

# Why should Europe invest in the circular economy?

The circular economy can offer an alternative solution to our current linear model of take-make-dispose. But how can we ensure our economies make this transition both efficiently, and in time? The European Commission tasked a consortium of experts, led by EIT Climate-KIC, with developing the strategic coordination of objectives and programmes to speed up the transition. A joint programming platform that will allow for more networking opportunities and increase knowledge sharing is then being developed, as a key instrument for all relevant stakeholders to better cooperate

DOI 10.12910/EAI2019-024



by **Laura Nolan**,  
Communications Manager  
at EIT Climate-KIC



Edited by **Cliona Howie**,  
Head of Circular Economy  
at EIT Climate-KIC

**A**s the urgency for climate action and sustainable development pathways persists, new paradigms are arising to meet the challenge of transitioning to net-zero carbon societies. EIT Climate-KIC is looking at how to use the circular economy as a tool for systems transformation and regional transition in Europe that therefore contributes to significant decarbonisation and enables regional and national governments to meet climate targets.

Over the years it has become clear that the circular economy can offer an alternative solution to our current linear model of take-make-dispose – by continuously reusing and

repurposing resources to create new products, we could massively reduce waste and extraction of raw materials. But how can we ensure our economies make this transition both efficiently, and in time?

A circular economy development path in Europe could result in a 32% reduction of primary material consumption by 2030, and 53% by 2050. With sustainability becoming a key part of the global agenda, it is a crucial tool for decoupling economic growth from further unsustainable resource use and increased CO<sub>2</sub> emissions.

The European Commission has recognised this potential, and in response put forth the Circular

Economy Package, including an Action Plan on Circular Economy launched in December 2015. This included a variety of initiatives on specific priority themes and cross-cutting issues such as instruments, guidelines & regulation and financing programmes for the circular economy. Among the priority themes are plastics, food waste, critical raw materials, construction and demolition, biomass and bio-based materials.

“The circular economy is accessible, inclusive and practical, so much that the blend of these three elements make it feel like a homecoming”, says Cliona Howie, Head of Circular Economy at EIT Climate-KIC.

This enabled an explosion of projects dedicated to resource efficiency across Europe and its Member States, bringing us one step closer to reaching the desired impact - but it also demonstrated several challenges that are hindering the uptake of circular economy at a wider scale.

“Due to fragmented funding and programming across Europe, it has become apparent that the outcomes of research and innovation projects are not fully exploited and promoted at European level. By learning from one another and joining our forces across the continent, we could achieve our targets faster and more efficiently,” says Cliona Howie.

At present, most circular economy projects focus on single-point interventions, deep-diving into specific solutions to specific problems. And whereas this is greatly needed and plays in key role in innovation, it is crucial to consider and integrate these solutions into a wider context – and look at within the systems that form our societies and economies.

To fill this gap, the European Commission tasked a consortium of experts, led by EIT Climate-KIC, with developing the strategic coordination of objectives, programming and funding of regional, national and European funding programmes for the circular economy.

This would mean that financing mechanisms for circular economy initiatives would no longer be fragmented through a variety of local, national and European funding streams – but brought together under a coordinated approach and with common objectives and priorities.

Switching to a circular economy means changing the entire system we live and operate in – and this will not be achieved through single-point interventions. A systemic approach is needed to reach impact

fast – looking not only at impact assessments of existing single technologies, business models or policies, but how they interconnect and put pressure on the rest of the system to scale up results.

“The first step of the process is to better understand the needs and urgencies in EU cities, regions and countries, on which we can build common priorities for circular economy action across Europe. What circular economy research & innovation programmes are already out there? How is circular economy embedded into regional and national strategies? What political agenda is set and how have priorities been identified and selected? What impact has circular economy financing achieved so far?” says Cliona Howie.

Based on the initial benchmark of current circular economy programmes, the group of experts, under the Horizon 2020 funded CICERONE project, is developing the Strategic Research and Innovation Agenda (SRIA) for circular economy in Europe, which will set common intervention priorities at European level. The priorities are being set with a variety of stakeholders from government, businesses, academia, civil society and investors around four key challenge areas identified by the EU: Cities, Industry, Value Chain and Territory & Sea. Setting the scene on what already exists and what we should now prioritise is important, but the next step is even more crucial: how can we put all this into action?

CICERONE is building a platform that will help policy makers and programme owners (those entities that fund circular economy initiatives) cooperate to speed up the transition to a circular economy.

“We want to prompt stakeholders to work together to jointly prioritise

circular economy initiatives to stimulate a more holistic and cumulative approach when funding research and innovation. To increase its relevance and use, the platform is being built in collaboration with programme owners and funding agencies at EU, national, regional and municipal level”, said Cliona Howie.

At completion, the coordinated research resulting from the project will enable a variety of positive environmental, societal and economic impacts. A joint programming platform would not only allow for more networking opportunities for all stakeholders involved, but also increase knowledge sharing that will allow a more efficient and effective implementation of circular economy programmes.

“This is even more true for research centres, universities and training centres, who will gain access to the state-of-the-art knowledge and a better understanding of international demands, that they can then feedback to governments and businesses”, adds Cliona.

Increased transparency and monitoring will also be an added value to international agencies, regulators and policy makers, as the project sets out to build a policy toolkit to support the 2020 Climate Change goals and other key EU and global initiatives, such as the Europe 2020 strategy.

“The benefits of a joint programming platform will have an impact across various drivers of change: programme owners and investors will have more clarity on where efforts need to go to optimise impact; industry and SMEs will gain access to more funding opportunities for their projects, and all will benefit from cross-sectoral knowledge sharing, enabling and accelerating a transition to circular economy”, says Cliona Howie.