

Pannon Novum
Summary Report
1st Interregional Policy Workshop
“How to create attractive market conditions
for private sector investments”

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MINUTES

1. Introduction

Pannon Novum organised the 1st Policy Workshop that took place in the hotel Famulus, in Győr (Hungary) on November 2016, the 15th and the 16th. This workshop was focussed on how regional authorities can create attractive market conditions for private sector investments in the field of circular economy. All partners except Municipality of Kozani (due to the administrative issues on contracting project team), participated in the workshop, learning and discussing about regional strategies to foster sustainable growth through CE.

2. Participants

Organization	Name
FUNDECYT-PCTEX	María Gracia Benítez
FUNDECYT-PCTEX	Mario del Viejo
Junta de Andalucía / Environment and Territory Regional Ministry	Pedro Fernandez
Malopolska Region	Alicja Beńko
Malopolska Region	Michał Preisner
Chamber of Commerce of Molise	Francesca Cuna
Chamber of Commerce of Molise - External	Sorrentino Fatica
Government Office for Development and European Cohesion Policy	Podobnikar Katarina
Government Office for Development and	Hočevar Simona

European Cohesion Policy	
Regional Council of Häme	Arto Saarinen
Häme University of Applied Sciences	Järvenpää Anne-Mari
Häme University of Applied Sciences	Harri Mattila
EXELIA – External Expertise	Dionysios Solomos
Pannon Novum	Zoltán Kalcsu
Pannon Novum	Tamás Angster
Pannon Novum	Roland Dancsecs
Pannon Novum	Márta Regner
Pannon Novum - External	Erna Vágusz
Pannon Novum - External	Kinga Kónya

3. Agenda

<u>Time/ Duration</u>	<u>Description</u>
09:30 – 10:00	<i>Arrivals and registration</i>
10:00 – 10:15	Opening speech – Pannon Novum
10:15 – 10:30	Objectives of the workshop / Overview of the agenda
10:30 – 12:30	<p>Topic 1:</p> <p>Challenges and barriers, hindering the adoption of circular economy business practices – Facilitated by Mr. Dionysios Solomos</p> <p>Indicative topics to be discussed:</p> <ol style="list-style-type: none"> 1. Barriers to adopting circular economy business practices 2. Enablers for circular economy and industrial symbiosis development 3. Business case studies (focus on hindering and enabling factors)
12:30 – 14:00	<i>Networking lunch</i>
14:00 – 16:00	<p>Topic 2:</p> <p>The European strategy (action plan) for circular economy – Facilitated by Mr. Tamas Angster</p> <p>Indicative topics to be discussed:</p> <ol style="list-style-type: none"> 1. EU policy instruments in support of private sector investments in circular economy 2. The Circular Economy Package 3. Funding opportunities for circular economy and industrial symbiosis projects 4. Current trends and policy (regulatory measures) in member states
16:00 – 16:30	<i>Coffee break</i>
16:30 – 17:30	Discussion on project activities / Wrap - up

DAY 2: WEDNESDAY, 16th NOVEMBER 2016

<u>Time/ Duration</u>	<u>Description</u>
09:00 – 11:00	<p>Topic 3:</p> <p>Removing barriers and building incentives to stimulate private sector investments- facilitated by Mrs Marta Regner, Pannon Novum</p> <p>Indicative topics to be discussed:</p> <ol style="list-style-type: none"> 1. Planning a circular economy strategy at regional level: A cross-sectoral approach 2. Financial, funding, and legal incentives for industrial symbiosis and circular economy 3. The Basque Country: An example of multi-instrumental approach 4. A common approach on how to create attractive market conditions for private sector investments
11:00 – 11:30	<i>Coffee Break</i>

All the topics had a similar structure:

- Oral presentation of topic 1 (30 minutes)
- Questions of attendees on speaker’s speech (10 minutes)
- Answering the attendees’ questions (10 minutes)
- Interactive session (roundtable discussion or interactive exercises): Participants will be split into small groups to discuss specific topics or issues raised during the presentation (45 minutes)
- Wrap up: The main conclusions and findings for the interactive session will be presented (25 minutes)

4. Issues Discussed

The main objective of the workshop was to discuss about topics highly relevant for the project's purposes including:

- Challenges and barriers hindering the adoption of circular economy business practices
- The European strategy (action plan) for circular economy
- Removing barriers and building incentives to stimulate private sector investments

DAY 1: TUESDAY, 15th NOVEMBER 2016

"Interregional workshop on how to create attractive market conditions for private sector investments"

Topic 1: Challenges and barriers, hindering the adoption of circular economy business practices.
presented by Dionysios Solomos – Presentation attached at the end of the document.

Discussion and partners opinion:

In Spain, a general phenomenon is that private sector is very fragmented and therefore, it is difficult to create industrial symbiosis and trust among companies

- lack of proper equipment, infrastructure
- lack of advanced technologies and companies cannot afford them
- partners agree that boosting green public procurement is a top priority
- consumers should be also aware on benefits of the circular economy – this is the first step to take
- Hame University mentioned the example of Finnish National Innovation Agency (innovativeness is fundamental to be able to apply for funding)
- To this regard, there are only pilot projects in Spain
- In Finland, preference is given to large corporations over small companies when it comes to approve funding for the implementation of projects
- legal obligations are considered to be the most effective

Partners shared ideas regarding discussion topics:

Indicative topic 0: Definition of industrial symbiosis (summary from groups' discussion)

- Industrial Symbiosis is a pillar of circular economy, which is a part of what we call green economy
- Industrial Symbiosis can be defined as the territorial/sectoral cooperation among companies to exchange materials across the supply chain, increasing the lifecycle of products that can be used as raw materials in other industries.

Indicative topic 1: Barriers to adopting circular economy practices (summary from groups' discussion)

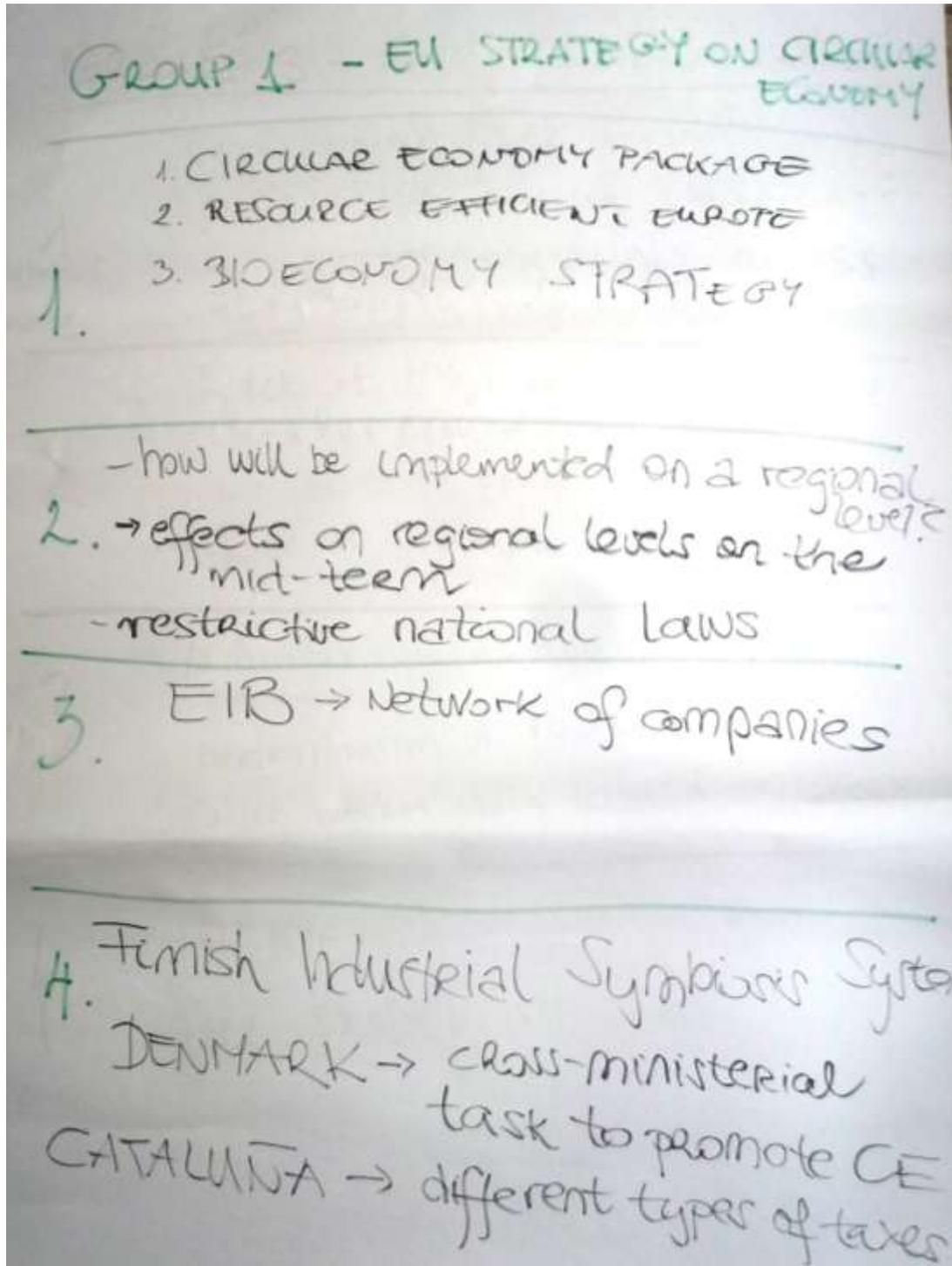
- o Insufficient support from national public authorities
- o Bureaucracy
- o Lack of trust between companies
- o Circular economy is not a priority
- o Lack of technical personnel to run circular economy projects at territorial level
- o Lack of information on the market
- o Limited public awareness
- o Bureaucracy
- o Lack of collaboration among public authorities, universities and companies

Indicative topic2: Enablers for circular economy and industrial symbiosis development (summary from groups' discussion)

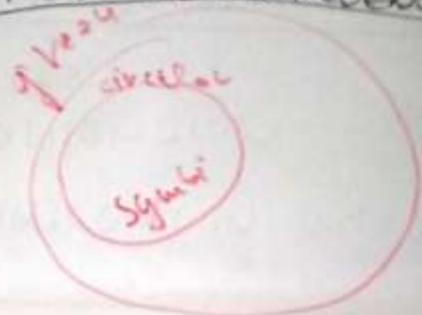
- o EU and national funding programs for circular economy
- o Policy makers with technical experience
- o Stimulating demand towards recycled, sustainable materials for example through green public procurement
- o Creating social knowledge
- o Fostering Research and Development (R&D)
- o Innovation
- o Cooperation among enterprises
- o Demonstration of practical examples
- o Building trust and stimulating cooperation
- o Public-private partnerships
- o Increasing awareness

Indicative topic3: Business case studies (summary from groups' discussion)

- o INLATTE (IT)
- o RICE PRODUCTION (ES)
- o METANOGENIA?



GROUP 2 - BARRIERS & CHALLENGES



1.

2. - percept. MINDS
- def. WASTE | side prod?
- lack inf. vs market vs SP

3. - contact point
- good pract (see → believe)

4

GROUP 3 - BARRIERS & CHALLENGES

1. Territorial / sectorial
cooperation among companies
to exchange materials across
the supply / value chain.

2. Lack of trust between companies
circular economy not a priority
No suitable partners
Lack of technical personnel

3. Availability of national, EU Funding
programmes
Demonstration of practical examples
Policy makers with technical experience

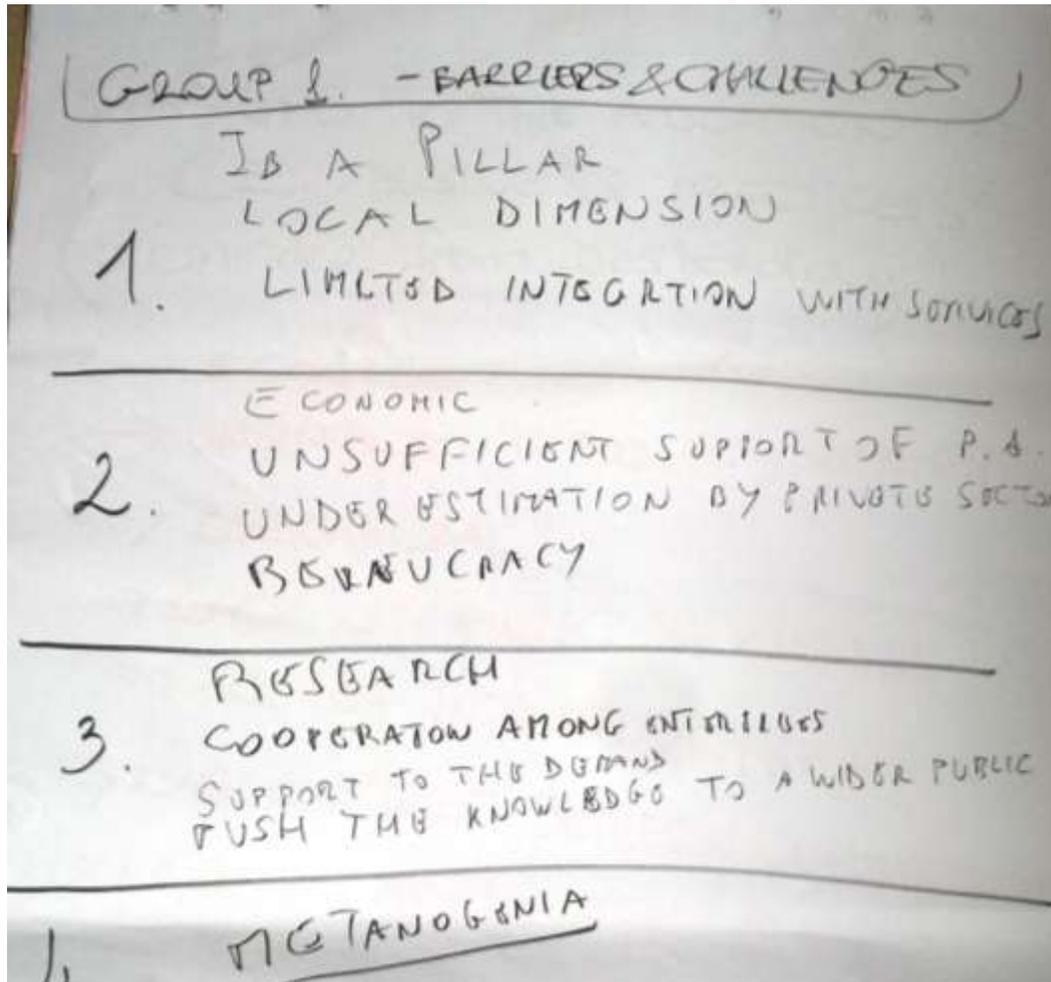
4. INLATE
RICE PRODUCTION.

Topic 2: The European strategy (action plan) for circular economy (presented by Tamás Angster, Pannon Novum):

This session was hosted a panel of regional authorities' representatives and external experts (with policy background) to discuss about the EU strategy on how to foster sustainable growth through circular economy. Also the current EU policy instruments of circular economy were presented (Circular Economy Package).

An interesting film from EU and also the existing financial instruments to support circular economy were updated to participant's related projects as well as the framework for further interregional collaborations in the field.

This thematic session were also included a comparative analysis of relevant national policies/strategies (current trends and policy measures), for the identification of similarities and differences at the national level.



DAY 2: WEDNESDAY, 16th NOVEMBER 2016

Topic 3: Removing barriers and building incentives to stimulate private sector investments

This thematic area provided practical insights into how Hungarian authority can create an enabling and coherent policy environment for private sector investments. A cross-sectoral approach was considered necessary to address the social, environmental and economic issues associated with circular economy. The exchanges of views among the representatives of regional authorities, who have adopted different policy frameworks, were useful about the optimal approaches. Participants had the opportunities to discuss about the potential financial, funding and legal incentives for industrial symbiosis and circular economy as well as measures related to communication and education, involved in focus the strengths, weaknesses, opportunities, and threats.

STRENGTHS

Malopolska –Mining waste → raw material → metal, zinc, lead → difficult to extract

Extremadura –agricultural waste → energy, new materials

Extremadura –research groups focus on some part of C.E.

HÄME –environmental awareness

HÄME –small region; location close to Helsinki (consumers, logistics); ↑ diversity of industries, synergies for industry symbiosis

Slovenia –territory, water, forest, agriculture

Molise –small territory → closeness of resources; renewable energy, wind, water, agrifood →

1. agriculture (circular economy) 2. industry (industrial symbiosis)

1 Regional level framework to establish a plan

1 ERDF in Finland promotes small projects in private companies

3 Cooperation between different departments/
working areas

3 Cooperation between different stakeholders (public –private)

WEAKNESSES

Extremadura, Malopolska –different types of industries are very far away

HÄME, Molise, Slovenia, Extremadura –fragmentation of enterprises, small, micro enterprises; small amounts of waste; hard to work in the high scale symbiosis

Extremadura -big territory, difficult to develop projects on waste, by-products logistics; high cost of transport; dispersed, rural areas

Hungary –Funds to private sector investment focus on public sector for circular economy

Malopolska, Extremadura –low awareness of environmental aspects; hard to convince to separate waste, save water, etc.

Malopolska, Molise –Poor collection system → low quality of secondary materials

Molise, Malopolska –landfills of mixed waste without the possibility to use them

Molise, Slovenia, Malopolska –roads, railways are not developed enough; logistic problems with transporting waste

1 No funding opportunities in operational programmes

1 Money allocated in calls for companies is very small in Finland

3 Farming sector not aware of circular economy in Andalucía

OPPORTUNITIES

SYMBI project: transfer of know-how and good practices

Laws are already changing to a greener approach

Innovation policies → financial opportunities

Consumer needs ↑ Scarcity of resources

Climate change is changing minds/culture

Circular Economy package + EU funds

Green public procurement

4 Promote leasing market (renting small electric materials)

1 Interest in Circular Economy)

1 General awareness is increasing at regional authorities /policy makers level

2 Deposit system (private consuming)

4 Reduce taxes

2 Funding opportunities from Europe (H2020, LIFE)

THREATS

Another economic crisis

↓ R + D funds → not enough resources to create new solutions

Competitiveness of emerging countries

Competitiveness of emerging countries

1 Implementation of programmes on Circular Economy

2 Low awareness

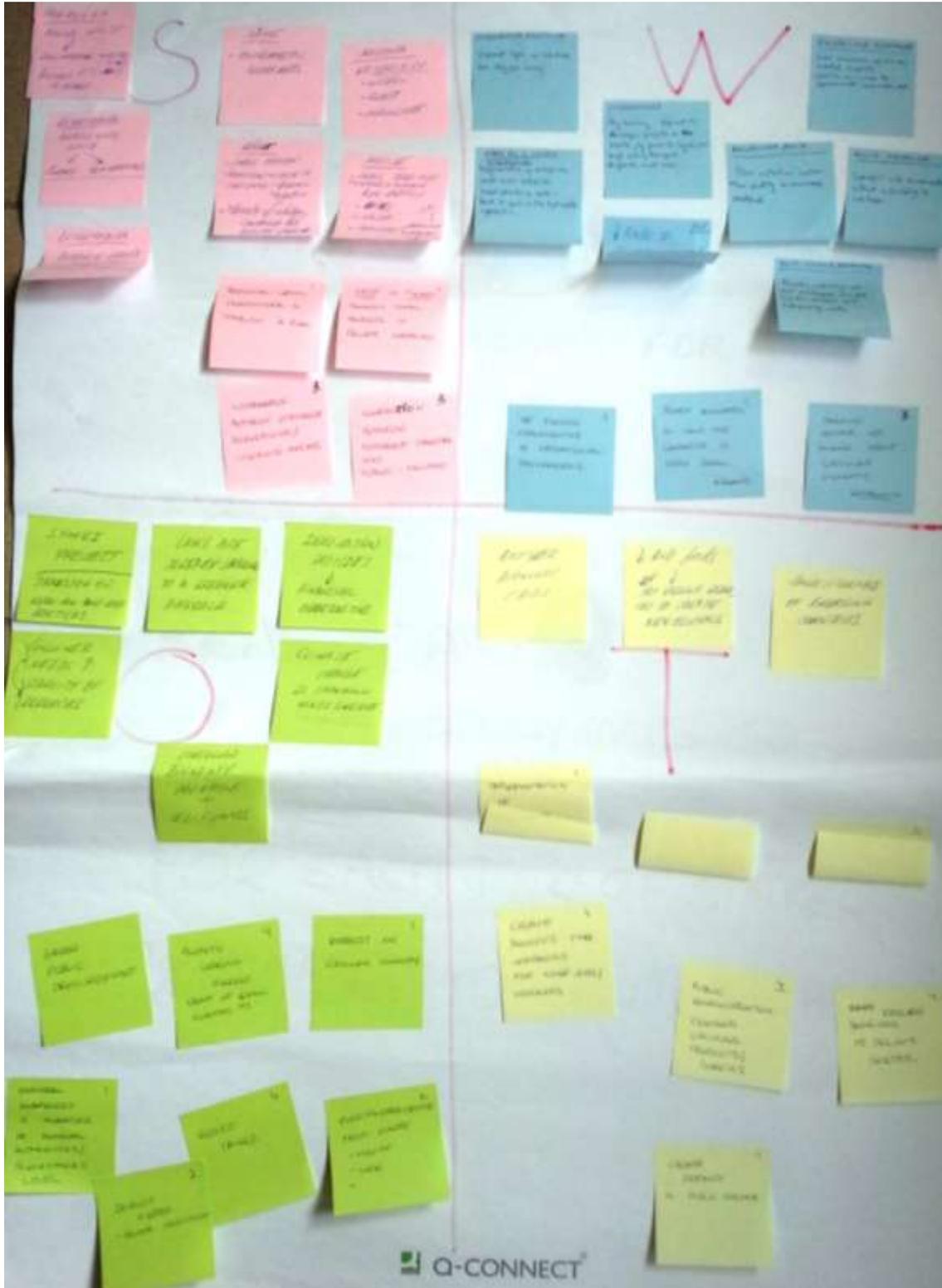
2 Develop tax/fiscal execution, e.g. VAT

4 Create benefits for companies for new jobs/workers

4 Public administration; demand circular products / services

4 Reduce barriers to private sectors

1 Create demand in public sector



6. Conclusions

As for key conclusions of the workshop, participants concluded that most **important barriers** in adoption of circular economy and industrial symbiosis include the **lack of information about benefits, high levels of bureaucracy, lack of proper infrastructure and lack of awareness**. On the other hand, actions as increased investments in R&D, building trust, stimulating cooperation amongst key economic actors and boosting green public procurement are considered to be main enabling factors. Also some best practices have been mentioned during the workshop such as [METANOGENIA](#) from Spain, INLATE from Italy or rice production.

Participants also debated **current EU policy instruments intended for encouraging private sector investments** in circular economy such as the EU's [Circular Economy Package](#), the [Roadmap to a Resource Efficient Europe](#) or Europe's [Bioeconomy Strategy](#) and possible barriers in the adoption of these instruments on regional levels (restrictive national legislations, uncertainties related to implementation, etc.). Amongst key financial instruments created to support circular economy and industrial symbiosis projects mention has been made to the Investment Plan for Europe or Horizon 2020.