Cohesion policy and the circular economy

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The Committee on Regional Development adopted an own-initiative report by Davor ŠKRLEC (Greens /EFA, HR) on cohesion policy and the circular economy.

Members considered that the shift towards a more circular economy offers **opportunities for all European regions** and local authorities, which are the tier of government closest to local communities.

The role of cohesion policy: the report welcomed the efforts of the Commission to support the circular economy through cohesion policy. Given that the current policy framework does not allow the full contribution of cohesion policy to the circular economy to be captured, Members called on the Commission to implement the planned circular economy measures, including measures to monitor implementation, while reducing the administrative burden.

Members reiterated that the circular economy goes beyond waste management and includes areas such as green jobs, renewable energy, resource efficiency, the bio-economy, agricultural and fisheries policy, with their bio-industries aiming to replace fossil fuels; water management, energy efficiency, food waste, marine waste, improved air quality, research and development and innovation in related areas.

The circular economy as a driving force for sustainable and regional development: the report stressed the important role that local authorities can play in making the circular economy a reality and the important role that **public-private** partnerships play in the design and planning of new products and services in a life-cycle approach.

Member stressed the need to **adapt the current strategies** and market models to accompany the regions in the transition towards this more sustainable form of economy. They called for the implementation of the circular economy within the framework of the coordinated multilevel governance and partnership principle, with full transparency, the involvement of local communities and broad public participation.

They stressed the need to promote greater cooperation between all the stakeholders involved in circular economy processes.

Circular economy projects which have received cohesion policy support have brought greater benefits to more developed regions. Members therefore called on the Member States' national authorities and the Commission to use all existing possibilities to provide **expert assistance and to strengthen the capacity of these regions** to help them increase their efforts, and to create conditions for achieving technological leapfrogging by implementing more projects that meet circular economy principles.

Highlighting the benefits of the **bio-economy** for regional and local development, Members called for greater use to be made of the European Structural and Investment Funds (ESI Funds) for the implementation of existing innovations, while continuing to promote innovation in the development of bio-based, biodegradable, recyclable and compostable materials made from sustainably managed biofeed stocks.

The report called for **easier and more transparent access to finance** for local and regional authorities, including through the strengthening of their administrative capacities and through heightened cooperation with the European Investment Bank (EIB), within the framework of the European Investment Advisory

Hub, to enable increased investments in green jobs, the shift from fossil fuels to renewable energy sources and the local energy transition, including energy efficiency, decentralised distribution of energy, clean energy innovation and the circular economy.

Members called on Member States, regions and local authorities to:

- encourage the establishment of and support for **reuse and repair networks**, in particular those operating as social economy enterprises, by facilitating access of such networks to waste collection points and by promoting the use of ESI Funds, economic instruments, public procurement criteria or other such measures;
- ensure that the circular economy is suitably incorporated into **educational programmes and vocational training and re-training** so as to shape new attitudes which will then help to define new business models and create new jobs;
- further integrate the circular economy into **territorial cooperation** programmes, especially cross-border cooperation programmes;
- strengthen the capacities of local, regional and national public authorities through technical assistance;
- focus their efforts on preventing the generation of **land litter**.

The report also highlighted the potential of the Smart Cities initiative in the context of the circular economy.

Circular economy in cohesion policy post-2020: the Commission is called, for the next programming period, to develop a **relevant tracking methodology with appropriate indicators** to allow for a better monitoring of the contribution of cohesion policy to the achievement of a circular economy.

In the context of the new legislative proposals for the future cohesion policy framework, the Commission is called on to:

- develop appropriate ex-ante conditionalities related to the achievement of a circular economy;
- ensure that the 'Horizon 2020' programme devotes greater attention and funding to innovation and research projects in the field of the circular economy;
- make the **European Circular Economy Stakeholder Platform** a place to exchange best practices to make the best possible use of cohesion policy resources for the transition to a circular economy.

Lastly, the report insisted on stepping up cohesion policy support for sustainable urban and rural development and called for **more resources** to be devoted to circular economy and climate related investments in cohesion policy for the post-2020 period.