





Part I - General information

Project: CESME

Partner organization: North Denmark Region (PP2)

Other partner organizations involved (if relevant): Business Development Centre North Denmark

(LP)

Country: Denmark

NUTS2 region: Nordjylland

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Summary

This action plan is the result of the process started by Development Centre North Denmark and North Denmark Region within the CESME project.

North Denmark Region is the main responsible of the policy instrument addressed in the project. Development Centre North Denmark will contribute by addressing SME's to carry out actions to fulfill the goals in the action plan.

The action plan is a document providing details on how the lessons learnt from the cooperation, will be exploited to improve the policy instrument tackled within the region. It specifies the nature of the actions to be implemented, their timeframe, the players involved, the costs (if any) and funding sources (if any).

On the 31.10.18 the Development Centre North Denmark withdraw from Cesme and therefore the North Denmark Region is the partner organization.

Part II - Policy content

The Action Plan aims to impact: X

X Investment for Growth and Jobs program

European Territorial Cooperation program

Other regional development policy instrument

The action plan impacts the following policy instruments:

ERDF – Innovative and Sustainable Enterprise Growth: Priority Axis 1, Strengthen SME innovation (thematic objective 1), a) Innovation partnerships, e.g. between enterprises and knowledge institutions.

ERDF – Innovative and Sustainable Enterprise Growth: Priority Axis 3, Energy-Efficient and resource-efficient enterprises (thematic objective 4)

Part III - Details of the actions envisaged

Action 1 – Supporting SMEs to make a transition to circular economy

Background:

The selection of this action is the result of lessons learned through the CESME project.

The good practices from CESME shows that many SMEs are working with circular economy. For the SME's it is most often a matter of saving resources and/or energy and hereby saving money. Another key factor is to gain or keep a good reputation by acting environmentally friendly.

For many SMEs, the low hanging fruits related to energy or resource savings is already been picked. Many companies have worked with optimizations on production lines, saving energy on lights, machinery, heating/cooling etc. The next step is to look outside the companies own fence and making new collaborations with other companies or making product innovation and new business models working within circular economy. The good practices and some of the key speakers in CESME shows that it requires a lot more effort and knowledge to succeed with circular economy. Another key factor is to make new business models and be able to upscale it. Often the investments in new business models or products are high, so scalability is important to get volume. To make the final and right decisions about a circular business model or a new circular product the calculation on the return on investment (ROI) are very useful.

To strengthen the learning experience and sharing the knowledge, it is useful to bring SMEs together. SMEs can make collaborations on developing new products or business models or they can make use of each other's waste as a new resource in their production. SMEs can work together on delivering circular solutions in bigger scale to grow their businesses.

Action:

It is common knowledge that the knowhow inside Circular Economy is different from industry to industry in Denmark. At our LSG meeting in October 2017 we had a very popular speaker Mr. Christian Fredsø, CE Expert, Central Denmark Region www.rethinkbusiness.dk. Mr. Fredsø made introduction to "the Circular economy system diagram" and herby introduced the basis understanding for the circular economy principles and business potential; How the CE can be a springboard for growth and engagement for all in the SME's. How do you articulate and guide SME's to transform into sustainable and circular economy as a business

consultant? And which tool can be used for this dialog. Presentation of a business case, which illustrates the different circular economy business models.

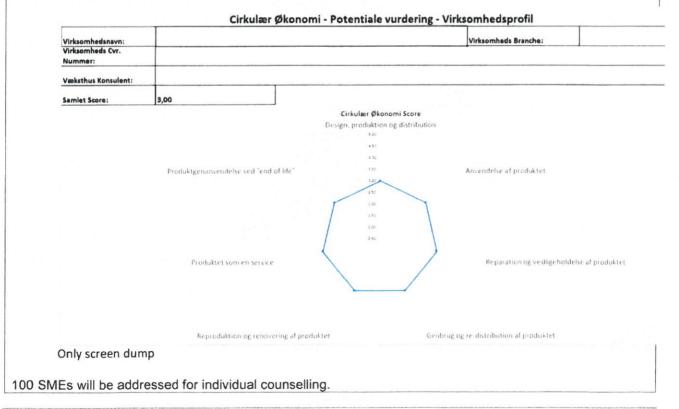
After the above presentation, many questions were asked regarding the dialog and the business models. All these questions showed a very clear indicator for in general to address an unacknowledged need for CE and to find the good practices to support and show the unacknowledged need. Due to our central role in the business promotion system in North Denmark we wanted to support our collaborative partners (LSG) in the work with the SME's

1) After participation in the Cesme partner meetings and the LSG meeting in Aalborg on the 31.10.2017 we got an overview of the largest challenges/lacks inside the knowledge of circular economy. On basis of the overview a training program and content for the workshops has been developed. The first action is to inform (bring in the awareness into the mindset) and train about Circular Economy and the tools used inside circular economy and business development -ROI. The first group to be trained will be; our own consultants/employees and business counsellors in the region; our close cooperation partners. This action will result in a higher level of knowledge inside circular economy. Knowledge related to; who has the information and where to search for more information/ knowledge (awareness about circular economy)

After presentation of the Cesme tool kit and the ROI tool at the partner meeting in Finland and Greece we in the BDC found the challenge by using the developed Cesme tool Kit. After some test screening (using the tool kit direct) we found it necessary to translate and to modify (indicating various possibilities, depending on which business the sme was connected/releated to)

On basis of the tool kit developed in the Cesme project, we have modified the tool kit; we have translated the tool kit and modified the question into an understandable language for the SME's in this area of Denmark. This means that we have now a conversation tool, which enables us to go into a dialog with the SME's and hereby make the SME aware of the possibilities inside the circular economy and the business models related to the circular economy.

The next step for the SME's will be to start the transition/ transformation in their production lines, their purchase, handling of garbage etc.



50 SMEs will participate directly in after-work meetings and camps

50 SMEs will participate indirectly in the dissemination when some of our trained cooperation partners are in contact with the SME

Many SME's lack knowledge, capacity and competences within circular economy. To support the development, implementation and scaling of circular economy in Danish SME's, The Danish Government has established a supporting program. In the program, the SME's are offered 50% co-financing for purchase of counseling from private experts on how to implement circular economy into their business models. If necessary, a co-finance is also offered for purchase of machinery. This program will give the SME's access to the necessary knowledge and capacity to switch their business to circular economy.

The BDC will be a part of the above-mentioned program. By participating in CESME, BDC has obtained knowledge about circular economy through best practices and knowledge sharing. Relevant tools for identifying potentials of circular economy is tested and good models on return on investments are studied. This knowledge has enabled the BDC to enter the strategy, which the Danish Government has promoted for the period 2018-2021 for research inside the circular economy. By participating in CESME the BDC is among the 4 most experienced actors within circular economy in North Denmark.

BDC will be the responsible actor for delivering the actions above and report it into CESME until the end of the project period.

Players involved:

- Local Business Service in each municipality will help to identify the green potentials in the SMEs in Northern Jutland.
- Aalborg University and other educational institutions will provide expert knowledge to keep the Business Development Centre North Denmark updated within circular economy
- National and regional clusters and network will identify common challenges and barriers as well as solutions for them.
- Private consultants and experts will act as the extended arm for the Business Development Centre North Denmark

Timeframe:

2018-2019

Costs:

250.000 EUR

Funding sources:

European Structural Funds, Regional Growth and Development Strategy; "Vilje til Vækst"; RFN-16-0018 and SFN-16-0028

Action 2 – Policy making in North Denmark Region

The action plan is the result of lessons learned through the CESME project.

To make opportunities for SMEs to work within the field of circular economy it is necessary to make a framework supporting the transition. Circular economy is for many businesses still a new and unexploited area and supporting the transitions through policymaking is important.

The following good practices and lessons have been used when defining the action plan:

Solutions within circular economy - Lesson given in Bologna

At the partner meeting in Bologna there was arranged a session and a workshop in order to identify the barriers for companies to work with circular economy. Likewise, the bridges to overcome the barriers for working with circular economy was identified in the session. Many aspects was taken into consideration but some of the main points relevant for the North Denmark Region is:

Barriers:

- Competition on the same final product
- Time of paybacks
- Financial instruments are missing

Bridges:

- Incentives for companies investing in greener products/processes
- Open innovation
- More information on financial instruments

How this contribute to the action plan:

The identified barriers and bridges are used to focus on the initiatives that must be taken to make the best actions for driving the circular economy. The workshop and the lesson were furthermore an inspiration on, how the region can use innovation to be used for working with circular economy.

Orange Box - Wales

Orange Box in Wales is a chair manufacturing company who wanted to remain competitive in the market for office furniture's by offering a sustainable, cost effective solution for business furniture. Circular economy and new business models is the key in their business.

How this contributed to the action plan:

The example of Orange Box showed the potentials of circular economy and the potentials for business development. It is a one to one scale example on circular economy and how a business can develop with the right business models and design thinking.

Green Industrial Symbiosis - Denmark

Denmark has delivered a best practice about the work with green industrial symbiosis. North Denmark Region has been the link between the companies and facilitated the matchmaking as a neutral part.

How this contributed to the action plan:

The feedback on the best practice has shown that there is a need for a neutral part when symbiosis is established. The good practice and the discussions in CESME about the good practice has made a strong indication on the political role of the regions when it comes to pushing the circular economy.

Action:

Barriers and Bridges

The barriers and bridges found identified in the lesson given in Bologna has been an important knowledge to use in the Regional Development Plan, which is the policy instrument for North Denmark Region. Furthermore the feedback from the good practice on Green Industrial Symbiosis has given a good indication of our future role as a regional partner in future collaborations.

The development plan has already a focus on green transition. The work with CESME has shown other good practices on circular economy and how policies can be an important factor for the transition into circular economy.

As a main action, the policymaking through the Regional Development Plan will turn its focus from green development into circular economy. Thereby circular economy will be articulated as the key to make the green transition in the region. The barriers and bridges for circular economy found in CESME will be a key focus that will be addressed in the plan.

North Denmark Region has worked and will work with different stakeholders in the region in order to increase the knowledge on circular economy to SME's. In particular, knowledge sharing and sharing of the good

practices found through CESME will be a key action. North Denmark Region will furthermore highlight the opportunities for funding of projects to support SMEs transition to circular economy by one-to-one meetings with stakeholders.

Circular economy - innovation

North Denmark region want to make focus on the potentials for finding and pushing innovative circular solutions. North Denmark Region intent to make a project call for innovative circular solutions.

The aim is to support SME's in working together for circular solutions and help them develop products or business plans related to circular economy. Especially the good practice from Orange Box has proved that circular solutions can be a possible solution and the total cost of ownership of the circular products can be a way of thinking.

From the 1st of January 2019, the Danish Business Authority will be the actor within the structural funding, And the good practices and the knowledge gained through CESME will be handed over to the Danish Business Authority. Thereby the work and the momentum which is gained through CESME will be continued and the policy making regarding business development within the field of circular economy will still be a key factor when making policies regarding funding.

Players involved:

- Policy makers highlights the green potentials and barriers for the policy makers to raise awareness of policy making for circular economy
- National and regional clusters will handle the transition to circular economy and the players within the field
- Danish Business Authority will be the actor within structural funding in Denmark from 1st of January 2019.
- Aalborg University and other educational institutions will provide expert knowledge to the progress
 of the Regional Development Plan

Timeframe:

Actions already underway

The first action started in 2016 and will end in 2019 (Energy-Efficient and resource-efficient enterprises) Other actions is about to start and will end in 2020 (Innovation partnerships, e.g. between enterprises and knowledge institutions.)

Costs:

The costs related to the policymaking is related to staff time and will be approx. 50.000 DKr. per. year.

Funding sources:

North Denmark Region

ERDF

The Danish Business Authority

Date: 12/12-18 Signature: Date:	
Stamp of the organization (if available):	
Date: 18/12.18	
Signature:	
Stamp of the organization (if available):	

REGION NORDJYLLAND

