

Report

Date February 23, 2024

File:

Subject Summary of the Circular Economy Accelerator Program

PURPOSE

To provide the Economic Development Committee with an update on the Circular Economy Accelerator Pilot Program and consider future program involvement.

BACKGROUND

North Cowichan's Official Community Plan aspires to create new business models and economic sectors that are more sustainable, regenerative, and resilient as a response to the desire to address climate change at a local level. The Climate Action and Energy Plan outlines eco-industrial development and circular economy as opportunity areas that benefit both climate and economic implementation. The Economic Development Committee's work plan includes participation in the Circular Economy Accelerator Program.

North Cowichan partnered with the [Vancouver Island Coast Economic Developers Association \(VICEDA\)](#) and [Synergy Foundation](#) to deliver the [Circular Economy Accelerator Program](#). Council allocated \$10,000 from the Climate Action Energy Plan Reserve Fund in 2022 to support the program development and North Cowichan business participation. As part of program development, a Circular Economy Business Guide, a webinar series aimed at different sectors, and a Pilot phase Final Report (Attachment 1) were created and are available resources on [VICEDA's Circular Economy](#) website.

Based on the pilot program's success, a multi-year program, branded as the Vancouver Island Coast Circular Economy Ecosystem Project, is under development. Letters of Intent from municipal partners have been requested before the end of March 2024 to help secure the external grant funding and signal participation interest in the next phase of the program.

DISCUSSION

The current general model of production (linear economy) often involves resource extraction, high transportation costs, and products that eventually end up as waste and are thrown away. The circular economy is a tool that can be used to retain waste, resources, and manufactured goods within the production system, with the goal of innovation, reuse and repair, redistribution, reconditioning, recycling, and use of renewable energy. A business adopting circular principles could see the following benefits:

- Reduced operational costs by optimizing resource use and waste management.
- Greater innovation, leading to unique products and services that can differentiate a business in the market.
- Increased long-term sustainability by reducing reliance on finite resources and adapting to a changing economic landscape focused on sustainability.

The Circular Economy Accelerator Pilot Program ran from 2022 to 2023 and demonstrated the feasibility and benefits of circular economy practises in diverse industries. The objectives of this pilot program were to:

1. Support Vancouver Island businesses to adopt circular economy practices and strategies by providing consulting, training, and resources.
2. Facilitate peer-to-peer learning regarding opportunities and ways to overcome challenges.
3. Build the business case for circular solutions with proven success metrics.
4. Deepen understanding of the gaps and opportunities in the market within a circular economy.

The program was advertised on North Cowichan's website and social media, and Duncan Paving and Westcoast Prefab filled North Cowichan's spots. These participants received hands-on support from a circular advisor, an opportunities assessment, and an action plan.

The program identified 712 circular opportunities among 16 participating businesses, achieving an average circularity of 52% among participants. Participating businesses were strongest in areas of reuse, and opportunities were identified in optimizing water, energy, and procurement processes. On average, assessments identified 41 actions per business to increase circularity and reduce waste by 28,000 kg and GHG emissions by 91 tCO₂e if adopted.

[Duncan Paving](#) presented to the Economic Development Committee in October 2023 on their experience participating in the program. Duncan Paving is an asphalt paving company that supplies asphalt product and placing (paving) to residential and commercial customers, including North Cowichan and the Ministry of Transportation and Infrastructure. Duncan Paving highlighted how they are integrating circular economy principles in their asphalt production and usage by reprocessing asphalt product extracted from milled roads, leading to significant reductions in waste and increased recycling of materials. Highlighted findings from their assessment are profiled on [Facebook](#) and [Instagram](#).

[Westcoast Prefab](#) is a steel manufacturing facility that supplies products and services for the pulp and paper sector. Westcoast Prefab included this quote in the pilot phase [final report](#): "The process of pulling together all of our inputs has been extremely helpful. We work in the renewable forestry industry which is poised to become one of BC's best tools in combatting climate change. Our circularity assessment now gives us baselines and recommendations to start somewhere. We now know where we are and want to be part of the change in industry that is gaining momentum." Highlighted findings from their assessment are profiled on [Facebook](#) and [Instagram](#).

The next phase of program development is under development, which builds off the success of the program pilot. A \$1.1 million multi-year program has been developed, and funding is being secured from other levels of government, business, and local governments under the rebranded "Vancouver Island Coast Circular Economy Ecosystem Project." This project includes:

1. Business Circular Transition Program (formerly the Circular Economy Accelerator Pilot Program), target 85 businesses over two years across Vancouver Island and works to create circularity plans and implementation support;
2. New Venture Training Program (formerly the Project Zero Incubator Program), an eight-month training and capacity program with annual cohorts of ventures at the early-stage concept of business initiation; and
3. Ecosystem and Waste Hub studies directed at target issues and opportunities to advance circular

economy in communities by increasing access to waste and space.

Letters of Intent have been requested of municipal funding partners by March 2024 to help secure the external grant funding and signal participation interest in the next phase of the program (Attachment 2). The financial obligation for local government would equate to \$2,500 per participating business in the municipality.

OPTIONS

1. **(Recommended Option)** THAT the Economic Development Committee support the continuation of the Circular Economy Accelerator Program and recommend that Council direct staff to:
 - (1) Provide a Letter of Intent to Synergy Foundation to signal our continued interest in program participation and
 - (2) Allocate \$15,000 (\$7,500 per year) from the Climate Action and Energy Plan Reserve Fund for the Circular Economy Accelerator Program to secure space for three North Cowichan businesses in the 2024 cohort and three North Cowichan businesses in the 2025 cohort.
 - This funding commitment helps show that North Cowichan is taking a leadership role in reducing business costs by reducing waste, improving the company's environmental performance, increasing sales for local circular products and services, and attracting talent and investment. This project is consistent with the goals of the Official Community Plan, the Climate Action Energy Plan, and the Economic Development Committee's work plan. The \$15,000 would guarantee six spots for North Cowichan businesses to participate in the program.
2. THAT the Economic Development Committee support the continuation of the Circular Economy Accelerator Program and direct staff to:
 - (1) Provide a Letter of Intent to Synergy Foundation to signal our continued interest in program participation; and,
 - (2) Allocate [*insert amount*] from the Climate Action and Energy Plan Reserve Fund for the Circular Economy Accelerator Program.
3. THAT the Economic Development Committee recommend that Council discontinue their participation in the Circular Economy Accelerator Program.
 - This option is inconsistent with the Official Community Plan and Climate Action and Energy Plan goals. Goals of low carbon industry, agriculture and forestry, local renewable energy generation, and diversion of solid and organic waste are examples where opportunities to innovate may be missed or delayed.

IMPLICATIONS

The importance of increasing the ability for local businesses to provide the goods and services needed while reducing waste and emissions is becoming more apparent as businesses look to reduce costs. Applying circular principles can also create innovative products through new opportunities for the use of materials once thought of as waste. Some examples of this include reuse of used chopsticks into furniture by [ChopValue](#), creation of bags from old sail cloth by [Salt Legacy](#) or [Ergo Eco Solutions](#) creating biodiesel from old fryer oil. Leveraging the expertise of others through programs such as this will help move toward the goals faster than going alone and use resources more effectively.

The Climate Action Energy Plan Reserve Fund's projected balance at the end of 2024 is \$19,176 and is replenished annually through the budget allocation process (estimated to be \$190,000 in 2025). Funds can be allocated to support the recommended option of \$15,000 over two years.

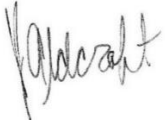
Synergy Foundation and VICEDA members will manage communications and marketing, reducing North Cowichan's workload while creating products that can be leveraged through our platforms. Staff will work through the Economic Development Committee to ensure the maximum benefit of the program for North Cowichan and foster valuable relationships.

RECOMMENDATION

THAT the Economic Development Committee support the continuation of the Circular Economy Accelerator Program and recommend that Council direct staff to:

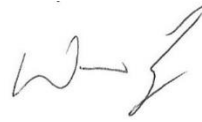
- (1) Provide a Letter of Intent to Synergy Foundation to signal our continued interest in program participation; and,
- (2) Allocate \$15,000 from the Climate Action and Energy Plan Reserve Fund for the Circular Economy Accelerator Program, to secure space for three North Cowichan businesses in the 2024 cohort and three North Cowichan businesses in the 2025 cohort.

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Report reviewed by:



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Approved to be forwarded to Council:



Ted Swabey
Chief Administrative Officer

Attachments:

- (1) Circular Economy Accelerator Final Report
- (2) Draft Letter of Intent