Cohesion policy and the circular economy

2017/2211(INI) - 13/06/2018 - Text adopted by Parliament, single reading

The European Parliament adopted a resolution by 588 votes to 77, with 28 abstentions on cohesion policy and the circular economy.

Stressing that local and regional authorities are at the forefront of the transition to a circular economy, Parliament called on the Commission to **implement measures in favour of the circular economy**, including monitoring measures, while reducing the administrative burden. It recognised the potential of regions and local communities to invest in recycling infrastructure and create new green jobs.

Several regions have used their **smart specialisation strategies** to set priorities related to the circular economy and to guide their investments in research and innovation through cohesion policy. Regional authorities should use this good practice as a common *modus operandi* and implement these smart specialisation strategies. Members called for coordination and greater cooperation between regions, SMEs and other public/private entities in order to launch new smart specialisation thematic platforms, in particular between the agri-food, energy and industrial sectors.

Members also stressed that certain *ad hoc* laws (such as the upcoming Commission proposal on single-use plastic products) and appropriate EU-level taxation as part of the own resources of the next multiannual financial framework can make a decisive contribution to moving towards a circular economy.

The circular economy as a driving force for sustainable and regional development: Parliament 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;
- implement 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;
- promote greater cooperation between all the stakeholders involved in circular economy processes;
- provide expert assistance and to **strengthen the capacity of less-developed 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.

Parliament 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 resolution underlined the importance of **green public procurement**, with a potential market of EUR 1.8 trillion per year delivering public works, goods and services. It 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, Parliament 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.