



"CircE - European regions toward Circular Economy"

INTERREG Europe Project



Policy Instrument Analysis and policy options

Synoptic Report

By PP3 Lower Silesia

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1. Executive summary

In order to move forward in the development of a Circular Economy, it is important to analyse current state of regional policy instrument. This report presents the results of the assessment performed by the project partners of the CircE project on their regional Policy Instrument and Policy Options reflecting CE issues of the different EU regions participating in the project.

The aim of the semester four in CircE project was to define how to readdress each policy instruments to aim the Circular Economy's priorities identified, in terms of best practices emerged by the Partner's exchange and new awareness, coming from the deep and collaborative analysis done.

Each Project Partner (PP) had to improve the evaluation of the efficiency and the effectiveness of its Policy instrument to act on the identified priorities, finding the contents that can boost or hamper actions on the selected priorities. First analysis of policy options were done in the previous semester.

The outcome of the semester activities resulted in preparing 8 Reports containing the evaluation of the efficiency and the effectiveness of the Policy instrument to act on the identified priorities. Finally Lower Silesia produced presented here Synoptic Report which summarize the change needed in every Policy instrument to address the prioritized opportunities and barriers, improved after the Stakeholders consultation, reporting the overall analysis of the Stakeholders considerations.

2. Policy instrument analysis

Eight CircE Project Partners did a detailed analysis of their chosen in the project Policy Instrument (PI) presenting main aspects that involve evaluation of the efficiency and the effectiveness of the PI to act on the identified previously in the course of the project priorities. Policy Instruments analysed in the project are listed below:

- Lombardy Region - The POR Lombardia ERDF
- Government of Catalonia - The PO FEDER Catalonia 2014-2020 (POR_CAT)
- Marshal's Office of Lower Silesia - Regional Innovation Strategy for Lower Silesia Province for the years 2011-2020 with Strategic Framework for Smart Specialisation of Lower Silesia
- Province of Gelderland - OP ERDF 2014-2020 of the East-Netherlands





- London Waste and Recycling Board (LWARB) - The Mayor of London's Environment Strategy
- Creation Development EcoEnterprises (CD2E) - The PO FEDER 2014-2020
- Sofia Municipality – Municipal Waste Management Program 2015-2020
- Association of Municipalities and Towns of Slovenia (SOS) – OP for the implementation of the EU cohesion policy in the period 2014-2020

The main parts of the report should include chapters including information mainly about: Policy instrument analysis, policy options for the opportunities identified, consistent with the typology of Circe tool Step 6, other policy instrument analysis and the involvement of the project stakeholders.

Below, there is information from each partner on PI analysis with the description of provisions that involve support of the opportunities identified in previously done reports. All of the partners indicated the necessity to steer their PI to include Circular Economy main assumptions and goals. Full results of the analysis have been presented in Policy Instrument Analysis and Policy Options Reports.

For the question of how change, steer the PI, what kind of Policy options are feasible in the PI, PP mentioned actions presented in table below.

Table 1 Policy options feasible in the PI

Project Partner	recommendations for policy changes at a national level	Recommendations for policy changes at a local level	Influence the calls/new calls	Influence other policy instruments/projects	Change in public Procurement	Information & awareness
PP1	+		+	+		
PP2	+	+	+	+	+	+
PP3	+	+				
PP4	+	+		+	+	
PP5	+	+			+	
PP6	+	+	+	+		
PP7	+					
PP8	+	+	+	+		
Total	8	6	4	4	3	1



3. RIS3 reference

All of PP indicated the importance of A Regional Research And Innovation Strategy For Smart Specialisation (RIS3) in the process of steering its PI, which in the case of all PP except PP3, PP5 and PP7 is ROP. Lower Silesia has chosen RIS3 as their PI to steer.

RIS3 are integrated, place-based economic transformation agendas that do five important things:

- They focus policy support and investments on key regional priorities, challenges and needs for knowledge-based development, including ICT-related measures;
- They build on each region's strengths, competitive advantages and potential for excellence;
- They support technological as well as practice-based innovation and aim to stimulate private sector investment;
- They get stakeholders fully involved and encourage innovation and experimentation;
- They are evidence-based and include sound monitoring and evaluation systems.

The RIS3 approach is relevant to all three priorities of Europe 2020 i.e. smart, sustainable and inclusive growth. First of all, smart specialisation matters for the future of Europe because the development of an economy based on knowledge and innovation remains a fundamental challenge for the EU as a whole. Secondly, smart specialisation is relevant to achieve sustainable growth, as an important innovation effort and considerable investment is required to shift towards a resource-efficient and low carbon economy, offering opportunities in domestic and global markets. Finally, smart specialisation contributes to inclusive growth between and within regions by strengthening territorial cohesion and by managing structural change, creating economic opportunity and investing in skills development, better jobs and social innovation.¹

The crucial reason why the regions are engaged in the update of RIS3 is because smart specialisation has been proposed as an ex-ante conditionality. This means that every Member States and region have to have such a well developed strategy in place, before they can receive EU financial support through the Structural Funds for their planned innovation measures. This conditionality applies specifically for two of the 11 thematic objectives of the ERDF, where one of them is 'strengthening research, technological development and innovation (R&I target)'. For this

¹ Guide to Research and Innovation Strategies for Smart Specialisations (RIS 3)





reason, it is indicated, that only areas that are under smart specialisation will receive support under TO1 and that is why it is necessary to incorporate Circular Economy areas as well.

Thanks to the experience gained during CircE project, it is beneficial to steer the contents of the new version of the document in each region. Especially the analysis of opportunities and barriers and the identification of actions to boost opportunities and overcome barriers will be a great support.

4. Other policy instruments analysis

In the course of performing an analysis of Policy Instrument chosen in the Application Form, some PP identified possibility to steer other policy instruments that could include provisions concerning CE with supporting them with recommendations coming from CircE project. Mainly analysis of opportunities, barriers and good practices are a helpful factor in creating new policy and recommendations. The PI that are closely connected to primary policy instrument chosen in the project are listed below.

Table 2 Other Policy Instruments

Project Partner	Other Policy Instruments	Total number of other PI
PP1	new version of "Programmi di Lavoro Ricerca e Innovazione" (Research and Innovation Work Programs) 2019-2020, Regional Waste Management Program,	2
PP2	next Research and Innovation Strategy for the Smart Specialisation of Catalonia (RIS3CAT), next ERDF	2
PP3	Development Strategy for the Lower Silesian Voivodship 2030	1
PP4	Circles: support network for SME's, Relay race for circular initiatives, P-ERDF	2
PP5	The Draft London Plan	1
PP6	Law For Energy Transition And Green Growth (LTECV), Third Industrial Revolution (REV3 Program), SRADDET is the Regional Scheme for Sustainable Development, Waste and Land-use Management	3





PP7		0
PP8	Smart Specialization Strategy	1

Due to participation in interregional cooperation activities in CircE project project partners improved their professional competence concerning CE and will likely use it for all the future work like working on legislation changes, taking part in conferences as an audience or a speaker or participate in next projects. Not only the partners are aware of current state of CE in their region, but also in other regions in Europe.

5. The Stakeholders

The Stakeholders have a big impact on CircE's project activities. They are involved in many activities as an experts and consultants. They also take part in seminars that are organised in every region in the project for networking and exchange of experience. The CircE Stakeholders were fundamental in identifying opportunities, barriers and priorities. Their role must be significant also in steering the policy instrument.

Concerning Policy Instrument Analysis there were dedicated SH meetings to discuss policy options planned in Application Form. Unfortunately due to delay of project activities, some project partners postponed this topic in accordance to the performed activities at the time.

Stakeholders have an considerable importance in the CircE project as they represent many different fields of professions in the region. First of all, they take part in analysis and discussions through full the project. Project Partners can consult with them current and future activities in the project such as Action Plan or Pilot Action. Moreover all recommendations and options rise from them are very welcomed. If the stakeholder is an entrepreneur they can highlight their needs and present the obstacles they face while implementing CE actions.



Annex 1 Detailed Policy Options per Project Partner

Lombardy

Lead Partner (LP) team analysed the ERDF ROP in order to identify the best way to support the opportunities highlighted by the project.

The analysis of the ERDF ROP brought out the possibility to match the Specific Objectives and Actions of the ERDF ROP and CircE opportunities. Then, the analysis identified potential actions the CircE project can develop to steer the ROP.

The possible CircE Actions to be undertaken are:

1. Identifying already presented or financed projects and already planned calls, in order to
 - check if they can be linked (addressing or influenced) with CircE opportunities, firstly within Axis 1, then within all the other axes;
 - understand if the CircE results and the Current ROP Axis 1 actions ongoing are coherent
 - point out hints and analysis to enhance the CircE results and/or the ROP actions.
2. Influencing the design of new calls, firstly within Axis 1, then within all the other axes;
3. Launching new ROP Actions, firstly within Axis 1, then within all the other axes;
4. Drawing policy recommendations for the new programming period (2021-2027) of the ERDF, both in terms of internal (regional) policy options and common (CircE-wide) policy options;
5. Drawing policy recommendations for other plans and programmes, (e.g., the Regional Waste Management Program).

Catalonia

The ERDF Operational Programme Catalonia 2014-2020 was elaborated in the framework of the Catalonia 2020 Strategy (ECAT2020) and the Research and Innovation Strategy for the Smart Specialisation of Catalonia (RIS3CAT). Both strategies identify priority areas for public policies aimed at promoting smart, sustainable and inclusive growth and advancing towards the objectives of the Europe 2020 strategy.

All of opportunities found in the course of the project can be boosted, to a certain extent, through the specific objective (SO) selected in the Application Form.

From the typologies defined in the CircE tool Step 6, Catalonia have selected policy options such as:

- Business support schemes: Offering either technical or financial support.
- Collaboration platforms: Promoting public-private partnerships, industry collaboration platforms, R&D collaboration programmes.
- Information & awareness programmes addressed to companies.





- Public Procurement & Infrastructure

And all these are feasible in the PI and could contribute to promoting CE opportunities found in CircE project. However, this SO might not be suitable to include these policy options.

Lower Silesia

Regional Innovation Strategy for Lower Silesia Province for the years 2011-2020 constitutes currently applicable strategic document defining challenges the region faces in terms of knowledge-based economy and innovation growth in Lower Silesia. Although the title of the document does not refer to the Smart Specialisation Strategy (the RIS3 concept was formulated after the Regional Innovation Strategy for Lower Silesia Province has been adopted), it contains elements recommended by the European Commission as regards this concept. *Strategic Framework for Smart Specialisations of Lower Silesia* indicates areas of smart specialisations of Lower Silesia and fulfill the criteria of ex ante conditionality in the context of funds for research and innovation under the Regional Operational Programme 2014-2020. This document indicates the areas of intelligent specializations of Lower Silesia together with the mechanisms of verification of these areas, among others through the entrepreneurial discovery process, which is a constant dialogue between the regional authority, the sphere of science and business.

Circular Economy issues are not directly included in „Regional Innovation Strategy for Lower Silesia Province for the years 2011-2020” nor in “Strategic Framework for Smart Specialisations of Lower Silesia”. Therefore, the project partner – Lower Silesia Voivodship, based on the experience resulting from the CircE project, plans to update these documents and take into account the conclusions resulting from the activities conducted so far. What is worth emphasizing here is that this has already happened in case of the Development Strategy for the Lower Silesian Voivodship 2030, which was updated and adopted by the Lower Silesia Regional Assembly on 20th September 2018. Based on experience from CircE project "**Development of Circular Economy**" goal was implemented by four specific objectives:

1. Support activities to reduce the use of raw materials and waste generation in production processes
2. Support projects that work on secondary raw materials market and remanufacturing
3. Development of business models supporting maintenance and repair systems for products
4. Social education for Circular Economy (social campaigns, awareness campaigns).

Policy Options consistent with CircE tool step 6 were assigned to each opportunity from Prioritization Report. That include:

- Collaboration platforms
- Business support schemes
- Information & awareness
- Fiscal Framework





Gelderland

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 it makes 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.

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 costumer 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.

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. Gelderland region proposed detailed policy options, that would suit the region’s demand and capability. All of them are described in the Policy Instrument Analysis and policy options Report.

LWARB

The London Environment Strategy (LES) introduces the concept of CE and keeping resources in use for as long as possible. It includes detail on the fact that CE provides benefits including creation of jobs, secondary materials and low carbon energy.

However, there were found many opportunities for improvement current state of art concerning CE provisions and transition toward CE. They indicate the lack of policy on waste avoidance through interventions such as design, new technologies such as additive manufacturing and the role of the internet of things enabled devices, the sharing of resources to better use underutilised capacity, the provision of products as services, and the exchange of materials and goods between organisations. Also there is no policy detailing action to tackle wider plastics and packaging issues. Moreover the LES does not include specific policies aimed at tackling the textiles





and electricals sectors. In case of SME current document does not incorporate the circular economy more broadly and detail how the Mayor will support businesses to adopt circular economy business models. Currently Mayor's Responsible Procurement Policy (RPP) references circular economy but contains no specific targets or guidance in relation to circular economy. Lastly there is no commitment to a scope 3 emissions targets and there is no policy to investigate which CE actions could also provide the biggest CO2 emission reductions in London.

The types of policies that could help address the policy gaps include:

- provide guidance for Public procurers
- setting targets for reuse of building materials and recycling of construction materials
- policy recommendations for other policy instruments (such as CE Route Map)
- support skills and finance policies
- scope 3 emissions target and commitments to deliver action to ID CE actions that have large emissions impacts

CD2E

Cd2e chose to focus on the Operational Program ERDF Nord-Pas de Calais 2014-2020.

Circular Economy and Resources Savings are not directly included in the Operational Program ERDF. The implementation of the knowledge and initiative feedbacks we acquire within the Circe project cannot fit in easily. In order to implement these actions opportunities, we need to draw multiple connections between the objectives of the ERDF Program and the Circular Economy challenges.

On the one hand, the ERDF Program is aiming to embrace a large variety of topics from the fight against youth unemployment to the fight against climate change. As a consequence, many circular economy opportunities can be linked to the objectives of this program one way or another. In many cases, circular economy should reduce the energy consumption or the GHGs emission, two of the most important targets of the ERDF program.

On the other hand, it seems necessary to connect to other Policy Instruments like the SRADDET, Regional Scheme on Sustainable Development, Waste and Land Use Management.

CD2E proposed policy options basing on their ROP for textile and plastic sector.

- Support SME to be more competitive and to grow in the regional, national market
- Increase the number of sustainable energy solutions and resource savings
- Increase the number of training courses for low qualified young people
- Put in place a regular and easy tool to control and manage the operational program





Sofia

The selected combined approach includes complementary elements, the main ones being updating the content of the Waste Management Program for the next period with circular economy measures and raising awareness of policy / opportunities / good practices in the field of the circular economy.

Implementing combined approach provides the opportunity to upgrade and complement each of the elements. The development of the Waste Management Program for the next period and the inclusion of circular economy sections and measures in Action Plan for example, can be implemented by updating and complementing the Environmental Protection Program.

Another addition/upgrade of the combined approach is the preparation of a proposal to the Minister of Environment and Water to amend the guidelines for the preparation of municipal/regional waste management programs. This will ensure the sustainability of the instrument by integrating it into all municipal/regional programs prepared by local authorities in Bulgaria in accordance with the provisions of the Waste Management Act.

Sofia identified policy options basing project's opportunities analysis, which consist of:

- Carrying out public campaigns;
- Public support for initiating new programs related to the circular economy and change of system attitude;
 - Public Private Partnerships;
 - Platforms for industrial cooperation;
 - Research and development programs;
 - Providing financial support to businesses;
 - Providing technical support to businesses;
 - Rules for conducting public procurement;
 - Public investment in infrastructure projects;
 - National strategy and goals;
 - Rules for regulating products placed on the market;
 - Waste management normative documents;
 - Regulatory framework for industry, consumers, competitiveness and trade;
 - Normative documents for financial accounting and reporting;
 - VAT or update of excise duties;
 - Changing labor-to-resource taxation.

SOS

The key documents underlying the implementation of the European cohesion policy in Slovenia are, in addition to the Partnership Agreement, the Operational Program for the Implementation of Cohesion Policy in the Programming Period 2014-2020, with changes (hereafter referred to as OP)





and the Smart Specialization Strategy. Association of Municipalities and Towns of Slovenia in the CircE project primarily addresses the OP.

The possible CircE Actions to be undertaken are:

1. Identifying already planned calls, trying to steer their contents and conditions (e.g. by introducing enabling requirements), within Axis 9, 8, 3 and 1 of the existing OP;
2. Influencing the design of new calls, within Axis 9, 8, 3 and 1 of the existing OP;
3. Policy recommendations for the new Operational program in the new programming period (2021-2027);
4. Policy recommendations for Action plans for the relevant SRIP (e.g. SRIP for smart towns and communities, circular economy, sustainable food, sustainable tourism, mobility)
5. Policy amendments for the review of Smart specialization Strategy – S4 in the chapter: 2.2.3 and 2.3.3.
6. Recommendations for policy change of national legislation, where this eliminates the obstacle to the realization of the opportunity
7. Recommendations to local governments where, by changing their policies, they could influence the development of an area.

Policy options to CircE's opportunities consist of:

- support public transport transition to alternative fuels and the establishment of regular long-distance connections (also regarding the needs of tourism)
- revision of legislation
- review of other project findings
- education of citizens and raising awareness
- the establishment of a local / regional coordinator in the field of agriculture (rural development funds)
- establish a database of available quantities of produce, enable cooperation for joined bids, where the buyer also announces an indicative demand for a one-year period
- simplification of green (public) procurement procedures
- support for IT solutions in agriculture and kitchen planning
- orientation of development documents in the decentralization of the tourism industry (with appropriate developmental stimulus)
- incentives for setting up reuse centers and repair shops, libraries of things
- increase of allocated funds for municipalities in the field of economy / tourism (for municipal calls for participation, employment of coordinators of the circular economy / tourism)

