

Circular Europe

How to successfully manage the transition from a linear to a circular world

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Conceptual map

The Circular Economy Scoreboard to monitor the state-of-the-art of Circular Economy in Europe (28 countries: EU27+UK)

Four pillars of Circular Economy Scoreboard



Sustainable inputs

Using renewable energy and recyclable, recycled and biodegradable materials to manufacture goods and provide services in consecutive lifecycles



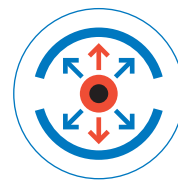
End-of-life

Recovering end-of-life value of asset, products and materials through reuse, remanufacturing and recycling



Extension of useful life

Extending the duration of the useful life of products/services



Increase of the intensity of use

Increasing the load factor of a single item

Overall lifecycle of products and services

23

Key Performance Indicators (KPIs) and a subset of 10 main indicators

4 pillars

5

years time frame

Survey to European business leaders

- Sent to >550 Italian and EU members of the The European House - Ambrosetti Club and network of SMEs, partners of Ecopreneur.eu (European Sustainable Business Federation)
- About 300 high-standing respondents (~1,800 billion Euros of turnover represented)

Eight key messages from the survey

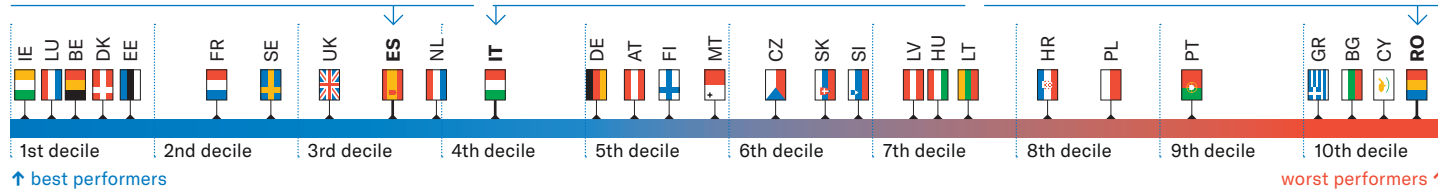
- 1 95% of EU business leaders perceives Circular Economy as a **priority** (90% focusing only on SMEs)
- 2 Almost all EU business community perceives Circular Economy as a **competitive advantage**
- 3 90% of EU companies has made or is making **investment in Circular Economy** (69% considering SMEs) and 86% of them intends to increase investments in the near future
- 4 EU companies are willing to undertake **less pervasive interventions** (this holds especially for SMEs) to modify their production processes in order to make them circular
- 5 ~40% of EU companies has already established a **dedicated unit for Circular Economy**
- 6 60% of EU companies thinks to have an adequate level of preparation towards circular models, but they lack confidence about the **level of adequacy of the ecosystem**
- 7 **Lack of information, uncertainty and skill mismatch** are the main obstacles for the adoption of circular development models in Europe
- 8 **Clarifying the perimeter of Circular Economy** and **promoting investments** are the first intervention measures that companies require from institutions

Circular Economy Scoreboard

Among **intermediate-high** performing countries for **Sustainable inputs, End-of-life and Increase of the intensity of use** and **medium-low** for **Extension of useful life**

Among **best performers** for **End-of-life, intermediate-high** for **Sustainable inputs** and **Extension of useful life, improvements needed** for **Increase of the intensity of use**

Among **worst performing countries** in all the considered pillars

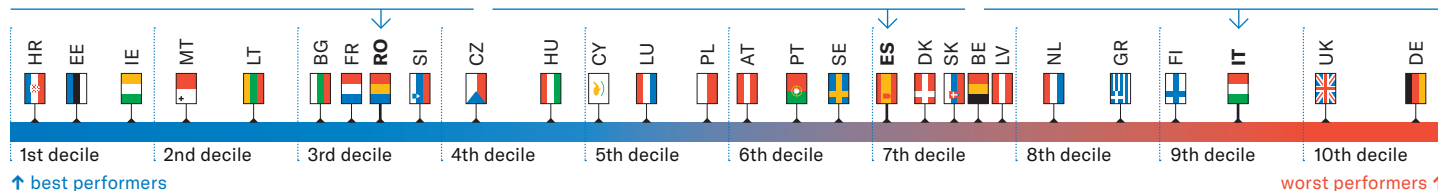


Circular Economy Scoreboard - Progress over the period 2014-2018

Good improvement in the **Extension of useful life** and **End-of-life, low improvement** for **Increase of the intensity of use** and **below the EU average** for **Sustainable inputs**

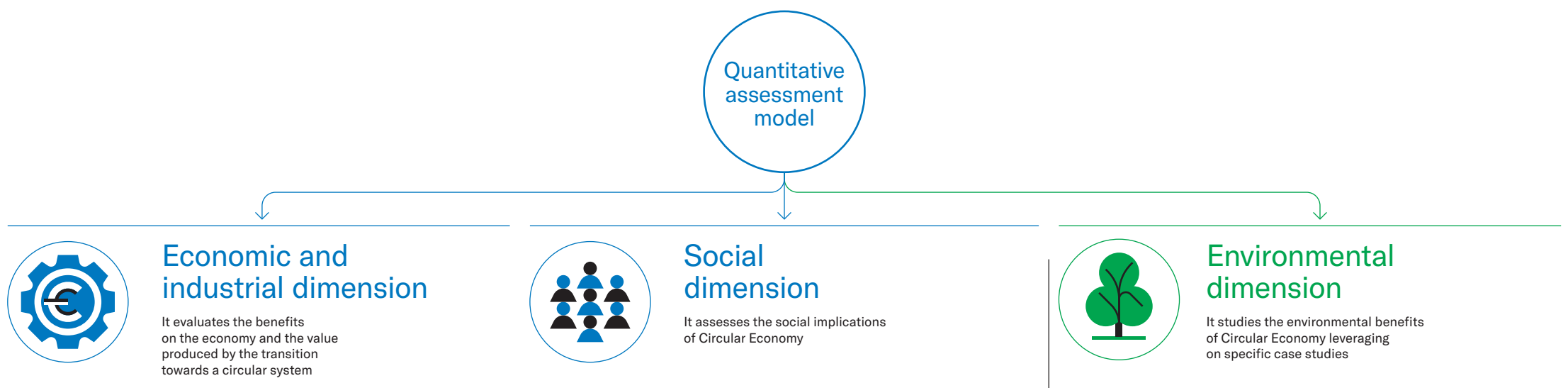
Improvement in the **Extension of useful life, medium-low progress** for **Sustainable inputs** and **Increase of the Intensity of use** and **low level of improvement** for **End-of-life**

Significant improvement regarding **Sustainable inputs** and **End-of-life**, but **lagging behind** in the **Extension of useful life** and **Increase of the intensity of use**



N.B.: all data are referred to the latest available year (2018). Source: The European House - Ambrosetti and Enel Foundation elaboration, 2020

An innovative assessment model for socio-economic and environmental benefits of Circular Economy



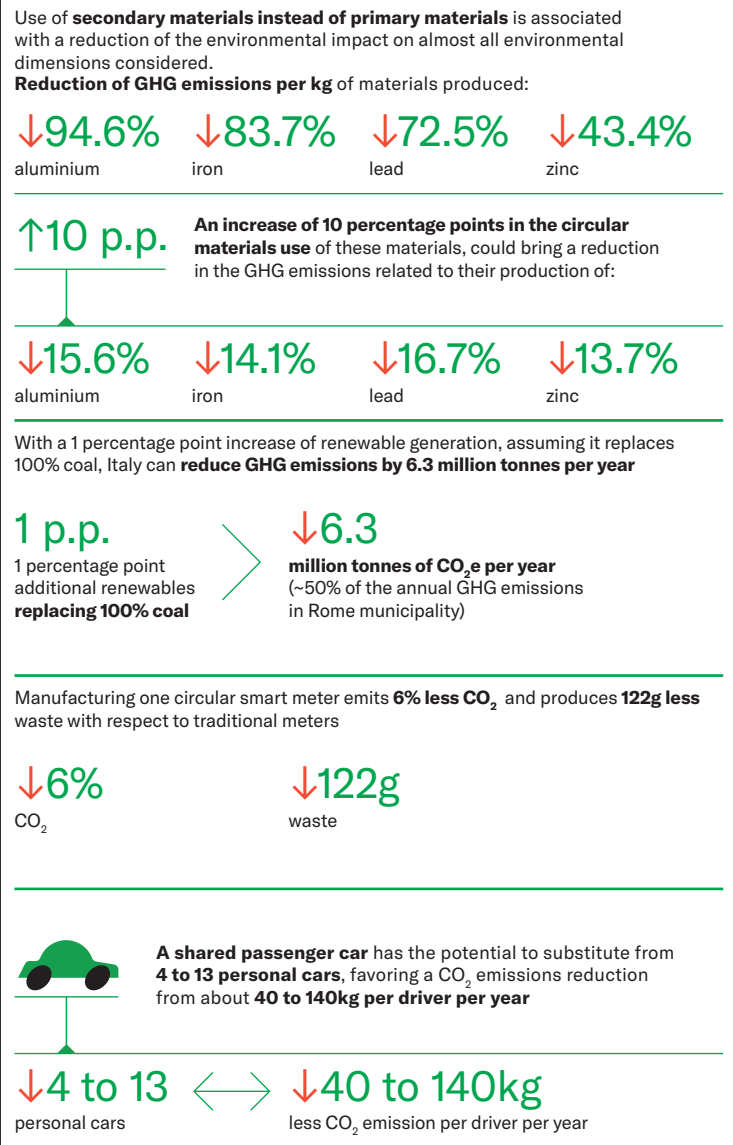
Principal components regression

Annual relationship between Circular Economy and economic and social dimensions, 2018



Source: The European House – Ambrosetti and Enel Foundation elaboration, 2020

Specific case studies



10 policy matters for successfully managing the transition from linear to a circular world

<p>Defining National Strategies for EU Member States for a circular economic development</p> <p>Setting comprehensive and ambitious strategies and roadmaps at national and at local level, with a strategic cross sectorial focus on Circular Economy, with measurable objectives to be achieved in a precise time frame.</p>	<p>Redefining Circular Economy governance in order to support strategic and cross sectorial transition</p> <p>Defining an effective governance, to include all the departments (both at national and at corporate level) avoiding that Circular Economy reach is limited to environmental department activities.</p>	<p>Leveraging on legislation for enhancing circular transition</p> <p>Enhancing the development of circular business models leveraging also on legislation.</p>	<p>Levelling the playing field with linear solution</p> <p>Eliminating incentives to linear models or giving incentives to circular business models (e.g. reducing the taxation on circular factors, human labour first of all).</p>	<p>Using finance as a leverage to promote Circular Economy R&D and best practices</p> <p>Launching adequate financial instruments that can support companies' investments on Circular Economy model and promoting a circular public procurement that could also accelerate innovation.</p>
<p>Addressing the lack of comprehensive and homogenous metrics</p> <p>Defining clear and homogeneous metrics to measure Circular Economy at macro and micro level.</p>	<p>Turning waste-oriented business models into circular ones</p> <p>Incentivizing circular by design approach, warranty time extension, making repair easier, creating financial incentives for reparability and ensure availability of information on durability and reparability.</p>	<p>Promoting cross cutting and coordinated measures for all the sectors involved in the Circular Economy transition</p> <p>Sustaining the creation of districts and clusters to maximize synergies at local, national and European level, creating an ecosystem for innovation by identifying specific strategic sectors.</p>	<p>Leveraging on Circular Economy as a framework to reimagine cities and urban areas</p> <p>Leveraging on cities and urban areas to promote the cooperation among different stakeholders and coordinating different contributions towards a more circular territory.</p>	<p>Promoting culture and awareness on the benefits associated to Circular Economy</p> <p>Clarifying the value of Circular Economy, raising public awareness and promoting communication on Circular Economy benefits among consumers, promoting Circular Economy playbook, addressing the issue of skill mismatch, implementing a "Circular Economy Apprenticeship Erasmus Program", strengthening the commitment towards lifelong learning programs.</p>