



**10th Annual Forum of the EU Strategy of Baltic Sea Region
12-13th of June, 2019
Gdańsk, Poland**

SUMMARY REPORT

Seminar: *No time to waste. Unlocking the circular potential of the Baltic Sea Region - findings from the Report*

Time: Wednesday, 12 June 2019, 15:15 - 16:45

Polityka Insight has prepared a report titled "No time to waste. Unlocking the circular potential of the Baltic Sea Region" on the occasion of the tenth forum on EU Strategy for the Baltic Sea Region (EUSBSR) for the Marshal's Office of the Pomorskie Voivodeship. During the seminar Adam Czerniak, Director for Research and Chief Economist at Polityka Insight and Paweł Wiejski, European Affairs Analyst at Polityka Insight presented the challenges for the countries of the region, as well as the state of transformation of the economy in the Baltic countries from the linear to the so-called "circular economy", and presented the possible ways in which the situation could develop. The authors also discussed a set of general recommendations (for decision-makers at the national and EU level), in addition to more detailed ones (for the region in the context of the upcoming revision of the macro-regional strategy).

According to Czerniak and Wiejski the traditional economic model does not match a changing world. The current, so-called linear model is mostly based on non-renewable materials, in such a way that threatens the environment. Consumption in developed countries is excessive and irresponsible, and only some of the goods are recycled, while the rest quickly end up in landfills and incinerators. The functioning of the economy is also made worse by adverse climate changes. The Baltic Sea illustrates such problems well - it is one of the most polluted stretches of water in the world mostly due to the use of fertilizers in agriculture.

In the ideal version of this model, goods are produced only from recycled materials, while no rubbish goes to landfills or to non-ecological incinerators. This concept has been officially promoted by EurCom starting in 2017 (see CE initiative package). The PI report shows that in the Baltic countries the benefits of using this model go beyond environmental and climate protection. The transformation of the economies towards circularity will increase the innovativeness and competitiveness of the Baltic countries on the world stage. It will also have a positive impact on employment (although some sectors may suffer as a result of the change).

The Nordic countries (Finland, Sweden and Denmark) and Germany are the most advanced on this issue. Helsinki and Berlin already have a comprehensive CE strategy; the majority of countries (apart from Poland and Latvia) have also launched programmes to charge



deposits on plastic bottles. Educational and promotional activities to do with CE are becoming more and more popular, in particular those promoting responsible consumption. The energy policy of the various countries in the region is also moving towards circularity thanks to the growing role of renewable energy sources, but this is an area showing great variation among individual countries.

Over the next decade, the economy in the Baltic Sea region will remain linear, while the currently observed differences between countries will not significantly decrease. The changes will happen slowly, and EU policy will become one of the factors that will drive them. In the following years, initiatives will be gradually introduced from the CE package, tackling recycling, waste management and wastewater treatment. The digitization of the economy, which will allow an increase in the efficiency of production processes, is also important. Greater public awareness will positively impact the behaviour of both consumers and investors.

Intensification of cooperation is the main recommendation of the report. It would also be beneficial to set up a special fund to support business models aimed at reducing material consumption and increasing the efficiency of production. Exchange of experience between countries of the region can help those countries that are only at the beginning of the process of economic transformation. Action at EU level is also needed to speed up changes, especially those related to increasing the responsibility of producers for product durability. The report also contains a proposal of a system of taxes and subsidies promoting circular production, the introduction of which would not involve costs for the budget.

The report was discussed by Piotr Barczak, Senior Policy Officer for Waste at the European Environmental Bureau; Kuba Walasek, Country Manager at Too Good To Go; Kari Herlevi, Project Director Circular Economy at SITRA and Carolina Garcia Gomez, CEO of IKEA Retail Poland. In a lively exchange, panellists discussed the substance of the report, as well as some specific challenges in implementing circular economy policies. Kuba Walasek explained the consequences and scale of the food waste problem in Europe, and proposed some innovative, bottom-up solutions. Kari Herlevi discussed Finland's achievements in implementing circular economy policy and the importance of strategic, long-term planning. Carolina Garcia Gomez focused on the opportunities that circular economy provides for business models, and on the responsibility of the private sector in protecting the environment. Piotr Barczak shared some insights into the waste management policies, in particular into the importance of phasing out waste incineration and landfilling. Panellists also took questions from the floor and via the conference's app, on issues ranging from sustainable financing, through the UN's Sustainable Development Goals, to the social aspects of environmental policies.