## **CIRCULAR IMPACTS - Kick OFF**

The Vision of CIRCULAR IMPACTS

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### **Content**

- The transition to Circular Economy
- Measuring the transition in order to guide and foster it
- Providing an evidence base for concrete impact assessments
- Providing an overview outlook on potential impacts of the transition

## Transition to a Circular Economy I

- Circular Economy is at the heart of the EU ambition to become a more inclusive, sustainable and competitive economy
- Replacing the old take, make, waste model
- The transition should support EU policy objectives on many different levels
  - Creating more jobs by moving value added to labour intensive processes
  - Improving the balance of trade by replacing reducing the need for resource imports
  - Improving the European (and global) environment by reducing land take of resource extraction, waste disposal and the emissions of the use of the resources (green house gas, air emissions and others)
  - Spreading value added in the European union to poorer regions and improving the labour market participation of currently disadvantaged workers

# Transition to a Circular Economy II

- A very broad range of EU policies relates to this transition but two overarching policy initiatives stand out:
  - Since 2015 the Circular Economy Roadmap defines the ambition and the work programme to achieve that ambition
  - The European Semester measures the national progress towards the EU 2020 goals and provides policy recommendations on that base
- In the next years many additional policy proposals and policy initiatives will need need an evidence base to support robust policy making

## Measuring the transition I

- Circular economy is a broad cover for many different changes to the economic process
- Common theme only the reduction of resource input and resource outflow
- The impacts of those changes differ as much as the changes
- To guide the transition and foster policy proposals which support the multidimensional policy objectives an understanding of the different processes is needed

## Measuring the transition II

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## Measuring the transition II

Policy changes

Tax and other economic incentives

Research and innovation policy

Economic development policy

Standards and prohibitions Information campaigns

Expected changes of economic processes

Increasing value of waste products (reuse and recycling)

Longer life cycles of products (product design) Increased utilisation rate of goods (Sharing economy)

Increased use of renewable resources (Bio economy and renewable energy )

Affected sectors

Change of economic or operational process in key sector

Changes in the value chain of affected sectors (demand or supply)

Expected Impacts

## **Environmental impacts:**

- Use of resources
- Pollution reduction

#### **Economic impacts:**

- Growth
- •Investment
- Employment
- Economic structure

#### **Social impacts:**

- Employment chances (regional)
- Employment chances (skill level)
- Health effects (environment)
- Poverty and inequality

## Measuring the transition III

- To support in this challenge CIRCULAR IMPACTS will provide two major outputs:
  - A structured evidence base which will facilitate finding and using the existing evidence base for impact assessment in the circular economy transition
  - An overview impact assessment summarising the existing evidence base on the potential impacts of such a transition in order to help setting policy priorities

### **Evidence base I**

- There is already a broad existing evidence base that could be used for impact assessments on the Circular Economy:
  - www.measuring-progress.eu and other Green economy and green growth related initiatives
  - <a href="http://www.liaise-kit.eu/">http://www.liaise-kit.eu/</a> and TIAS and other impact assessment related initiatives
  - Groups which assemble the evidence base at the EEA and the EU commission
  - Service contracts of the EU commission (eg. employment effects and sharing economy)
  - Starting work on the UN SDG indicators
  - Academic research
  - Other suggestions

### **Evidence base II**

- The key concept of CIRCULAR IMPACTS is to make this evidence base available
- Additionally some limited additional evidence on production processes is created in the project
- A web tool should enable the user to quickly find and understand the evidence that is useful for the specific policy question
- The web tool should enable a structured and interactive search

## **Evidence base III**

#### Structure:

- The structure should follow the causal chain of an impact assessment from political measure to the production process to the value chain and to the impacts
- As the number of potential options for each steps is huge the user should be able to limit the relevant options on each step

#### Interaction:

- As going through the impact chain will very often broaden and change the perspective of the user the different levels are reconnected to allow interactive search
- Users can look for policy measures often connected to certain impacts and the other way around

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## **Overview Impact Assessment I**

- As many new big policy programs the circular economy is feted as the "the ultimate mean to achieve everything we wish"
- As the type of measures and the type of economic changes is very broad, examples for a desired impact can always be found
- But a consistent overview on the relevance of the competing claims and an overview on the potential gains of a transition does not yet exist
- Based on the assembled evidence an overview on the expected impacts of the transition will be developed

## **Overview Impact Assessment II**

- The impact assessment will be conducted in WP5 but all WPs will contribute to it:
  - WP2 will develop the structure of the impact assessment, define the information needs
  - WP3 will collect and assemble the evidence base
  - WP4 will add to the evidence base by providing first hand knowledge on the changes to production processes and the impacts of those

## **Overview Impact Assessment III**

- An important part of the work and measure of success will be the engagement of stakeholders into the project
  - Other initiatives working on the topic (EEA, EU commission and others)
  - Existing knowledge repositories (measuring progress, LIAISE and others)
  - Industry experts with knowledge on the new production processes and the processes they replace (Steering group)
  - Commission experts with an understanding of policies and knowledge on the evidence that would be needed

# Limitations of the project

- The overall project budget is 500,000 €
- The topic has a very broad scope
- It will depend on the willingness to collaboration that we will find how much can be achieved
- The objectives is to include as many other initiatives with similar goals to provide a real overview

## **List of Partners**

**Ecologic Institute** 

**CEPS** The Centre for European Policy Studies

Wageningen Economic Research (formerly LEI Wageningen UR)



