Task 3.4: Definition of the specific measures, including a multi regional portfolio of investment instruments

Lombardy Region – AFIL
Bruxelles, 30th May 2018
Structure and objectives of the WP3
“Matching criteria and specific measures”

Objectives of the Work Package:

- To **identify** (3.1) and **classify** (3.3) **synergies** among the participating regions and connected strategic initiatives, in order to **define a set of specific measures** to be discussed (3.2).

- Understand if and how existing and new **Regional instruments** can support the implementation of the identified Circular Economy Initiatives (3.4).
Task 3.4: Regional portfolio

**Objective:** definition of the specific measures, including a multi regional portfolio of investment instruments

1. Existing **investment instruments** supporting Circular Economy initiatives are revised and mapped, both at regional and European levels.

2. The emerging ideas and cross-regional value-chains are **mapped** towards potential existing support instruments.

3. **Gaps** among Circular Economy initiatives and investment instruments are identified and recommendations for new instruments properly boosting Circular Economy initiatives are provided.
SCREEN Methodology: From local to cross-regional value-chains

1. Regional data gathering
2. Initial data driven analysis
3. Local Workshops
4. Extended analysis
5. Value chain synthesis
6. Synergies / emerging ideas synthesis
7. Identification of gaps
8. New instrument needs
9. Funding instruments
10. CE measures
11. Actions/projects
12. Policy Lab
Existing financial instruments

"Existing financial Instruments" have been revised including the instruments already available in the regions which are mapped to:

1. Further develop **the emerging ideas**, stemming from the results of the previous steps within Screen.
2. Gather **best practices** and hints which can fuel the policy lab, created within the project.

- Regional R&D Support Programs
- Regional Innovation Support Programs
- Vouchers for Industry
- Start Up Programs
Task 3.4: Methodology – data gathering

Existing support instruments belonging to each regional portfolio of SCREEN Partners have been collected through a specific format.

- Dedicated to Circular Economy activities;
- Dedicated to other sectors (e.g. transport, smart cities, energy) with potential to be transferred to Circular Economy.

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Task 3.4: Methodology – Data gathering

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Existing funding instruments: Lombardy Region example

Successful example of Vouchers for Industry: *Bando Innodriver – S3 – edizione 2017* - 11MEuro to finance the following technological innovation measures:

- **Measure A** – vouchers in support of cooperation among SMEs and RTOs;
- **Measure B** – vouchers for the Lombardy companies that have obtained the "Seal of Excellence" in the "SME Instruments” phase 1 of Horizon 2020, but they are not financed by the EU due to limited resources;
- **Measure C** – vouchers in support of patenting for industrial uptake.

The vouchers of the Lombardy Region come from the ESIF-ERDF Funds and they are already compliant with the Art. 70 of the ESIF Regulation


**TRL 6-7**  
Subsidy requiring co-financing
Existing funding instruments: “Fund of Funds”
Example for the Alpine Regions

The AlpGIP, Alpine Growth Investment Platform, is a “Fund of Funds” for the Alpine Regions, introduced in cooperation between Alpine regions (macro-regio) and EIF.

An equity investment platform for the Alpine Regions

- The Alpine Growth Investment Platform will be managed by the European Investment Fund (EIF);
- Initially 70 Million € will be allocated to support companies in the scale-up, coming from public funds and from private investors.
Existing funding instruments: Circular Economy Investment Fund - Scotland

£18 million Circular Economy Investment Fund, administered by Zero Waste Scotland, for SMEs based in Scotland that will deliver circular economy growth. It is supported by the European Regional Development Fund through the £73million Resource Efficiency Circular Economy Accelerator Programme.

1. Funding applications of £50,000 to £99,999.
2. Higher value applications from £100,000 to £1,000,000.

R&I infrastructure (investment costs) are eligible.

The Fund has been established by Zero Waste Scotland (ZWS), funded in part with European Regional Development Fund (ERDF).

http://www.zerowastescotland.org.uk/circular-economy/investment-fund
The Circular Economy Business Support Service, administered by Zero Waste Scotland, offers investment for SMEs based in Scotland and supports work that will deliver circular economy growth. It is supported by the European Regional Development Fund through the £73million Resource Efficiency Circular Economy Accelerator Programme.

Bespoke one-to-one consultancy service can provide support with:

- Innovation/opportunities identification
- Market assessment
- Stakeholder engagement
- Business plan support

"On completion, businesses will have a clear picture of the benefits and costs of their proposed intervention and a well-defined pathway towards implementation. Businesses may then be signposted to our Circular Economy Investment Fund for grant funding to enable implementation."

The Fund has been established by Zero Waste Scotland (ZWS), funded in part with European Regional Development Fund (ERDF).

http://www.zerowastescotland.org.uk/circular-economy/business-support-service
Existing funding instruments: “Fund of Funds”
Example for the Financiere - Region Reunion

Launched by a cooperation between the Regional Council of La Reunion and the European Investment Bank. **Funding mix: ERDF (24 M€), Regional funds (6 M€), EIF (20 M€)**

Following an ex-ante analysis of the financial needs of local SMEs, the 50 M€ capital constituted by ERDF, Regional and EIF resources, is divided into two kind of instruments managed by intermediaries:

- An equity co-investment instrument
- A funding/loan instrument.

trl 4-5, TRL 6-7, TRL 8-9
Funding rate: Depending on the addressed TRL

http://www.eif.org/what_we_do/resources/la_financiere_region_reunion/index.htm
Existing funding instruments: Fundo Ambiental: Repensar os Plásticos na Economia: (DURe)

Destination Area: Promotion of circular economy in the value chain of plastics.

Fund for Environment - was created to support environmental policies for the pursuit of sustainable development objectives, contributing to the achievement of national and international objectives and commitments, in particular those related to climate change, water resources, waste and nature conservation and biodiversity.


National Fund
TRL 4-5
Subsidy Requiring co-financing
Rate of financing: 75% (max. 200.000€/per project)
Task 3.4: Methodology proposal – Matching local emerging ideas, and cross-regional value chains with instruments

2. Match the Circular Economy emerging ideas identified in WP2, and the cross-regional value-chains identified in WP3, towards the existing instruments, at regional and European levels.

3. Identify the *gaps* existing among investment instruments and promising Circular Economy Initiatives.

<table>
<thead>
<tr>
<th></th>
<th>Investment Instrument type 1</th>
<th>Investment Instrument type 2</th>
</tr>
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<tbody>
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</tr>
<tr>
<td>CE Initiative 4</td>
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</table>

4. Identify recommendations for the definition of specific regional and *multi regional measures*, to be applied in support of Circular Economy initiatives.
Task 3.4: Methodology proposal – Matching local emerging ideas, and cross-regional value chains with instruments

**Sludge recovery and utilization**

**LAZIO AND TAMPERE:**

Lazio in Italy and Tampere in Finland face a challenge with the production of sewage sludge that contains important nutrients. Current sewage systems dilute the sludge, making it harder to valorize and there is a lack of technologies to productively extract the valuable materials.

**Barriers**

1. Lack of filtration
2. Lacking consumer acceptance
3. Absence of specific legislation

**Stakeholders**

- Tampere University of Technology
- Tech-Marketplace
- Universita Tuscia

**FRIESLAND:**

Cirtec and KNN Cellulose BV have developed a filtering technology that filters only the cellulose out of the sludge making it possible to use it for example as drainage inhibitor under roads. The extraction of the cellulose also makes the rest of the sludge easier which can lead to a cost reduction of 15-20% for aeration.

**Emerging Ideas**

- KNN Cellulose BV
- Cirtec

Ecophos in Friesland have developed a system that can extract almost 99% of phosphate from incinerated sludge, making it easy to add this highly effective valorization step at the end of the process.

**Synergy**

**Technology Export**

Because the innovations are so mature in this case, we would suggest a Technology Export, from Friesland to Lazio and Tampere.
Task 3.4: Methodology proposal – Matching local emerging ideas, and cross-regional value chains with instruments

**Lazio - Circular Economy and Energy fund:** Instrument targeted to SMEs providing subsidies requiring co-financing, with a funding rate between 10%-80%, at TRL 6-7, on the ROP ERDF- 2014-2020 fund, with a funding mix 50% EU, 35% national, 15% regional.

**Fryslan- Circulair Economy Call Fryslân:** instrument targeted to SMEs providing subsidies requiring co-financing, with a funding rate of maximum 40%, at TRL 6-7, on regional funds.
Preliminary Considerations

- Although "Existing financial Instruments" at regional level are usually applied in isolation, even if they could be partially used to support cross-regional initiatives, there exist recently developed instruments favouring a cross-regional cooperation (e.g. Fund of funds).
- In general, cross-regional cooperation is not reflected in the evaluation of projects.
- The transfer of technologies and solutions from one region to another, among sectors, is usually not supported by specific instruments.
- The “Seal of Excellence” approach is currently only applied only to the SME Instrument.
- Only few instruments support the development of innovation infrastructures through ERDF to de-risk by demonstration future industrial investments in circular economy.
- The establishment of a ERA-NET like fund for circular economy would support the development of focused projects originated by the identified SCREEN synergies.
- A cross regional open innovation initiative may be useful to promote the systematic identification of inter-regional actions, extending the SCREEN methodology beyond the project life.
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