



# Circular economy in practice: reshoring and shortening the value chain at the local level

“Towards a Green and Collaborative European Recovery”

European Clusters Alliance – European Commission DG GROW

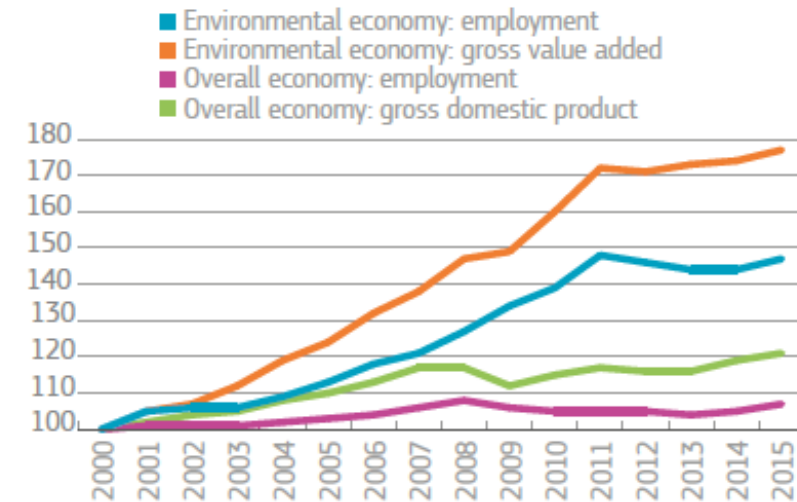
*22nd June 2020*

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# Circular Economy and Resource Efficiency

- “Green growth”: environmental businesses consistently outpacing conventional counterparts
- Benefits extend beyond “pure-play” environmental businesses to all sectors and companies
- Benefits of adopting a more efficient, circular business model include:
  - Lower energy costs
  - Lower / more stable material costs
  - Lower waste disposal costs / increased revenue from waste & by-products
  - Value chain reliability
  - Brand and reputation appeal
  - Compliance preparedness

## Environmental economy growing faster than overall economy

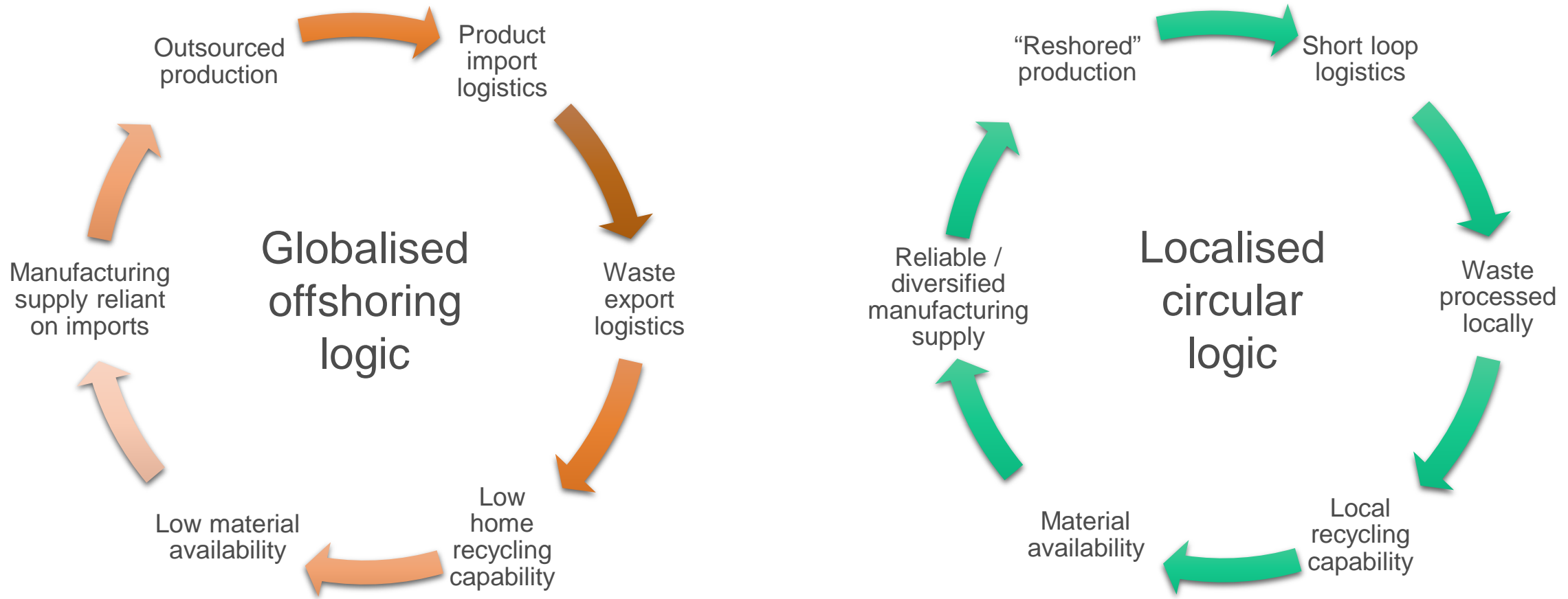


Source: Eurostat, European Commission

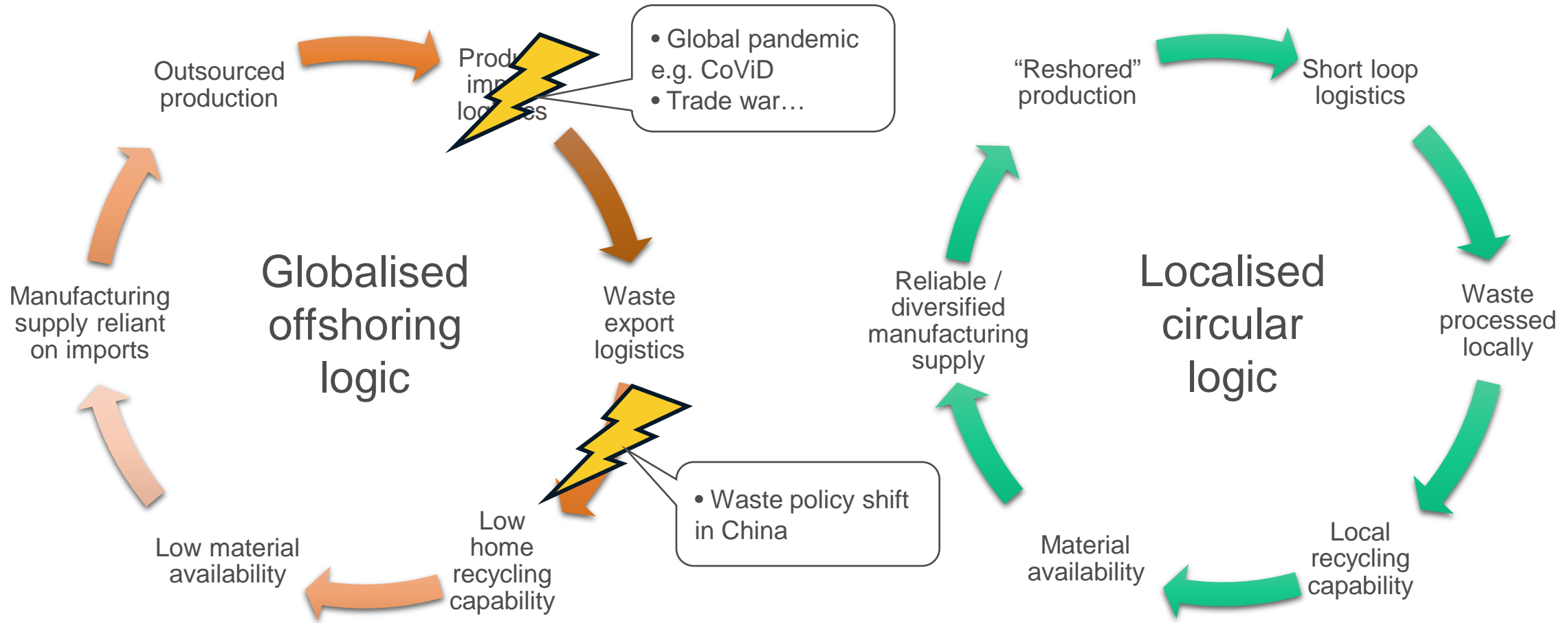
- Eco-design, eco-innovation, waste prevention and the reuse of raw materials can bring net savings for EU businesses of up to EUR 600 billion

<https://ec.europa.eu/environment/green-growth/>

# Supply chain, manufacturing and waste are interconnected



# Long, linear supply chains are fragile...



# → Benefits of local / circular value chains

## For the company:

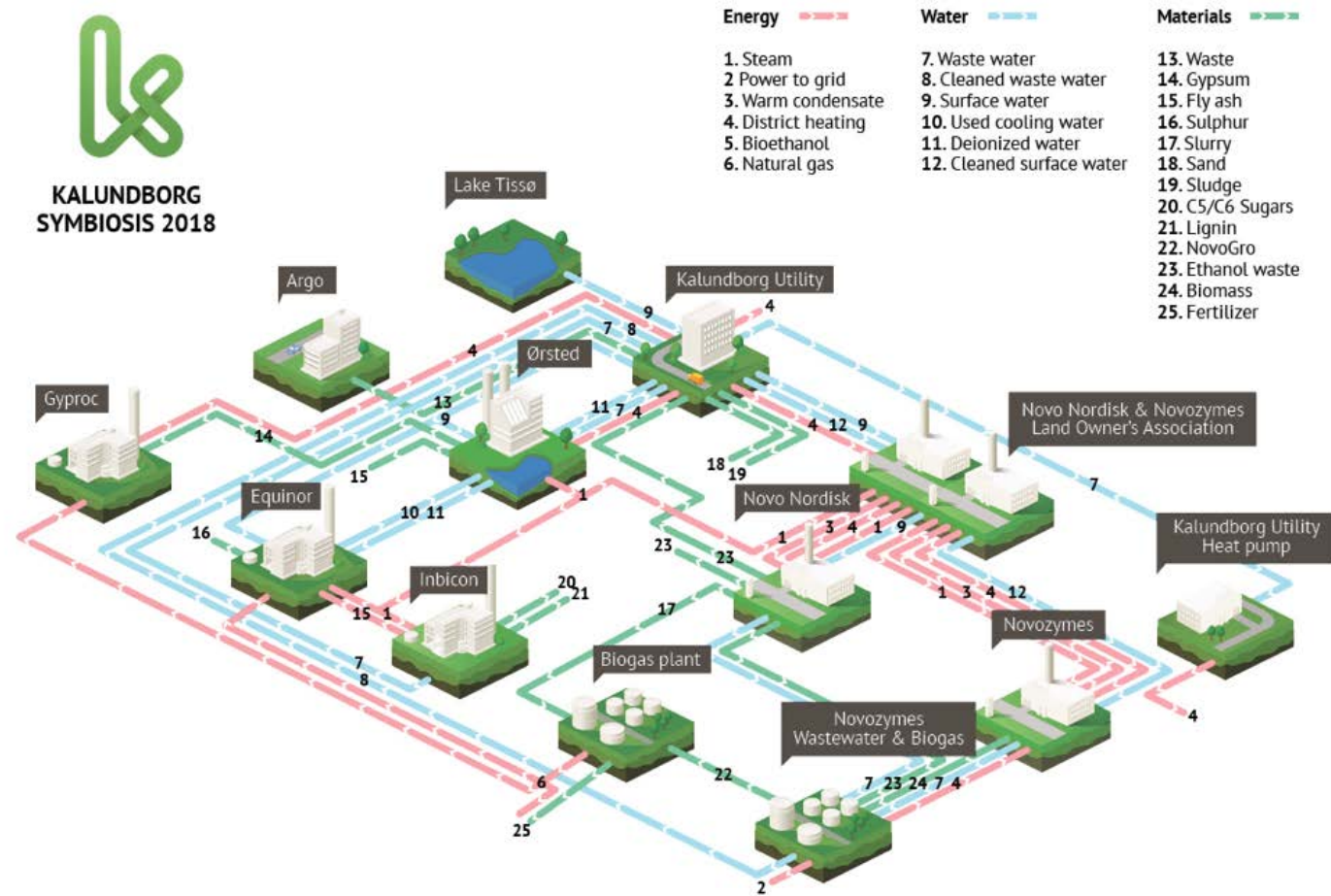
- Resilience to supply / value chain shocks
- Material availability: diversification of raw material supply
  - Primary and secondary raw materials
- Waste management
  - Waste processing near source
  - Higher revenues from waste
  - Compliance with forthcoming legislation
- Compliance
  - Easier audit of supply chain

## For the environment and the EU economy:

- Reduction of emissions (GHG, pollution...)
  - Global emissions
  - Offshored emissions
- Reduced material dependency
- Reduced resource extraction
- Value maintained in the EU
- Green growth and jobs e.g. from recycling, remanufacturing and beyond

# An example of local, circular economy initiatives: Industrial symbiosis

- Ecosystem approach: by-products or waste of an industry or industrial process become the raw materials for another
- Synergies at *local* level can exploit many more opportunities (e.g. heat, bulky materials...)
- Originally for process industries but opportunities for all sectors
- Natural opportunity for clusters to act as brokers in developing industrial symbiosis partnerships



Source: Ellen McArthur foundation

# New EREK platform as part of ECCP

- Resource Efficiency and Circular Economy content redeveloped to better support target audiences
  - User friendliness / ease of navigation
  - Specific content on resource efficiency and circular economy solutions
- Knowledge database
  - New structure to be developed: best practices, case studies, ...
  - Content to be submitted and *validated*
  - Industrial symbiosis toolkit ?
- + other features adapting to user feedback!
  - → engage and contribute

# In a nutshell

- Circular Economy and Resource Efficiency are opportunities for EU businesses
- Trends in trade events, waste policy, supply chain management point to the benefits of circular economy and local value chains
- EREK as part of the new ECCP is being redeveloped to support clusters and help SMEs make the most of circular economy opportunities
- Now is the time to engage and contribute to the development of the new platform!



# Thank you !

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