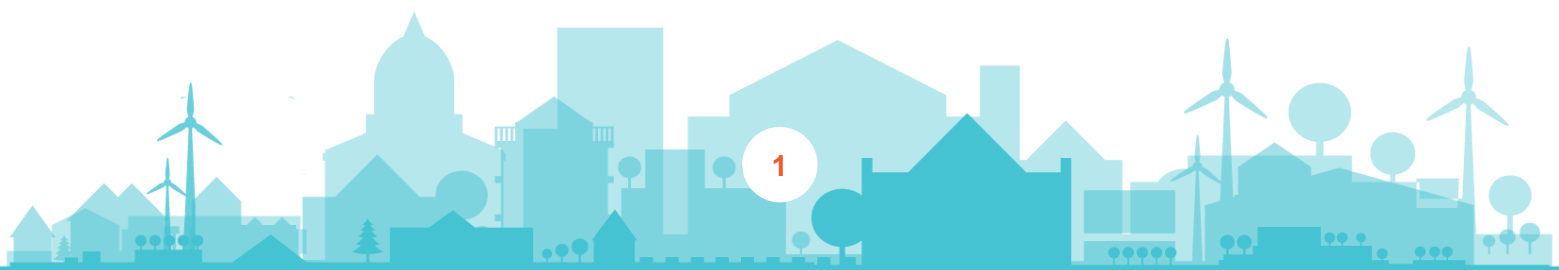




Concept note for test-driving the Roadmap for the implementation of a Circular Resource Management Plan

Urban Agenda for the EU Partnership on Circular Economy

26 April 2021



1	Introduction	3
2	The challenge of urban circular resource management	4
3	The concept of the roadmap	5
4	Test-driving the roadmap in practise	6
5	Three stakeholder circles	7
6	Basic work package structure	9
7	Funding	10
8	Next step – raising support and commitment	11

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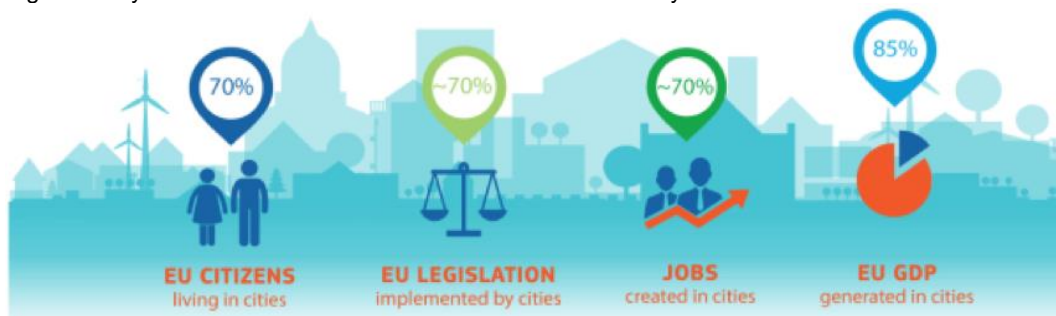
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1 Introduction

Transforming our current linear economy to a circular economy is one of the biggest challenges of this decade. Cities play a key role in this transition. On the one hand, they are responsible for using most of the world's resources, while on the other hand they have the economic base to take this transition forward.

Figure 1 Key role of cities in the transition to a circular economy



The European Union (EU) has set ambitious targets for the circular economy by diminishing waste and fostering reuse & recycling through the uptake of the use of secondary materials in the economy. The Urban Agenda for EU Partnership on Circular Economy has developed a conceptual roadmap to support urban authorities in implementing a circular resource management plan as part of the transition from waste management to resource management. This may help speed up a city's transition to a circular economy in terms of resource efficiency, lowering environmental impact, and creating new economic activity and jobs.

The conceptual framework of the roadmap was published by the Partnership in November of 2020¹. The members of the Partnership agreed that with the publication of the final report of this action, the formal requirements to implement the action were met. There was also broad consensus that mere dissemination of the report would probably not be the most effective way to 'land' the concept of the roadmap with urban practitioners. Therefore, an additional step of testing the concept in practice was proposed. The aim of this test-drive is to get a proper understanding of the practical implications, improve it where necessary, and, if needed, draft recommendations regarding enabling legal and policy frameworks.

Because the test drive could not be conducted during the life span of the Urban Agenda Partnership and should preferably involve new stakeholders from outside the Partnership, it was decided to draft a concept note to serve as global terms of reference for a fundable project proposal to which new partners and stakeholders can commit in the near future. A number of these partners and stakeholders have been involved in the proceedings, providing feedback and guidance to the Action Leader (The Hague) and the external expert (Circulaire Zaken / Circular Matters) in the direction presented in this note.

¹ The report can be downloaded on [Futurium](#)

2 The challenge of urban circular resource management

An important aspect of resource efficiency is the use of the economic potential of waste materials as a valuable secondary resource for new products. Given their vast knowledge of and experience with municipal waste management, cities are well-equipped to facilitate this for the benefit of local economic activity and employment. However, at present, most cities heavily focus on getting their waste out of the city as quickly as possible and at the lowest possible costs. This often means that there is limited focus on waste prevention and resource management in the post-use phase of the value chain.

At the same time, for most businesses, resource efficiency often is only an issue at the input side of their processes. At the output side, there are end products and waste. The end products represent value and profit, waste is useless and represents costs. The practice of most businesses is to dispose of their waste in the most cost-effective way possible.

Moreover, at the input side, the focus is on virgin materials and not on reuse or recycling of secondary materials. Consequently, there is limited demand for these materials, although using them could be the most cost-effective business option. So, on the input side the challenge would be to boost demand for secondary raw materials and to create a market environment to support that.

The challenge is to incentivise municipalities and businesses to become more aware of their waste streams, the value that it may represent, the potential savings in costs, and to seize the business opportunities of using waste streams as secondary resources for more sustainable production and consumption.

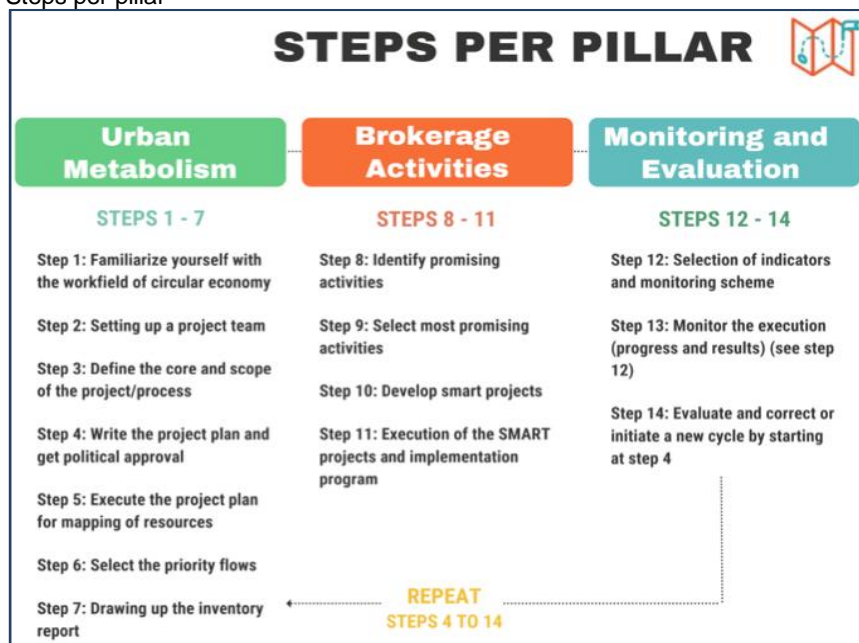
3 The concept of the roadmap

Supporting and enabling municipalities and businesses to identify and exploit these opportunities may help to speed up cities' transition towards a circular economy in terms of resource efficiency in the value chain. At the same time, a shift from urban waste management to urban resource management would be a logical step to take for municipalities. This does not mean that waste management will become completely obsolete, but the primary focus will shift to waste as a secondary resource. To achieve this, the Urban Agenda Partnership on Circular Economy has developed a (conceptual) roadmap for the development of a circular resource efficiency management plan.

The roadmap is structured around three pillars:

- Mapping of materials and material flows in the city (e.g. quantities, flowrates, owners and stakeholders involved, availability, quality, etc.).
- A structured implementation plan, identifying actions and tools to support the creation of a resource efficiency friendly (market) environment: for example, brokerage facilities, connecting supply and demand of secondary resources.
- A monitoring and evaluation model to chart the progress of the implementation and transition.

Figure 2 Steps per pillar



Based on these three pillars, municipalities can step-by-step develop their own tailor-made resource management plan, taking into account their current level of readiness and implementation. This means that municipalities can choose the 'level of entry' that they feel is most appropriate for their specific situation.

4 Test-driving the roadmap in practise

The framework developed by the Circular Economy Partnership is not meant to sit on the shelf. Several stakeholders, including the European Commission, have indicated that test-driving the concept of the circular resource management roadmap would have an added value through:

- Developing proof of concept to get better insights into the practical implications of the roadmap.
- Opening up the roadmap to a wider audience of cities and other stakeholders.
- If necessary, providing recommendations at EU-level to embed urban resource management into the Circular Economy strategies (policy and legal framework).

In the process of drafting this concept note, numerous interested parties and stakeholders provided input and feedback in one-on-one discussions on how to organise and conduct the test-drive. Around 24 of them also participated in a dedicated thematic webinar hosted by the city of The Hague in February 2021. The aim of this webinar was threefold:

- Informing participants on the state of affairs.
- Create a common understanding of the test-drive.
- Serve as a first call for interested partners to participate.

A representative from the European Investment Bank (EIB) contributed to this webinar with a presentation on financial instruments to help the circular economy transition in cities, and about the role that institutions like the EIB can play to support them.

One of the main conclusions of the webinar was that, given the differences in the level of readiness between parties, participants preferred a more 'organic' development of the test-drive. Consequently, the initial focus of the webinar shifted from a more or less classic, linear project approach to a more iterative process. This will allow partners more flexibility in their level of commitment and possibilities to 'grow into' the project in smaller steps and it better fits the needs of, for example, those partners who are still in the early stages of developing their circular strategy or those who want to make a more detailed analysis of their level of entrance first.

5 Three stakeholder circles

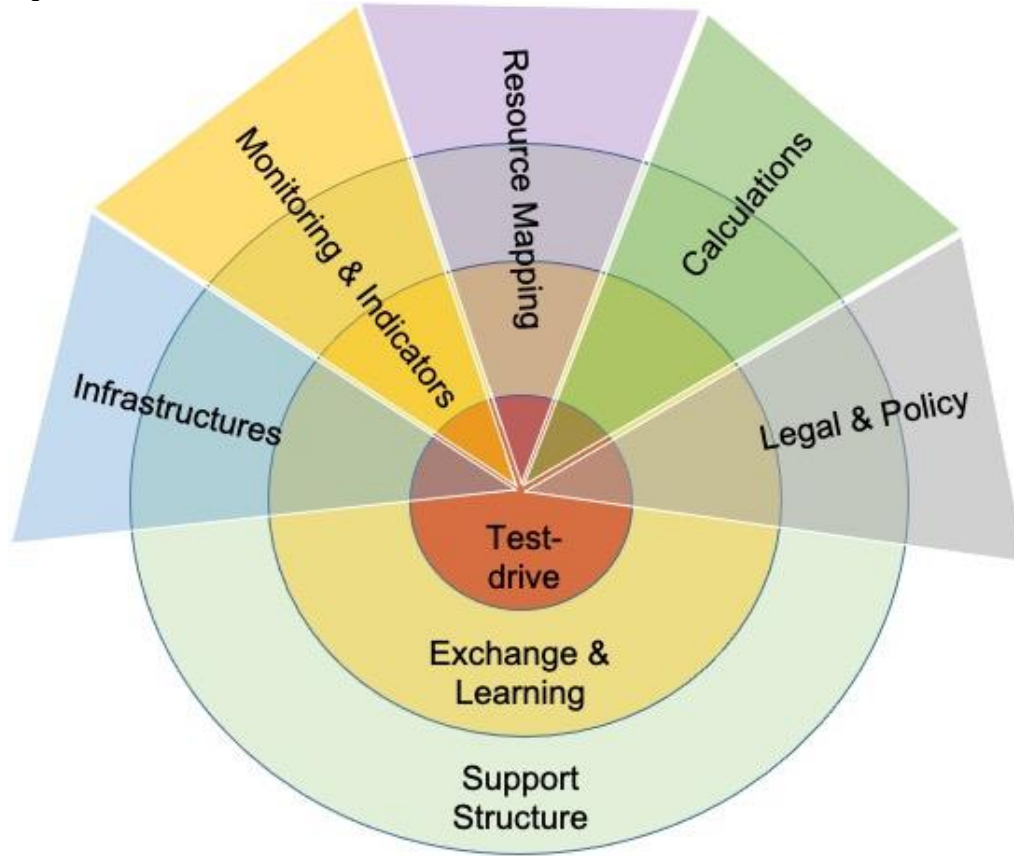
The preference for a more flexible approach to implementing the test-drive has been translated into a project structure that aims at facilitating this. The main structure consists of three so-called stakeholder circles. Each circle corresponds with a specific level of engagement:

- The core consortium
The first/inner circle consists of the core consortium partners conducting the actual test-drive. These stakeholders have committed to developing their own tailor-made circular resource management plan based on the roadmap. The level of entry may differ between stakeholders. Some stakeholders may already have parts of their roadmap in place while others will start from scratch.
- An extended network for exchange and learning
The second circle consists of stakeholders that have an interest in the test-drive but cannot by nature join the consortium, or stakeholders that cannot commit to the level of engagement that is required to join the core consortium. They do however have an interest to be part of the exchange and learning process, want to share their knowledge with the core consortium and offer to be agents for disseminating the outcomes of the test-drive to other partners in their network.

The second circle typically consists of a wide range of stakeholders: individual cities and regions, network organizations, academia, etc. Such an extended network can be very valuable as a sounding board for the core consortium.

- The support structure
The third circle constitutes the support structure for the test-drive. This structure typically consists of external public and private services like data providers and data analysts, economic and business experts, legal and policy specialists, etc. These will be essential to the work of the core consortium in all three pillars of the roadmap.

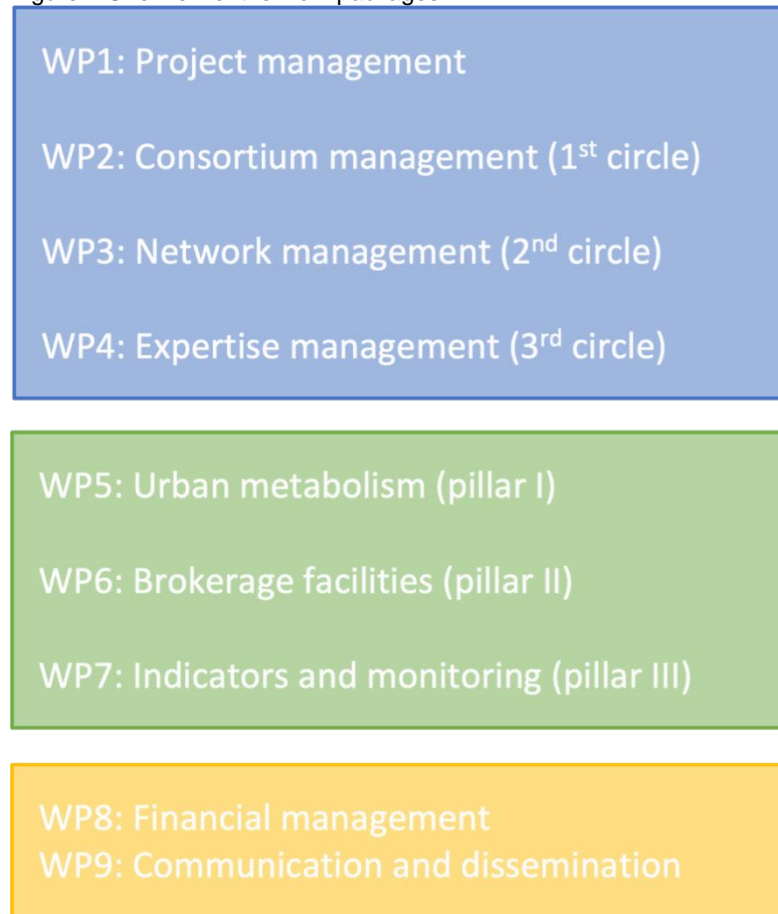
Figure 3 The stakeholder circles



6 Basic work package structure

Work packages describe the activities that are needed to successfully conduct the test-drive and to secure sound and effective project management and financial management. For the test-drive, the work packages can be grouped into three categories: management of the project structure (the three circles), management of the test-drive (the three pillars of the roadmap) and financial management, communication, and dissemination.

Figure 4 Overview of the work packages



Where needed, a further breakdown of work packages into sub-tasks and deliverables will be elaborated with the core consortium in a detailed work plan.

7 Funding

During the aforementioned webinar, the issue of funding of the test-drive was discussed. The EIB raised the question whether the funding needs are already sufficiently clear and which types and sources of funding would be most suited for the test-drive. Also, the European funding programs for the coming years are still under construction which makes it difficult to identify the appropriate financing schemes at this point in time.

The EIB further indicated that this test-drive will be quite a complex project to design, execute and manage. Drafting a funding bid for such a project would already need considerable efforts and resources with no guarantee of success. This may put unnecessary strains on the commitment of interested parties.

Linking to the discussion about a more 'organic' development of the test-drive, the attendees concluded to lower the short-term funding ambitions, to take more time to assess the funding needs and to select the best mix of options available to meet those needs. When looking at the state of play of the European programs there is still ample time to do that.

8 Next step – raising support and commitment

During the webinar of February 2021, most attendees expressed their interest to participate in the test-drive, either as member of the core consortium or in the extended exchange and learning network. However, some attendees indicated that additional steps would be needed to assess the actual impact of the test-drive and what it will mean in terms of resources needed. Communicating this in a clear and consistent manner will be essential to raise their organisation's support and commitment.

For the short term, the next steps were identified to foster this:

- Drafting of a 'two-pager' that will help attendees to clearly communicate the 'ins-and-outs' of the test-drive.
- Conducting one-on-one exchange sessions to get a better understanding of the local level of readiness to participate in the test-drive and:
 - Assess the resources available to participate in the test-drive.
 - Assess the resources available to participate in the elaboration of a project work plan and the preparation of a funding bid.
- Determine the appropriate level of engagement (first or second ring).
- Identify EU programs, frameworks and funding opportunities that may be suited to support the test-drive.

The ambition is to complete these steps by the end of 2021 with the presentation of the core consortium of test-drive partners.