholders of the sectors Textile, Building and Biomass. Our stakeholders are representatives of these sectors:

<i>sector</i>	<i>stakeholders</i>
Textile	Peter Koppert, MODINT Paula Konter, Texperium
Building	Joke Bult, Pioneering
Biomass	Remco Kranendonk, Wageningen University Michiel Adriaanse, Knowledge Center for Paper and Carbon
Overall	Ankie Peters, Environmental Agency Gelderland Franske van Duuren, Kiemt cluster organization