



10th Annual Forum of the EU Strategy of Baltic Sea Region

12-13th of June, 2019

Gdańsk, Poland

SUMMARY REPORT

Seminar: *Enhancing business driven circular economy*

Time: Wednesday 12.6, 15.15-16.45

The outset to the seminar was that circular economy requires both a top-down political message but also a bottom-up discovery processes in the regions for new circular solutions. The seminar was arranged by the Interreg Baltic Sea LARS-project, together with the CPMR Baltic Sea Commission, Working Group for Energy and Climate. The seminar was centering on factors driving or impeding the regional discovery processes when moving towards circular solutions.

The first presentation was a joint presentation by the company Westenergy and VEBIC (see: <https://www.westenergy.fi/?l=en> and <https://www.univaasa.fi/fi/sites/vebic/>). The key message was that favorable policy mechanism for waste recycling needs to be created since manufacturing industries use huge amount of virgin resource every day. Detailed regulation constitutes many times a hindrance for advancing circular economy but in Finland the concept of a green deal has been introduced. The green deal is a voluntary program or a “carrot” that offers taxational incentives for turning waste into energy. It is an experimental pilot program that has already provided good results.

The second presentation by Vaasa University <https://www.univaasa.fi/> was analyzing how public procurement could drive innovation. An example was presented on how procuring ferry services contributed to the creation of battery-driven ferries in Norway. The background to the procurement was that standard ferries, although cost competitive, polluted the environment. There was a political desire to provide the services in line with the EU sustainability goals and in designing a tender accordingly. The tender process followed three phases: 1) a call leading to bids; 2) competition followed by negotiations; 3) A contract including product development and delivery of a new ferry service. Concluding on the experiences of the tender process it was noted, that it should only be applied on products that presently are not on the market. Moreover, the negotiations process should lead to that an innovation partnership is formed. Finally, the contract should include a sunset clause, that makes it possible to discover failures and terminate a contract. This to minimize the loss of public money. In Norway there is standardize procedure for this type of public procurement.

The third presentation by the Lithuanians Institute of Agrarian Economics <https://www.laei.lt/?lng=en> presented a case of Agricultural-driven circular economy in the biogas sector. The presentation reported on the preliminary results of the LARS-project, constructing a value-chain for the biogas sector in Lithuania. The value-chain,



separating between eight different steps, has provided a framework for the detailed analysis and understanding of the functioning of biogas sector. The quadruple-helix stakeholders in each step of the value-chain has been identified and the mapping of their connectivity or interactions has been completed. This has been the base for new discoveries in the field and the key message of the presentation was that the value-chain mapping and stakeholder network analysis is a good and functioning method for developing the biogas sector.

The fourth presentation was by the Consumer Advice Center Hamburg CACHH <https://www.vzhh.de/> and centered on the consumers role in discovering “green washing”. The CACHH is a non-profit association providing consumer advice and protection. The presentation provided examples where circular economy had failed for instance in “bluff plastic packaging” forcing customers to consume plastics against their will. The presentation named also other industries where consumers had difficulties in making informed and ethical choices e.g. in textile, painting, building and refurbishing materials. The key message was that more and more people want to know how to reduce their amount of trash. Though consumers have a lot of every day expertise in the use and environmental assessment of goods, there should be more systematic action taken to integrate their perspective when moving towards a more sustainable economy.

The final presentation was made by the LARS-project (www.lars-project.eu). The presentation recapitulated the project experience in setting intervention areas and constructing value-chains, in the selected fields. Moreover, in analysing stakeholder incentives when implementing the policy. The smart specialisation provides tools and building blocks that also may be applied for learning and discoveries in the field of circular economy. The key message was that learning inside the region and trough external networks forms an integral part of the development in the field. Cohesion policy should be formulated in a way that it supports transnational learning and the integration of thematic value-chains.

The interventions were followed by a panel discussion, including frequent intervention from the audience, that centred around the implementation of a policy towards circular economy. The role of the public sector was commented, do the governments have the will and the capacity to implement a change? A vanguard government may easily confront strong economic resistant from voter groups that are not ready to bear the costs of the policy and get ousted. Therefore, the consumer activism, formulating the public opinion is a strong tool when driving change. The European Union works in a multi-level framework and advocates of circularity needs to be active on all level. Finally, the concept of a “good practice” was commented both by the panel and the audience. A good practice, properly conceptualised serves both in transferring innovative practices between regions but also as a mean to inspire regions to new developments.

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