

CIRCULAR ECONOMY FOR SMALL AND MEDIUM-SIZED ENTERPRISES

THE SPREADING OF CIRCULARITY IN SMALL AND MEDIUM-SIZED ENTERPRISES, ACCOUNTING FOR 98% OF THE EUROPEAN ECONOMIC SYSTEM, IS STILL HINDERED BY OBSTACLES. THE CESME INTERNATIONAL PROJECT AIMS AT PROVIDING USEFUL TOOLS TO ENCOURAGE THE SHIFT TOWARDS A GREENER PRODUCTION AND CONSUMPTION MODEL.

Today all sectors of society are relatively aware of the urgent need to move towards a circular model, since the current production and consumption model is neither environmentally nor economically sustainable. Citizens seem to be willing to adopt new consumption models, the currently available technologies are rather mature, institutions are introducing the circular economy in their agendas as well as in their planning or regulatory tools and, finally, enterprises are very interested in this topic.

Therefore, what is missing to fully accomplish the shift towards circularity and an extensive application of this new thinking and business model to the whole economic system?

Spreading circularity among small and medium-sized enterprises (SMEs) faces several specific problems. Some of the best known ones are the following:

- the lack of economic resources needed for research, the industrial scale-up of technologies and, more in general, for process or product innovation
- the necessary know-how to access technology and to keep high technical and quality levels
- an often unclear regulatory structure, which may be hard to interpret and apply, leading to a discouraging red tape burden for companies.

Therefore, in-depth analyses are extremely useful to fully understand the economic advantages for companies that become more environmentally friendly, along with tangible tools aimed at supporting entrepreneurs in their decision-making process and at orienting them towards the best choices for their business (and for the environment as well).

How can they evaluate the viability of making a green investment in the company? Which resources can be tapped for such investment?

To that purpose, Ervet takes part into an international project called Cesme



(Circular economy for SMEs) that provides the venue for testing and discussing different ways in which SMEs can move towards the circular economy. The project aims at offering tangible tools to streamline the longed-for transition of SMEs that find many difficulties in facing large-scale changes while accounting for 98% of the whole European economic system.

The Cesme project

The Cesme project aims at promoting access of SMEs to circular economy, working on 2 types of activities.

Activities for institutions

Local and regional institutions as well as development agencies joining the partnership are required to improve their local policies to support SMEs and their transition towards circularity. Each partner has to consider a well-defined policy instrument: some of them will work on the operating programmes resulting from their own *Smart Specialization Strategies* (in the case of the Italian partners, the *Regional operational programme - European regional development fund* of the Emilia-Romagna Region); other partners, for example, will work on the regional Waste management plan. The common goal is understanding how institutions can actively support

SMEs to introduce circularity elements within the company context, using already existing tools (plans and programmes) and giving them a greener dimension, if necessary.

Activities for enterprises

SME supporting tools will be developed, such as a tool to evaluate the company's environmental profile (*green profile assessment*) and a calculation model for Roi (*return on investments*). The first tool provides a kind of gap analysis suggesting actions to be taken to enhance the green side of the company; the second one, Roi, evaluates the economic sustainability of specific interventions. Both tools aim at providing a qualitative and quantitative support for companies' decision-making process.

Other project outputs will contribute to gain a better insight of this topic and will generate operational ideas. Like all Interreg projects, Cesme is also based on an exchange of existing good practices that will be collected in a document addressed to the public at large. A white book containing "lessons learnt" and "recommendations for policy makers" will be also drafted along with 6 local action plans (one for each partner region) to ensure operating benefits in the involved areas.

The project involves 10 partners from 6 different European regions: the Northern Denmark region, the South Ostrobothnia (Finland), the Emilia-Romagna Region, the Central Macedonia region (Greece), Wales and Bulgaria. The Emilia-Romagna area is represented by Ervet (Regional development agency) and the Metropolitan City of Bologna.

The Local Support Group

In the first six months of the project, each partner country set up a local working group, known as *Local Support Group* (Lsg), consisting of different circular economy stakeholders: companies having an interest in the topic, local authorities, institutions and research bodies. Each Lsg will have to test the tools that will be developed by the project and will act in synergy with the *Circular Economy Forum* of the Emilia-Romagna Region suggesting contents and actions. Moreover, it will be offered to possibility to learn about local and foreign good practices and evaluate their repeatability inside its own country, it can get in touch with possible national and foreign partners and increase the visibility of its good practices at international level.

TABLE 1
SMEs AND CIRCULAR ECONOMY

Areas of intervention identified during the Cesme project to overcome obstacles to the application of circular economy models in small and medium-sized enterprises.

Areas of intervention to overcome obstacles
Business tools to assess investments in the circular economy
Green procurement, incentives and market actions
New business models, Regenerate, Virtualize, and Share: new ways to realise circular economy
Strategic planning, S3, structural funds and financing sources
Dialogue, mutual knowledge and creation of public-private partnerships and business networks
Ecodesign, process optimization, closing cycles and industrial symbiosis
Communication/training/education towards citizens
Development research, dialogue between university and businesses
End-of-waste, by-products, punctual pricing and other forms of taxation, bureaucratic simplification



The first Lsg operating meeting was held on 16th September 2016 after the regional conference entitled "*The circular economy model in Emilia-Romagna*" and registered the participation of 40 representatives of companies and institutional bodies. The two groups discussed about how each different entity can contribute to the shift towards circularity, identified possible obstacles and the most suitable tools to overcome them.

The discussion led to identify a few areas that need action to overcome these obstacles (*table 1*). These areas will be further studied during Lsg future meetings aimed at providing tangible solutions: the tools that will be developed

within the project and will be tested by the Lsg members provide an operating support to actively improve some of the identified areas.

For further information about the past and future meetings of the *Local Support Group*, apply to Ervet writing to the following e-mail: Cesme@ervet.it. Information about Cesme project activities and good practices reported by partners are available on the official page of the project: www.interregueurope.eu/cesme/

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