

# **CIRCULAR STRATEGIES OF CITIES AND TERRITORIES**

*Posted on 13/12/2022 by Naider*

## Service approach

Collaborative construction of circular strategies for territories and cities and identification and implementation of opportunities.

## Context

The European Green Deal, which entered into force on December 11, 2019, is Europe's main roadmap to promote a more efficient economy in the use of resources, restore biodiversity and reduce pollution. The European Green Deal has positioned itself at the forefront of the European agenda after the pandemic, and far from being relegated, during 2020 a series of plans and agreements have been successively published that direct and support the transition towards an economy and more sustainable, resilient and efficient society in the use of resources (European Commission, 2019).

One of the main instruments to meet the objectives of the European Green Deal is the Circular Economy Action Plan, which came to light on March 11, 2020. The Circular Economy Action Plan is focused on reducing the consumption footprint of the European Union (EU) and double the rate of use of circular material in the territory in the next decade. Its fields of action are more oriented towards maintaining the value of materials and products and mitigating environmental problems such as pressure on natural resources or the generation of waste. However, it also seeks to increase synergies with one of the great objectives of the European Green Deal, which is to achieve climate neutrality by 2050 (European Commission, 2020a).

The Plan has a life cycle approach and three main lines of action are established to act on the complete life cycle of the products and thus achieve more sustainable products; product design, consumer empowerment and more sustainable production processes. As for the key value chains that are identified and on which actions are prioritized, we find; Electronics and ICT; Batteries and vehicles; Containers and packaging; plastics; Textile products; Construction and buildings; Food, water and nutrients. These key value chains are prioritized due to their intensive use of raw materials and due to the great possibilities that currently exist for their circularization.

The Circular Economy is nourished by different areas and schools of knowledge such as the service economy or the ecological economy. This is not a completely new concept and the fundamentals behind the concept have been around for a long time. Although the nuances differ, there seems to be some agreement that it is about understanding the economy as a closed-loop cyclical system (Murray et al., 2017). The Circular Economy presents a new paradigm that seeks to decouple economic growth from the use of material resources, keeping the value of products, materials and resources in the economy for as long as possible.

In practice, it is about looking for new business models that aspire to reduce the consumption of resources, not to generate waste and to use energy, materials and products more efficiently (Mestre and Cooper, 2017).



As can be seen in the graph, the Circular Economy covers the entire life cycle of a product or service. From rethinking products and their production processes to reduce the demand for raw

materials and resources, to increasing their useful life through recovery (reuse, reconditioning or remanufacturing, among others) and leaving material recycling practices as a last option. or recovery of residual value. In this way, an attempt is made to postpone the end of the useful life of a product as much as possible (Korhonen et al., 2018). In short, the aim is to minimize the generation of waste by trying to extend the useful life of the products or even rethinking them at source.

Moving from a linear economy where it is produced, used and discarded to a circular one where the value of materials and products is maintained for as long as possible in the life cycle requires a structural change. The problems that derive from having a linear economy are of a systemic nature, since the individual companies that make up the productive fabric are part of other broader systems where there is constant interaction with other stakeholders and a broad ecosystem of agents. In a Circular Economy, this system is conceived as cyclical and regenerative, keeping similarities with the biological cycle of Nature (Murray et al., 2017).

Moving towards a Circular Economy requires a large-scale vision, where the entire productive and consumer fabric adopts circular practices. To carry it out, it is necessary to have a strategic territorial or city approach accompanied by robust public-private collaboration and multilevel governance mechanisms to undertake change. A systemic approach is needed to solve the problems presented by the current linear economy.

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