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CIRCULAR PLACE

CCI, Circular Economy and Place

Report on the State of Play in the field

Output 1 Report

DECEMBER 2021

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PREFACE: BACKGROUND, SCOPE AND METHODOLOGY

This report is developed in connection with the project CircularPlace funded by Interreg Baltic Sea Region Seed Money facility. The CircularPlace project involves as partners Danish Cultural Institute (DK), Northern Dimension Partnership for Culture (LV), Let's Do It World NGO (EST), Goethe-Institut (DE) and Pomorskie Voivodeship (PL).

This report is Output 1 of the project activities that

(1) *Describes the state-of-play in the Baltic Sea Region (BSR) when it comes to the role of culture and creative industries, in involving citizens and consumers in active ways in their places/communities/cities in the transition to a circular economy. This is done by addressing the general political and strategic background, the overall regulatory framework, and extensive country specific info.*
(2) *Analyses existing gaps and challenges to be addressed*
(3) *Defines target groups and their respective needs.*
(4) *Provides an overview of complementary projects and analysis of existing of current projects, in order to conclude on the main project's additionality.*

The content of this report is finalised by the Seed Money project, building on an extensive preliminary report developed and compiled by Revaluate OÜ with input from BSR experts Dr. Kerli Kant-Hvass and Nikola Kiørboe. Local experts were used in Latvia (Dace Akule), Lithuania (Viktorija Nausėdė), Germany (Andrea Röhrl), Russia (Angelina Davydova) and Poland (Anna Miler). The research was conducted during the period of December 2020 to September 2021. The final report has, in order to meet the obligatory requirements of Seed Money grant, been adapted by DCI and other Seed Money partners, including additional information from partners and other stakeholders.

The report at hand presents a summary of the research and conclusions on BSR level. An extensive body of country-level mapping and analysis is presented in Appendix 1 to this report, which is a separate document.

SCOPE (focus and definitions)

The State-of-play report focuses on the role of culture and creative industries (CCI), and placemaking (Place), in citizens' and consumers' active involvement in the transition to a circular economy (CE). The three terms **CCI, CE and Place**, which are central to the name, and also the whole idea of the Project, will be narrowed in their focus, so they inter-connect logically in concepts/realities, target groups and aims. This is reflected in the text and the graphic model (figure 1) on the following page:

CE[1] : The focus in this project is not the whole value chain of CE (the full CE butterfly model[2] provided by Ellen MacArthur Foundation), but the inner-circle of the CE butterfly model, i.e., where the consumers interface with products/services (repair, reuse and remaking, etc.), public CE services (waste-collection solutions, etc.) This focus[3] is currently matching the EU CE action plan priorities.

CCI: The focus is not on all CCI per se, but on CCI in 4 ways:

1) exploring design thinking and cultural planning as strategic methods to upscale CE systems in local places involving consumers/citizens in active way;
2) mapping/testing widening the role of CCIs such as architecture, fashion, craft and makers, in opportunities for development, upcycling and scaling of repair, reuse, and remaking;
3) testing cases and developing strategies for local placemaking in storytelling, identity and development of neighbourhoods/communities/cities (involving CCIs using e.g., storytelling, film, gaming, literature, advertising, etc.) to promote the broader narratives relevant to CE as part of placemaking;
4) testing and formulating strategies for reforming local public and private cultural infrastructure and institutions (CCI) to become cultural drivers for CE.

Place: Place is not just any place, but a place working with *place-making*. Physically place is a wider concept, broadly the "local level", and can range from a small local square to a neighbourhood/community, district/town or a city/municipality/region. Nation

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[1] For communication purposes, we refer to CE concept and definitions of the Ellen MacArthur Foundation. https://www.ellenmacarthurfoundation.org/circular-economy/concept

[2] For "butterfly model" see: https://www.ellenmacarthurfoundation.org/explore/the-circular-economy-in-detail (see model in point 6 and point 7 for explanations)

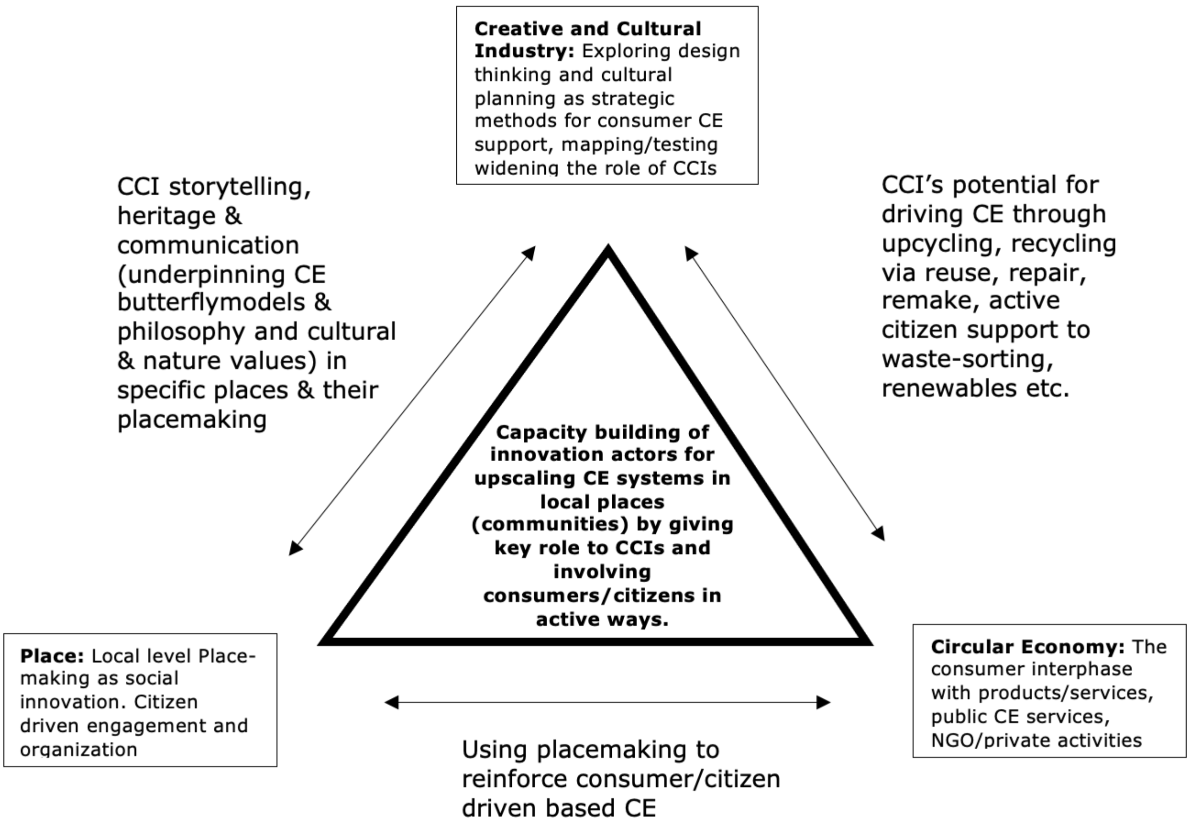
[3] This may include any existing/potential CE-relevant CCI or related activities, business (in particular SMEs), NGOs (e.g., those related to social entrepreneurship) or public anchored/supported (e.g., those in cultural sector, sustainable tourism, etc.)

branding/place-making is not included in our focus on place. The project aims at enabling CE building on place-making as societal innovation (cultural, social, economic and environmental). Focus is on

1) consumer and citizen driven engagement in CE and related actions, and

2) how to organise/enable them (e.g., via cultural planning methods or other design methods) and connect CE-inspired placemaking in the local community with city/region efforts.

Figure 1. Project focus



METHODOLOGY

The research this report presents followed mixed method strategy where desktop research was combined with qualitative interviews. 3-5 interviews were conducted per country and the interview target group included informants from the following stakeholder groups:

1) Public sector representatives, i.e., a state or regional authority involved in CCI and CE facilitation through an initiative/funding scheme/ partnership; a local municipality/business hub/creative or start-up incubator, public cultural institutions, etc.

2) Private sector: Industry and non-profit representatives, i.e., an established CCI company/non-profit that engages with CE and local communities; a CCI start-up company/initiative that designs products/services for CE and is entering the market to engage with consumers and local communities, NGOs working with placemaking, environmental protection, etc.;

The aim of the qualitative interviews is to complement the desktop research with qualitative perspectives from the informants in BSR countries who are familiar with the field. The interviews provide understanding on how cultural and creative industries (CCI) are engaging with consumers and communities in circular economy (CE) transition and what policies, strategies and initiatives support this work and where.

More specifically, the interviews addressed the same as the overall obligatory questions:

- What is the situation in the field addressed (including e.g., general political and strategic background of the main project, overall regulatory framework and country specific information)?
- What are the gaps and/or challenges that exist in this field?
- What are the needs of the relevant target groups?
- Overview of complementary projects/ activities in the field

To answer the questions above a semi-structured interview guide was developed which is presented in Appendix 1.

Research reflections

Mapping the situation of CCI engagement with CE with focus on policy and place-based strategies is a comprehensive and ambitious task because the field that combines these focus areas is new and relatively unexplored. Place-based strategies are founded in local people (citizens and consumers) and how they organise themselves. Place is not just the material, it includes its citizens and consumers, and is the equal third part of the equation, and not just a sub-section of CCI or CE. (However, placemaking has been the focus of the Interreg BSR project UrbCulturalPlanning led by Danish Cultural Institute in 2019-2021 with 13 other partners across 9 BSR countries, contributing greatly to the conceptualisation of CircularPlace with regards to citizen-citizen and citizen-authorities cooperation for social innovation in communities.)

As the field is relatively unexplored, it has posed several challenges such as identifying right informants who were able to answer these questions or finding information in local languages. Therefore, local experts played a vital role in helping to understand the state-of-play as they were able to conduct desktop research in local languages, as well as interview informants in local languages. In addition, the vocabulary of the circular economy is still under development in national contexts, which causes confusion among stakeholders when talking about the topic and poses a challenge in interpreting the results of the interviews in different linguistic and cultural contexts. In addition, the writing style and level of detail in country overviews varies as the content was developed by several country experts. For example, in many countries the definition of circular economy is often being connected to waste management and recycling, and less to practices such as reuse, repair and remaking. Finally, as the field is new and poorly researched, further studies and projects are needed to draw strong conclusions about the situation regarding the role and participation of the CCI and Placemaking in the transition to CE.

1. SITUATION IN THE FIELD ADDRESSED

Summary of the key findings from the Baltic Sea Region (BSR)

1.1. BSR transnational level

The circular economy agenda has been picked up in the entire region, but naturally for such a large region, on different levels. The following section presents a summary of the research and conclusions on BSR level. For country-level insights, please refer to Appendix 1 to this report, which is a separate document.

EU-driven initiatives, etc.

In general, pushed by the EU circular-economy legislation and action plans, all the investigated countries in the region have taken steps on the national level to bring the circular transition forward. The European Green Deal, the EU Circular Action Plans, the green consumption pledge initiative, the renovation wave, the 2030 climate target plan, and the European industrial strategy are just a few of the initiatives which have been taken within the past few years to ensure, amongst other things, a circular transition in the EU member states. These new initiatives and revised regulations are currently trickling down throughout national, regional, and local levels in the member states, but also in neighbouring non-members such as Norway. In Russia there is also new initiatives in this field.

Only indirectly and on a more limited scale these EU CE policies and plans relate CE to CCI or to Place (an exception is the topic of repair mentioned in the Action Plan). However, it is not done to explore how to scale the transition to CE to become citizen- and consumer-driven, and anchored in local needs, lifestyle and values, culture and heritage. The potential of CCI- and citizen-driven local Placemaking to do this, is not in focus.

However, the EU is also taking other initiatives in addition to CE, which can raise potential interest in the human/citizen-consumer/cultural and creative sector engagement in the future CE transition, such as the New European Bauhaus program. But again, this program has not clear connections to CE policies and initiatives. The gap between existing CE initiatives, and initiatives between CE and CCI/Placemaking is generally a challenge.

EU Strategy for the Baltic Sea Region and Interreg BSR

The EU Strategy for the Baltic Sea Region (EUSBSR) – Revised Action Plan of 15.2.2021[4] – revised from 2017 - does not include a strategy for CE as such, nor a mainstreamed Policy Area sectorial action plans for CE. However, importantly, actions in Circular Economy are prioritized under the Policy Area Innovation Action Plan, under the first of its three priorities: Challenge-driven Innovation. Other sub-Policy Area action plans are not explicitly prioritizing Circular Economy, but do prioritize actions in areas of sustainable development, which may be fully in line with actions for Circular Economy. Specifically, this is the case for Policy Area Culture – Action Plan, Action 2, which prioritizes Promoting culture as a driver for sustainable development[5] . This implies that an eventual main project proposal developed based on the CircularPlace Seed Money Project may be justified on the basis of PA Culture's Action 2 in the newly revised EUSBSR.

For a number of years Circular Economy has been addressed in the EUSBSR Annual Forum gathering governments, business, civil society and other stakeholders at all levels in the BSR.

The EUSBSR Annual Forum in June 2019 in Gdansk had the BSR transition to Circular Economy as its main theme. A report was produced for the conference: "No time to waste - Unlocking the circular potential of the Baltic Sea Region"[6]. The report provided a set of relevant definitions and clarifications, as well as an interesting comparative analysis of the situation in all the Baltic Sea Region states with regard to the state of play in Circular Economy. This constitutes a background for this Seed Money report, and a future main project. It was stated it should be treated as a preparatory step towards revision of the EUSBSR Action Plan and the next EU multiannual financial framework 2021-2027. At the 2019 Annual Forum, DCI contributed to a workshop, which DCI also did at the EUSBSR Annual Forum in 2021 Kaunas/Klaipeda.

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[4] https://www.balticsea-region-strategy.eu/action-plan
[5] The full goal 2 of Policy Area Culture reads: Promoting Baltic Sea region culture, cultural diversity and European values, promoting culture as a driver for sustainable development
[6] Polityka Insight: No time to waste. Unlocking the circular potential of the Baltic Sea Region. Authors: Adam Czerniak (ed.), Paweł Wiejski (ed.). The Report was conducted for the Pomorskie Voivodeship and co-financed by the Interreg Baltic Sea Region Programme 2014-2020.
Available at: https://strategyforum2019.pomorskie.eu/documents/810774/2291961/No+time+to+waste.+Unlocking+the+circular+potential+of+the+Baltic+region.pdf/bf58b8e2-1cad-486f-bd95-f3cd00185771

Other transnational strategies or approaches in the Baltic Sea Region

Council of the Baltic Sea States (CBSS):

In continuation of its previous 2030 Action Plan, CBSS has in 2021 adopted a 2030 strategy (Vilnius II Declaration) which i.a. prioritises Circular Economy along with culture and citizens participation at all levels. The new Norwegian CBSS Presidency incoming in 2022 is prioritizing CE.

Northern Dimension Partnership for Culture (NDPC):

NDPC is also one of the CircularPlace Partners. NDPC have a number of years ago decided on a strategy focusing on strengthening Culture and Creative Industries (CCI) in the Baltic Sea Region.

A core focus of NDPC in 2021-2024 is on Cross Innovation[7]. NDPC has in early 2021 published the results of a comprehensive regional research on CCI Cross Innovation, building an extensive gathering of cases, and analysing them in order to provide learnings on challenges and how to respond. The resulting report[8] is of relevance to CircularPlace, which will be focusing on cross innovation connecting CCI, Placemaking and the Circular Economy transition. Specific lessons concern the high significance of involving stakeholders from all different sides of cross-innovation at an early/preparatory stage, i.e., not to delay the involvement of some in the defining phase of partnerships.

Nordic Council of Ministers:

NCM has decided for a 2030 vision[9] where Circular Economy is a key part along with many of the inclusive values of citizen and consumer involvement, placemaking and community, which are central in CircularPlace. The vision will be implemented in 4-year cycles, the first with a budget from 2021-2024. Recognising the results of the 4-year program "Culture and Sustainable Development in the Baltic Sea Region" (Culturability BSR), led by NCM with DCI as implementer, it will be natural to explore Nordic cooperation to further CircularPlace ideas and approach.

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[7] https://www.ndpculture.org/projects-co-financed-by-the-eu/cross-sectoral-cooperation-and-innovation-within-creative-and-cultural-industries
[8] https://ndpccrossinno.eu/wp-content/uploads/2021/02/Final-study_EN.pdf
[9] https://www.norden.org/en/declaration/our-vision-2030

UrbCulturalPlanning: Cultural Planning as a Method of Urban Social Innovation

This Interreg BSR part-funded project was led by Danish Cultural Institute in 2019-2021 under the Programme Priority 2.1 Non-technological innovation. The project's 14 partners included municipalities, universities, and knowledge intermediaries in nine BSR countries; in addition, 36 Associated Organisations in partner countries were involved. The project's focus has been on applying the Cultural Planning methodology as an instrument of social innovation in communities in the BSR. While not explicitly addressing the topic of circular economy/society, the project's objective included sustainable development based on the collaboration of local residents and public authorities and enabled by the creative sector: cultural institutions, artists, designers, architects, etc. UrbCultural ran ten BSR Demonstrator Projects in city neighbourhoods to test the ideas of Cultural Planning in different urban and socio-economic typologies. This experience has contributed to the creation of the Urban Toolkit, a repository of cultural planning methods and cases in the BSR. Furthermore, the method of cultural planning has been elaborated and reflected upon in twelve Urban Labs and three BSR conferences. As a result, a BSR Knowledge platform urbcultural.eu has been developed, and a BSR network of Hubs of Cultural Planning has been established, which will both continue beyond the end of the project.

Union of Baltic Cities:

This organisation of large and small BSR cities has inter alia been an Associated Partner of UrbCultural. The Union has organised a number of commissions, two of which are particularly relevant to the topic of place-based circularity: Sustainable Cities Commission, and Planning Cities Commission. Whereas the former is focused on UBC's work on sustainability issues and coordinates the entire UBC Sustainability Action Programme, the latter is also addressing sustainability more specifically by focusing inter alia on economic issues and the dialogue between city residents, private sector and public sector, facilitated through the lens of urban planning. It is essential to involve this BSR network in further activities of CircularPlace.

1.2. BSR transnational comparisons of nation states[10] in the Baltic Sea Region

Three general points can be made:

(1) The transition to CE is still in its very early phase, which also is a reflection that the EU only set the goal for its completion to 2050 some years ago.

(2) In all CE strategies and/or action plans, there is little or no direct reference to CCIs, and neither to the citizen-/consumer- and place-based perspectives

(3) There is a high degree of national diversity in speed, engagement and approaches in CE across the Baltic Sea Region

Not surprisingly for such a large and diverse region, the transition is happening with different speed and with different engagement from public, private, and civil society actors, resulting in the countries being at different levels regarding the circular transition.

All investigated countries either have a national CE strategy and/or action plan, or, if not, they have one on the way. However, these documents vary a lot in their scope and focus, resulting in different activities and targets. Further, in some countries the circular agenda seems to be highly prioritized with uptake for a wide range of ministries, whereas in others, there seems to be little engagement and support. In this respect, Finland can be perceived as one of the pioneers as they were the first country in the world to prepare a national roadmap towards a circular economy. The roadmap was published in 2016 and supplemented with a guide for other nations to seek inspiration in and follow.

In general, the circular economy agenda outsprings from the waste management, environmental and/or economic departments, but often with a waste management focus (as opposed to e.g., a social orientation). In German language, e.g., the word for circular economy is rooted in waste-management, making it even more difficult to bring the agenda out from this sector and making it a wider societal issue, as circular economy is. Having the circular economy so heavily rooted in the waste management sector might also be a barrier for increasing the focus on the “inner circles” such as reuse and repair, which are traditionally not the responsibility for the waste management sector.

[10] In some countries this report has a certain focus on sub-regional level of the country (NW Russia in RU, Schleswig-Holstein in DE), in relation to their location in the Interreg BSR Programme Area.

As circular economy is a complex and comprehensive framework, there are also many ways of approaching it. In several of the (particularly eastern European) cases, circularity seems to have become an issue of moving waste away from landfill and further up the waste hierarchy towards incineration and/or recycling, whereas in the Nordics and Germany, where waste management practices are typically more advanced, CE is more of an issue of improving on recycling and/or keeping resources in closer loops. However, as all EU countries are entitled to have a plan for waste prevention (including reuse and repair), most of the CE strategies and action plans presents a section on this, although mostly formulated in relatively vague terms, using wording such as “promoting”, “encouraging” or the like.
In the Nordic Countries and Poland, the CE agenda seems to be pushed firstly by the state/public sector whereas in Germany and the Baltic States the agenda seems to be carried more by NGOs, civil society and/or private actors.
Above findings are also supported by the report ‘No Time to Waste’ referenced earlier (footnote 6).

Transnational comparisons of local levels in the Baltic Sea Region

As on the national level, there are also large variations in the level of circular engagement between local levels. In the Nordics, many CE initiatives are rooted in municipalities, which is probably related to the fact that there is a tradition for placing the responsibility for waste management on municipal shoulders in these countries. Therefore several (but far from all) municipalities across the Nordics are picking up on the CE agenda by creating strategies, action plans, and/or concrete initiatives. Across the rest of the region, there is also sporadic but non-systematic engagement in the CE from cities. In Poland, e.g., there is a CE city program, aiming towards developing local circular strategies in several of the larger cities. In other countries, where the municipal role is less dominant, local engagement is more rooted in civil society, private and/or voluntary groups.

The role of CCIs

The creative and cultural industries contribute 4.2 % of Europe’s GDP[11], and are in themselves important parts of the economies of BSR countries. CCIs seem to be a vibrant and active sector across the region, but as with the level of CE engagement, there are significant variations to how much and in what way the sector operates and engages in

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[11] Source: EUSBSR PA Culture, https://www.eusbsr-culture.eu/

society. Many of the investigated countries have national strategies for CCIs, where the Scandinavian countries primarily focus on growth, digitalization, and export. In other countries – Poland, Germany, the Baltic States, Russia – there is (also) a focus on promoting sustainability, climate change, SDGs, or the like. No “formal link” between CCIs and CE thus was found (from either side), making the connection either weak or completely missing. In this respect, several informants noted that a stronger link between local governments and CCIs could be an interesting and new way forward in pushing the circular agenda, since CCIs will have a different take on citizens and consumers.

In this respect, it is also important to note that CE, as mentioned, is often presented as a relatively technical topic and therefore also with technical language which can make it difficult to grasp from the CCI (and other) sectors’ perspective. Therefore, lots of focus on circular elements such as waste prevention, reuse, repair, etc., were found in CCI activities, but often with a view to act against climate change, pollution, resource depletion, etc. Thus, there seems to be widespread interest in sustainability, climate change, and SDG topics amongst CCIs across the region, and many are working with circular principles as an integrated part of their business. This focus also seems to be taken up by consumers/citizens who are engaged in these topics.

In addition to the national initiatives, it should also be mentioned that international organizations, e.g., the Nordic Council of Ministers, have also prioritized CCIs from time to time. In 2008-2015 the program KreaNord aimed to develop and promote the Nordic region as leading within CCIs. KreaNord established cross-sectoral policy cooperation between the culture and business authorities in the Nordic countries, produced a range of reports and mappings, and launched several projects about e.g., entrepreneurship in artistic education and about financing opportunities for the creative industries[12]. Several institutions, e.g., the European Commission, saw the program as a great inspiration for other countries or regions to follow. In addition, in 2014-2017, the program “Nordic Partnership for Expansion of Cultural and Creative Industries” worked to strengthen the competitiveness of the Nordic cultural and creative industries in a global perspective, and to link these sectors with other sectors of the economy.

Another international Baltic Sea collaboration on the CCIs goes under the name Creative Ports[13] and has been funded by the Interreg BSR programme in 2019-2021. The project

[12] https://www.norden.org/en/node/3929
[13] https://www.creativeports.eu/about

works to improve and encourage collaboration between the CCI actors of the participating countries and to further develop strategies and processes around internationalization.

The role of place-based initiatives

This report presents a long list of examples that connect the circular economy, CCIs, and place-based initiatives which cannot easily be summarized. However, it has been noted that some initiatives seem to repeat themselves throughout many countries in the region:

- Repair cafés or similar repairing communities (most often initiated by volunteers/civil society)
- Initiatives under the “maker movement” umbrella such as makerspaces, hackathons, etc. (most often initiated by public and/or private actors)
- Second hand selling, sharing and exchanging (both C2C and B2C)
- Local government’s education activities for schools, citizens, etc. (particularly seen in the Nordics)
- Expand other areas and opportunities, e.g., Circular Munich in Germany.

There is a long list of interesting, creative, and inspiring cases which could be brought forward for inspiration in neighbouring countries. In addition to these, a list of other examples and initiatives is presented at the end of the report. Finally, it should also be mentioned that the EU just recently launched the so-called “New European Bauhaus initiative” which is set to connect the European Green Deal to our living spaces, i.e., making EU’s green strategy place-based. More specifically, this initiative calls on all Europeans *to imagine and build together a sustainable and inclusive future that is beautiful for our eyes, minds, and souls*. It will be a platform for experimentation and connection, fostering collaboration across thinkers and doers as well as a bridge between the world of science and technology and the world of art and culture. According to the EU itself, it is a “fresh” approach to finding innovative solutions to complex societal problems together through co-creation.

2. DESCRIPTION OF GAPS AND/OR CHALLENGES THAT EXIST IN THIS FIELD

2.1 Summary of the key findings from the Baltic Sea Region

The following section presents a summary of the research and conclusions on BSR level. For country-level insights, please refer to Appendix 1 to this report, which is a separate document.

There is no question that the CCI sector plays a vital role when it comes to transition from a linear to a circular economy in the form of visualisation and communication of resource and product consumption, establishing cultural ecosystems which unite and make visible the processes of remaking culture, local production, reuse practices, and other sustainable and circular practices.

Overall, the CCI is an active and growing sector in the BSR with a great number of initiatives addressing sustainable consumption and production, as well as CE. However, despite the sector's growing visibility and increasing involvement in CE, this mapping research also identified several challenges that the sector faces when it comes to strengthening the CCIs role in society and economy, and especially in playing a bigger role in CE transition. The challenges cover a wide range of areas and are related to **financing, collaboration, capacity building, business development and regulations**.

Below are the key challenges elaborated which are then followed by country-specific findings from the mapping study. These findings are based mainly on interviews conducted with selected stakeholders in the Baltic Sea countries covered by this study.

The link between CCI practitioners (incl. start-ups) and municipalities is weak. The mapping showed that the municipalities' involvement is stronger in the Nordic countries, while for example in the Baltic States many of the CE initiatives are driven by private companies or non-profit and citizen organizations. However, municipalities play an important role in engaging with citizens on sustainable and circular consumption practices, and many CCI activities that involve awareness raising and educational activities could benefit from a stronger collaboration with local authorities. Even though these CCI organizations who collaborate with public sector mention that in general the municipalities are interested in collaboration, it can be challenging to find "the right path" through a municipal system. In addition, some informants highlighted that the public sector awareness and level of expertise within CE is low, which sometimes is a challenge for CCI actors to build collaboration, create synergies or get support from the public authorities.

Limited economic feasibility and lack of proven circular business models. There is an overall lack of economic feasibility of circular economy initiatives and business models. Especially activities related to repair, reuse and upcycling lack financially sustainable business models and are often supported by municipalities or driven by voluntary labour. Circular business models are in general an area that is under development and experimentation in many sectors The CCI sector is in an even weaker position due to various reasons: for example, limited access to private funding, public funding's strong focus on proven business models and export, as CCI actors are usually SMEs with limited resources to innovate.

Limited market and production capacity. For many CCI businesses that are involved with circular economy it is hard to compete with commercial linear businesses because production processes (e.g., using secondary materials) are more resource intensive than production with virgin materials (primarily due to the extra preparation steps needed) and the margins are therefore significantly lower. Many CCI actors within CE need to find answers to questions such as where to produce, what it costs and how to earn money from their activities. Policy is needed that supports reuse, repair, renewal, remaking and upcycling of products and secondary raw materials as a production feedstock.

Limited access to capital. Due to the lack of economically proven business models, funding of CE solutions is a big challenge. Access to financing of CCI CE solutions (from idea to a pilot to a scalable business model) is limited, and larger funds are needed to develop systems and infrastructure that can grow small initiatives to sustainable organisations. The mapping shows that in general, the CCI sector in Nordic countries is in a slightly better position when it comes to public support of entrepreneurs and organizations in developing and implementing CE solutions. This can be explained, as Nordic countries seem to be a step further with the overall CE development in terms of national CE roadmaps and strategies, and they have moved to a stage where focus is on developing and implementing concrete solutions across sectors. Comparing to the Nordic countries, the Baltic countries seem to still be in a phase where national CE strategies are under development and focus is still on capacity building in the society and across various sectors. The mapping also showed a tendency that often the funding instruments are targeted at companies with solid and

proven business models. Creative circular products, services and business models that need development, prototyping and experimentation do not meet these requirements. Only a few public support initiatives provide funding for product and business model development and experimentation, including salary and operational expenses: for example, Innovation Fund DK with Innofounder and InnoExplorer programs. Additionally, the access to funding is often highly bureaucratic and it is in many cases challenging for CCIs to find the relevant authorities and funding calls.
Finally, when it comes to private funding, CE is still a relatively new field and due to its complexity and lack of proven circular business models, private investors are hesitant and unwilling to make these high-risk investments. This challenge is being recognized for example in Denmark, where one of the central actors in the CCI sector, Lifestyle and Design Cluster (LDC) has started a LifeStyle Growth Initiative where they are cooperating with Danske Bank and Danish Growth Fund to address this problem and collectively create better conditions for the CCI sector.

Industry collaboration is weak, and there is a lack of networks which encourage initiatives to join forces. CCI sector is looking for ways to be more circular and adapting new ways for designing new products and services; however, many of them do not find it possible to do this in the whole supply chain yet. CCI entrepreneurs are too busy with their own businesses and therefore they lack resources (time, people and money) to set up collaborations. There is a potential to collaborate with many stakeholders in various sectors, creating larger projects and benefiting all involved. However, this can also drain inner resources and not lead to anything, so it is vital to evaluate the benefits of partnerships, especially in the start-up phase.

Linear legislation and complicated legal requirements are still strong barriers in the circular economy transition. Despite the fact that there are many CCI companies and initiatives that engage with circular products and services, they still operate in a business environment that is governed to a great extent by linear legislation, and that poses several challenges. In the future, there is a need to shift taxes from labour to resources, making new products more expensive and repair cheaper. This will be an important enabler of circular business models that focus on prolonging the life of products via activities such as repair, renewal, and remaking. In the BSR currently only Sweden has implemented a law where VAT is lowered for repair of textiles, bikes and white goods.

3. DESCRIPTION OF NEEDS OF THE RELEVANT TARGET GROUPS

3.1 Summary of the key findings from the Baltic Sea Region

The following section presents a summary of the research and conclusions on BSR level. For country-level insights, please refer to Appendix 1 to this report, which is a separate document.

While this mapping study does not allow to make fundamental conclusions, it nevertheless allows to highlight some generic needs for future to strengthen the role of CCI in circular transitions. These needs are described below, but the list is not limited, and further studies are needed for better understanding of the field.

The CCI sector plays an important role in engaging with consumers on sustainable and circular consumption practices; however, the sector needs more **visibility and support** to drive educational and operative projects on a bigger scale. Despite the many CCI initiatives described in this report, the circular economy know-how among entrepreneurs is still too fragmented and limited to innovate and scale up ideas. Thus, **capacity building** within CCI sector is needed with potential for **cross-border collaboration and knowledge transfer.** Various support programs are needed that assist practical implementation of circular economy ideas: for example, support and facilitation of pilot projects, support for new equipment and technology, product and service development, prototyping, market surveys, feasibility studies, and similar.

Collaboration is key when developing and implementing circular economy, and CCI sector is no exception here. To strengthen the role and capacity of the CCI sector, there is a need for strong networks and platforms to share experiences, to build alliances, joint projects, campaigns and activities. However, collaboration needs facilitation and therefore funding schemes are needed for **cross-border, cross-sector and value chain collaborations**. This is needed on both national and cross-border level, as the BSR has lots of expertise and best practices developed over the years, and this knowledge transfer would strongly benefit the CCI sector across the region. The mapping showed that in general, there is a will to collaborate, but the CCI actors fight in their own field and often for the survival of the organisation (especially during the Covid-19 pandemic), hence support and facilitation are needed.

Another need that the mapping identified is the **financial support for the start-up phase and experimentation of circular business models**. Several informants highlighted that support is available in the form of free advisory, mentoring and capacity building; however, operational costs such as rent, salaries, product development and experimentation are usually not covered. This makes it difficult to focus, and often CCI entrepreneurs need to earn income for living from other jobs and develop CCI solutions from their own savings and during free time. This sets a big barrier for proving their ideas and scaling them up. Based on the findings of this study it can be observed that the situation is better in the Nordic countries with a wider range of funding opportunities, while Baltic countries experience a lack of funding when it comes to business development and operational expenses. In addition, there is a need for funding schemes that aim at partnership building and business model innovation across the value chain, where several companies collaborate to develop, test, and implement circular products and services.

Furthermore, as described in the previous chapter under challenges, the circular economy market is still limited, and consumers need education and easily accessible circular offers to change behaviour. Hence, there is a collective need within CCI related to building the market and **raising consumers' awareness** of the importance of circular economy and sustainable consumption practices. SMEs, start-ups, and the non-profit sector play significant roles in this, but educational activities need to be supported, funded and backed by public institutions to secure a broader reach within the society. Therefore, there is a need for **joint educational and awareness campaigns** (e.g., designers for circularity, fashion for circularity, the importance of repair, etc.) which empower CCI actors as well as consumers.
Finally, **convenient systems** and **infrastructure** need to be in place to make it easier for citizens to follow and adopt circular practices. This requires systemic thinking and thought-through strategies from local authorities in collaboration with private and non-profit sectors to design and develop services that make it easy for consumers to reuse, repair and recycle their products and make sustainable and circular choices a natural habit in their everyday lives.

4. AN OVERVIEW OF SELECTED INTIATIVES AND CASES

Several projects and initiatives are taking place in the Baltic Sea Region and elsewhere in Europe where CCI sector is engaged in circular economy. Below is an overview of some additional selected cases across the BSR.

The following section presents a summary of BSR- and EU-level initiatives. For country-level initiatives and cases, please refer to Appendix 1 to this report, which is a separate document.

A number of Interreg BSR and Interreg Europe projects have been reviewed in terms of their complementarity to CircularPlace, based on matching keyword search in project libraries. For Interreg BSR programme, these included: Circular PP, EcoDesign Circle 4.0, Osiris, StratKIT, BSR Starts S3, Ecoesign Circle, Ererc 2.0 Prep, SmartUp BSR, Hazbref, LARS, NHCRE, BALTICBIOMASS4VALUE, Baltic Urban Living, Low Temp, Inbets BSR, Lucia, MANURESTANDARDS, BALTICLSC, BEA APP, Creative Ports, SEMPRE, BALTSE@NIOR, SWW - Smart and safe work wear clothing, Response, ECOPRODIGI, BSN_Powerhouse, Innocave, Area 21, Ecolabnet, Greensam, Restart BSR, SmartUp Accelerator, and MAMBA. For Interreg Europe programme these included: Replace, Color circle, Ceci, Bioregion, Enhance, CircE, SinCE AFC, Retrace, SYMBI, and CESME.

We have chosen five most relevant projects to analyse in more detail. Sources of project descriptions are Interreg BSR project library and Interreg Europe project library, respectively. Longer descriptions of the selected projects are attached in Appendix 2 to this report.

In summary, it can be said that none of the completed or ongoing projects supported by Interreg BSR and Interreg Europe programmes are taking the approach of CircularPlace with its focus on CCIs. However, some of the projects recognise and address the engagement of citizens as a crucial component of transition to a circular economy and society. All of the analysed projects recognise the importance of building understanding and collaboration between diverse groups of stakeholders, but the configurations of stakeholders differ from that envisaged by CircularPlace. Whereas they have different focus areas, the projects discussed below offer valuable lessons and experiences which CircularPlace can further explore.

Project name	**Funding programme**	**Synopsis, website**	**Complementarity to CircularPlace**
Creative Ports	Interreg BSR	Internationalisation and networking of CCIs in BSR. Innovation 'tandems' between CCIs, public authorities and support organisations. Training of CCIs and prototyping of solutions for sustainability in partner cities. Jan 2019 – Jun 2021 creativeports.eu	A valuable contribution of Creative Ports is the building of a BSR CCI network and connecting it with public authorities and support organisations. While Creative Ports is not specifically focused on sustainability agenda, part of the project involved discussion of sustainability aspects in CCI development. In this way Creative Ports has laid a certain amount of groundwork for CircularPlace, which needs to be built upon by explicitly introducing circularity agenda to the created network, and strengthening its Placemaking aspects.
EcoDesign Circle, EcoDesign Circle 4.0	Interreg BSR	Focusing on designers and design centres in partner countries, the project aims to address circularity at the stage of design of products and services. Mar 2016 – Feb 2019, Aug 2019 – Jan 2021 ecodesigncircle.eu	While using the term 'ecodesign', the project clearly is focused on strengthening circularity by addressing the designer community, which is part of CCIs. Building the awareness and skills of designers to conceive circular products is certainly crucial to enable a circular economy. The learning from the project can be taken up by CircularPlace, and the circular design skills need to be further disseminated among CCIs in a broader sense and related to the communities of users in places, as well as other stakeholders: policy-makers, businesses, support organisations.

CECI	Interreg Europe	Focus on raising the awareness of the citizens' role in circular economy and creating citizen engagement in participating regions through project activities. Aug 2019 – Jul 2023. interregeurope.eu/ceci	The project addresses one of the components of CircularPlace 'triangle': citizens. The focus seems to be on exploring the engagement of authorities and citizens to support the circular mindset and adoption of circular services. As the project is ongoing, it is worth contacting project partners to gain a better understanding of their approach and methods.
CESME	Interreg Europe	Providing tools for SMEs to convince them of the advantages of the circular economy model and encourage them to start the transition. Apr 2016 – Sep 2020 interregeurope.eu /cesme	The project is focused entirely on SMEs, in this sense demonstrating a classical approach of targeting businesses with the Circular Economy message. However, it is worth considering for the CircularPlace how to build on this experience and address SMEs by including citizens, enabled by CCIs who of course are often also SMEs.
Color Circle	Interreg Europe	Connecting regional authorities and stakeholder groups with research capacities to facilitate the transition to the circular economy Aug 2019 – Jul 2023 www.interregeurope.eu /colorcircle	The project recognises circular economy as a cross-cutting issue which does not fit one sectoral policy. With its focus on regional authorities and research institutions, this project can serve as an example of conceptualising circular economy as a societal topic. As the project is ongoing, CircularPlace partners should follow its developments.