



SHARING

Stocktaking and assessment of typologies of Urban Circular Collaborative Economy Initiatives

Targeted Analysis
Annex 3 - Synthesis Report
01/04/2020

Synthesis Report

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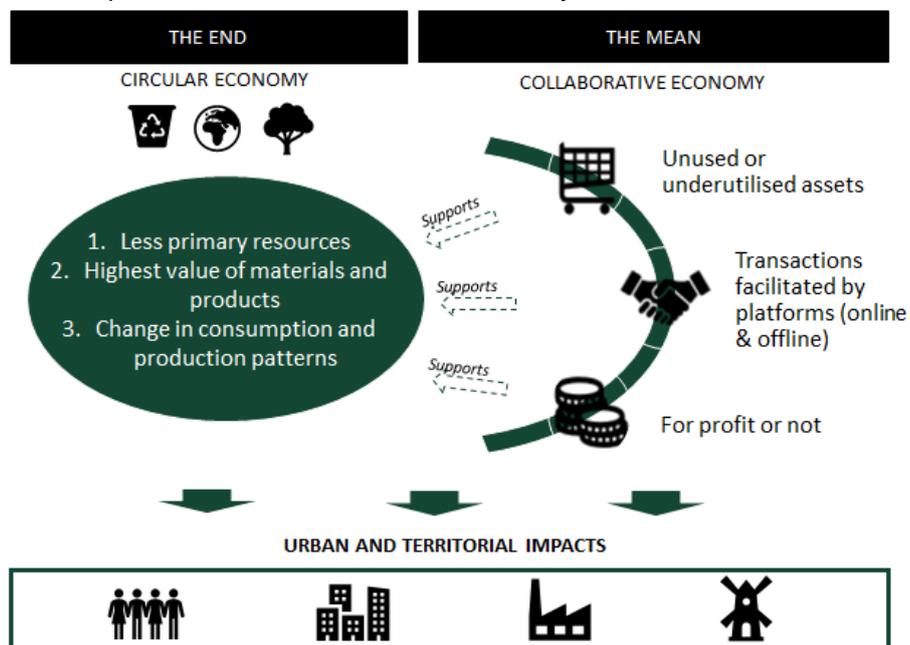
Synthesis report

Cities and regions face numerous challenges: climate change, social exclusion, demographic change, economic growth, suburbanisation, to name a few. Those challenges are all linked with sustainability in one form or another, and for this reason sustainability has become an important focus of local and regional policymaking. The circular economy can help local and regional governments to answer to those sustainability challenges, by reducing emissions and the use of resources, but also by fostering businesses and by making economic growth more inclusive and reaching social objectives.

The collaborative economy, because it exchanges un-used or under-used assets, can be a useful tool to achieve the transition towards the circular economy. Similarly, the collaborative economy can support social objectives and inclusive growth by making resources like spare goods, volunteer workers, unused space or unused buildings available or usable. Local initiatives that are not necessarily for-profit but generate benefits for the society as a whole, are particularly relevant to this respect.

The ultimate objective of this analysis is to create a common understanding of the “Urban Circular Collaborative Economy”: a concept bringing together the circular and the collaborative economy. It designates initiatives using a collaborative way to exchange goods and services with the aim to use resources more efficiently.

Figure 1: The concept of Urban Circular Collaborative Economy



Source: VVA.

The Urban Circular Collaborative Economy embraces a wide array of initiatives, from the sharing of cars, objects and space, to energy and food cooperatives or community-supported agriculture. Those initiatives are small (involving a small number of permanent workers or volunteers), often non-for-profit and not generating high revenues and implemented locally.

This study better defines what is the Urban Circular Collaborative Economy and the different forms it can take in the cities and regions. It enquires about six domains of initiatives, which have been designed on the basis of the economic, social and environmental potential they might cause. In particular, all the initiatives must contribute somehow to the circular economy because they have an impact on resource use, waste reduction and closing material loop.

Table 1 summarises our classification of initiatives into the six domains:

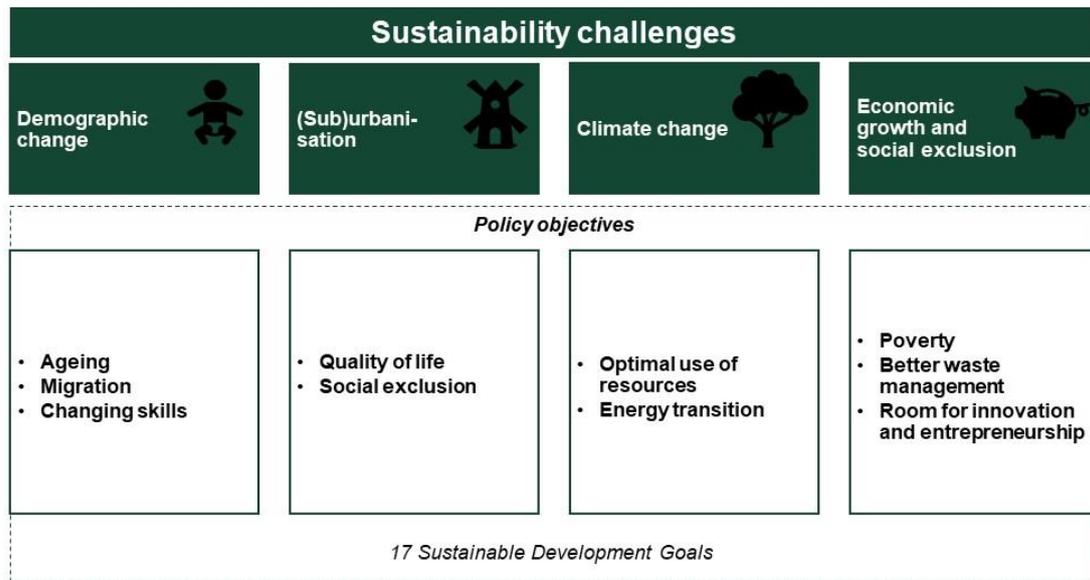
Table 1: List of domains of Urban Circular Collaborative Economy initiatives

Domain	Category	Common categorising impact or impact chain
Sharing outdoor urban space	Community gardens	Changing the use of space and intensity of use of that space
	Parking space reuse	
Sharing indoor urban space	Short-term rental	Changing the use of indoor space and the intensity of use of that space
	Coworking space/Fablab	
	Leisure space sharing	
Sharing goods and tools	Renting goods	Prolonging usage or intensifying usage and with that reducing the need for new production
	Reselling goods	
	Swapping goods	
	Repair cafés	
Sharing food	Food & meal sharing	Reducing food waste or putting it to better use and with that reducing the need for land for agricultural production
	Food cooperative/food redistribution	
Sharing organisations and decisions as cooperatives	Energy	Pooling investment to move value chains into the community and to reduce emissions
	Waste collection/treatment	
Sharing transport	Bike sharing	Reducing the need for new cars by reducing car ownership
	Car sharing	
	Ride sharing	Reducing emissions by decreasing the number of car rides
	Rides-on-demand	

The impacts of those initiatives are not easily measured by indicators that measure business impacts (used in SME support or economic development). The biggest challenge for local and regional policy makers is therefore to identify the right initiatives to achieve their policy objectives and to find the right support tools to foster those initiatives.

This study provides a template for local and regional authorities trying to understand the impacts of circular collaborative economy initiatives in their regions. In six regions and cities (Flanders – Belgium, Maribor – Slovenia, Porto - Portugal, Prato - Italy, The Hague – the Netherlands) and one country (Greece) in Europe, this study gives an overview of circular collaborative initiatives in the territories, analyses their impacts, their link to the local or regional policy objectives and their needs for support. The results of this research are published in six case study reports.

Figure 2: Cities and regions sustainability challenges, policy objectives and development goals



Source: VVA.

This study showed the diversity of the impacts of Urban Circular Collaborative Economy initiatives in different circumstances. While some initiatives have a very strong focus and impact on resource use (e.g. waste collection initiatives or renewable energy initiatives), other initiatives are mainly focused on social objectives but can have important environmental consequences nonetheless (urban gardening or repair cafés). Impacts can also depend on circumstances. Car sharing can add to environmental burden if it replaces public transport but can have beneficial impacts if it reduces car ownership and single car use. The research therefore showed the importance of understanding the impact chain of the initiatives so that regions and cities can make use of it. Another key finding is that impacts of Urban Circular Collaborative Economy initiatives are not different by nature from the ones assessed for collaborative economy initiatives in general. The difference is that, due to the small scale and not-for-profit nature of most initiatives, larger impacts can only be achieved through a multiplication of the number of initiatives, not necessarily through the scaling-up on the initiatives in terms of size.

To help regions and cities in that task and to ensure that the initiatives contribute to circular economy objectives, a set of policy recommendations have been developed around three pivotal areas:

- **Better knowledge:** Cities and regions need to understand the existing initiatives and the environment in which they operate by setting out clear local policy objectives, identifying the mechanisms that enable Urban Circular Collaborative Economy initiatives to achieve these objectives, and understanding how the existing landscape of initiatives maps onto those mechanisms. Public authorities can take a pivotal role in bringing actors together, encourage peer learning and spread the word around the initiatives.

- **Better regulation:** Not all types of initiatives will do equally well under all framework conditions and policymakers should tailor their support to those initiatives that are of most value to the local environment. It is also important that they leave room for experimentation, for instance through pilot projects, incubators. In the territories screened, the presence of dedicated civil servants overseeing the work on the circular and collaborative economy has been deemed very helpful;
- **Better funding:** Lastly, cities and regions need to make appropriate resources available to make sure the initiatives that are contributing to local policy objectives receive the resources needed and the right type of funding. Providing financial support, organisational support, usage rights for space or buildings or any other support where and in the way it is needed is an important precondition of success. As the funding of local and regional policy makers is limited an important role for them can also be to link initiatives to other funding sources, EU research grants, national funding or funding normally only available to for-profit companies.

All the recommendations have been summarised in the table presented below.

In addition to the final report and the six case study reports mentioned above, the study has also developed a practical guide for regional and local policy makers on how to make use of the circular collaborative economy initiatives in their territory.

This analysis is commissioned by ESPON (an applied research program by the European Commission) and has been executed by VVA Economics & Policy together with ÖIR and shareNL.

Table 2

BETTER KNOWLEDGE		
POLICY LEVEL(S)	POLICY RECOMMENDATIONS	POLICY LEVERS/TOOLS
National, regional and local	<p>Set out clear local policy objectives in line with national and regional/local sustainability challenges</p> <p>It is important that policymakers set out the policy objectives they would like to achieve through the development of the Urban Circular Collaborative Economy. Policy objectives linked with the Urban Circular Collaborative Economy are often connected with different sustainability challenges: demographic change, suburbanisation, climate change, economic growth and social exclusion. On top of the ones mentioned, linking the policy objectives of cities and regions with broader Sustainable Development Goals is advised. This can have the triple advantage of: 1) avoid duplication in the policy objectives pursued; 2) legitimate local and regional strategies by giving them a broader perspective; 3) allow to use pre-existing indicators to monitor results.</p>	Policy strategies
National, regional and local	<p>Identify the potential impacts and the mechanisms or levers that enable initiatives to achieve these impacts</p> <p>After setting out policy objectives, it is crucial to identify different policy mechanisms or levers that can help achieve them. While some regulations or policy initiatives can only be initiated at national level, local and regional level policy makers have some tools at their disposal. Policy makers can establish how these tools could be used to foster their policy objectives and under which form: regulatory work at local or regional level, public procurement, public private partnerships, etc.</p>	Desk research
Regional, local	<p>Understand how the existing landscape of initiatives maps onto those mechanisms</p> <p>The third recommendation is therefore to gain a better overview of initiatives existing in the territory. This could be done through desk research, but also local events, stakeholder engagement activities, networking events. This ultimately has the goal to allow cities and regions to identify initiatives in line with their internal policy objectives and subsequently design measures to support their future development.</p>	Desk research, stakeholder engagement activities, networking events
European, national, regional, local	<p>Cooperate with the best-suited actors and foster peer learning</p> <p>Public authorities (at all levels) can take a pivotal role in bringing actors together and encourage peer learning. At European level, better knowledge could be achieved by improving sharing of good practices across Member States. At lower levels, public authorities could promote collaborative</p>	etworks, public common structures, online material, social network advertising

	economy networks researching the circular economy among cities and regions. These networks could be used further to support the build-up of knowledge on the impacts of the circular and collaborative economy and to develop strategic and ongoing communication platforms to facilitate exchange among regions, cities and initiatives.	
European, national, regional, local	<p style="text-align: center;">Monitor the collaborative economy</p> <p>To ensure that the initiatives contribute to reaching the cities and regions' objectives, it is important that policymakers set up a monitoring system for circular and collaborative economy initiatives. Some of the regulations affecting the development of the circular and collaborative economy are adopted at the national level and it could be logical to monitor these regulations at the same level. Unlike the monitoring of regulatory frameworks, it is recommended that monitoring systems for the economic development and impacts of the Urban Circular Collaborative Economy are primarily developed at local or regional level as the proximity of local and regional actors facilitates data collection among smaller initiatives.</p>	Desk research, stakeholder engagement activities, networking events
BETTER REGULATION		
POLICY LEVEL(S)	POLICY RECOMMENDATIONS	POLICY LEVERS/TOOLS
European, national, regional local	<p style="text-align: center;">Create an institutionalised framework to foster the creation and growth of the initiatives in the longer term</p> <p>Policymakers could support the cities and regions' policy work by shaping the regulatory framework for relevant initiatives. One particular area of concern are regulations around not-for-profit organisations or not-for-profit activities, that are mostly framed at the national level. At European level, work has already been done to provide guidance on regulations around the collaborative economy with the European Commission's Communication on a European Agenda for the Collaborative Economy published in June 2016. In addition, the EU Parliament published a resolution in 2017 on the collaborative economy providing some useful regulatory tips.</p>	Policy guidance, communications, regulations body, hub, platforms
Regional and local	<p style="text-align: center;">Experimenting and piloting</p> <p>The current legal and administrative system is not tailored to the needs of circular and collaborative initiatives. One way around this would be the creation of pilot and experimental actions focused on promising local and regional Urban Circular Collaborative Economy initiatives. Such pilots could provide a small-scale "seed space" for specific initiatives that are particularly in line with local and regional</p>	Testbed, innovation labs, etc.

	objectives to develop to a sufficient size and resources before they are exposed to the local and regional regulatory framework.	
Regional and local	<p style="text-align: center;">Active guidance and support</p> <p>The research has shown that most initiatives are small and have limited resources, and that such guidance could help them overcome the administrative and financial obstacles they encounter. Key actors for providing this support could be chambers of commerce or a dedicated body responsible for overseeing and implementing the work around Urban Circular Collaborative Economy initiatives. In most cases such support already exists for SMEs, but this support does not exactly fit the hybrid character of the Urban Circular Collaborative Economy initiatives (smaller and non-for-profit).</p>	In-kind support
BETTER FUNDING		
POLICY LEVEL(S)	POLICY RECOMMENDATIONS	POLICY LEVERS/TOOLS
Regional, local	<p style="text-align: center;">Understanding and management of funding needs</p> <p>When relevant initiatives have been identified, there is a need to analyse both short-term and long-term funding needs. If an initiative is not able to fund itself in the longer-term, a plan for follow-up should be started and implemented early to avoid funding the build-up of initiatives that vanish quickly after the funding period. Therefore, cities and regions could decide to finance the initiatives that promote a movement of change aligned with their territorial objectives in the longer term. When a good understanding of the funding needs has been developed, it will also be easier to combine local funding sources with national and EU funding.</p>	Financial support
Regional, local	<p style="text-align: center;">Attract private funding</p> <p>Many private, innovative funding mechanisms have been tested worldwide in recent years. Harnessing the opportunities of those type for the local city or region can be another important field of work for the local or regional authority. Innovative funding techniques such as crowdfunding or social impact funding can for instance be considered. Again, the role of the public authority could be one providing guidance, tutoring or mentoring to fledging collaborative economy initiatives.</p>	In-kind support

National, regional, local	<p style="text-align: center;">Creating a market for initiatives with (green) public procurement</p> <p>Apart from funding, local and regional authorities could mobilise resources to create a market for the initiatives through public procurement. Green Public Procurement has been acknowledged by the European Commission as an important tool to achieve environmental policy goals relating to climate change, resource use and sustainable consumption and production and material has been produced in this regard. Public private partnerships have been identified as key players of such markets as they provide the opportunity for policy makers to team up with initiatives and achieve together the policy goals set above</p>	<p style="text-align: center;">Public procurement</p>
Regional, local	<p style="text-align: center;">Providing with other types of resources</p> <p>Very often, local and regional authorities have only limited funding opportunities. One way to provide initiatives with support is through in-kind resources or advantages. To foster the cooperation between initiatives and of the initiatives with other local partners regions and cities can link the funding to cooperation requests.</p>	<p style="text-align: center;">In-kind support</p>