



EREK European
Resource Efficiency
Knowledge Centre

Industrial cluster collaboration for resource efficiency uptake

#ResourceEfficiency



Implementation of the **circular** economy in **Europe**

The perspective of industry clusters
and regional policy makers

Technopolis Group



Two actors often overlooked but key in promoting the Circular Economy

- **EU industry clusters:**
can offer a nurturing environment to the CE, given their direct contact to companies and SMEs
- **Regional policymakers:**
decision-makers in cluster policy and playing a facilitating role

1046 Clusters in Europe (EU Cluster Portal)

**257 Green Clusters in the EU ready to support
the European Green Deal**

Perspectives of cluster managers and regional policy-makers on the shift to a circular economy

The report collects the conclusions from

- **the European Cluster Conference 2019
organised in Bucharest**

- **41 interviews:**

- 28 cluster managers**
- 8 Regional policy-makers**
- 5 other stakeholders**

From 20 countries

The circular economy is a cross-sectoral issue.
This means that almost all industrial sectors are going to be affected by this phenomenon.



What economic areas do you think are most affected by the shift towards more resource efficiency and a low-carbon circular economy?

EU Cluster Conference – Circular Europe

- **Clusters as the voice of companies:**
they hear and tell the success stories to showcase and inspire others.
- **Clusters should work together:**
technologies and expertise of some (e.g. green clusters) can feed the needs of others
- **Focus on the local level:**
define what Circular Economy means for you locally and involve the whole regional ecosystem.
- **Do not over-regulate:**
simply create the framework conditions for companies to jump on the train (standards, certifications, tax incentives)
- **Circular economy:**
the markets (financial markets, pivotal companies, OEMs) ask for it - industrial & economic activity is transforming.
- **The society is also calling for it:**
companies will have to embrace Circular Economy sooner or later otherwise will be out of business.
- In extended ecosystems clusters are acting as **agents of change** towards Circular Economy.

Messages from interviewees

- Cluster organisations can take action to **increase awareness** of the circular economy among companies and build links between stakeholders.
- Cluster organisations can use their experience with innovation to boost circular economy. They are well positioned to **translate technological developments in different fields into opportunities** for companies within their clusters.
- Clusters have a good network, which they can use to **connect the relevant stakeholders** in their broader regional ecosystems. Cooperation between companies in a value chain and in different sectors becomes more necessary in a circular economy.
- **Cross-cluster cooperation** connects companies and organisations across sectors and geographies to find each other and mutually benefit from the shift to a circular economy. The waste of one company in a cluster can potentially be used as a resource by a firm in another cluster.

Role of cluster organisations in the circular economy – more than just awareness-raising:

- **Facilitate circular supply chain management practices:**
they can become instrumental in closing the loops in the supply chain where any waste material becomes a resource for another stage of the product development.
- **Translate digital technologies into CE opportunities for cluster members:**
Cluster organisations promoting innovation can also unlock digital transformation linked to the circular economy. Digitalisation can help waste collection and water management; artificial intelligence can be applied to manage production, processing and recycling.
- **Embrace new circular economy players** and involve them, such as resource-efficiency support providers, cleantech centres, waste management organisations or circular economy foundations. Increase awareness of the circular economy among companies and build links between stakeholders.
- **Promote cross-cluster cooperation across geographies** - the waste of one company in a cluster can potentially be used as a resource by a firm in another cluster. Identifying such possibilities for crossovers and cooperation is an activity cluster organisations naturally pursue.

Role of regional/ cluster policy-makers: take a bold step to promote the circular economy through clusters

Regional policy-makers can design their cluster programmes right from the start by involving circular economy actors in the development of cluster initiatives that foster circular supply chains.

- **Include circularity in the accreditation criteria of clusters:**
promote clusters with a clear approach to help businesses improve the way in which resources are used;
- **Facilitate the development of resource strategies for key industries**
that need to tackle the circular economy challenge and which have the most potential
- **Use regulation strategically:**
discipline business behaviour to use environmentally friendly practices, for instance by limiting the discharge of waste.

Need for professionalising cluster managers

- Cluster managers have a potential but also need training on how to best promote the circular economy through their usual cluster management tools.
- Professionalising the more than 1000 European cluster organisations across Europe and equipping them to offer support on the circular economy to their members can bring tangible benefits to more than **120 000 SMEs** and help them realise the circular vision.
- With the upcoming European Green Deal, the potential of clusters should be seen as **part of the solution for decarbonisation and sustainable industrial transformation.**

The Report is available on the EREK website
www.resourceefficient.eu